

**DRIVER ESPAÑA SIX**

**FONDO DE TITULIZACIÓN  
SECURITISATION NOTES FOR AN AMOUNT OF  
EURO 1,035,700,000**

|                |                           | <b>S&amp;P Global Ratings</b> | <b>DBRS Ratings Limited</b> |
|----------------|---------------------------|-------------------------------|-----------------------------|
| <b>Class A</b> | <b>Euro 1,000,000,000</b> | <b>AAA(sf)</b>                | <b>AAA(sf)</b>              |
| <b>Class B</b> | <b>Euro 35,700,000</b>    | <b>A+(sf)</b>                 | <b>A(high)(sf)</b>          |

**Backed by receivables arising from auto loans assigned by  
VOLKSWAGEN BANK GMBH, SUCURSAL EN ESPAÑA**

**ARRANGER  
ING BANK N.V.**

**JOINT LEAD MANAGERS  
ING BANK N.V.  
and  
COMMERZBANK AG**

**UNDERWRITERS AND PLACEMENT ENTITIES  
ING BANK N.V.  
COMMERZBANK AKTIENGESELLSCHAFT  
DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, FRANKFURT AM MAIN  
SANTANDER CORPORATE AND INVESTMENT BANK  
and  
CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK**

**PAYING AGENT AND ACCOUNT BANK  
BNP PARIBAS SECURITIES SERVICES SUCURSAL EN ESPANA**



**Securitisation Fund administered by  
TITULIZACIÓN DE ACTIVOS, S.G.F.T., S.A.**

This Prospectus has been approved and registered with the official Registries of the Spanish Securities Market Commission on 20 February 2020

**NOTICE IN RESPECT TO THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS**

THIS PROSPECTUS HAS BEEN ENTERED IN THE REGISTERS OF THE SPANISH SECURITIES MARKET COMMISSION ON 20 FEBRUARY 2020 AND SHALL BE VALID FOR A MAXIMUM TERM OF TWELVE (12) MONTHS FROM SUCH DATE. HOWEVER, AS A PROSPECTUS FOR ADMISSION TO TRADING IN A REGULATED MARKET, IT SHALL BE VALID ONLY UNTIL THE TIME WHEN TRADING ON A REGULATED MARKET BEGINS, IN ACCORDANCE WITH REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 14 JUNE 2017 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET, AND REPEALING DIRECTIVE 2003/71/EC. ACCORDINGLY, IT IS EXPRESSLY STATED THAT THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY AFTER THE TIME WHEN TRADING ON A REGULATED MARKET BEGINS.

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This document constitutes the informative prospectus (the "**Prospectus**") of DRIVER ESPAÑA SIX, FONDO DE TITULIZACIÓN (the "**Fund**" and/or the "**Issuer**"), authorised by and registered with the Spanish Securities Market Commission, in accordance with Commission Delegated Regulation (EU) 2019/980, supplementing Regulation (EU) 2017/1129 as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, as amended from time to time "**Regulation 2019/980**", which includes:

1. a document describing the main risk factors of the Fund, of the assets backing the issue and of the securities issued by the Fund (the "**Risk Factors**");
2. a registration document prepared in accordance with Annex 9 of Regulation 2019/980 (the "**Registration Document**");
3. a securities note prepared in accordance with Annex 15 of Regulation 2019/980 (the "**Securities Note**");
4. an additional building Block to the Securities Note prepared in accordance with the Block in Annex 19 of Regulation 2019/980 (the "**Additional Building Block**"); and
5. a glossary of defined terms used in this Prospectus (the "**Glossary**").

Any websites included and/or referred to in this Prospectus are for information purposes only and do not form part of this Prospectus and has not been scrutinized or approved by the CNMV.

## I. RISK FACTORS

### 1. SPECIFIC RISK FACTORS WHICH ARE SPECIFIC AND MATERIAL TO THE NOTES

#### 1.1 Risks concerning the underlying assets backing the issue

##### 1.1.1 Risk of non-payment of the Loan Receivables

The Notes will bear the default risk of the Loan Receivables held by the Fund and, therefore, this may impact on the ability of the Fund to repay the Notes. In this regard, it is hereby noted that, as of 31 January 2020, 1.58% of the loans comprising the total portfolio of the Seller (by reference to the activity of its Spanish branch) were in arrears.

Likewise, the Seller will not be held liable, in any form whatsoever, of directly or indirectly guaranteeing the successful conclusion of this Transaction, nor will it grant collateral or personal or in rem guarantees, nor will it enter into agreements or assume obligations to repurchase the Loan Receivables (other than the commitments given in sections 2.2.9 and 3.7.1 of the Additional Building Block).

The Seller will not assume any liability for the default of the Borrowers regarding their payment obligations whether for principal, interest, or any other amount due in connection with the Loan Receivables. According to article 348 of the Spanish Commercial Code, the Seller will only be liable for the existence and legitimacy of the Loan Receivables at the time of its assignment to the Fund and in the terms and conditions established on this Prospectus, as well as for the capacity in which it carries out the assignment of the Loan Receivables to the Fund (as the owner of them). Furthermore, in no event will a delay in the payment of the interest or a delay in the reimbursement of the principal amount to the Noteholders of any Class result in the accrual of additional or overdue interest.

##### 1.1.2 Risk concentration depending on the years of origination of the Loans and depreciation of the value of the vehicles

According to section 2.2.2 of the Additional Building Block, the years that represent a higher concentration of origination from the Loans on 31 January 2020 (the "**Cut-off Date**"), that constitute the portfolio on such Cut-off Date (the "**Cut-off Portfolio**") are, as a percentage of the total number of Loans and the Aggregate Discounted Receivables Balance of the Loan Receivables, 2018 (representing 49.59% of the total number of Loans and 47.27% of the Aggregate Discounted Receivables Balance of the Loan Receivables) and 2019 (representing 31.59% of the total number of Loans and 40.20% in respect of the Aggregate Discounted Receivables Balance of the Loan Receivables) which as a whole represent 81.18% of the total number of Loans and 87.47% with respect of the Aggregate Discounted Receivables Balance, as detailed in chart 20 in section 2.2.2 of the Additional Building Block. On the Cut-off Date, the Aggregate Discounted Receivables Balance of the Loan Receivables corresponding to the loans granted in said years is €976,289,395.61.

Additionally, according to section 2.2.2 of the Additional Building Block, 31.57% of the Loans (representing 40.19% of the Aggregate Discounted Receivables Balance of the Loan Receivables) have a seasoning lower than or equal to 12 months and 49.87% of the Loans (representing 47.52% of the Aggregate Discounted Receivables Balance of the Loan Receivables) have a seasoning between 13 and 24 months, which as a whole means that 81.44% of the total number of Loans have 24 or less instalments paid as of Cut-off Date, as detailed in chart 14 in section 2.2.2 of the Additional Building Block (such Loans represent 87.71% of the Aggregate Discounted Receivables Balance). The weighted average seasoning of the Loans is 15.18 monthly instalments paid as of Cut-off Date.

The immediate depreciation of the value of the vehicles at the time a vehicle leaves the concessionary represents approximately 20% of its value. The average depreciation per month is approximately 2% of the market value of the vehicle at all times (in any case, the depreciation depends on the model of the vehicle, these percentages do not apply equally) for the first year, 1% for the second and third year and 0.5% for the fourth and subsequent years. The average age of the vehicles being financed by the Loans comprising the Cut-off Portfolio is 1.67 years.

In accordance with table 2 of section 2.2.2 of the Additional Building Block, 19.85% of the Loans on the Cut-off Date (representing a percentage of 21.33% of the Aggregate Discounted Receivables Balance of the Loan Receivables) refer to financings for the acquisition of used cars. In this respect, it has to be taken into account that, in general, the value of used cars is subject to greater fluctuations than the one of new cars.

Consequently, if the relevant Borrower defaults on the repayment of any of those loans, it cannot be ruled out that the amount resulting from the financed vehicle will not be sufficient to cover the amount in default and, thus, this may impact on the ability of the Fund to repay the Notes.

#### 1.1.3 Reservation of title

As shown in Chart 17 of section 2.2.2 of the Additional Building Block, the Seller has contractually agreed the reservation of title with all the Borrowers, but the reservation of title has not been registered with the Chattels Register, with respect to 57.15% of the Loans making up the Cut-off Portfolio, which represent 55.28% of the Aggregate Discounted Receivables Balance of the Loan Receivables making up the Cut-off Portfolio. Such Loans would therefore be the ones that would not benefit from the enforceability regime vis-à-vis third parties acting in good faith of the reservation of title, such as it is explained in section 2.2 of the Additional Building Block. In case the corresponding reservation of title has not been registered with the Chattels Register, such reservation of title will not be enforceable against *bona fide* third parties, and therefore in case of non-payment, it will only be enforceable against the relevant Borrower as it is explained in section 2.2 of the Additional Building Block. It has been agreed that the assignment of the rights deriving from the reservation of title clauses will not be registered with the Chattels Register in the name of the Fund as long as the Seller continues to be the Service Provider. Only if the Seller ceases to act as the Service Provider of the Loan Receivables, the assignment of the rights referred to above will be registered in the name of the Fund by the new Service Provider. In such scenario, the costs associated to the registration of the relevant reservation of title clauses in favour of the Fund will be borne by the Fund. The registration of a reservation of title with the Chattels Registry could amount approximately 50-70 Euros each. These costs will be considered as Extraordinary Expenses of the Fund and, thus, will reduce the Available Distribution Amount to repay the Notes.

#### 1.1.4 Geographical concentration risk

As detailed in section 2.2.2 of the Additional Building Block, the Spanish Autonomous Communities that represent the major geographical concentration of the Borrowers' domicile are, in percentage with respect to the total number of loans and the Aggregate Discounted Receivables Balance of the Loan Receivables (as this term is defined in section 4.4.3 of the Registration Document), Cataluña (20.40% of the total number of Loans and 20.60% of the Aggregate Discounted Receivables Balance of the Loan Receivables), Andalucía (16.98% of the total number of Loans and 17.40% of the Aggregate Discounted Receivables Balance of the Loan Receivables) and Madrid (15.42% of the total number of Loans and 14.19% of the Aggregate Discounted Receivables Balance of the Loan Receivables), which as whole represent a total percentage of 52.80% of the total number of Loans and 52.19% of the Aggregate Discounted Receivables Balance of the Loan Receivables, as detailed in the chart number 18 of section 2.2.2 of the Additional Building Block. On the Cut-off Date, the

Aggregate Discounted Receivables Balance of the Loan Receivables for the loans granted to Borrowers residing in those Autonomous Communities is €582,497,929.72.

Given the abovementioned levels of concentration, the occurrence of an economic, political or social crisis or a natural disaster on these geographical regions could affect the payment by the Borrowers of the Loan Receivables backing the Notes Issue.

#### 1.1.5 Ratio of loan amount to value of financed vehicle

As shown in Chart 22 of section 2.2.2 of the Additional Building Block, 30.12% of the Cut-off Portfolio (representing 37.68% of the Aggregate Discounted Receivables Balance of the Loan Receivables) have been granted for an amount greater than 80% of value of the financed vehicle and, in particular, 3.71% of the Cut-off Portfolio (representing 5.77% of the Aggregate Discounted Receivables Balance of the Loan Receivables) have been granted for an amount greater than the value of the financed vehicle. Additionally, as indicated in section 1.1.2 above, the depreciation of the value of a vehicle is significant from the time said vehicle leaves the concessionary. Consequently, if the relevant Borrower defaults on the repayment of any of those loans, it cannot be ruled out that the amount resulting from the financed vehicle will be insufficient to cover the amount in default and, therefore, this may impact on the ability of the Fund to repay the Notes.

#### 1.1.6 Guaranteed and Non-guaranteed Loans

87.47% of the Loans in the Cut-off Portfolio (representing 86.56% of the Aggregate Discounted Receivables Balance of the Loan Receivables) have no third-party guarantee. Only no third party guaranteed Loans representing 30.57% of the Loans (31.48% of the Aggregate Discounted Receivables Balance of the Loan Receivables) have a reservation of title registered in the Chattels Register. The absence of guarantees could potentially reduce the likelihood of recoveries and, thus, this may impact on the ability of the Fund to repay the Notes.

### 1.2 Risks related to the nature of the Notes

#### 1.2.1 Limited Liability and Recourse under the Notes

The Noteholders and other creditors of the Fund shall not have any rights of action neither against the Borrowers upon the failure of the payment obligations of the latter, nor against the Seller. Any such rights shall lie with the Management Company, representing the Fund, without prejudice to the instructions that can be given to the Management Company by virtue of a resolution of the meeting of creditors ("**Meeting of Creditors**"), as detailed in section 4.11 of the Securities Note.

The Noteholders and the remaining creditors of the Fund shall not have any rights of action neither against the Fund nor against the Management Company in the event of a payment default of the amounts due by the Fund arising from: (i) the existence of delinquency or prepayment of Loan Receivables; or (ii) in the event the protective financial transactions aimed at covering the financial obligations of the Notes of each Class are not sufficient.

The Noteholders and the other creditors of the Fund will only have a right of action against the Management Company as a consequence of the failure to comply with the legal duties of the latter or the breach of the provisions contained in article 26 of Law 5/2015 of 27 April on promoting corporate financing (the "**Law 5/2015**"), in the Deed of Incorporation or in this Prospectus.

The Notes and the Subordinated Loan represent obligations of the Fund only, and do not represent obligations of Management Company nor of the Seller, the Arranger, the Joint Lead Managers, the Placement Entities, the Paying Agent, the Account Bank or any other third party or entity.

Except for the enhancement measures described in section 3.4.2 (*Information on any credit enhancements*) of the Additional Building Block, there are no other guarantees granted by an entity, either public or private, including the Seller, the Management Company or any other Affiliate or participated company of the previous entities. The Loan Receivables held by the Fund and the rights linked to them are the main source of income of the Fund and, therefore, the main source of payment to the Noteholders.

#### 1.2.2 Notes' eligibility

There is no assurance that the Class A Notes will be recognized as eligible collateral to the Eurosystem monetary policy operations either upon issuance or at any or all times until the Final Maturity Date. Such recognition will, inter alia, depend upon the European Central Bank being satisfied that the Eurosystem eligibility criteria set out in the European Central Bank Guideline (ECB/2014/60) of 19 December 2014 (as amended) have been met. Such criteria may be amended by the European Central Bank from time to time or new criteria may be added.

None of the Arranger, Joint Lead Managers, Placement Entities or the remaining transaction parties gives any representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue, or at all times before the redemption in full, satisfy all requirements for Eurosystem eligibility and be recognised as Eurosystem collateral. Any potential investor in the Class A Notes should make their own conclusions and seek their own advice with respect to whether or not the Class A Notes constitute Eurosystem eligible collateral.

#### 1.2.3 Rating of the Notes

The purchase of the Notes may be made based, among others, on the provisional ratings assigned to the Notes. In no circumstance, the Underwriters or the investors (once the Underwriters have placed the Notes) will be allowed to revoke the purchases of the Notes already completed even in the case the provisional ratings are not confirmed.

The credit risk of the Notes issued against the Fund has been evaluated by the following rating agencies: S&P Global Ratings Europe Ltd. ("**S&P Global Ratings**") and DBRS Ratings Limited ("**DBRS**", and jointly with S&P Global Ratings, the "**Rating Agencies**").

The provisional ratings are detailed in section 7.3 of the Securities Note and were assigned on 16 January 2020 by DBRS and by S&P Global Ratings. Only provisional ratings are referred to in this Prospectus. It is expected that the final ratings of the Notes are made public by DBRS prior to the subscription period and by S&P Global Ratings no later than Closing Date.

The non-confirmation of the provisional ratings by any of the Rating Agencies will not constitute an early liquidation event of the Fund. Following the acquisition of the Notes, such acquisition will not be terminated in the event that any of the provisional ratings are not confirmed or if the final ratings (or any of them) are different from the provisional ones.

#### 1.2.4 Subordination of Notes and repayment procedure

The Notes (both interest and principal amounts) will only be paid once the amounts payable by the Fund to the Swap Counterparty in respect of any Net Swap Amounts and, under certain circumstances, the Swap Termination Payments under the Swap Agreements have been paid. The subordination rules among the Notes and the Swap Agreements are established in the Order of Priority and in the Liquidation Order of Priority contained in section 3.4.7 of the Additional Building Block.

Therefore, insofar as there are payments under the Swap Agreements that, in certain circumstances, rank higher than the payment of interest and principal amounts under the

Notes, the relevant Noteholders may experience delays and/or reductions in the interest and principal payments on their Notes, as applicable.

The Class B Notes are subordinated to the Class A Notes in respect of the payment of interest and repayment of principal. The subordination rules among the various Classes of Notes are established in the Order of Priority and in the Liquidation Order of Priority contained in section 3.4.7 of the Additional Building Block.

The repayment of the principal of the Class B Notes shall begin once the Class A Notes have been repaid in full. However, as indicated in section 4.9.3 of the Securities Note, there are certain events under which the repayment of the Class A Notes and the Class B Notes would take place on a certain Payment Date, simultaneously, to the extent that the Aggregate Discounted Receivables Balance of the Loan Receivables on a Payment Date exceeds specific parameters, on the terms and according to section 4.9.3 of the Securities Note.

#### 1.2.5 Breach of contract by third parties and creditworthiness of the parties

The ability of the Fund to make any principal and interest payments in respect of the Notes depends to a large extent upon the ability of the parties to the Transaction Documents to perform their contractual obligations. In particular, and without limiting the generality of the foregoing, the timely payment of amounts due in respect of the Notes depends on the ability of the Service Provider to service the Loan Receivables and on the maintenance of the level of interest rate protection offered by the Swap Agreements. No assurance can be given as to the credit worthiness of these parties or that the credit worthiness will not decline in the future and, thus, this may impact on the ability of the Fund to repay the Notes.

#### 1.2.6 Weighted average life of the Notes and historic information

The calculation of the weighted average life of the Notes of each Class is subject, among other things, to the assumption of compliance with the repayment of the Loan Receivables and to assumed prepayment rates and delinquency of the Loan Receivables which may not occur. The prepayment of the Loan Receivables is influenced by a variety of economic and social factors such as market interest rates, the economic situation of the Borrowers and the general economic situation, for which reason it cannot be predicted. In this regard, it is hereby noted that in Section 4.10 of the Securities Note the assumed Delinquency Ratio is 4% and the assumed Cumulative Gross Loss Ratio (evenly cumulated over 60 months since the Cut-off Date) is 2%.

Estimates of the weighted average life of each Class of Notes set out in this Prospectus and any other projections, forecasts and estimates are supplied for information only. They contain an element of speculation and it can be expected that some or all of the underlying assumptions may differ or may prove substantially different from the actual development. As a consequence, the actual figures or results may differ from any such projections, forecasts or estimates and such difference may be substantial.

The early repayment of the Loan Receivables will cause the Issuer to make payments of principal on the Notes of any Class earlier than expected and will shorten the maturity of the Notes. The risk of such early redemption of the Loan Receivables will be transferred every month, on each Payment Date, to the Noteholders in accordance with the repayment rules set forth in section 4.9 of the Securities Note.

If principal is paid on the Notes of any Class earlier than expected due to early repayments on the Loan Receivables, the Noteholders may not be able to reinvest the principal in a comparable security with an effective interest rate equivalent to the interest rate on the Notes. Similarly, if principal payments on the Notes of any Class are made later than expected due to slower than expected early repayments or payments on the Loan

Receivables, Noteholders may lose reinvestment opportunities. Noteholders will bear all reinvestment risk resulting from receiving payments of principal on the Notes of any Class earlier or later than expected.

### 1.3 Risks concerning regulatory changes

#### 1.3.1 Risk retention and due diligence requirements

Investors, to which the Regulation (EU) 2017/2402 (the "**Securitisation Regulation**") is applicable, should make themselves aware of the requirements of Articles 5 et seqq. of the Securitisation Regulation, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes.

The Securitisation Regulation replaced the former risk retention requirements by one single provision, Article 6 of the Securitisation Regulation, provides for a new direct obligation on originators to retain risk. Article 5 (1)(c) of the Securitisation Regulation requires institutional investors as defined in Article 2 (12) of the Securitisation Regulation (which term also includes an insurance or reinsurance undertaking as defined in the Solvency II Regulation and an alternative investment fund manager as defined in the AIFM Regulation) to verify that, if established in the European Union, the originator, sponsor or original lender retains on an ongoing basis a material net economic interest in accordance with Article 6 of the Securitisation Regulation and the risk retention is disclosed to the institutional investor in accordance with Article 7(1)(e) of the Securitisation Regulation.

With respect to the commitment of the Originator to retain a material net economic interest with respect to the Transaction, following the issuance of Notes as contemplated by Article 6(3)(c) of the Securitisation Regulation, the Originator will retain, for the life of the Transaction, such net economic interest through an interest in randomly selected exposures. Such interest in randomly selected exposures has been and will be equivalent to no less than 5 per cent. of the nominal value of the securitised exposures on an ongoing basis provided that the level of retention may reduce over time in compliance with Article 10 (2) of the Commission Delegated Regulation (EU) 625/2014 or any successor delegated regulation.

The outstanding balance of the retained exposures may be reduced over time by, amongst other things, amortisation and allocation of losses or defaults on the underlying Loan Receivables. The monthly investor reports will also set out monthly confirmation as to the Originator continued holding of the original retained exposures.

It should be noted that there is no certainty that references to the retention obligations of the Originator in this Prospectus will constitute explicit disclosure (on the part of the Originator) or adequate due diligence (on the part of the Noteholders) for the purposes of Article 5 of the Securitisation Regulation.

Article 5 of the Securitisation Regulation places an obligation on institutional investors (as defined in the Securitisation Regulation) before investing in a securitisation and thereafter, to analyse, understand and stress test their securitisation positions and monitor on an ongoing basis in a timely manner performance information on the exposures underlying their securitisation positions. After the Incorporation Date, VW Bank Spanish Branch in its capacity as originator, as designated reporting entity under Article 7 of the Securitisation Regulation, will prepare monthly investor reports wherein relevant information with regard to the Loan Receivables will be disclosed publicly together with an overview of the retention of the material net economic interest by the Originator in accordance with Article 7 of the Securitisation Regulation.

Where the relevant retention requirements are not complied with in any material respect and there is negligence or omission in the fulfilment of the due diligence obligations on the part

of a credit institution that is investing in the Notes, a proportionate additional risk weight of no less than 250 per cent. of the risk weight (with the total risk weight capped at 1250 per cent.) which would otherwise apply to the relevant securitisation position will be imposed on such credit institution, progressively increasing with each subsequent infringement of the due diligence provisions.

If the Originator does not comply with its obligations under Article 6 of the Securitisation Regulation, the ability of the Noteholders to sell and/or the price investors receive for, the Notes in the secondary market may be adversely affected.

Following the issuance of Notes, relevant investors, to which the Securitisation Regulation is applicable, are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with Article 5 of the Securitisation Regulation.

Noteholders should take their own advice and/or seek guidance from their regulator on compliance with, and the application of, the provisions of Article 6 of the Securitisation Regulation in particular.

### 1.3.2 Securitisation Regulation and simple, transparent and standardised securitisation

The Securitisation Regulation applies since 1 January 2019.

Although the Transaction has been structured to comply with the requirements for simple, transparent and standardised securitisations transactions as set out in Articles 20, 21 and 22 of the Securitisation Regulation, there can be no guarantee that it maintains this status throughout its lifetime. Noteholders and potential investors should verify the current status of the Transaction on the website of ESMA. Non-compliance with such status may result in higher capital requirements for investors as an investment in the Notes would not benefit from Articles 243, 260, 262 and 264 of the CRR. Furthermore, following STS classification, any non-compliance could result in various administrative sanctions and/or remedial measures being imposed on the Issuer (as a result of being responsible for the non-compliance with STS requirements) which may be payable or reimbursable by the Issuer and, thus, this may impact on the ability of the Fund to repay the Notes. Such administrative sanctions and/or remedial measures to be paid by the Fund will be considered an Extraordinary Expense and the repayment of the Notes may be adversely affected.

### 1.3.3 Reform of EURIBOR Determinations

EURIBOR qualifies as a benchmark within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EC and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**"), which is applicable since 1 January 2018 (with the exception of certain provisions). Currently, EURIBOR has been identified as a "critical benchmark" within the meaning of the Benchmark Regulation.

Any consequential changes to EURIBOR as a result of the European Union, or other international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes could have a material adverse effect on the value of and return on the Notes.

Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain benchmarks, trigger changes in the rules of methodologies used in certain benchmarks, adversely affect the performance of a benchmark or lead to the disappearance of certain benchmarks. Upon the occurrence of several predetermined events, the Service Provider, on behalf of the Issuer, shall have the

right (at its sole discretion) to determine the Substitute Reference Rate (as defined in section 4.8.2 of the Securities Note) in its due discretion to replace the EURIBOR. There can be no assurance, however, that an appropriate Substitute Reference Rate will be available in such a situation and, if available, that the Substitute Reference Rate will generate interest payments under the Notes resulting in the Noteholders receiving the same yield that he would have received had EURIBOR been applied for the remaining life of the Notes.

It is not possible to ascertain as at the date of this Prospectus (i) what the impact of these initiatives and the reforms will be on the determination of EURIBOR in the future, which could adversely affect the value of the Notes, (ii) how such changes may impact the determination of EURIBOR for the purposes of the Notes and the Swap Agreements, (iii) whether any changes will result in a sudden or prolonged increase or decrease in EURIBOR rates or (iv) whether such changes will have an adverse impact on the liquidity or the market value of the Notes and the payment of interest thereunder.

## 2. **SPECIFIC RISK FACTORS WHICH ARE SPECIFIC AND MATERIAL TO THE FUND**

### 2.1 Commingling Risk

The Service Provider is entitled to commingle funds such as collections from the Loan Receivables and proceeds from the enforcement of the Loan Receivables with its own funds. There is a risk that the Collections received by the Service Provider and pending transfer to the Fund might not be separated from the Service Provider's funds in the event of an Insolvency Event of the Service Provider and, thus, this may impact on the ability of the Fund to repay the Notes should this even occur.

### 2.2 Application of insolvency regulations

The Seller, the Account Bank, the Paying Agent (insofar as that function is assumed by an entity other than the Account Bank), the Swap Counterparty, the Management Company and any other entities which are counterparty to the Fund may be declared insolvent.

The insolvency of any of such parties could affect such party's contractual relations with the Fund according to the applicable insolvency regulations.

In the event of insolvency of the Seller, in accordance with Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001, on the reorganisation and winding up of credit institutions ("**Directive 2001/24**"), the Spanish Courts will not be empowered to decide on the implementation of one or more reorganisation or winding up measures since these powers will be vested on the administrative or judicial authorities of the home Member State (i.e. Germany) of the credit institution (including for branches established in other Member States). Any transfer of rights or assets or any payments contemplated by the Transaction Documents may be challenged by an insolvency administrator of the Seller in accordance with sections 129 to 147 of the German Insolvency Code (*Insolvenzordnung* – "**InsO**").

In the event of an insolvency of the Account Bank, the amounts received by the Account Bank and held by it on account of the Fund as counterparty to the agreements entered into by the Account Bank and described in section 3.4.1 of the Additional Building Block prior to the date of declaration of insolvency may become affected by the insolvency.

The Fund is also exposed to the risk that the Swap Counterparty may become insolvent. In the event that the Swap Counterparty suffers a ratings downgrade, the Fund may terminate the Swap Agreement if the Swap Counterparty fails, within a set period of time, to take certain actions intended to mitigate the effects of such downgrade. Such actions could include the Swap Counterparty collateralising its obligations as a referenced amount, transferring its obligations to a replacement Swap Counterparty or procuring a guarantee. However, in the event the Swap Counterparty is

downgraded there can be no assurance that a guarantor or replacement Swap Counterparty will be found or that the amount of collateral will be sufficient to meet the Swap Counterparty's obligations.

### 2.3 Mandatory replacement of the Management Company

The Management Company shall find a substitute management company if: (i) pursuant to Article 33 of Law 5/2015, the Management Company is declared insolvent; or (ii) its authorisation to act as a management company is revoked. If no substitute management company is found 4 months after the event determining the mandatory replacement of the Management Company, the Fund will be liquidated and the Notes will be subject to Early Redemption in accordance with the provisions of the Deed of Incorporation and this Prospectus.

### 2.4 Insolvency of the Seller

The Transaction is structured to qualify under German law as an effective (true) sale of the Loan Receivables under the Assignment Policy of Loan Receivables from the Seller to the Issuer and provisions under German insolvency laws are considered not to represent any severe clawback risk for the Transaction.

In the event of insolvency of the Seller, the applicable law will be the German Law insofar as the Seller is the Spanish Branch of a German bank. However, the general rule under German Law will be that the Issuer will have a right of segregation (*Aussonderungsrecht*), similar to the one referred to in article 16.4 of Law 5/2015, of the Loan Receivables.

In case of re-characterisation of the sale of transfer of the Loan Receivables from the Seller to the Issuer as a secured loan, the Issuer will not have a right of segregation (*Aussonderungsrecht*) of the Loan Receivables but a right to preferential satisfaction (*Absonderungsrecht*) according to sections 166 et seq. and section 51(1) of the German Insolvency Code (*Insolvenzordnung*).

## II. REGISTRATION DOCUMENT FOR ASSET-BACKED SECURITIES

### 1. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERT'S REPORTS AND COMPETENT AUTHORITY APPROVAL

#### 1.1 Persons responsible for the information given in the Registration Document

Mr. Ramón Pérez Hernández, acting in the name and on behalf of Titulización de Activos, S.G.F.T., S.A. (the "**Management Company**"), management entity of DRIVER ESPAÑA SIX, FONDO DE TITULIZACIÓN, assumes the responsibility for the content of this Registration Document.

Mr. Ramón Pérez Hernández acts in his capacity as Chief Executive Officer (*Consejero Delegado*) by virtue of the public deed granted on 9 April 2015 before the notary public of Madrid Mr. Juan Álvarez-Sala Walter under number 935 of his Official Record and, specifically for the incorporation of the Fund, by virtue of the resolutions adopted by the Chief Executive Officer (*Consejero Delegado*) on 12 February 2020.

#### 1.2 Declaration of the persons responsible for the Registration Document

Mr. Ramón Pérez Hernández, in the name and on behalf of the Management Company, declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its import.

#### 1.3 Statement or report attributed to a person as an expert

No statement or report is included.

#### 1.4 Information from third parties

No information sourced from a third party is included in this Registration Document.

#### 1.5 Statement of compliance with Regulation (EU) 2017/1129

(a) The CNMV, as competent authority under the Prospectus Regulation, has approved on 20 February 2020 this Prospectus (including this Registration Document).

(b) The CNMV only approves this Prospectus (including this Registration Document) as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

(c) The abovementioned approval should not be considered as an endorsement of the Issuer that is subject to the Prospectus.

### 2. STATUTORY AUDITORS

#### 2.1 Fund auditors

Pursuant to section 4.4 of this Registration Document, the Fund shall be incorporated on 24 February 2020 and therefore to this date it does not have any historical financial information.

The annual accounts of the Fund will be verified and reviewed on an annual basis by auditors of the Fund. The annual accounts of the Fund and the audit report will be deposited with the CNMV.

At the resolutions passed by the Chief Executive Officer (*Consejero Delegado*) of the Management Company dated 12 February 2020, Ernst & Young, S.L. ("**EY**"), whose details are included in section

3.1 of the Securities Note, was appointed as the auditor of the accounts of the Fund, without specifying the number of accounting periods for which it has been appointed. If the Management Company passes a resolution to appoint new auditors of the accounts of the Fund, notice would be given to the CNMV, the Rating Agencies and the Noteholders, pursuant to the provisions of section 4.1.3(ii) of the Additional Building Block.

#### 2.1.1 Accounting criteria used by the Fund

Revenue and expenses will be recognised by the Fund following the applicable accounting principles under the Circular of the CNMV 2/2016, of 20 April 2016, on accounting standards, annual accounts, public financial statements and reserved statistical information of securitisation funds, as amended ("**Circular 2/2016**") or the regulation applicable from time to time.

The fiscal year of the Fund will coincide with a calendar year. However, as an exception, the first fiscal year will start on 24 February 2020, when the incorporation of the Fund will take place, and end on 31 December 2020, and the last fiscal year will finish on the expiration date of the Fund.

The annual accounts of the Fund will be deposited with the CNMV within 4 months following the end of the accounting period.

### 3. RISK FACTORS

Risk factors which are specific and material to the Fund are described under previous point 1 of the Risk Factors section of this Prospectus.

### 4. INFORMATION ABOUT THE ISSUER

#### 4.1 Statement declaring that the Issuer will be incorporated as securitisation fund

The Fund is a non-revolving asset securitisation fund closed as to assets and non-revolving as to the liabilities, which will be incorporated as a separate estate, without legal personality and pursuant to title 3 of Law 5/2015.

#### 4.2 Legal and commercial name of the Issuer

The corporate name of the Issuer is DRIVER ESPAÑA SIX, FONDO DE TITULIZACIÓN. The Fund may use its abbreviated denomination DRIVER ESPAÑA SIX, F.T. The LEI number (Legal Entity Identifier) of the Fund is 959800M4LX4QSEWREH87.

#### 4.3 Place of registration of the Issuer and its registration number

The Management Company declares that neither the incorporation of the Fund, nor the Notes to be issued against its Loan Receivables, will be subject to registration in any Spanish Commercial Registry, pursuant to the exemption set forth in article 22.5 of Law 5/2015, without prejudice to the registration of this Prospectus by the CNMV, which took place on 20 February 2020, and to the filing with the CNMV, for incorporation into its public registries, of a copy of the deed of incorporation of the Fund and of the issue of the Notes (the "**Deed of Incorporation**") and of the policy by means of which the assignment of the Loan Receivables is formalised (the "**Assignment Policy**"), the content of which will match the provisions of this Prospectus and the draft Deed of Incorporation and the draft Assignment Policy previously submitted to the CNMV. Under no circumstances will the terms of the Deed of Incorporation and of the Assignment Policy contradict, modify, alter or invalidate the contents of this Prospectus. The terms and conditions of the transfer of the Loan Receivables are explained with more detail in section 3.3.2 of the Additional Building Block, in which reference is made to the elements not included in the same, such as the Balloon Instalments, as further explained therein.

As indicated, the assignment of the Loan Receivables to the Fund will be formalised by means of an Assignment Policy, in order to avoid that such assignment can be understood as being subject to Transfer Tax and Stamp Duty, in its category of Stamp Duty, as per article 27 and related provisions of Title III of Royal Legislative Decree 1/1993, of 24 September ("**Law of Transfer Tax and Stamp Duty**"), due to the fact that the clauses of reservation of title are included among the elements that form part of the Loan Receivables subject to assignment of the Fund, and these are capable of being registered with the Chattels Register.

The Deed of Incorporation may be amended pursuant to article 24 of Law 5/2015. Such amendments, if applicable, must be communicated in advance by the Management Company to the CNMV, acknowledging that they comply with the requirements foreseen under such article 24, and will also be communicated to the Rating Agencies. The Deed of Incorporation may also be subject to correction at the request of the CNMV.

#### 4.4 Date of incorporation and the length of life of the Issuer

##### 4.4.1 Date of incorporation of the Fund

The Management Company and the Seller will grant on 24 February 2020 (the "**Date of Incorporation**") the Deed of Incorporation, in the terms set forth in Law 5/2015.

The Seller may withdraw from the incorporation of the Fund, at any time prior to the Date of Incorporation, with no need to justify its decision.

In particular, it is considered that the Seller could withdraw from the incorporation of the Fund, prior to 24 February 2020, in the event that the Seller considers the possibility that any of the termination events of the Management, Subscription and Placement Agreement to which reference is made under section 4.2.2 of the Securities Note is foreseeable may take place, even before the occurrence of such circumstances.

The withdrawal will not imply any liability for the Seller *vis-à-vis* third parties, including the Management Company, the Arranger, the Joint Lead Managers, the Placement Entities, the Paying Agent and the Account Bank (except for break-up fees if provided for in the relevant agreement and the notarial and/or registration fees relating to this Prospectus and the Transaction Documents), and those third parties shall have no right to claim for the payment for damages for the mere fact of the withdrawal of the incorporation of the Fund having taken place.

The Seller obliges itself to notify in writing the circumstance of the withdrawal to the Management Company at any time prior to the Date of Incorporation. Such circumstance will be notified to the CNMV by the Management Company, attaching the communication received from the Seller.

##### 4.4.2 Period of activity of the Fund

The period of activity of the Fund will start on the Date of Incorporation and will end on 23 September 2030 or if this day is not a Business Day, the next Business Day (the "**Final Maturity Date**"), unless the Fund is liquidated earlier in accordance with the provisions of section 4.4.3 below.

##### 4.4.3 Early liquidation and extinction of the Fund

###### (i) Early liquidation events

Notwithstanding the above, by virtue of the provisions of the Deed of Incorporation and this Prospectus, the Management Company will be entitled to proceed with the early settlement of the Fund and the early prepayment of the total of the Notes Issue when, on a Payment Date, the Aggregate Discounted Receivables Balance,

as defined below, is lower than 10% of the Aggregate Discounted Receivables Balance on the Cut-off Date. This event of early liquidation is subject to the event that it is so requested by the Seller and that sufficient resources are available in order to, with charge to the then existing balance of the Distribution Account and the Cash Collateral Account and by means of a liquidation of the Loan Receivables and other assets of the Fund, carry out the cancellation of all outstanding obligations *vis-à-vis* the Noteholders and the Swap Counterparty, in accordance with the Liquidation Order of Priority set forth in section 3.4.7(ii)(4) of the Additional Building Block, provided that, if applicable, the required authorisations have been obtained.

For the indicated effects, it is stated that:

- **"Aggregate Discounted Receivables Balance"** means the sum of the Discounted Receivables Balance of all the assigned Loan Receivables.
- **"Discounted Receivables Balance"** means, regarding a Loan Receivable, the outstanding instalments of principal and interest pending payment, including matured and unpaid amounts, discounted at the end of any Monthly Period at the Discount Rate (as described with more detail in section 3.3.3 of the Additional Building Block), on the basis of a 360-day year, which equals 12 months of 30 days each. For the avoidance of doubt, the Discounted Receivables Balance excludes any Write-offs.
- **"Discount Rate"** is a fixed percentage of 1.3493% per annum, which equals the sum of: (i) the Service Provider Fee Rate of 1% per annum; plus (ii) 0.03% for any administrative expenses and fees; plus (iii) the weighted average of the fixed rate under the Swap Agreements to be paid by the Fund to the Swap Counterparty and the fixed rate under the Subordinated Loan to be paid by the Fund to the Subordinated Lender (i.e. 0.3193%).

It is also expressly stated that there is no swap agreement in connection with the Subordinated Loan.

Accordingly, it must be noted that, in respect of the Fund, the performance of the portfolio of Loan Receivables transferred to the Fund derives from the Discount Rate (used for calculation of the Discounted Receivables Balance transferred to the Fund as well as for determination of their Purchase Price) and not the nominal interest rate agreed with the Borrowers at the time of origination of the Loans.

It is noted that the Discount Rate, expressed as a percentage, has been determined by the Seller on 28 January 2020, and it has been notified by email to the Management Company on that same date by the Seller.

It is understood, in all cases, that payment obligations derived from the Notes on the early liquidation date represent an amount equivalent to the Outstanding Nominal Balance of the Notes on that date, plus the accrued but unpaid interest to that date, which amount will be deemed due and payable on that date.

In addition, the Management Company will proceed to liquidate the Fund early pursuant to this section, in the following circumstances, and the CNMV and the Rating Agencies will be informed beforehand if any of them occur, namely:

- (1) when, in the reasonable opinion of the Management Company, there are exceptional circumstances that make it impossible, or extremely difficult, to maintain the financial equilibrium of the Fund or lead to a material and permanent imbalance with regards to the Notes. It will be included in this

event, the change of current legal framework (in particular in tax regulations) or the imposition of new obligations to the Fund that may affect adverse and materially the financial equilibrium of the Fund;

- (2) if the authorisation of the Management Company is withdrawn or it is declared insolvent, and, after 4 months having elapsed since this event no new management company has been designated according to the provisions of section 3.7.1 of the Additional Building Block and article 33.2 of Law 5/2015;
- (3) when 31 months have elapsed since the last maturity of the Loan Receivables; and
- (4) mandatorily, if the Meeting of Creditors approves the early liquidation with the relevant majority in accordance with Article 23.2(b) of the Law 5/2015.

For the purposes of the liquidation of the Loan Receivables and other assets of the Fund, the actions for the liquidation and termination of the Fund which are contained under the following subsection (iii) of this section 4.4.3 will be applicable to the events of early liquidation described in this section 4.4.3(i).

(ii) Extinction events

The Fund will be extinguished, in any event, as a result of any of the following circumstances:

- (1) when all the Loan Receivables are redeemed in full;
- (2) in the event that all the Loan Receivables have matured and amounts remain to be collected from the Loan Receivables and obligations remain to be paid to the Noteholders, the Fund will be extinguished on the Payment Date immediately after such date on which 36 months have elapsed since the date of the last maturity of the Loan Receivables, that is, on the Final Maturity Date (i.e. 23 September 2030);
- (3) when the Fund early liquidation process ends;
- (4) when the Notes issued are repaid in full; and/or
- (5) (i) if any of the Underwriters does not comply with its commitment to subscribe the Notes by the end of the Subscription Period, such that the subscriptions do not entirely cover the total nominal amount of the Notes being issued by the Fund; (ii) if an event occurs that could not be foreseen or that, even if foreseen, is inevitable rendering it impossible to perform the Management, Subscription and Placement Agreement pursuant to article 1,105 of the Civil Code (*force majeure*) prior to the disbursement of the Notes on Closing Date; (iii) if the signed legal opinion of Hogan Lovells has not been delivered to the addressees thereof in a form satisfactory to them prior to the beginning of the Subscription Period; or (iv) if the Transaction Documents have not been duly executed and delivered by the parties thereto on the Date of Incorporation.

In the early extinction events referred to in section (5) above, the assignments of the Loan Receivables, the issue and subscription of the Notes and the Transaction Documents will be also considered resolved. In these early liquidation events, the Seller undertakes to satisfy any initial expenses which may have already been incurred by the incorporation of the Fund. In such events, the termination of the incorporation of the Fund shall be notified to the CNMV as soon as it was confirmed

and in any case on the Subscription Date. No later than one month from the termination event, the Management Company shall grant a notarised deed declaring the obligations of the Fund liquidated and terminated and the latter extinguished.

(iii) Actions for the liquidation and termination of the Fund

If, at the time of the liquidation of the Fund, any outstanding obligations remain to be paid by the Fund, the Management Company will carry out the following actions:

- It will proceed to sell the Loan Receivables, for which purpose it would obtain offers from at least 5 independent entities among the more active entities in the sale and purchase of this kind of assets and that, to its understanding, can offer market value. The price for the sale of all the Loan Receivables shall not be less than the Aggregate Discounted Receivables Balance on the date of execution of the relevant assignment agreement, including interest accrued until such date; however, in case such amount is not reached, the Management Company will be required to accept the best offer received for the assets by such entities. The designation of the independent entities will be reported by the Management Company to the CNMV and the Rating Agencies. The Seller will have a pre-emption right to recover the Loan Receivables owned by the Fund, in the terms established by the Management Company and in accordance with this section. With such purpose, the Management Company shall submit to the Seller a list with the assets and offers received from third parties. The Seller is entitled to do so in relation to all the assets offered by the Management Company, during the ten (10) Business Days following the receipt of the said communication provided that the offer of the Seller equals, at least, the best of all offers coming from third parties.

The mentioned pre-emption right does not imply, under any circumstance, a buyback agreement or declaration of the Loan Receivables assigned by the Seller.

- It will proceed to terminate any contracts that are not deemed necessary for the liquidation process of the Fund.
- Should the above be insufficient or should Loans or other assets remain, it will proceed to sell the other assets held by the Fund.
- The Management Company will be empowered to accept any offer that, in its opinion, reflects the market value of the assets and that would be paid in cash. To determine the market value of the assets the Management Company may obtain valuation reports that it deems necessary.
- The Management Company, after deducting the necessary Liquidation Expenses reserve, will apply all the amounts that it obtains through the disposal of the assets of the Fund, together with the rest of the amounts and receivables that the Fund might have at that time, to the payment of the different items, in accordance with the Liquidation Order of Priority established in section 3.4.7(ii)(4) of the Additional Building Block.

In the event that, once the Fund has been liquidated and the payments set forth in section 3.4.7(ii)(4) of the Additional Building Block have been made, there is any remainder, such remainder will be paid to the Seller. In the event that the pending payment is not a liquid amount and consists of Loan Receivables that are pending rulings with respect to court or notary's proceedings initiated as a result of non-

payment of the Loan Receivables by the relevant Borrower, both their continuation and the outcome of such proceedings will be carried out by and will be in favour of the Seller.

In any event, the Management Company, acting for the account of the Fund, will not proceed to extinguish the Fund and to cancel its registration in the relevant administrative registers until it has proceeded to liquidate the remaining assets of the Fund and distributed the Available Distribution Amount, as defined in section 3.4.7(ii)(1) of the Additional Building Block, following the Liquidation Order of Priority, except for the Liquidation Expenses reserve.

Within a period of 6 months after the liquidation of the remaining assets of the Fund and the distribution of the Available Distribution Amount and, in any event, before the Final Maturity Date, the Management Company will grant a notarised affidavit declaring: (i) the liquidation of the Fund, and the reasons, as set forth in the Deed of Incorporation and in this Prospectus, for its extinction; (ii) the procedure followed in notifying the Noteholders and the CNMV; and (iii) the distribution of the Available Distribution Amount in the Liquidation Order of Priority. This notarised affidavit will be submitted by the Management Company to the CNMV.

#### 4.5 Domicile, legal form and legislation under which the Issuer operates

The Fund will constitute a separate and closed fund devoid of legal personality that, pursuant to Law 5/2015, will be serviced by the Management Company. The Management Company will be responsible for the incorporation, servicing and representation of the Fund, and also, as manager of third party business, for representing and safeguarding the interests of the Noteholders. The Fund will only be liable for its obligations *vis-à-vis* its creditors with its assets.

The corporate address of the Fund will be the corporate address of the Management Company:

Street: Calle Orense nº 58  
City: Madrid  
Postal Code: 28020  
Country: Spain  
Telephone: (34) 91 702 08 08

Information relating to the Fund can be found in the website of the Management Company ([www.tda-sgft.com](http://www.tda-sgft.com)). The information on the website does not form part of the Prospectus.

The incorporation of the Fund is subject to Spanish Law and it is executed according to this Prospectus and the Deed of Incorporation, drafted in accordance with Securitisation Regulation and implementing provisions, Regulation 2019/980, Law 5/2015, Royal Legislative Decree 4/2015, of 23 October, approving the Restated Text of the Spanish Securities Market Law (the "**Securities Act**"), in connection with supervision, inspection and disciplinary regime, Royal Decree 1310/2005 and any other laws and regulations applicable from time to time.

##### 4.5.1 Tax regime of the Fund and investors

The general tax treatment of the Fund and the investors is regulated in several laws and regulations of the Spanish tax legislation. The most relevant tax provisions on the tax regime applicable to the Fund and the investors are the following: (i) article 7.1.h) and 13 of Law 27/2014, of 27 November, on Corporate Income Tax (the "**Corporate Income Tax Act**"); (ii) article 20.1.18º of Law 37/1992, of 28 December, on Value Added Tax (the "**Value Added Tax Act**"); (iii) article 61 k) and q) of the Regulations on Corporate Income Tax, approved by Royal Decree 634/2015, of 10 July (the "**Regulations on Corporate Income Tax**"); (iv) article 75.3.e) of the Regulations on Personal Income Tax, approved by Royal Decree 439/2007, of 30 March (the "**Regulations on Personal Income Tax**"); (v) article 10.3.b) of

the Regulations on Non Residents Income Tax, approved by Royal Decree 1776/2004, of 30 July (the "**Regulations on Non-Resident Income Tax**") (vi) article 45.I.B) 20 of Law of Transfer Tax and Stamp Duty; (vii) First Additional Provision of Law 10/2014, of 26 June on the organization, supervision and solvency of credit entities (the "**Law 10/2014**"); and (viii) article 44 of Royal Decree 1065/2007, of 27 July, which approves the Regulations dealing with tax compliance and inspection proceedings ("**RD 1065/2007**").

The main features of the tax regime applicable to the Fund and the investors are the following:

- (i) The incorporation of the Fund is exempt from Transfer Tax and Stamp Duty (*Impuesto sobre Transmisiones Patrimoniales Onerosas y Actos Jurídicos Documentados*), in its modality of capital tax.
- (ii) The issue, subscription, transfer and repayment of the Notes issued by the Fund are exempt from Value Added Tax and from Transfer Tax and Stamp Duty.
- (iii) The Fund is subject to the general regime of the Corporate Income Tax Act. The general tax rate is 25% on the taxable base as determined by the Corporate Income Tax Act (we note that the Fund is not subject to the limitation to the tax deductibility of financial expenses provided in article 16 of the Corporate Income Tax Act, and it shall be subject to the provisions of Chapter III of Title I of the Regulations on Corporate Income Tax with regard to the deductibility of valuation adjustments for the impairment of debt instruments valued at their amortisation cost). Also, the Fund is subject to the ordinary provisions on tax credits, deductions, compensations and other substantial elements on the determination of the Corporate Income Tax due.
- (iv) Income derived from the Loan Receivables obtained by the Fund is not subject to withholding tax, as provided in Article 61.k) of the Regulations on Corporate Income Tax.
- (v) Management, administration and custodian services provided to the Fund by the Management Company are exempt from Value Added Tax.
- (vi) The assignment of Loan Receivables to the Fund is a transaction exempt from Value Added Tax and from Transfer Tax and Stamp Duty.
- (vii) The Fund will be subject to the information obligations set forth under Law 10/2014. The Fund will also be subject to RD 1065/2007 and to the Ministerial Order of 23 November 2004.
- (viii) The tax treatment of the interest paid to the investors in the Notes will differ depending on the residency of that investor.
  - (1) If the investor is an individual resident in Spain for tax purposes, the interest received is subject to Personal Income Tax at a rate of 19% on the first €6,000 received, at a rate of 21% on the amount between €6,000 and €50,000 received, and at a rate of 23% on the excess over €50,000. In any event, the interest received is subject to withholding on account of Personal Income Tax at the rate of 19%.

On the contrary, and according to article 75.3.e) of the Regulations on Personal Income Tax, income arising on the disposal or reimbursement of the Notes will not be subject to withholding tax at source, provided that the Notes are: (i) registered in book-entry form; and (ii) listed in a Spanish official secondary market (e.g. AIAF), being both requirements met by the Notes.

Notwithstanding, withholding tax shall be applied on the part of the sale price that corresponds to the accrued interest when the transfer of the Notes takes place within the 30-days period prior to the moment in which such interest is distributed, provided that: (i) the acquirer is a person or entity that is not resident in Spain for tax purposes or is a taxpayer under the Spanish Corporate Income Tax; and (ii) the acquirer is not subject to any withholding tax at source on the interest derived from the Notes acquired.

- (2) If the investor is a company resident in Spain, the received interest will be subject to the Corporate Income Tax (generally, at the tax rate of 25%).

The interest that is paid in relation to the Notes is free from withholding on account of Corporate Income Tax, provided that: (i) they are represented by means of book entries (*anotaciones en cuenta*); and (ii) they are traded in an official Spanish secondary market of securities (e.g. AIAF), being both requirements met by the Notes. The procedure to make effective the withholding exemption is regulated under Ministerial Order dated 22 December 1999.

- (3) Non-resident investors with permanent establishment in Spain will be subject to the same regime as set forth for taxpayers under Corporate Income Tax.

- (4) In case of non-resident investors without permanent establishment in Spain, the interest received will be exempt from withholding in Spain in accordance with the special regime set forth under Law 10/2014, provided that the Notes are admitted to trading in a regulated market (e.g. AIAF), trading multilateral system (e.g. MARF) or other organised market. For these purposes, the information procedure set forth in article 44 of RD 1065/2007 has to be complied with.

In the event that the information procedure set forth in RD 1065/2007 is not duly complied with:

- The interest received will be subject to withholding at the rate of 19%, unless a tax exemption or reduced tax rate were applicable pursuant to the Non-Resident Income Tax Act or an applicable Double Tax Treaty; and
- In accordance with article 10.3.b) of the Regulations on Non-Resident Income Tax, income derived from the disposal or reimbursement of the Notes will not be subject to withholding provided that the Notes are: (i) registered in book-entry form; and (ii) listed in a Spanish official secondary market (being both requirements met by the Notes), unless the transfer of the Notes takes place within the 30-days period prior to the moment in which the accrued interest is distributed and the requirements above mentioned for Spanish resident individuals are met.

The general taxation described above is based on the current legislation applicable at the time of the Notes Issue. Such description does not intend to be exhaustive, but simply provides a general description of the tax treatment. Therefore the tax regime described above cannot be considered as a replacement of the advice required by the particular situation of each investor.

- 4.6 Description of the amount of the issuer's authorised and issued capital and the amount of any capital agreed to be issued, the number and classes of the securities of which it is composed

Not applicable.

5. **BUSINESS OVERVIEW**

- 5.1 Brief description of the Issuer's principal activities

The Fund will be incorporated as a vehicle aimed at the carrying out of a specific Transaction, performing the activities that are described in detail in this Prospectus. The Fund, on the Date of Incorporation, will issue the different Classes of Notes and will acquire the Loan Receivables owned by the Seller.

The main characteristics of the Loan Receivables constituting the assets of the Fund are described in the Additional Building Block.

6. **ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE FUND**

- 6.1 Legal Person of the Management Company

The management and legal representation of the Fund will be carried out by the Management Company on the terms established under Law 5/2015 and in the other applicable regulations, as well as the terms contained in the Deed of Incorporation and this Prospectus.

The registered name of the Management Company is Titulización de Activos, S.G.F.T., S.A., with Tax Identification Number (C.I.F.) A-80352750.

The Management Company is a Spanish public limited company (*sociedad anónima*), incorporated on 12 May 1992, with registered office at number 58, C/Orense, Madrid (Spain), (Tel: +34 91 702 08 08), and registered in the Commercial Registry of Madrid (Spain), Volume 4280, book 0, *folio* 183, section 8, sheet M-71066, entry nº 5, on 4 June, 1993, and also registered under Num. 3 in the Special Register of Securitisation Fund Management Companies (*Registro Especial de Sociedades Gestoras de Fondos de Titulización*) kept by the CNMV.

The Management Company has indefinite duration, except for the occurrence of any of the causes legally foreseen.

- 6.1.1 Audit of the accounts of the Management Company

The audited annual accounts of the Management Company for 2016, 2017 and 2018 have been filed at the CNMV and at the Commercial Registry. The audit reports on the annual financial statements for 2016, 2017 and 2018 contain no qualifications. The Management Company's annual accounts for 2016, 2017 and 2018 have been audited by Ernst & Young, S.L., an entity registered in the R.O.A.C. (*Registro Oficial de Auditores de Cuentas*) under number S0530, with registered office at Plaza Pablo Ruiz Picasso s/n, Madrid, holder of Spanish Tax Identification Code (C.I.F.) number B-78970506.

#### 6.1.2 Main activities of the Management Company

The corporate purpose of the Management Company is "*the incorporation, management and legal representation of Asset Securitisation Funds (Fondos de Titulización de Activos) and Mortgage Securitisation Funds (Fondos de Titulización Hipotecaria), pursuant to Royal Decree 926/1998, of 14 May, regulating Asset Securitisation Funds and Managing Companies of Securitisation Funds, as well as the management and administration of Bank Assets Funds (Fondos de Activos Bancarios) pursuant to Law 9/2012, of 14 November, on restructuring and resolution of credit entities*".

The Management Company is subject to supervision by the CNMV pursuant to the provisions of Law 5/2015.

The Management Company will be responsible for the administration and legal representation of the Fund, in accordance with the provisions of Law 5/2015 and the rest of the applicable legal regulations, as well as the provisions contemplated under the Deed of Incorporation and this Prospectus. The Management Company will perform for the Fund those duties attributed to it in Law 5/2015. As the manager of interests of third parties (*gestor de negocios ajenos*), the Management Company is also responsible for representing and safeguarding the interests of the Noteholders and its other creditors. Consequently, the Management Company must subordinate its actions to safeguarding the interests of such persons, abiding by the applicable provisions in this regard prevailing from time to time. The Noteholders and the other creditors of the Fund will have no recourse against the Management Company, other than from non-performance of its duties or non-compliance with the provisions of the Deed of Incorporation and this Prospectus.

On 31 January 2020, the Management Company had a total of 60 securitisation funds under management, the details of which are given in section 6.1.7 of this Registration Document.

#### 6.1.3 Existence or non-existence of holdings in other companies by the Management Company

The Management Company does not hold equity interests in any company.

#### 6.1.4 Entities from which the Management Company has borrowed more than 10%

The Management Company has not been granted any financing by third parties.

#### 6.1.5 Legal proceedings of the Management Company

On the date of registration of this Prospectus, there are no legal proceedings, disputes or insolvency situations that could materially affect the economic-financial situation of the Management Company or, in the future, its capacity to carry out the management and administration functions of the Fund described in this Prospectus.

#### 6.1.6 Administrative, management and supervisory bodies of the Management Company

Pursuant to the provisions of the by-laws of the Management Company, and as at the date of registration of this Prospectus, the Management Company has no governing bodies other than the Shareholders' Meeting and the Board of Directors.

The members of the Board of Directors of the Management Company, as at the date of registration of this Prospectus, are as follows:

| <b>Members of the Board of Directors</b> |  |
|--|--|
| Jorge Rodrigo Mario Rangel de Alba       | President                                  |
| Aurelio Fernández Fernández-Pacheco      | Director                                   |
| Carmen Patricia Armendáriz Guerra        | Director                                   |
| Juan Díez-Canedo Ruíz                    | Director                                   |
| Mario Alberto Maciel Castro              | Director                                   |
| Ramón Pérez Hernández                    | Chief Executive Officer /2nd Vicepresident |
| Salvador Arroyo Rodríguez                | Director / 1 <sup>st</sup> Vicepresident   |
| Elena Sánchez Álvarez                    | Director                                   |
| Roberto Pérez Estrada                    | Secretary Director of the Board            |

Mr. Manuel Romero Rey is the Vice-Secretary (non-Director) of the Board of Directors.

Mr. Ramón Pérez Hernández was appointed Chief Executive Officer (Consejero Delegado) by virtue of the public deed dated 9 April 2015, granted before the notary public of Madrid Mr. Juan Álvarez-Sala Walter with number 935 of his Official Records.

The professional address of all these people, for these purposes, is the registered office of the Management Company (Calle Orense, 58, Madrid, Spain), and they do not engage outside the Management Company in any activity which may enter into conflict with the Fund.

The Management Company is subject to supervision by the CNMV pursuant to the provisions of Law 5/2015.

In compliance with the provisions of the Securities Act and Royal Decree 629/1993 of 3 May, on rules of conduct in securities market and mandatory recordkeeping, at the Board Meeting held on 7 December 1993, the Board of Directors of the Management Company approved an Internal Code of Conduct which content complies with Law 5/2015.

The regulation referred to in the previous paragraph has been filed with the CNMV and contains, among other items, the rules on confidentiality of information, dealings with persons subject to the Code, disclosure of material information and conflicts of interest.

The Management Company has not approved any regulations of the Board of Directors and is not subject to the application of any code of good corporate governance, except for the aforementioned internal code of conduct.

The individuals appointed as Directors and Chairman of the Management Company pursue the following significant activities outside the Management Company:

|  |   |   |
|--|---|---|
| D. Jorge Rodrigo Rangel de Alba Brunel           | Tenedora CI, S.A. de C.V.                                     | President   |
|  | Inmuebles Mayor, S.A. de C.V. Inmobiliaria.                   | President   |
|  | Inmobiliaria Seguro, S.A. de C.V. Inmobiliaria.               | President   |
|  | Medio Inmobiliaria, S.A. de C.V. Inmobiliaria.                | President   |
|  | Servicios Electrónicos de Mercadotecnia Directa, S.A. de C.V. | President   |
|  | Mobiloffice, S.A. de C.V. Telecomunicaciones.                 | President   |
|  | CIBanco, S.A., Institución de Banca Múltiple.                 | President   |
|  | CI Casa de Bolsa, S.A. de C.V.                                | President   |
|  | Finanmadrid México, S.A. de C.V. SOFOM, E.R.                  | President   |
|  | CI Fondos, S.A. de C.V. SOSI.                                 | President   |
|  | Autofinanciamiento RAL, S.A. de C.V.                          | President   |
|  | Consortio Inversor de Mercados, S.L.                          | President   |
| D. Aurelio Fernandez Pacheco                     | Productos Cosméticos Yanbal S.A.U.                            | Director/General Counsel                                  |
|  | Yanbal Italia S.R.L   | Director/General Counsel                                  |
|  | Cámara de Comercio de Perú en España                          | Presidente  |
|  | Baygrape Enterprise S.L.                                      | Joint Director  |
|  | Belmer Enterprise S.L.  | Joint Director  |
|  | Direkt Business Enterprise S.L.                               | Joint Director  |
|  | Yewelry Enterprises S. L.                                     | Joint Director  |
|  | Yanbal Latam Enterprises S.L.                                 | Joint Director  |
| D <sup>a</sup> Carmen Patricia Armendariz Guerra | Financiera Sustentable de México, S.A. de C.V.                | General Counsel   |
|  | Grupo Financiero Banorte S.A.B. DE C.V.                       | Director and member of the Audit Committee                |
|  | Valores Financieros.  | Founding Partner and Manager                              |
|  | Consortio Inversor de Mercados, S.L.                          | Director  |
| D. Juan Diez-Canedo Ruiz                         | Financiera Local, S.A. de C.V. SOFOM, E.N.R.                  | President   |
|  | Consortio Inversor de Mercados, S.L.                          | Director  |
|  | Grupo Aeroportuario del Pacifico (GAP) S.A.B. de C. V.        | Director  |
|  | La Agrofinanciera del Noroeste S.A. de C.V                    | Director  |
| D. Mario Alberto Maciel Castro                   | CIBanco, S.A., Institución de Banca Múltiple.                 | Alternate Director and General Counsel                    |
|  | CI Casa de Bolsa, S.A. de C.V.                                | Alternate Director  |
|  | CI Fondos, S.A. de C.V. SOSI.                                 | Alternate Director  |
|  | Finanmadrid México SA de CV Sofom ER                          | Alternate Director  |
| D. Ramón Pérez Hernández                         | Consortio Inversor de Mercados, S.L.                          | Director  |
| D. Roberto Pérez Estrada                         | Tenedora CI, S.A. de C.V.                                     | Director and Secretary                                    |
|  | CIBanco, S.A., Institución de Banca Múltiple.                 | Alternate Director, Secretary and Legal Executive Counsel |
|  | CI Casa de Bolsa, S.A. de C.V.                                | Alternate Director, Secretary and Legal Executive Counsel |
|  | Finanmadrid México, S.A. de C.V. SOFOM, E.R.                  | Secretary (non Director) and Legal Executive Counsel      |
|  | CI Fondos, S.A. de C.V. SOSI.                                 | Secretary (non Director) and Legal Executive Counsel      |
|  | Consortio Inversor de Mercados, S.L.                          | Secretary (non Director)                                  |
| D. Salvador Arroyo Rodriguez                     | Tenedora CI, S.A. de C.V.                                     | Director  |
|  | CIBanco, S.A., Institución de Banca Múltiple.                 | Chief Executive Officer                                   |
|  | CI Casa de Bolsa, S.A. de C.V.                                | Director  |
|  | Finanmadrid México, S.A. de C.V. SOFOM, E.R.                  | Director  |
|  | CI Fondos, S.A. de C.V. SOSI.                                 | Director  |
|  | Autofinanciamiento RAL, S.A. de C.V.                          | Director  |
|  | Consortio Inversor de Mercados, S.L.                          | Director  |

### 6.1.7 Funds Managed

On 31 January 2020, the Management Company had the following 60 securitisation funds under management:

| Fondos de Titulización  | Fecha Constitución | Emitido                | Saldo Bonos<br>31 de enero de 2020 |
|---|--------------------|------------------------|------------------------------------|
| TDA 14-MIXTO - F.T.A.   | 20-jun-01          | 601,100,000€           | 21,248,250.62€                     |
| TDA 15-MIXTO - F.T.A.   | 4-nov-02           | 450,900,000€           | 32,725,370.42€                     |
| TDA 18-MIXTO - F.T.A.   | 14-nov-03          | 421,000,000€           | 45,312,764.38€                     |
| TDA 19-MIXTO - F.T.A.   | 27-feb-04          | 600,000,000€           | 64,466,941.05€                     |
| TDA 20-MIXTO - F.T.A.   | 25-jun-04          | 421,000,000€           | 48,297,849.34€                     |
| TDA 22-MIXTO - F.T.A.   | 1-dic-04           | 530,000,000€           | 75,862,135.05€                     |
| TDA CAM 4 - F.T.A.  | 9-mar-05           | 2,000,000,000€         | 211,502,838.40€                    |
| TDA 23 - F.T.A.   | 17-mar-05          | 860,000,000€           | 107,608,011.84€                    |
| TDA CAJAMAR 2 - F.T.A.  | 18-may-05          | 1,000,000,000€         | 154,927,484.00€                    |
| CÉDULAS TDA 6 - F.T.A.  | 18-may-05          | 3,000,000,000€         | 3,000,000,000.00€                  |
| TDA CAM 5 - F.T.A.  | 5-oct-05           | 2,000,000,000€         | 393,553,049.60€                    |
| TDA IBERCAJA 2 - F.T.A.   | 13-oct-05          | 904,500,000€           | 163,469,354.13€                    |
| TDA 24- F.T.A.  | 28-nov-05          | 485,000,000€           | 98,975,139.24€                     |
| PROGRAMA CEDULAS TDA - F.T.A.                                   | 2-mar-06           | Máximo 30.000.000.000€ | 7,425,000,000.00€                  |
| TDA CAM 6 - F.T.A.  | 29-mar-06          | 1,300,000,000€         | 266,689,476.80€                    |
| TDA IBERCAJA 3 - F.T.A.   | 12-may-06          | 1,007,000,000€         | 232,615,248.60€                    |
| TDA 26-MIXTO - F.T.A.   | 5-jul-06           | 908,100,000€           | 143,627,210.75€                    |
| TDA 25- F.T.A.  | 29-jul-06          | 265,000,000€           | 119,122,506.82€                    |
| TDA CAM 7 - F.T.A.  | 13-oct-06          | 1,750,000,000€         | 425,503,278.16€                    |
| TDA IBERCAJA 4 - F.T.A.   | 18-oct-06          | 1,410,500,000€         | 356,610,359.91€                    |
| CAIXA PENEDES 1 TDA - F.T.A.                                    | 18-oct-06          | 1,000,000,000€         | 189,669,535.00€                    |
| MADRID RMBS I - F.T.A.  | 15-nov-06          | 2,000,000,000€         | 607,039,472.00€                    |
| MADRID RMBS II - F.T.A.   | 12-dic-06          | 1,800,000,000€         | 529,257,204.00€                    |
| FTPyme TDA CAM 4 - F.T.A.                                       | 13-dic-06          | 1,529,300,000€         | 107,903,860.00€                    |
| TDA 27- F.T.A.  | 20-dic-06          | 930,600,000€           | 270,975,651.84€                    |
| TDA CAM 8 - F.T.A.  | 7-mar-07           | 1,712,800,000€         | 416,848,203.12€                    |
| TDA PASTOR CONSUMO 1 - F.T.A.                                   | 26-abr-07          | 300,000,000€           | 5,520,784.22€                      |
| TDA IBERCAJA 5 - F.T.A.   | 11-may-07          | 1,207,000,000€         | 360,796,206.42€                    |
| CAIXA PENEDES PYMES 1 - F.T.A.                                  | 22-jun-07          | 790,000,000€           | 38,351,356.18€                     |
| TDA CAM 9 - F.T.A.  | 3-jul-07           | 1,515,000,000€         | 399,993,386.30€                    |
| MADRID RMBS III - F.T.A.  | 11-jul-07          | 3,000,000,000€         | 1,083,605,870.00€                  |
| TDA 28- F.T.A.  | 18-jul-07          | 451,350,000€           | 236,725,858.80€                    |
| TDA 29- F.T.A.  | 25-jul-07          | 814,900,000€           | 220,824,695.74€                    |
| CAIXA PENEDES 2 TDA - F.T.A.                                    | 26-sep-07          | 750,000,000€           | 151,968,880.74€                    |
| TDA TARRAGONA 1, F.T.A.   | 30-nov-07          | 397,400,000€           | 112,041,553.81€                    |
| MADRID RMBS IV - F.T.A.   | 19-dic-07          | 2,400,000,000€         | 799,888,517.76€                    |
| TDA 30- F.T.A.  | 12-mar-08          | 388,200,000€           | 145,015,689.12€                    |
| TDA IBERCAJA 6 - F.T.A.   | 20-jun-08          | 1,521,000,000€         | 564,676,128.00€                    |
| CAIXA PENEDES FTGENCAT 1 TDA - F.T.A.                           | 5-ago-08           | 570,000,000€           | 59,356,183.98€                     |
| MADRID RESIDENCIAL I - F.T.A.                                   | 26-dic-08          | 805,000,000€           | 179,629,435.30€                    |
| SOL-LION, F.T.A.  | 18-may-09          | 4,500,000,000€         | 1,525,839,372.00€                  |
| CAJA INGENIEROS TDA 1 - F.T.A.                                  | 30-jun-09          | 270,000,000€           | 117,670,697.92€                    |
| TDA IBERCAJA ICO-FTVPO - F.T.H                                  | 14-jul-09          | 447,200,000€           | 142,516,998.26€                    |
| TDA IBERCAJA 7 - F.T.A.   | 18-dic-09          | 2,070,000,000€         | 1,063,745,255.00€                  |
| MADRID RESIDENCIAL II - F.T.A.                                  | 29-jun-10          | 456,000,000€           | 203,104,771.20€                    |
| FONDO DE TITULIZACION DEL DÉFICIT DEL SISTEMA ELÉCTRICO, F.T.A. | 14-ene-11          | 26,000,000,000€        | 13,721,900,000.00€                 |
| A-BEST 13, FT   | 27-nov-15          | 315,000,000€           | 241,514,827.40€                    |
| AUTO ABS SPANISH LOANS 2016, FT                                 | 3-oct-16           | 726,200,000€           | 256,072,404.56€                    |
| DRIVER ESPAÑA FOUR, F.T.  | 23-jun-17          | 914,000,000€           | 230,850,266.60€                    |
| TDA SABADELL RMBS 4, FT   | 29-nov-17          | 6,000,000,000€         | 5,119,024,854.00€                  |
| DRIVER ESPAÑA FIVE, F.T.  | 23-mar-18          | 914,000,000€           | 390,400,568.00€                    |
| AUTO ABS SPANISH LOANS 2018-1 FT                                | 17-sep-18          | 620,000,000€           | 620,000,000.00€                    |
| CAP-TDA 2, F.T.A.   | 19-may-10          | Máximo 300.000.000€    | -                                  |
| TDA 2015-1, FT  | 10-dic-15          | Máximo 200.000.000€    | -                                  |
| TDA 2017-2, FT  | 21-mar-17          | Máximo 600.000.000€    | -                                  |
| BOTHAR, FT  | 2-jun-17           | Máximo 300.000.000€    | -                                  |
| TDA 2017-3, FT  | 14-jun-17          | Máximo 2.000.000.000€  | -                                  |
| URB TDA 1, FT   | 14-jun-17          | Máximo 80.000.000€     | -                                  |
| TDA 2017-4, FT  | 4-abr-18           | Máximo 2.000.000.000€  | -                                  |
| VERDE IBERIA LOANS, FT  | 26-jul-19          | Máximo 3.000.000.000€  | -                                  |

The funds that on 31 January 2020 do not include any balance is because they are private funds which do not issue bonds listed on an official secondary market.

#### 6.1.8 Share Capital and Equity

The share capital of the Management Company has been increased to €1,000,500 by virtue of a deed granted by the Notary of Madrid Mr. Manuel Richi Alberti on 20 July 2016 which has been registered with the Mercantile Registry of Madrid.

All the shares issued by the Management Company until the date of registration of this Prospectus (150,000 shares with a nominal value of €6.67 each one) are ordinary shares and offer identical voting, financial and non-financial rights. All the shares are of the same class and series.

The share capital of the Management Company, as at, 31 December 2017, 31 December 2018 and 31 December 2019:

| Equity (thousands of euros)                   | 31/12/2017      | 31/12/2018      | 31/12/2019 (*)  |
|---|-----------------|-----------------|-----------------|
| <b>Capital</b>                                | 1,000.50        | 1,000.50        | 1,000.50        |
| <b>Reserves</b>                               |                 |                 |                 |
| Legal Reserve                                 | 200.10          | 200.10          | 200.10          |
| Other Reserves                                | 3,860.26        | 3,860.26        | 3,860.26        |
| <b>Profit and Loss</b>                        |                 |                 |                 |
| Net Income of the year                        | 2,357.19        | 2,371.99        | 2,548.96        |
| Dividend on account delivered during the year | - 2,175.41      | -1,011,32       | -2,300,00       |
| <b>TOTAL</b>                                  | <b>5,242.64</b> | <b>6,421.53</b> | <b>5,309.82</b> |

(\*) Not audited

The Management Company declares that it has enough own resources and share capital to carry out on its business as set out in Article 29 d) of Law 5/2015.

#### 6.1.9 Principal transactions with related parties and conflicts of interest

There are no dealings with related parties or conflicts of interest.

#### 6.1.10 Shareholders of the Management Company with more that 10% of the share capital

The details of the shareholders of the Management Company, including their participation in the same, are included in the next section (*Major Shareholder of the Management Company*).

## 7. MAJOR SHAREHOLDERS OF THE MANAGEMENT COMPANY

The Management Company does not form part of any group of companies.

Without prejudice of the above, the shareholding distribution of the Management Company, at the moment of registration of this Prospectus, is as follows:

| Shareholders                            | %           | Shares         |
|---|-------------|----------------|
| Radeal Activos, S.L.U.                  | 50,63%      | 75,951         |
| Holdci SAR, S.L.U.                      | 8,35%       | 12,522         |
| Teneci RPE, S.L.U.                      | 8,35%       | 12,522         |
| Teneci PVV Activos, S.L.U.              | 5,40%       | 8,100          |
| Corporación Se Activos MACH, S.L.U.     | 6,88%       | 10,327         |
| Teacti JDC, S.L.U.                      | 6,89%       | 10,328         |
| Lucra Patrimonios e Inversiones, S.L.U. | 6,75%       | 10,125         |
| Neska Patrimonio e Inversiones, S.L.U.  | 6,75%       | 10,125         |
| <b>TOTAL</b>                            | <b>100%</b> | <b>150,000</b> |

**8. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**

**8.1 Declaration on the commencement of operations and financial statements of the Issuer prior to the date of the Registration Document**

The commencement of the operations of the Fund will occur upon the execution of the Deed of Incorporation. Consequently, no financial statement has been included in this Registration Document.

**8.2 Historical financial information when the Issuer has commenced operations and the financial statements have been performed**

Not applicable.

**8.2.a Historical financial information on securities issues with an individual denomination of €100,000 or more or which are to be traded only on a regulated market, and/or a specific section thereof, to which only qualified investors have access for the purpose of trading in the securities**

Not applicable.

**8.3 Legal and arbitration proceedings**

Not applicable. The Fund has not been incorporated yet on the date of registration of this Prospectus.

**8.4 Material adverse change in the Issuer's financial position**

Not applicable.

**9. DOCUMENTS ON DISPLAY**

If necessary, the following documents (or copies thereof) shall be on display during the period of validity of this Registration Document and/or throughout the life of the Issuer:

- (a) this Prospectus.
- (b) the Deed of Incorporation of the Fund and the Assignment Policy of the Loan Receivables,;
- (c) the Servicing Agreement, the Accounts Agreement, the Paying Agency Agreement, the Swap Agreements and the Subordinated Loan Agreement;
- (d) The annual and quarterly reports required under Article 35 of Law 5/2015; and
- (e) The annual accounts and the audit report of the Management Company.

A copy of all the documents referred to in the preceding paragraphs, except for those listed in paragraph (c), can be consulted on the website of the Management Company ([www.tda-sgft.com](http://www.tda-sgft.com)). The documents listed in paragraph (c), to the extent no securitisation repository is registered in accordance with Article 10 of the Securitisation Regulation, can be consulted on the website of the of the European Data Warehouse ([www.eurodw.eu](http://www.eurodw.eu)).

This Prospectus may also be consulted through the website of the CNMV ([www.cnmv.es](http://www.cnmv.es)) and of Volkswagen Bank GmbH ([www.vwfs.com](http://www.vwfs.com)).

Information and reports required under the Securitisation Regulation will be available as described in section 4.1.2(a) of the Additional Building Block.

### III. SECURITIES NOTE

#### 1. PERSONS RESPONSIBLE, THIRD PARTY INFORMATION, EXPERT'S REPORTS AND COMPETENT AUTHORITY APPROVAL

##### 1.1 Persons responsible for the information contained in the Securities Note

Mr. Ramón Pérez Hernández, acting in the name and on behalf of Titulización de Activos, S.G.F.T., S.A., management entity of DRIVER ESPAÑA SIX, FONDO DE TITULIZACIÓN, assumes the responsibility for the content of this Securities Note, including its Additional Building Block.

Mr. Ramón Pérez Hernández acts in his capacity as Chief Executive Officer (*Consejero Delegado*) Company by virtue of the public deed granted on 9 April 2015 before the notary public of Madrid, Mr. Juan Álvarez-Sala Walter under number 935 of his Official Record, and by virtue of the resolutions adopted by the Chief Executive Officer (*Consejero Delegado*) on 12 February 2020.

In accordance with the certificate issued by Volkswagen Bank GmbH, Sucursal en España, Volkswagen Bank GmbH, Sucursal en España, as Seller and Originator of the Loan Receivables backing the Notes Issue of DRIVER ESPAÑA SIX, FONDO DE TITULIZACIÓN, takes responsibility for the contents of sections 3.1.2, 3.1.3, 4.1, 4.2, 4.6, 4.8, 4.9, 4.10, 4.11, 4.13, 4.15 and 7.3 of the Securities Note (other than with respect to the table named "*Weighted Average Life of the Notes, Duration and IRR*", which is subject to the below paragraph) and sections 1.1, 1.2, 2.1, 2.2, 2.3, 2.4, 3.3, 3.4, 3.5, 3.7.2 and 4.1.2(a) of the Additional Building Block.

In accordance with the certificate issued by ING Bank N.V., ING Bank N.V. as Arranger of the Notes Issue of DRIVER ESPAÑA SIX, FONDO DE TITULIZACIÓN, takes responsibility for the contents of table named "*Weighted Average Life of the Notes, Duration and IRR*", included in section 4.10 of the Securities Note, taking into account the assumptions contained thereunder and except to the extent that any inaccuracy results from information provided by VW Bank Spanish Branch to the Arranger for the purpose of preparing this table in which case VW Bank Spanish Branch is solely responsible for the accuracy of the information set out in this table named "*Weighted Average Life of the Notes, Duration and IRR*" to the extent of the inaccuracy.

##### 1.2 Declarations by the persons responsible for the information contained in the Securities Note

Mr. Ramón Pérez Hernández, in the name and on behalf of the Management Company, declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Securities Note and its Additional Building Block is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its import.

Volkswagen Bank GmbH, Sucursal en España declares that, having taken all reasonable care to ensure that such is the case, the information contained in sections 3.1.2, 3.1.3, 4.1, 4.2, 4.6, 4.8, 4.9, 4.10, 4.11, 4.13, 4.15 and 7.3 of the Securities Note (other than with respect to the table named "*Weighted Average Life of the Notes, Duration and IRR*") and sections 1.1, 1.2, 2.1, 2.2, 2.3, 2.4, 3.3, 3.4, 3.5, 3.7.2 and 4.1.2(a) of the Additional Building Block is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

ING Bank N.V. declares that, having taken all reasonable care to ensure that such is the case, the information contained in the table named "*Weighted Average Life of the Notes, Duration and IRR*", included in section 4.10 of the Securities Note is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

##### 1.3 Statement or report attributed to a person as an expert

Not applicable.

1.4 Information from third parties

No information sourced from a third party is included in this Securities Note.

1.5 Statement of compliance with Regulation (EU) 2017/1129

- (a) The CNMV, as competent authority under the Prospectus Regulation, has approved on 20 February 2020 this Prospectus (including this Securities Note).
- (b) The CNMV only approves this Prospectus (including this Securities Note) as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.
- (c) The abovementioned approval should not be considered as an endorsement of the quality of the Notes that is subject to the Prospectus.
- (d) The investors should make their own assessment as to suitability of investing in the Notes.

2. **RISK FACTORS**

Risk factors which are specific and material to the Notes are contained under point 2 of the "Risk Factors" section.

3. **ESSENTIAL INFORMATION**

3.1 Interest of natural and legal entities involved in the offer:

- 3.1.1 Titulización de Activos, S.G.F.T., S.A. is the Management Company (*sociedad gestora*) that will incorporate, administer and represent the Fund and the Master Servicer of the Loan Receivables pursuant to article 26.1.b) of Law 5/2015.

The Management Company is a public limited company (*sociedad anónima*) and management company of securitisation funds with corporate address at Calle Orense nº 58, Madrid (Spain), with Spanish Tax Identification number (C.I.F.) A-80352750 and with Economic Activity National Code (C.N.A.E.) 6630. It is registered with the special registry of the CNMV of management companies of securitisation funds with number 3. The LEI code of the Management Company is 959800TG70LRY0VPES50.

The Management Company holds no credit ratings from any rating agency.

- 3.1.2 Volkswagen Bank GmbH, acting through its Spanish Branch ("**VW Bank Spanish Branch**", the "**Seller**" or the "**Originator**") is: (i) the seller of the Loan Receivables that will be acquired by the Fund and (ii) the Service Provider under the Servicing Agreement;

VW Bank Spanish Branch is a branch of VW Bank, a credit institution. VW Bank Spanish Branch has its corporate address in Avda. Bruselas 34, 28108 Alcobendas (Madrid), with Spanish Tax Identification number (C.I.F.) W00427411. VW Bank is registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Braunschweig, Germany, under HRB 1819. The LEI code of VW Bank is 529900GJD3OQLRZCKW37.

In accordance with the registry of the Bank of Spain, the Spanish Branch of VW Bank (registered with code 1480 in the Bank of Spain) is authorised to take deposits, provide financing, payment services and other methods of payments and grant guarantees and subscribe commitments. Although the Spanish Branch is authorised to take deposits, it is hereby noted that no Borrower maintains deposits on accounts with VW Bank as of the date of this Prospectus.

Pursuant to section 1(1) of the German Banking Act (*Kreditwesengesetz*), VW Bank is a credit institution. Supervisory authority for VW Bank is the European Central Bank. As a matter of German law a branch does not have separate legal personality and, therefore, VW Bank is acting in its various capacities under the Transaction Documents and as such VW Bank is responsible for the compliance of the Spanish Branch.

VW Bank will be responsible for compliance with Articles 6, 7 and 9 of the Securitisation Regulation. For these purposes, VW Bank will act through its Spanish branch. In this regard, VW Bank Spanish Branch, in its capacity as Originator, shall be the designated reporting entity pursuant to Article 7 of the Securitisation Regulation.

VW Bank will retain a material net economic interest in this securitisation in accordance with the terms described in this Prospectus. For these purposes, VW Bank will act through its Spanish branch.

Additionally, VW Bank intends to notify ESMA that the Transaction will meet the requirements for simple, transparent and standardised securitisation as set out in Articles 19 to 22 of the Securitisation Regulation. In this regard, before pricing of the Notes, for the purpose of compliance with Article 22(3) of the Securitisation Regulation, VW Bank Spanish Branch has engaged Moody's Analytics to make available a cashflow liability model of the Transaction on the website of Moody's Analytics (<https://www.sfportal.com/deal/summary/YBI.DRIVESPSIX>). Such cashflow model will be available after the Closing Date to investors on an ongoing basis and to potential investors on request.

- 3.1.3 Without prejudice to section 3.1.2 of the Securities Note above, Volkswagen Bank GmbH ("**VW Bank**") is also the Subordinated Lender.

Volkswagen Bank GmbH is a financial entity with corporate address in Gifhorner Straße 57, 38112 Braunschweig, Germany. VW Bank is registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Braunschweig, Germany, under HRB 1819. The LEI code of VW Bank is 529900GJD3OQLRZCKW37.

At the date of registration of this Prospectus, the ratings assigned by the rating agencies to the short-term and long-term non-subordinated and unsecured debt of Volkswagen Bank GmbH are as follows:

|             | S&P Global Ratings | DBRS |
|-------------|--------------------|------|
| Short Term  | A2                 | N/A  |
| Long Term   | A-                 | N/A  |
| Date        | 12/12/2019         | N/A  |
| Perspective | Negative           | N/A  |

- 3.1.4 ING Bank N.V. ("**ING**") is the Arranger, one of the Joint Lead Managers, one of the Underwriters and one of the Placement Entities.

In its capacity of Arranger and Joint Lead Manager, it performs the following activities under section 35.1 of the Royal Decree 1310/2005: (i) structure and arrange the securitisation transaction on behalf of the Seller and (ii) receive the mandate of the Management Company in order to co-lead the design of the commercial and financial conditions of the Issue and the coordination of the relations with the supervisory authorities.

ING is a credit entity whose registered address is at Bijlmerdreef 106, 1102 CT, Amsterdam, The Netherlands. The LEI code of ING is 3TK201VIUJ8J3ZU0QE75.

At the date of registration of this Prospectus, the ratings assigned by the rating agencies to the short-term and long-term non-subordinated and unsecured debt of ING are as follows:

|             | S&P Global Ratings | DBRS |
|-------------|--------------------|------|
| Short Term  | A-1                | N/A  |
| Long Term   | A+                 | N/A  |
| Date        | 12/03/2019         | N/A  |
| Perspective | Stable             | N/A  |

- 3.1.5 Commerzbank Aktiengesellschaft ("**Commerzbank**") is one of the Joint Lead Managers, one of the Underwriters and one of the Placement Entities. In its capacity of Joint Lead Manager, it performs the following activity under section 35.1 of the Royal Decree 1310/2005: receive the mandate of the Management Company in order to co-lead the design of the commercial and financial conditions of the Issue and the coordination of the relations with the supervisory authorities.

Commerzbank is a credit entity incorporated under the laws of Germany, with its registered office at Kaiserstraße 16 (*Kaiserplatz*), 60311 Frankfurt am Main, Germany. The LEI code of Commerzbank is 851WYGNLUQLFZBSYGB56.

At the date of registration of this Prospectus, the ratings assigned by the rating agencies to the short-term and long-term non-subordinated and unsecured debt of Commerzbank are as follows:

|             | S&P Global Ratings | DBRS |
|-------------|--------------------|------|
| Short Term  | A-2                | N/A  |
| Long Term   | A-                 | N/A  |
| Date        | 29/06/2018         | N/A  |
| Perspective | Negative           | N/A  |

- 3.1.6 Crédit Agricole Corporate and Investment Bank ("**CACIB**") is one of the Underwriters and one of the Placement Entities.

CACIB is a *société anonyme* incorporated under the laws of France, duly licensed as a credit institution (*établissement de crédit*) by the *Autorité de Contrôle Prudentiel et de Résolution* with its registered office at 12, Place des Etats-Unis, CS 70052, 92547 Montrouge CEDEX, France and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. The LEI code of CACIB is 1VUV7VQFKUOQSJ21A208.

At the date of registration of this Prospectus, the ratings assigned by the rating agencies to the short-term and long-term non-subordinated and unsecured debt of CACIB are as follows:

|             | S&P Global Ratings | DBRS |
|-------------|--------------------|------|
| Short Term  | A-1                | N/A  |
| Long Term   | A+                 | N/A  |
| Date        | 19/10/2018         | N/A  |
| Perspective | Stable             | N/A  |

- 3.1.7 DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main ("**DZ BANK**") is one of the Underwriters, one of the Placement Entities and the Swap Counterparty.

DZ BANK is a credit entity incorporated under the laws of Germany, with its registered office at Platz der Republik, 60325 Frankfurt am Main, Germany. The LEI code of DZ BANK is 529900HNOAA1KXQJUQ27.

At the date of registration of this Prospectus, the ratings assigned by the rating agencies to the short-term and long-term non-subordinated and unsecured debt of DZ BANK are as follows:

|                     | S&P Global Ratings | DBRS (unsolicited) |
|---------------------|--------------------|--------------------|
| Short Term          | A-1+               | R-1(middle)        |
| Long Term           | AA-                | AA(low)            |
| Date                | 10/01/2020         | 3/02/2020          |
| Outlook (LT Rating) | Negative           | Positive           |

- 3.1.8 Banco Santander, S.A., acting through its corporate and investment banking division ("**SCIB**") is one of the Underwriters and one of the Placement Entities.

Banco Santander, S.A., is a credit entity incorporated under the laws of Spain, with its registered office at Paseo de Pereda 9-12, Santander, and with Spanish Tax Identification number (N.I.F.) A-39000013. The LEI code of Banco Santander, S.A. is 5493006QMFDDMYWIAM13.

At the date of registration of this Prospectus, the ratings assigned by the rating agencies to the short-term and long-term non-subordinated and unsecured debt of Banco Santander, S.A. are as follows:

|             | S&P Global Ratings | DBRS        |
|-------------|--------------------|-------------|
| Short Term  | A-1                | R-1(middle) |
| Long Term   | A                  | A(high)     |
| Date        | 06/04/2018         | 28/11/2019  |
| Perspective | Stable             | Stable      |

- 3.1.9 BNP Paribas Securities Services, Spanish Branch ("**BNP Paribas Securities Services**") is the Paying Agent and Account Bank. The LEI code of BNP Paribas Securities Services is 549300WCGB70D06XZS54.

The roles of BNP Paribas Securities Services as Paying Agent and Account Bank are described in detail in sections 5.2 of the Securities Note and 3.4.3 of the Additional Building Block, respectively.

At the date of registration of this Prospectus, the ratings assigned by the rating agencies to the short-term and long-term non-subordinated and unsecured debt of BNP Paribas Securities Services are as follows:

|             | S&P Global Ratings | DBRS |
|-------------|--------------------|------|
| Short Term  | A-1                | N/A  |
| Long Term   | A+                 | N/A  |
| Date        | 05/04/2019         | N/A  |
| Perspective | Stable             | N/A  |

- 3.1.10 S&P Global Ratings Europe Ltd. ("**S&P Global Ratings**") is one of the Rating Agencies of the Notes Issue. S&P Global Ratings is duly registered with ESMA, pursuant to Regulation (EC) n° 1060/2009 of the Parliament and the Council of 16 September 2009 on credit rating agencies. It is duly registered and having its registered office at Waterways House, Grand Canal Quay, Dublin 2, Ireland.
- 3.1.11 DBRS Ratings Limited ("**DBRS**") is one of the Rating Agencies of the Notes Issue. DBRS is duly registered with ESMA, pursuant to Regulation (EC) n° 1060/2009 of the Parliament and the Council of 16 September 2009 on credit rating agencies. It is duly registered and having its registered office at 20 Fenchurch Street, London EC3M 3BY.
- 3.1.12 Pricewaterhousecoopers Auditores, S.L. ("**PwC**") is the auditor of most significant features of a sample of selected loans owned by VW Bank Spanish Branch from which the Loan Receivables will be taken and has issued a special securitisation report on certain features and attributes of said sample of selected loans for the purposes of complying with article 22.2 of the Securitisation Regulation.

PwC is a limited liability company, with corporate address in Paseo de la Castellana, Madrid (Spain), with Spanish Tax Identification Number (C.I.F.) B-79031290, and registered with the

Commercial Registry of Madrid and the Spanish Official Registry for Accounting Auditors (R.O.A.C.) under number S0242.

- 3.1.13 Ernst & Young, S.L. ("**EY**") has been appointed the accounts auditor of the Fund.

EY is a limited liability company, with corporate address in C/ Raimundo Fernández Villaverde 65, Madrid (Spain), with Spanish Tax Identification Number (C.I.F.) B-78970506, and registered with the Commercial Registry of Madrid and the Spanish Official Registry for Accounting Auditors (R.O.A.C.) under number S0530.

- 3.1.14 STS Verification International GmbH ("**SVI**") authorised by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) as third party verification agent pursuant to Article 28 of the Securitisation Regulation. SVI shall issue a report verifying compliance with the STS criteria stemming from Articles 18, 19, 20, 21 and 22 of the Securitisation Regulation. SVI has its business address at Mainzer Landstr. 6160329 Frankfurt am Main.

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**"). However, it should be noted that the SVI verification does not affect the liability of such originator or issuer in respect of their legal obligations under the Securitisation Regulation.

- 3.1.15 European Data Warehouse ("**EDW**") is a company created with the support of the European Central Bank, founded and governed by market participants. It operates as a service company to respond to the need for providing information to investors in asset-backed securities. EDW has its business address at: Walther-von-Cronbert, Platz 2, 60593 Frankfurt am Main (Germany), and Tax Identification Number 045 232 57900. The LEI Code of EDW is 529900IUR3CZBV87LI37. EDW has been appointed by the Management Company, on behalf of the Fund, as provider of the website which conforms to the requirements set out in Article 7.2 of the Securitisation Regulation and, when registered by ESMA as securitisation repository in accordance with Articles 10 and 12 of the Securitisation Regulation, as securitisation repository to satisfy the reporting obligations under Article 7 of the Securitisation Regulation. In this regard, EDW has stated its intention to become registered as a securitisation repository authorised and supervised by ESMA. However, as of the date of registration of this Prospectus, no official securitisation repository has been named or registered with ESMA in accordance with Article 10 and 12 of Securitisation Regulation. EDW has publicly declared that it meets the requirements set out in Article 7(2), fourth paragraph, of the Securitisation Regulation.

- 3.1.16 Hogan Lovells International LLP, ("**Hogan Lovells**") is the legal advisor of the Transaction.

Hogan Lovells is a limited liability partnership registered in England and Wales with registered number OC323639. Registered office and principal place of business: Atlantic House, Holborn Viaduct, London EC1A 2FG. Hogan Lovells shall issue the true sale legal opinion for the purposes of Article 20.1 of the Securitisation Regulation.

It is hereby noted that Hogan Lovells is acting through (i) its Spanish branch, Hogan Lovells International LLP Establecimiento Permanente en España, located at Paseo de la Castellana, 36-38, Planta 9, 28046 Madrid and with Spanish Tax Identification Number ESW-0067537A; and (ii) its German branch, located at Untermainanlage 1, 60329 Frankfurt am Main.

No other direct or indirect ownership or control relationship is known to exist between the legal persons that are involved in the Transaction.

The Management Company is not aware of any relationship or economic interest either between the experts who have taken part in designing or advising on the incorporation of the Fund, or between any of the other intervening parties, the Management Company or VW Bank Spanish Branch, as assignor of the Loan Receivables to be assigned to the Fund, with the exception of the situations described under section 3.1 above.

### 3.2 The use and estimated net amount of the proceeds

The proceeds from the subscription of the Notes, together with the Subordinated Loan, shall be used to finance: (a) the payment of the Purchase Price of the Loan Receivables; (b) the payment of the Initial Expenses; and (c) the provision the Initial Cash Collateral Amount, as further described in the Additional Building Block.

## 4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED AND ADMITTED TO TRADING

### 4.1 Total amount of the securities and placement

#### 4.1.1 Total amount of securities

The total amount of the Notes Issue will be €1,035,700,000, comprising a total number of 10,357 Notes, each of €100,000 nominal value.

#### 4.1.2 Issue price of the Notes

The nominal value of the Notes will be €100,000 each. In any event, the subscription price shall be calculated by applying to the nominal value of each class of Notes the following percentages:

Class A Notes: 100.70%

Class B Notes: 100.00%

### 4.2 Description of the type and the class of the securities

#### 4.2.1 Type and class of securities

The Notes issued in accordance with Law 5/2015 qualifies as fixed income securities with explicit yield, being subject to the legal regime established by the Securities Act and its developing regulations. The Notes will be represented by means of book entries (*anotaciones en cuenta*). The Notes are asset securitisations Notes that represent a debt for the Fund, accrue interest, and are redeemable through early redemption or at their final maturity.

The total amount of the issue shall group in 2 Classes of Notes as follows:

- (i) Class A, with ISIN ES0305471007, floating rate Loan Receivables backed Notes, for a total nominal amount of €1,000,000,000, formed by one sole series of 10,000 Notes each with a face value of €100,000, represented by book entries (referred to either as the "**Class A**" or the "**Class A Notes**"); and
- (ii) Class B, with ISIN ES0305471015, floating rate Loan Receivables backed Note, for a total nominal amount of €35,700,000, formed by one sole series of 357 Notes each with a face value of €100,000, represented by book entries (referred to either as the "**Class B**" or the "**Class B Notes**").

In any event, the subscription price shall be calculated by applying to the nominal value of each class of Notes the following percentages:

Class A Notes: 100.70%

Class B Notes: 100.00%

The holding or subscription of one of the Classes of Notes does not necessarily imply the holding or subscription of Notes of the other Class of Notes.

#### 4.2.2 Underwriting, subscription and placement of the securities

On the Date of Incorporation, the Management Company, acting on behalf of the Fund, shall enter into a Management, Subscription and Placement Agreement with the Arranger, the Underwriters, the Joint Lead Managers and the Placement Entities mentioned in section 3.1 of the Securities Note. In accordance with such Management, Subscription and Placement Agreement, the subscription of all the Notes shall be carried out by the Underwriters and will take place on the "**Subscription Date**" (27 February 2020), during which, and between 11:30 AM (C.E.T.) and 2:00 PM (C.E.T.) (the "**Subscription Period**") which will be communicated to the Management Company not later than 2:30 PM (C.E.T.) on the Subscription Date, then the Notes shall be placed by the Placement Entities among qualified investors.

As indicated in the Management, Subscription and Placement Agreement, Underwriters shall irrevocably undertake to carry out the disbursement of the Notes subscribed by each of them before 11:00 AM (C.E.T.) on the Business Day following the referred Subscription Date, that is, before 11:00 AM (C.E.T.) on 28 February 2020 (the "**Closing Date**").

Furthermore, by virtue of the Management, Subscription and Placement Agreement, the Placement Entities shall promote the placement of the Notes among qualified investors.

As a consequence of the above, and in accordance with the Deed of Incorporation of the Fund and this Prospectus, the Management, Subscription and Placement Agreement shall be terminated as per the applicable legal provisions and (i) in the event of lack of compliance of the Underwriters of their subscription obligations in respect to the Notes by the end of the Subscription Period; (ii) if an event occurs that could not be foreseen or that, even if foreseen, is inevitable rendering it impossible to perform the Management, Subscription and Placement Agreement pursuant to article 1,105 of the Civil Code (*force majeure*) prior to the disbursement of the Notes on Closing Date; (iii) if the signed legal opinion of Hogan Lovells has not been delivered to the addressees thereof (i.e. the Seller, the Subordinated Lender, the Management Company and the Underwriters) in a form satisfactory to them prior to the beginning of the Subscription Period; or (iv) if the Transaction Documents have not been duly executed and delivered by the parties thereto on the Date of Incorporation.

Should any of the events mentioned in the above paragraph occur, the early extinction of the Fund will take place, in the terms reflected in section 4.4.3(ii) of the Registration Document and the issue of the Notes and any subscriptions which may have been carried out will be deemed terminated (without prejudice to the actions against the Underwriters in case of lack of compliance of their obligations). The disbursement obligations of the Notes will also be terminated and without effect. The occurrence of any of the early extinction event mentioned above is not a cause of liability for the Seller, the Fund or the Management Company *vis-à-vis* the Arranger, the Joint Lead Managers, the Placement Entities and other parties to the Transaction (except for the Underwriters in case of lack of compliance with their subscription obligations), nor *vis-à-vis* natural or legal persons which may have formulated subscription proposals, without prejudice to the agreements concerning expenses included in the Management, Subscription and Placement Agreement and in section 4.4.3 of the Registration Document and which will be included in the Deed of Incorporation of the Fund.

In consideration of the functions performed by ING, Commerzbank, DZ BANK, CACIB and SCIB as Underwriters and Placement Entities, they will receive a fixed underwriting and placement fee in the total amount for all of them of €490,000, amount that is included in the initial expenses, as described in section 6 of this Securities Note.

The Arranger and the Joint Lead Managers shall not receive any arrangement or management commission.

#### 4.2.2(a) U.S. Risk Retention

The Transaction will not involve risk retention by the Seller for the purposes of the Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended, adopted pursuant to the requirements of Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**U.S. Risk Retention Rules**"), but rather will be made in reliance on an exemption provided for in Section \_\_.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as "**Risk Retention U.S. Persons**"); (3) neither the sponsor nor the issuer of the securitisation transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

There can be no assurance that the exemption provided for in Section \_\_.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions will be available. Failure of the offering of the Notes to comply with the U.S. Risk Retention Rules (regardless of the reason for such failure to comply) could give rise to regulatory action which may adversely affect the Notes. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation market generally is uncertain, and a failure by a transaction to comply with the risk retention requirements of the U.S. Risk Retention Rules could negatively affect the market value and secondary market liquidity of the Notes.

Sections 1471 through 1474 of the Foreign Account Tax Compliance Act ("**FATCA**") impose a new reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign pass through payments" made to certain non-U.S. financial institutions (any such non-U.S. financial institution, an "**FFI**") that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating FFI (collectively, "**Withholdable Payments**").

Whilst the Notes are held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding (e.g. because the required identification information is not provided).

The Fund's obligations under the Notes are discharged once it has paid the clearing systems, and the Fund has therefore no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries.

The United States and the Government of the Kingdom of Spain have entered into an intergovernmental agreement to facilitate the implementation of FATCA (the "IGA"). An FFI (such as the Fund) that complies with the terms of the IGA, as well as applicable local law requirements will not be subject to withholding under FATCA with respect to Withholdable Payments that it receives. Further, an FFI that complies with the terms of the IGA will not be required to withhold under FATCA on payments it makes to noteholders of such FFI (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). Pursuant to the IGA, an FFI is required to report certain information in respect of certain of its noteholders to its home government, whereupon such information will be provided to the U.S. Internal Revenue Service. The Fund will undertake to comply with the IGA and any local implementing legislation, but there is no assurance that it will be able to do so.

An FFI that fails to comply with the terms of the IGA may become subject to the FATCA Withholding described above. Additionally, a failure to comply with future local implementing legislation may result in negative consequences to an FFI. The imposition of the FATCA withholding on payments made to the Fund would reduce the profitability, and thus the cash available to make payments on the Notes. Prospective investors should consult their advisers about the potential application of FATCA.

#### 4.3 Legislation under which the securities have been created

The incorporation of the Fund and the Notes Issue are subject to Spanish Law and they are executed according to this Prospectus, the Deed of Incorporation and the legal regime foreseen in: (i) Law 5/2015; (ii) Securitisation Regulation and applicable implementing regulations; (iii) the Securities Act and its developing applicable regulations; (iv) Regulation 2019/980; (v) Royal Decree 1310/2005; (vi) Order EHA/3537/2005 of 10 November implementing article 37.6 of the Securities Act; (vii) Royal Decree 878/2015 of 2 October on compensation, settlement and registration of negotiable securities represented through book entries, on the legal system and requirements on the transparency of securities (as amended by Royal Decree 827/2017 of 1 September); and (viii) any other legal provisions and regulations applicable from time to time.

#### 4.4 Indication whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form

The Notes will be represented by book entries, and will be incorporated as such by virtue of their entry into the corresponding accounting register, managed by IBERCLEAR, with registered offices at number 1, Plaza de la Lealtad, Madrid (Spain). In this respect, it is stated that the Deed of Incorporation will produce the effect set forth in article 7 of the Securities Act. The Noteholders will be identified as such in accordance with the accounting registry which IBERCLEAR is in charge of.

#### 4.5 Currency of the securities issue

The currency of the Notes will be Euro.

#### 4.6 The relative seniority of the securities in the issuer's capital structure in the event of insolvency, including, where applicable, information on the level of subordination of the securities and the potential impact on the investment in the event of resolution under Directive 2014/59/EU

##### 4.6.1 Simple statement of the ranking of payments of interest of the Notes of each Class within the Fund's order of priority of payment

The payment of the interest accrued by the Class A Notes will rank 4 in the Order of Priority set forth in section 3.4.7(ii)(2) of the Additional Building Block, and 4 in the Liquidation Order of Priority set forth in section 3.4.7(ii)(4) of the Additional Building Block.

The payment of the interest accrued by the Class B Notes will rank 5 in the Order of priority set forth in section 3.4.7(ii)(2) of the Additional Building Block, and 6 in the Liquidation Order of Priority set forth in section 3.4.7(ii)(4) of the Additional Building Block.

4.6.2 Simple statement of the ranking of payments of principal of the Notes of each Class within the Fund's order of priority of payment

The payment of principal of the Class A Notes ranks 7 in the Order of Priority set forth in section 3.4.7(ii)(2) of the Additional Building Block, and 5 in the Liquidation Order of Priority set forth in section 3.4.7(ii)(4) of the Additional Building Block.

The payment of the principal of the Class B Notes will rank 8 in the Order of Priority set forth in section 3.4.7(ii)(2) of the Additional Building Block, and 7 in the Liquidation Order of Priority set forth in section 3.4.7(ii)(4) of the Additional Building Block.

The repayment of the principal of the Class A Notes and the Class B Notes shall be made as indicated in section 4.9.3 of the Securities Note. There are certain events under which the repayment of the Class A Notes and the Class B Notes would take place on a certain Payment Date, simultaneously, to the extent that the Aggregate Discounted Receivables Balance of the Loan Receivables on a Payment Date exceeds specific parameters, in the terms and according to 4.9.3 of the Securities Note.

As set out in section 3.4.5(ii)(3)4 of the Additional Building Block, should the Fund default in the payment of any interest on the Class A Notes then outstanding when the same becomes due and payable (notwithstanding any deferral of interest as per section 3.4 of the Additional Building Block) and such default continues for a period of five (5) Business Days, the order of priority to be used from the next Payment Date (and onwards) shall be the "Liquidation Order of Priority", although, such event isolated will not constitute an Early Liquidation event and the Management Company will not (only for that reason) be obliged to early liquidate the Fund.

4.7 Description of the rights attached to the securities

Pursuant to the applicable legislation, the Notes detailed in the present Securities Note will not imply for the investor, nor attribute to him, any present or future shareholder right on the Fund or on its management company.

Financial and economic rights for the investors related to the acquisition and holding of the Notes will be those deriving from the payments of interest and principal in accordance with sections 4.8 and 4.9 of the Securities Note.

The Noteholders are subject, in relation to the payment of interest and repayment of the principal of the Notes of each Class, to the Order of Priority and to the Liquidation Order of Priority.

Noteholders shall have no action against the Management Company, unless for the non-fulfilment of its duties or the non-observance of the obligations described in: (i) the Deed of Incorporation and in the Assignment Policy; (ii) this Prospectus; and (iii) the applicable regulations. In this regard, no action of the Noteholders against the Management Company shall be based on: (i) delinquency or prepayment of the Loan Receivables; (ii) non-fulfilment by the counterparties of the operations entered into by the Management Company in the name and on behalf of the Fund; or (iii) the insufficiency of the coverage transactions to assist in the financial service of the Notes.

Noteholders shall have no action against the Borrowers that have failed to comply with their payment obligations. In this regard, the Management Company, as legal representative of the Fund, will be the person empowered to address any action.

If the Management Company convenes a Meeting of Creditors, in accordance with the Meeting of Creditors rules, any decision to be adopted regarding the Fund or the Notes should be, as the case

may be, in accordance with the aforesaid rules of the Meeting of Creditors as established in section 4.11 of the Securities Note.

Any aspect, discrepancy or dispute regarding the Fund or the Notes that might arise during the life of the Fund or during its liquidation: (i) between Noteholders; or (ii) between Noteholders and the Management Company, will be subject to the Courts of the city of Madrid with express waiver of any other jurisdiction that may correspond to the parties.

#### 4.8 Nominal interest rate and provisions relating to payable interest

##### 4.8.1 Notes Interest

From the Closing Date until their final maturity, all the Notes will accrue an annual nominal interest rate variable monthly (the "**Nominal Interest Rate**"). Such Nominal Interest Rate will be paid monthly in arrears on each Payment Date, as this term is defined in section 4.8.7 below, and is calculated in relation to the Outstanding Nominal Balance of the Notes.

The payment of interest on the Notes will be made in accordance with the Order of Priority or, as the case may be, in accordance with the Liquidation Order of Priority, set forth, respectively, in sections 3.4.7(ii)(2) and 3.4.7(ii)(4) of the Additional Building Block.

With regard to the accrual of the interest for the Notes Issue, payment of interest will be divided into successive interest accrual periods (the "**Interest Accrual Periods**") which will include the days elapsed between each Payment Date (including the first Payment Date and excluding the last one). Exceptionally, the first Interest Accrual Period will start on (and include) the Closing Date and will end on (and exclude) the first Payment Date. In respect of this first Interest Accrual Period, the applicable Nominal Interest Rate of the Notes will result from the interpolation of the 1-week EURIBOR and the 1-month EURIBOR.

The annual Nominal Interest Rate accrued during each Interest Accrual Period will be the result of adding:

- (i) the Reference Interest Rate, calculated as stipulated below, and common to all Notes, and rounded to the nearest thousandth, taking into account that, in the event of equal conditions for rounding up or down, the amount will always be rounded up; plus
- (ii) the margin applicable to the Notes, as indicated in section 4.8.5 below.

In the case that the annual Nominal Interest Rate calculated in accordance with this paragraph is negative, the applicable annual Nominal Interest Rate will be zero.

##### 4.8.2 Reference Interest Rate

The reference interest rate for calculating the interest rate applicable to the Notes will be the 1-month EURIBOR or, if necessary, its substitute (the "**Reference Interest Rate**") determined as:

- (i) the 1-month EURIBOR displayed on the EUR001M page of the BLOOMBERG screen, on the Determination Date at 11.00 A.M. (C.E.T.). "BLOOMBERG screen, EUR001M page" is the one that displays the contents of the "EUR001M" page on the BLOOMBERG SERVICE (or any other page that may replace this service); or
- (ii) in the absence of rates as indicated in paragraph (i) above, the simple arithmetic mean of the rates for Interbank interest rates on non-transferable deposits in Euros for a 1-month maturity term for an equivalent amount to the Outstanding Nominal Balance of the Notes on the Determination Date of the Interest Rate by the principal Euro-zone offices of the following banks will apply, as near as possible to 11.00

A.M. (C.E.T.), and this interest rate will be requested simultaneously from such banks:

- (1) Banco Bilbao Vizcaya Argentaria, S.A.;
- (2) Banco Santander, S.A.;
- (3) Cecabank, S.A.; and
- (4) Deutsche Bank AG.

If one or several of the aforementioned institutions do not furnish a list of quoted rates, the rate applied will be the rate that results from applying the simple arithmetic mean of the rates declared by at least two of the remaining institutions.

In the absence of the rates in accordance with the provisions of paragraphs (i) and (ii), the Reference Interest Rate for the immediately previous Interest Accrual Period will apply. On the first Determination Date, in the event that the reference interest rate is not published in accordance with the provisions of paragraphs (i) and (ii), the rate applied will be the rate displayed according to paragraph (i) on the last Business Day on which such reference interest rate was published.

Following a Benchmark Event, the Service Provider, on behalf of the Issuer, shall be entitled, to determine a Substitute Reference Rate in its due discretion which shall replace the EURIBOR affected by such Benchmark Event. Any Substitute Reference Rate shall apply from (and including) the interest determination date determined by the Issuer in its due discretion, which shall be no earlier than on the second Business Day, prior to the commencement of the relevant Interest Accrual Period, falling on or immediately following the date of the Benchmark Event, with first effect for the Interest Accrual Period for which the Nominal Interest Rate, as the case may be, is determined. If the Service Provider, on behalf of the Issuer, decides to determine a Substitute Reference Rate, the Service Provider, on behalf of the Issuer, shall weigh up the interests of the Noteholders, any Swap Counterparty and the Issuer's own interests and determine the Substitute Reference Rate and any adjustment, if any, in a manner that to the greatest possible extent upholds the economic character of the Notes for either side. Notwithstanding the generality of the foregoing, the Service Provider, on behalf of the Issuer, may in particular (following this order):

- (i) *firstly*, implement an Official Substitution Concept;
- (ii) *secondly*, if paragraph (i) above is not available, implement an Industry Solution; or
- (iii) *thirdly*, if paragraphs (i) and (ii) above are not available, implement a Generally Accepted Market Practice; or
- (iv) *fourthly*, if paragraphs (i) to (iii) above are not available, apply any unsecured or secured overnight money market reference rate calculated by the European Central Bank or any other third party on swap basis (overnight index swap – OIS); or
- (v) *fifthly*, if paragraphs (i) to (iv) above are not available, determine €STR for the Relevant Period to be the Substitute Reference Rate.

If the Service Provider, on behalf of the Issuer, determines a Substitute Reference Rate, it shall also be entitled to make, in its due discretion, any such procedural determinations relating to the determination of the current Substitute Reference Rate (e.g. the interest determination date, the relevant time, the relevant screen page for obtaining the Substitute Reference Rate and the fallback provisions in the event that the relevant screen page is not available) and to make such adjustments to the definition of "Business Day" in and the

business day convention provisions in which in accordance with the generally accepted market practice are necessary or expedient to make the substitution of the EURIBOR by the Substitute Reference Rate operative. To the extent that the Service Provider applies €STR as Substitute Reference Rate, the Service Provider, on behalf of the Issuer, shall be entitled to determine an Adjustment Spread for overnight rate calculated on the basis of unsecured borrowing deposit transactions.

If the Service Provider (on behalf of the Issuer) uses an overnight rate as Substitute Reference Rate in accordance with (iv) above, the interest rate shall be a quote-based rate for tradable EUR interest swaps derived from the respective overnight rate looking forward (rate for overnight indexed swaps) for the relevant Interest Accrual Period calculated on such date as determined by the Service Provider (on behalf of the Issuer) in its reasonable discretion and in accordance with prevailing market standards, if any.

The Service Provider, on behalf of the Issuer, is entitled, but not obliged, to determine, in its due discretion, a Substitute Reference Rate pursuant to these provisions several times in relation to the same Benchmark Event, provided that each later determination is better suitable than the earlier one to realise the Substitution Objective. This paragraph shall apply *mutatis mutandis* in the event of a Benchmark Event occurring in relation to any Substitute Reference Rate previously determined by the Service Provider, on behalf of the Issuer.

If the Service Provider, on behalf of the Issuer, has determined a Substitute Reference Rate following the occurrence of a Benchmark Event, it will cause the occurrence of the Benchmark Event, the Substitute Reference Rate determined by it and any further determinations of it pursuant to this paragraph associated therewith to be notified to the Management Company (which will also notify it to the Noteholders), the Paying Agent and the Swap Counterparty as soon as possible, but in no event later than two Business Days following the determination of the Substitute Reference Rate and the first day of the Interest Accrual Period to which the Substitute Reference Rate applies for the first time. For the avoidance of doubt, if the Service Provider, on behalf of the Issuer, should not determine a Substitute Reference Rate, the fallback provisions pursuant to paragraph 4.8.2(ii) above shall apply.

As at the date of this Prospectus, EURIBOR is provided and administered by the European Money Markets Institute. The European Money Markets Institute is included on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (ESMA) pursuant to article 36 of the Benchmark Regulation.

For the purpose of this section the following definitions shall apply:

"~~€STR~~" or "**Euro Short-Term Rate**" means the overnight rate calculated on the basis of unsecured borrowing deposit transactions carried out by ECB's money market statistical reporting agents with financial corporations calculated by the European Central Bank.

"**Adjustment Spread**" means in respect of a Substitute Reference Rate an adjustment spread which is recommended by a responsible authority or used in a material number of bonds after determination of a Benchmark Event and designed to eliminate or minimise any potential transfer of value between parties when the Substitute Reference Rate is applied and eliminate or minimise the risk of manipulation.

"**Benchmark Event**" means any of the following (i) a public statement by the European Money Markets Institute that it will cease publishing EURIBOR or will not be included in the register under Article 36 of the Benchmark Regulation permanently or indefinitely (in circumstances where no successor administrator has been appointed or where there is no mandatory administration), or (ii) a public statement by the Belgian Financial Services and Market Authority that EURIBOR has been or will be permanently or indefinitely discontinued; or (iii) a material change in the methodology of determining or calculating the EURIBOR as

compared to the methodology used at the time of the issuance of the Notes, if such change results in the EURIBOR, calculated in accordance with the new methodology, no longer representing, or being apt to represent adequately, the EURIBOR or in terms of economic substance no longer being comparable to the EURIBOR determined or calculated in accordance with the methodology used at the time of the issuance of the Notes; or (iv) the applicability of any law or any other legal provision, or of any administrative or judicial order, decree or other binding measure, pursuant to which the EURIBOR may no longer be used as a reference rate to determine the payment obligations under the Notes and/or under the Swap Agreements, or pursuant to which any such use is subject to not only immaterial restrictions or adverse consequences.

**"Generally Accepted Market Practice"** means the use of a certain reference rate, subject to certain adjustments (if any), as substitute rate for the EURIBOR or of provisions, contractual or otherwise, providing for a certain procedure to determine payment obligations which would otherwise have been determined by reference to the EURIBOR in a material number of bond issues following the occurrence of a Benchmark Event, or any other generally accepted market practice to replace the EURIBOR as reference rate for the determination of payment obligations.

**"Industry Solution"** means any statement by the International Swaps and Derivatives Association (ISDA), the International Capital Markets Association (ICMA), the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA), the SIFMA Asset Management Group (SIFMA AMG), the Loan Markets Association (LMA), the Deutsche Kreditwirtschaft (DK), the Bundesverband Öffentlicher Banken Deutschlands (VÖB), the Deutsche Sparkassen- und Giroverband (DSGV), the Bundesverband deutscher Banken (BdB), the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), the Deutsche Derivate Verbands (DDV) or any other private association of the financial industry pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the EURIBOR or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the EURIBOR.

**"Official Substitution Concept"** means any binding or non-binding statement by any central bank, supervisory authority or supervisory or expert body of the financial sector established under public law or composed of publically appointed members pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the EURIBOR or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the EURIBOR.

**"Relevant Period"** means the number of weeks until an Official Substitution Concept, an Industry Solution or a Generally Accepted Market Practice has been implemented.

**"Substitution Objective"** means the objective of determining the Substitute Reference Rate by the Service Provider in a manner that to the greatest possible extent upholds the economic character of the Notes weighing up the interests of the Noteholders, any Swap Counterparty and the Issuer's own interests.

**"Substitute Reference Rate"** means a rate (expressed as a percentage rate *per annum*) provided by a third party and meeting any applicable legal requirements for being used for determining the payment obligations under the Notes determined by the Service Provider, on behalf of the Issuer, in its due discretion, as modified by applying the adjustments (e.g. in the form of premiums or discounts), if any, that may be determined by the Service Provider, on behalf of the Issuer, in its due discretion.

#### 4.8.3 Fixing of the Note Reference Interest Rate

The Reference Interest Rate will be fixed according to the rules established in this section and in section 4.8.2 above.

On each Determination Date, the Management Company, with the information received from the Paying Agent or the Service Provider (if a Benchmark Event has occurred), will fix the Reference Interest Rate,

The Management Company will keep copies of the BLOOMBERG screen printouts, or if appropriate, the quote statements from the banks referred to in section 4.8.2(ii) above, as documents accrediting the EURIBOR rate determined.

Notwithstanding the above, the Reference Interest Rate for the first Interest Accrual Period, in other words, the period between the Closing Date and the first Payment Date, will be the result of the linear interpolation between the 1-week EURIBOR rate (as displayed in the EUR001W page of the BLOOMBERG screen) and the 1-month EURIBOR rate, taking into account the number of days of the first Interest Accrual Period. The Reference Interest Rate for the first Interest Accrual Period will be calculated with the following formula:

$$R = E1 + ((d-t1)/t2)*(E2-E1)$$

Where:

R = Reference Interest Rate for the first Interest Accrual Period;

d = Number of days of the first Interest Accrual Period;

E1 = 1-week EURIBOR rate;

E2 = 1-month EURIBOR rate;

t1 = Number of actual days included in the E1 period; and

t2 = Difference between the number of actual days between the period corresponding to E1 period and the period corresponding to E2.

#### 4.8.4 Determination Date of the Reference Interest Rate and of the Interest Rate:

The Determination Date of the Reference Interest Rate for each Interest Accrual Period will be the 2<sup>nd</sup> Business Day prior to each Payment Date and will apply to the following Interest Accrual Period. Exceptionally, (i) for the first Interest Accrual Period, the Determination Date of the Interest Rate will take place two Business Days prior to the Closing Date (that is, on 26 February 2020); and (ii) following the occurrence of a Benchmark Event, the Determination Date shall take place in no event later than the first day of the Interest Accrual Period to which the Substitute Reference Rate applies for the first time.

Once the Reference Interest Rate has been fixed, and on the same Determination Date of the Interest Rate, the Management Company will calculate and fix, for the Notes, the Nominal Interest Rate applicable to the next Interest Accrual Period.

#### 4.8.5 Margin applicable to the Reference Interest Rate:

The margin applicable will be:

0.70% for Class A Notes; and

0.80% for Class B Notes.

4.8.6 Formula for calculating the interest on the Notes:

The Management Company will calculate the interest accrued by the Notes of each Class, during each Interest Accrual Period, in accordance with the following formula:

$$I_i = N_i * r_i * \frac{n_i}{360}$$

where:

$N_i$  = is the Outstanding Nominal Balance of the Notes at the start of the Interest Accrual Period;

$I_i$  = is the total amount of interest accrued by the Notes in the Interest Accrual Period;

$r_i$  = is the rate of interest of the Notes on an annual basis, calculated for the Notes as contemplated under section 4.8.2 above; and

$n_i$  = is the number of calendar days in the Interest Accrual Period for the Notes.

Payment of interest will be carried out rounding to full cents of Euro.

4.8.7 Dates, place, entities and procedure for the payment of the interest

Interest on the Notes, regardless of the Class to which they belong, will be paid monthly, on the 21<sup>st</sup> of each month or, in the event of any of those days not being a Business Day, on the following Business Day (the "**Payment Date**"), until the final maturity of the Notes. The first Payment Date will be on 23<sup>rd</sup> March 2020.

For the purpose of this Notes Issue, business days ("**Business Days**") are considered to be all those days which are not:

- (i) a holiday in the cities of Madrid or London; or
- (ii) a non-business day on the TARGET2 (Trans European Automated Real-Time Gross Settlement Express Transfer System) calendar.

If on a Payment Date, and despite the mechanisms established for the protection of the rights of the Noteholders, the Available Distribution Amount, as defined in section 3.4.7(ii)(1) of the Additional Building Block, is insufficient to satisfy the Fund interest payment obligations as specified in sections 3.4.7(ii)(2) and 3.4.7(ii)(4) of the Additional Building Block, the amount available for the payment of interest will be distributed in accordance with the Order of Priority or the Liquidation Order of Priority stipulated in this Prospectus, and in the event of the Available Distribution Amount only being sufficient to partly cover obligations with the same ranking, the amount available will be distributed on a *pro rata* basis among the Notes affected, in proportion to the Outstanding Nominal Balance of the Notes, and the amounts not collected by the Noteholders will be paid on the next Payment Date that it is feasible without accruing default interest. Pending payments to the Noteholders will be made effective on the next Payment Date (if sufficient Available Distribution Amount are available to do so) in accordance with the Order of Priority or the Liquidation Order of Priority set forth in this Prospectus and with priority immediately prior to the payments of the same ranking to be made in favour of the Noteholders of that same Class and corresponding to that period. The Fund, acting through its Management Company, will not be able to postpone the payment of interest or principal of the Notes beyond the Final Maturity Date of the Fund.

Any current or future withholdings, rates or taxes over the capital, interest or yields of the Notes will be for the sole account of the Noteholders and their amount will be deducted, where applicable, by the corresponding entity in the legally established manner.

The payment will be made through the Paying Agent, and the amounts will be distributed by IBERCLEAR and its participating entities.

#### 4.8.8 Calculation Agent

The agent responsible for calculating the Notes interest will be the Management Company.

### 4.9 Maturity date and redemption of securities

#### 4.9.1 Maturity date

The Final Maturity Date of the Notes will be 23 September 2030 (or, if such date is not a Business Day, the following Business Day), unless the Fund is liquidated earlier in accordance with the provisions of section 4.4.3 of the Registration Document.

#### 4.9.2 Repayment price

The repayment price of the Notes (both Class A and Class B Notes) will be €100,000 per Note, equivalent to its nominal value.

#### 4.9.3 Repayment procedure

The repayment of the Notes will be made according to the calculation and determination procedures set forth in this paragraph in respect of the Class A Notes and the Class B Notes, taking into account the Available Distribution Amount and the performance of the Loan Receivables constituting the assets of the Fund, and subject to the Order of Priority or to the Liquidation Order of Priority, as the case may be.

In general terms, in accordance with the repayment procedure more specifically detailed in this section, the amortisation amount of the Class A Notes on each Payment Date shall be equal to the existing excess of the Aggregate Discounted Receivables Balance over a certain overcollateralisation objective (as detailed in paragraphs (i) and (ii) of section 4.9.3 below). The applicable overcollateralisation objective shall in turn be an amount to be determined in each case and shall be based on criteria which include applying the percentages of overcollateralisation to the Aggregate Discounted Receivables Balance. These percentages will be increased when the Cumulative Gross Loss Ratio affecting the Loan Receivables is increased. The purpose of the increase in the overcollateralisation percentage is to increase credit enhancement levels and to provide additional protection to the Noteholders of such Class in the event of a deterioration of the underlying portfolio of Loan Receivables. The same mechanism will be applied in relation to the Class B Notes, once the amounts of payments of principal to be paid to the Class A Noteholders have been covered.

In this respect, the amortisation of the Class B Notes will take place on a same Payment Date as Class A Notes if, after making the payments under Items 1 to 7 of the Order of Priority described in section 3.4.7(ii)(2) of the Additional Building Block, the Outstanding Nominal Balance of the Class A Notes on such Payment Date would have been reduced to the Class A Targeted Note Balance and the Available Distribution Amount after making such payments would be greater than zero, as explained in more detail further below.

Also, the amortisation on a same Payment Date of the Class A Notes with the Class B Notes and the Subordinated Loan would take place if: (i) after carrying out the payments under Items 1 to 10 of the Order of Priority: (a) the Outstanding Nominal Balance of the Class A Notes would have been reduced to the Class A Targeted Note Balance; and (b) the

Outstanding Nominal Balance of the Class B Notes would have been reduced to the Class B Targeted Note Balance; and (ii) the Available Distribution Amount after carrying out the payments under Items 1 to 10 of the Order of Priority would be greater than zero, as described below.

For these purposes, it is stated that:

- "**Credit Enhancement Increase Condition**" means either a Level 1 Credit Enhancement Increase Condition or a Level 2 Credit Enhancement Increase Condition.
- "**Cumulative Gross Loss Ratio**" means, in relation to each Payment Date, a fraction, expressed as a percentage, the numerator of which is the sum of the Discounted Receivables Balance of the Loan Receivables that were declared Terminated Loans by the Service Provider, corresponding the closing of the calendar month on which the relevant terminations took place (in accordance with the definition of Terminated Loans included in section 2.2.2 of the Additional Building Block and with the Service Provider's customary practices in effect from time to time and subject to that indicated in the chart included in the subsection "Delinquent loan recovery policy" contained in section 2.2.7 of the Additional Building Block), from the Cut-off Date through the last day of the Monthly Period, and the denominator of which is the Aggregate Cut-off Date Discounted Receivables Balance.
- "**Level 1 Credit Enhancement Increase Condition**" shall be deemed to be in effect if the Cumulative Gross Loss Ratio exceeds: (i) 1% on any Payment Date up to the one corresponding to month May 2021 (included); or (ii) 2.50% for any Payment Date after the one corresponding to month May 2021 but prior to the one corresponding to February 2022 (inclusive).
- "**Level 2 Credit Enhancement Increase Condition**" shall be deemed to be in effect if, on any Payment Date, the Cumulative Gross Loss Ratio exceeds 5%.
- The "**Outstanding Nominal Balance of the Notes**" means the sum of the principal pending maturity plus the principal due and not paid at a certain date of all the Notes comprising each of the Classes.

(i) Rules of repayment of the Class A Notes

The repayment of the Class A Notes will be carried out on a *pro rata* basis among the Notes of such Class, by means of the reduction of their nominal value until redeemed in full, and will take place on each Payment Date, in the amount necessary to reduce on such Payment Date the Outstanding Nominal Balance of the Class A Notes to an amount equal to the Class A Targeted Note Balance (the "**Class A Principal Payment Amount**").

The first partial repayment of the Class A Notes will take place on the first Payment Date of the Fund, that is, on 23<sup>rd</sup> March 2020.

For these purposes, it is stated that:

- The "**Class A Targeted Note Balance**" means: (a) except in the case of (b), the excess of the Aggregate Discounted Receivables Balance at the end of the Monthly Period over the Class A Targeted Overcollateralisation Amount; and (b) zero, if the Aggregate Discounted Receivables Balance as at the end of the Monthly Period is less than 10% of the Aggregate Cut-Off

Date Discounted Receivables Balance or if a Service Provider Replacement Event occurs.

- The "**Class A Targeted Overcollateralisation Amount**" means, on each Payment Date the Class A Targeted Overcollateralisation Percentage multiplied by the Aggregate Discounted Receivables Balance at the end of the Monthly Period.
- The "**Class A Targeted Overcollateralisation Percentage**" means:
  - i. 21% unless a Credit Enhancement Increase Condition has taken place; or
  - ii. 25%, if a Level 1 Credit Enhancement Increase Condition has taken place; or
  - iii. 100%, if a Level 2 Credit Enhancement Increase Condition has taken place.

(ii) Rules of repayment of the Class B Notes

The repayment of the Class B Notes will be carried out on a *pro rata* basis among the Notes of such Class, by means of the reduction of their nominal value until redeemed in full, and will take place on each Payment Date, in the amount necessary to reduce on such Payment Date the Outstanding Nominal Balance of the Class B Notes to an amount equal to the Class B Targeted Note Balance (the "**Class B Principal Payment Amount**").

Therefore, the Class B Notes may be repaid together with the Class A Notes depending on the Class B Targeted Note Balance which may be applicable on each Payment Date. It cannot be fully ruled out that the first partial repayment of the Class B Notes will take place once the Class A Notes have been totally repaid.

For these purposes, it is stated that:

- The "**Class B Targeted Note Balance**" means: (a) except in the case of (b), the excess of the Aggregate Discounted Receivables Balance as at the end of the Monthly Period over the sum of the aggregate outstanding principal amount of the Class A Notes (after giving effect to all payments and distributions on such date in accordance with the Order of Priority set forth in section 3.4.7(ii)(2) of the Additional Building Block) and the Class B Targeted Overcollateralisation Amount; and (b) zero, if the Aggregate Discounted Receivables Balance as at the end of the Monthly Period is less than 10% of the Aggregate Cut-Off Date Discounted Receivables Balance or if a Service Provider Replacement Event occurs.
- The "**Class B Targeted Overcollateralisation Amount**" means, on each Payment Date the Class B Targeted Overcollateralisation Percentage multiplied by the Aggregate Discounted Receivables Balance at the end of the Monthly Period.
- The "**Class B Targeted Overcollateralisation Percentage**" means:
  - i. 14.5% unless a Credit Enhancement Increase Condition has taken place; or
  - ii. 18%, if a Level 1 Credit Enhancement Increase Condition has taken place; or

- iii. 100%, if a Level 2 Credit Enhancement Increase Condition has taken place.

#### 4.9.4 Monthly Period, Monthly Collections and Notification and Reporting Dates

**"Monthly Period"** means the calendar month immediately prior to each Payment Date (for illustration purposes, if the Payment Date took place on 21 July, the Monthly Period would correspond to the calendar month of June immediately before). Since the first Payment Date will be 23<sup>rd</sup> March 2020, the first Monthly Period will be the calendar month of February 2020.

**"Collections"** means: (i) all collections of the Fund by virtue of the Loan Receivables in respect of principal, interest (excluding principal and interest amount corresponding to the Balloon Instalments), overdue interest, prepayment fees (total or partial), proceeds from insurance policies that belong to the Fund, proceeds from the execution of the guarantees granted for any existing Loans (either third-party personal guarantees or guarantees of ownership reservation); plus (ii) Interest Compensation Payments and settlement amounts paid by the Seller to the Fund; minus (iii) Interest Compensation Payments paid by the Fund to the Seller.

**"Monthly Collections"**, means the Monthly Collections Part 1 and the Monthly Collections Part 2.

**"Notification Dates"** will be each 3<sup>rd</sup> Business Day prior to each Payment Date throughout the life of the Fund. On said dates, the Management Company will notify the amounts to be paid for principal and interest to the Noteholders, in the way described in section 4.1.3(i) of the Additional Building Block.

**"Reporting Dates"** will be the 16<sup>th</sup> of a month (or, in the event such day not being a Business Day, the previous Business Day) throughout the life of the Fund. On these dates the Service Provider will publish the information referring to the performance of the Fund in its monthly investor report, which will be accessible through: (i) the website of Volkswagen Financial Services AG ([www.vwfs.com](http://www.vwfs.com)); and (ii) Bloomberg (after the Service Provider has put at the disposal of the latter such information). The information submitted in this monthly investor report is more precisely detailed in section 3.7.2(iv) of the Additional Building Block and is in addition to other information obligations set out in the Securitisation Regulation and detailed also in such section 3.7.2(iv).

#### 4.9.5 Early Redemption of the Notes Issue.

Notwithstanding the obligation of the Fund, through its Management Company, to redeem the Notes of each Class on the Final Maturity Date or the partial redemptions on each Payment Date, as established in the previous sections, the Management Company will be entitled to carry out the early liquidation of the Fund and hence the early redemption of all the Notes, on a Payment Date, in accordance with the events of early liquidation and the requirements set forth in section 4.4.3 of the Registration Document and subject to the Liquidation Order of Priority set forth in section 3.4.7(ii)(4) of the Additional Building Block (hereinafter, the **"Early Redemption"**).

#### 4.10 Indication of the yield, weighted average life and duration of the Notes

The main feature of this Notes Issue is that the periodical payments depend on the aggregated behaviour of the Loan Receivables.

The weighted average life, yield, duration and final maturity of the Notes of each Class depend on several aspects, the most relevant of which are the following:

- the calendar and repayment type of each of the Loan Receivables established under the corresponding contracts;
- the capacity of the Borrowers to amortise in advance, partially or totally, the Loan Receivables and the speed of prepayment during the life of the Fund; and
- the delinquency of the Borrowers in the payment of the instalments of the Loans.

In this regard, the prepayments, delinquencies and Net Losses and Gross Losses (as defined in section 2.2.2 of the Additional Building Block) of the Loan Receivables derived from the actions of the Borrowers are very relevant. They are subject to continuous change and they are estimated in the present Prospectus through the use of several behavioural hypotheses.

### **Repayment scenarios of the Notes**

The following charts are prepared on the basis of certain assumptions, as described below, regarding the weighted average characteristics of the Loan Receivables and the performance thereof. Said information has been prepared based on the data provided by the Seller in respect of the repayment profile of the Cut-off Portfolio.

For the purposes of the preparation of the charts below, one of the main premises is that the Discount Rate is a fixed percentage of 1.3493% per annum, and the monthly collections arising from the Loan Receivables are discounted back to the Cut-off Date.

Accordingly, it must be noted that, in respect of the Fund, the performance of the portfolio of the Loan Receivables transferred to the Fund derives from the Discount Rate (used for calculation of the Discounted Receivables Balance transferred to the Fund as well as for determination of their Purchase Price), and not the nominal interest rate agreed with the Borrowers at the time of origination of the Loans.

Therefore, only for information purposes, the Discount Rate applicable to all Loan Receivables transferred to the Fund (1.3493%) would be higher than the weighted average interest rate of the Notes (0.2834%) taking into account the assumptions described in subsections (k) and (l) of this section.

The charts assume, among other things:

(a) As set out in the chart for each scenario the portfolio is subject to:

(i) A constant annual rate of prepayment ("**CPR**").

In respect of Class A Notes as well as Class B Notes, the assumed CPR is: (i) 3% in respect of scenario 1; (ii) 5% in respect of scenario 2; and (iii) 7% in respect of scenario 3, according to the following charts. The central CPR of 5% assumed in scenario 2 is consistent with the one observed by the Seller in respect of loan receivables of analogous nature to those integrating the Cut-off Portfolio and based on previous transactions of similar characteristics. Scenarios 1 and 3 are included for information purposes only, since they are not considered to be consistent with the ratio observed by the Seller with respect to loan receivables similar to those included in the Cut-off Portfolio.

(ii) A constant Delinquency Ratio. The assumed Delinquency Ratio is 4%. It is hereby recorded that, while there is no delinquency in the Loans included in the Cut-off Portfolio, the assumed Delinquency Ratio of 4% is consistent with that observed by the Seller regarding the loan receivables analogous to those included in the Cut-off Portfolio.

For the purpose of the results shown in the charts of this section of this Prospectus, the constant Delinquency Ratio is a fraction, expressed as a percentage, the numerator of which is the sum of the Discounted Receivables Balance of the Loan Receivables delinquent for more than 30 days (>30), excluding the Loan Receivables that have already been considered Terminated Loans (according to the definition of such term included in section 2.2.2 of the Additional Building Block), and the denominator of which is the Aggregate Discounted Receivables Balance of the portfolio. Delinquent loans are assumed to be fully recovered 3 months after they become delinquent. It is noted that the Delinquency Ratio is calculated on a monthly basis.

It is noted that this Delinquency Ratio is calculated only for the purposes of the preparation of the charts of the repayment scenarios of the Notes and it is theoretical. The ratio is consistent with that observed by the Seller regarding the loan receivables analogous to those included in the Cut-off Portfolio and the information managed by the Seller. This Delinquency Ratio is not linked with the concept of "doubtful loans" explained below in section 2.2.2 of the Additional Building Block.

- (iii) A Cumulative Gross Loss Ratio evenly cumulated over 60 months since the Cut-off Date.

The assumed Cumulative Gross Loss Ratio is 2%, which is consistent with the one observed by the Seller in respect to loan receivables of analogous nature to those comprised in the Cut-off Portfolio.

For these purposes, it is stated that:

**"Cumulative Gross Loss Ratio"** means, in relation to each Payment Date, a fraction, expressed as a percentage, the numerator of which is the sum of the Discounted Receivables Balance of the Loan Receivables that were declared Terminated Loans by the Service Provider, corresponding the closing of the calendar month on which the relevant terminations took place (in accordance with the definition of Terminated Loans included in section 2.2.2 of the Additional Building Block and with the Service Provider's customary practices in effect from time to time), from the Cut-off Date through the last day of the Monthly Period, and the denominator of which is the Aggregate Cut-off Date Discounted Receivables Balance.

- (iv) A Recovery Ratio. For the purpose of the results shown in the charts of this section of this Prospectus, the Recovery Ratio is a fraction, expressed as a percentage, the numerator of which is the Discounted Receivables Balance of the Loan Receivables recovered from said Terminated Loans from the Cut-off Date to the end of the corresponding Monthly Period and the denominator of which is the Discounted Receivables Balance of the Terminated Loans from the Cut-off Date to the end of the corresponding Monthly Period (in accordance with the definition of Terminated Loan contained in section 2.2.2 of the Additional Building Block) in a Monthly Period. It is assumed that the recovery of Terminated Loans will take place 27 months after termination.

The assumed Recovery Ratio is 84%, which is consistent with that observed by the Seller in respect of loan receivables analogous to those in the Cut-off Portfolio.

- (v) A Cumulative Write-off Ratio. For the purpose of the results shown in the charts of this section of the Prospectus, the Cumulative Write-off Ratio is a fraction, expressed as a percentage, which numerator is the sum of the Discounted Receivables Balance of the Loan Receivables under Write-offs in relation to not

recovered Terminated Loans, from the Cut-off Date to the end of the corresponding Monthly Period, and the denominator of which is the Discounted Receivables Balance of the Loan Receivables on Cut-off Date. It is assumed that the recovery of Write-offs deriving from unrecovered Terminated Loans occurs 27 months after the termination of the loan.

The assumed Cumulative Write-off Ratio is 0.32%, which is coherent with that observed by the Seller in respect of loan receivables of analogous nature to those comprised in the Cut-off Portfolio.

- (b) Each of the Loan Receivables satisfies the Eligibility Criteria so no Loan Receivable will be substituted by the Seller according to section 2.2.9 of the Additional Building Block.
- (c) The number and amount (principal and interest) of the outstanding quotas of the Loan Receivables that comprised the Cut-off Portfolio have been taken into account.
- (d) Payments are made following the Order of Priority and thus payment of taxes by the Fund, ordinary expenses (including administration costs and other expenses) and amounts payable to the Swap Counterparty are paid prior to the interest of the Notes.
- (e) The Aggregate Discounted Receivables Balance on the Cut-off Date is €1,116,102,974.27.
- (f) The Notes are issued on the Date of Incorporation (24 February 2020) and accrue interest with effect from the Closing Date (28 February 2020).
- (g) The early liquidation of the Fund will be carried out, and, with it, the prepayment of the entire Notes Issue when the Aggregate Discounted Receivables Balance of all the assigned Loan Receivables is less than 10% of the Aggregate Cut-off Date Discounted Receivables Balance. The early liquidation is contemplated to take place on the expected maturity month indicated in the chart below.
- (h) VW Bank Spanish Branch, in its capacity as Seller and Service Provider, is not subject to an Insolvency Event, as defined below, during the life of the Fund.
- (i) It has been assumed that the Distribution Account, the Cash Collateral Account and the Monthly Collateral Account do not accrue interest in favour of the Fund. Likewise, it is assumed that they do not incur any cost for the Fund.

Although in order to prepare the tables of the assumed amortisation of the Notes it has been assumed that the Fund will not incur in any cost due to the negative interest rates on the Distribution Account, the Cash Collateral Account and the Monthly Collateral Account, if interest rates remain negative (during the whole life of the Transaction) at a similar rate as of today, the impact on the results of the tables will not be considered as material. In particular, assuming a flat EONIA rate of -0.46%, it is hereby noted that the total impact (i.e. the costs to be assumed by the Fund as a result of the negative interest accrued on the credit balances of the Distribution Account, the Cash Collateral Account and the Monthly Collateral Account) over the life of the transaction would be c. €400,000, which does not represent more than 0.04% of the Aggregate Discounted Receivables Balance on the Cut-off Date.

- (j) It has been assumed that it is not necessary in any Payment Date to use the Cash Collateral to meet the payment obligations of the Fund. Therefore, it is assumed that the Specified Cash Collateral Account Balance is maintained.
- (k) The weighted average of the fixed rates under the Swap Agreements and the fixed rate under the Subordinated Loan is 0.3193%.
- (l) Assumptions have been made also regarding the factors mentioned below:

- the Nominal Interest Rates of the Class A Notes, variable monthly, taking into account the 1-month EURIBOR of 7 February 2020, that is to say, -0.458%, and taking into account that the margins are fixed at 0.70% for the Class A Notes, will be maintained constant throughout the term of the life of the Fund at the rate of 0.242%;
  - the Nominal Interest Rates of the Class B Notes, variable monthly, taking into account the 1-month EURIBOR of 7 February 2020, that is to say, -0.458%, and taking into account that the margins are fixed at 0.80 % for the Class B Notes, will be maintained constant throughout the term of the life of the Fund at the rate of 0.342%; and
  - taking into account that, on the first Payment Date, the Reference Interest Rate will be the rate that results from the linear interpolation between the 1-week EURIBOR rate and the 1-month EURIBOR rate, pursuant to the provisions of section 4.8 of this Securities Note, and since the 1-week and 1-month EURIBOR rates on 7 February 2020, were -0.509% and -0.458%, respectively, and, therefore, the interpolated EURIBOR is -0.473%, the Nominal Interest Rate applicable to the Class A Notes on the first Payment Date would be 0.227% and the Nominal Interest Rate applicable to the Class B Notes on the first Payment Date would be 0.327%.
- (m) The prices of each of the Notes have been determined using a fixed discount margin for each Class of the Notes which for the sake of the calculations herein are assumed to be 0.27% and 0.80% for Class A and Class B respectively. The subscription prices of each of the Notes is calculated by applying to the nominal value of each class of Notes the following percentages: Class A Notes: 100.70% / Class B Notes: 100.00%.
- (n) Based on the assumptions above, the event referred to in section 3.4.7(ii)(3)4 of the Additional Building Block would not occur since there would not be a default in the payment of any interest on the Class A Notes.

The information corresponding to the debt service of the Notes for the three different scenarios shown in the tables above fundamentally match those that would be obtained by any investor who, acting diligently, would input such hypothesis into the cash flow model made publicly available on the website of Moody's Analytics (<https://www.sfportal.com/deal/summary/YBI.DRIVESPSIX>).

For the above mentioned assumptions the approximate weighted average life of the Notes, Duration and IRR would be as follows:

**Weighted Average Life of the Notes, Duration and IRR**

| Class A         |      |                                  |                                  |                            |                                      |                     |
|-----------------|------|----------------------------------|----------------------------------|----------------------------|--------------------------------------|---------------------|
| Scenario Number | CPR% | Weighted Average Life (in years) | First Principal Payment in month | Expected Maturity in Month | Internal rate of Return (percentage) | Duration (in years) |
| 1               | 3%   | 1.68                             | mar 20                           | dec 23                     | -0.173%                              | 1.67                |
| 2               | 5%   | 1.62                             | mar 20                           | nov 23                     | -0.186%                              | 1.62                |
| 3               | 7%   | 1.57                             | mar 20                           | sep 23                     | -0.203%                              | 1.56                |

| Class B         |      |                                  |                                  |                            |                                      |                     |
|-----------------|------|----------------------------------|----------------------------------|----------------------------|--------------------------------------|---------------------|
| Scenario Number | CPR% | Weighted Average Life (in years) | First Principal Payment in month | Expected Maturity in Month | Internal rate of Return (percentage) | Duration (in years) |
| 1               | 3%   | 2.92                             | may 22                           | dec 23                     | 0.345%                               | 2.91                |
| 2               | 5%   | 2.83                             | apr 22                           | nov 23                     | 0.345%                               | 2.82                |
| 3               | 7%   | 2.73                             | feb 22                           | sep 23                     | 0.345%                               | 2.72                |

| CPR (scenario)              | 3%     | 5%     | 7%     |
|-----------------------------|--------|--------|--------|
| Expected Maturity           | Dec-23 | Nov-23 | Sep-23 |
| Accumulated defaulted loans | 1.53%  | 1.50%  | 1.43%  |

Weighted average life of the Notes refers to the average amount of time that will elapse (on a 30/360 basis) from the date of issuance of each Note until the date on which partial amortisation of the Notes takes place.

The calculation of the approximate average lives of the Notes, the Duration and IRR as made by the Arranger is based on the assumptions included in section 4.10 of the Securities Note. However, it should be noted that the exact average lives of the Notes cannot be predicted as the actual rate at which the Loan Receivables will be repaid and a number of other relevant factors are unknown and largely outside the control of the Issuer and the Arranger. Therefore, each investor should be aware that any such assumption is likely to change and any such change in any assumption used for calculating the approximate average lives of the Notes may lead to a change of the approximate average lives of the Notes.

The weighted average life, the Duration and the IRR of the Class A Notes and of the Class B Notes are subject to factors largely outside the control of the Fund, and consequently no assurance can be given that the assumptions and the estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

The ratios on delinquency, Gross Loss (according to the definition set out in section 2.2.2 of the Additional Building Block), recovery and Cumulative Write-off Ratio included in scenarios 1, 2 and 3 above, as well as the anticipated repayment rate included in scenario 2 above, are coherent with those observed by the Seller with respect to loans of a similar nature to those that form the Cut-off Portfolio. Past performance, however, is not indicative of future performance, and variations may be material.

Finally, as mentioned above, it is noted that the early repayment rates included in scenarios 1 and 3 above are included for information purposes only, since they are not considered to be consistent with the rate observed by the Seller with respect to loan receivables similar to those included in the Cut-off Portfolio.

### INVESTOR'S NOTE

The Management Company declares that the information contained in the following charts is displayed solely for illustration purposes, and that the indicated amounts do not represent a concrete payment obligation to third parties by the Fund on the corresponding dates or periods to which they are referred. The data has been prepared under assumptions of constant amortisation and delinquency rates of the loans during the life of the Fund, actually being subject to continuous change. Consequently, any investor interested in knowing the foreseen calendar of payments of the Fund on each concrete date shall request the corresponding information from such entities or institutions authorised to distribute it, that is, the Management Company and AIAF Market.

#### Assumed Amortisation of the Notes

- The following amortisation scenario (amounts in Euro) is based on the assumptions: (i) listed above under this section; and (ii) a CPR as listed in scenario 1.

Cash flows:

| Class A Notes |              |  |   |                        |                                     |
|---------------|--------------|--|---|------------------------|-------------------------------------|
| Period        | Payment Date | Principal Amount Outstanding (after giving effect to all payments) | Gross interest payments (free of withholding for the Note holder) | Principal Amortization | Total Cash Flows from Class A Notes |
| 0             | feb-20       | 1,000,000,000.00   |   |                        |                                     |
| 1             | mar-20       | 969,629,204.73   | 151,333.33  | 30,370,795.27          | 30,522,128.60                       |
| 2             | apr-20       | 939,390,799.43   | 189,023.83  | 30,238,405.30          | 30,427,429.13                       |
| 3             | may-20       | 909,276,213.60   | 189,443.81  | 30,114,585.83          | 30,304,029.64                       |
| 4             | jun-20       | 879,373,120.84   | 195,595.42  | 29,903,092.75          | 30,098,688.17                       |
| 5             | jul-20       | 849,674,260.47   | 171,428.90  | 29,698,860.37          | 29,870,289.27                       |
| 6             | aug-20       | 820,179,492.44   | 177,062.68  | 29,494,768.04          | 29,671,830.71                       |
| 7             | sep-20       | 790,884,713.49   | 170,916.29  | 29,294,778.95          | 29,465,695.24                       |
| 8             | oct-20       | 761,777,187.82   | 159,495.08  | 29,107,525.67          | 29,267,020.75                       |
| 9             | nov-20       | 732,807,275.09   | 168,987.57  | 28,969,912.73          | 29,138,900.31                       |
| 10            | dec-20       | 704,150,912.56   | 137,930.61  | 28,656,362.53          | 28,794,293.14                       |
| 11            | jan-21       | 675,891,856.87   | 146,737.23  | 28,259,055.69          | 28,405,792.91                       |
| 12            | feb-21       | 648,044,377.60   | 145,391.85  | 27,847,479.27          | 27,992,871.11                       |
| 13            | mar-21       | 620,552,055.99   | 121,976.35  | 27,492,321.61          | 27,614,297.96                       |
| 14            | apr-21       | 593,430,244.63   | 125,144.66  | 27,121,811.37          | 27,246,956.03                       |
| 15            | may-21       | 566,726,673.33   | 119,675.10  | 26,703,571.30          | 26,823,246.40                       |
| 16            | jun-21       | 540,432,752.71   | 118,099.54  | 26,293,920.62          | 26,412,020.16                       |
| 17            | jul-21       | 514,551,332.29   | 108,987.27  | 25,881,420.42          | 25,990,407.69                       |
| 18            | aug-21       | 489,141,450.50   | 114,144.64  | 25,409,881.80          | 25,524,026.43                       |
| 19            | sep-21       | 464,180,083.93   | 95,355.41   | 24,961,366.57          | 25,056,721.98                       |
| 20            | oct-21       | 439,566,983.54   | 93,609.65   | 24,613,100.39          | 24,706,710.04                       |
| 21            | nov-21       | 415,283,557.37   | 94,555.74   | 24,283,426.17          | 24,377,981.91                       |
| 22            | dec-21       | 391,399,709.69   | 80,957.22   | 23,883,847.68          | 23,964,804.90                       |
| 23            | jan-22       | 368,333,754.43   | 81,563.35   | 23,065,955.26          | 23,147,518.61                       |

|              |        |                |                     |                         |                         |
|--------------|--------|----------------|---------------------|-------------------------|-------------------------|
| 24           | feb-22 | 346,099,069.69 | 76,756.66           | 22,234,684.74           | 22,311,441.40           |
| 25           | mar-22 | 324,498,912.48 | 65,143.54           | 21,600,157.21           | 21,665,300.74           |
| 26           | apr-22 | 303,636,547.57 | 67,621.97           | 20,862,364.91           | 20,929,986.88           |
| 27           | may-22 | 286,104,415.17 | 65,315.60           | 17,532,132.41           | 17,597,448.00           |
| 28           | jun-22 | 270,105,478.29 | 55,774.47           | 15,998,936.87           | 16,054,711.34           |
| 29           | jul-22 | 254,725,992.06 | 54,471.27           | 15,379,486.23           | 15,433,957.50           |
| 30           | aug-22 | 240,107,715.79 | 54,794.39           | 14,618,276.27           | 14,673,070.66           |
| 31           | sep-22 | 226,188,724.77 | 48,421.72           | 13,918,991.02           | 13,967,412.75           |
| 32           | oct-22 | 212,875,456.34 | 45,614.73           | 13,313,268.43           | 13,358,883.16           |
| 33           | nov-22 | 200,066,087.33 | 44,360.88           | 12,809,369.01           | 12,853,729.89           |
| 34           | dec-22 | 187,662,499.33 | 40,346.66           | 12,403,588.00           | 12,443,934.66           |
| 35           | jan-23 | 175,905,042.74 | 41,629.80           | 11,757,456.59           | 11,799,086.39           |
| 36           | feb-23 | 164,785,535.93 | 34,291.71           | 11,119,506.81           | 11,153,798.52           |
| 37           | mar-23 | 154,153,136.94 | 31,016.30           | 10,632,398.98           | 10,663,415.28           |
| 38           | apr-23 | 144,112,309.55 | 32,123.80           | 10,040,827.39           | 10,072,951.19           |
| 39           | may-23 | 134,506,716.80 | 30,031.40           | 9,605,592.75            | 9,635,624.16            |
| 40           | jun-23 | 125,468,469.36 | 27,125.52           | 9,038,247.45            | 9,065,372.97            |
| 41           | jul-23 | 117,009,669.15 | 25,302.81           | 8,458,800.21            | 8,484,103.02            |
| 42           | aug-23 | 109,249,286.70 | 24,383.51           | 7,760,382.45            | 7,784,765.96            |
| 43           | sep-23 | 102,135,995.46 | 22,766.34           | 7,113,291.24            | 7,136,057.58            |
| 44           | oct-23 | 95,585,490.06  | 21,970.59           | 6,550,505.40            | 6,572,475.99            |
| 45           | nov-23 | 89,520,507.94  | 18,633.86           | 6,064,982.12            | 6,083,615.98            |
| 46           | dec-23 | -              | 18,053.30           | 89,520,507.94           | 89,538,561.24           |
| <b>TOTAL</b> |        |                | <b>4,103,366.37</b> | <b>1,000,000,000.00</b> | <b>1,004,103,366.37</b> |

| Class B Notes |              |  |   |                        |                                     |
|---------------|--------------|--|---|------------------------|-------------------------------------|
| Period        | Payment Date | Principal Amount Outstanding (after giving effect to all payments) | Gross interest payments (free of withholding for the Note holder) | Principal Amortization | Total Cash Flows from Class B Notes |
| 0             | feb-20       | 35,700,000.00  |   |                        |                                     |
| 1             | mar-20       | 35,700,000.00  | 7,782.60  | -                      | 7,782.60                            |
| 2             | apr-20       | 35,700,000.00  | 9,835.35  | -                      | 9,835.35                            |
| 3             | may-20       | 35,700,000.00  | 10,174.50   | -                      | 10,174.50                           |
| 4             | jun-20       | 35,700,000.00  | 10,852.80   | -                      | 10,852.80                           |
| 5             | jul-20       | 35,700,000.00  | 9,835.35  | -                      | 9,835.35                            |
| 6             | aug-20       | 35,700,000.00  | 10,513.65   | -                      | 10,513.65                           |
| 7             | sep-20       | 35,700,000.00  | 10,513.65   | -                      | 10,513.65                           |
| 8             | oct-20       | 35,700,000.00  | 10,174.50   | -                      | 10,174.50                           |
| 9             | nov-20       | 35,700,000.00  | 11,191.95   | -                      | 11,191.95                           |
| 10            | dec-20       | 35,700,000.00  | 9,496.20  | -                      | 9,496.20                            |
| 11            | jan-21       | 35,700,000.00  | 10,513.65   | -                      | 10,513.65                           |
| 12            | feb-21       | 35,700,000.00  | 10,852.80   | -                      | 10,852.80                           |
| 13            | mar-21       | 35,700,000.00  | 9,496.20  | -                      | 9,496.20                            |

|              |        |               |                   |                      |                      |
|--------------|--------|---------------|-------------------|----------------------|----------------------|
| 14           | apr-21 | 35,700,000.00 | 10,174.50         | -                    | 10,174.50            |
| 15           | may-21 | 35,700,000.00 | 10,174.50         | -                    | 10,174.50            |
| 16           | jun-21 | 35,700,000.00 | 10,513.65         | -                    | 10,513.65            |
| 17           | jul-21 | 35,700,000.00 | 10,174.50         | -                    | 10,174.50            |
| 18           | aug-21 | 35,700,000.00 | 11,191.95         | -                    | 11,191.95            |
| 19           | sep-21 | 35,700,000.00 | 9,835.35          | -                    | 9,835.35             |
| 20           | oct-21 | 35,700,000.00 | 10,174.50         | -                    | 10,174.50            |
| 21           | nov-21 | 35,700,000.00 | 10,852.80         | -                    | 10,852.80            |
| 22           | dec-21 | 35,700,000.00 | 9,835.35          | -                    | 9,835.35             |
| 23           | jan-22 | 35,700,000.00 | 10,513.65         | -                    | 10,513.65            |
| 24           | feb-22 | 35,700,000.00 | 10,513.65         | -                    | 10,513.65            |
| 25           | mar-22 | 35,700,000.00 | 9,496.20          | -                    | 9,496.20             |
| 26           | apr-22 | 35,700,000.00 | 10,513.65         | -                    | 10,513.65            |
| 27           | may-22 | 32,767,301.27 | 10,852.80         | 2,932,698.73         | 2,943,551.53         |
| 28           | jun-22 | 29,029,464.66 | 9,027.39          | 3,737,836.62         | 3,746,864.01         |
| 29           | jul-22 | 25,426,542.21 | 8,273.40          | 3,602,922.45         | 3,611,195.84         |
| 30           | aug-22 | 21,988,973.24 | 7,729.67          | 3,437,568.97         | 3,445,298.64         |
| 31           | sep-22 | 18,703,351.79 | 6,266.86          | 3,285,621.45         | 3,291,888.30         |
| 32           | oct-22 | 17,515,069.19 | 5,330.46          | 1,188,282.60         | 1,193,613.05         |
| 33           | nov-22 | 16,461,133.77 | 5,158.19          | 1,053,935.43         | 1,059,093.61         |
| 34           | dec-22 | 15,440,585.39 | 4,691.42          | 1,020,548.38         | 1,025,239.80         |
| 35           | jan-23 | 14,473,199.72 | 4,840.62          | 967,385.67           | 972,226.29           |
| 36           | feb-23 | 13,558,303.59 | 3,987.37          | 914,896.13           | 918,883.50           |
| 37           | mar-23 | 12,683,485.95 | 3,606.51          | 874,817.64           | 878,424.15           |
| 38           | apr-23 | 11,857,341.93 | 3,735.29          | 826,144.03           | 829,879.31           |
| 39           | may-23 | 11,067,008.34 | 3,491.99          | 790,333.58           | 793,825.57           |
| 40           | jun-23 | 10,323,355.07 | 3,154.10          | 743,653.27           | 746,807.37           |
| 41           | jul-23 | 9,627,377.84  | 2,942.16          | 695,977.23           | 698,919.39           |
| 42           | aug-23 | 8,988,865.36  | 2,835.26          | 638,512.48           | 641,347.74           |
| 43           | sep-23 | 8,403,594.56  | 2,647.22          | 585,270.80           | 587,918.02           |
| 44           | oct-23 | 7,864,628.93  | 2,554.69          | 538,965.63           | 541,520.33           |
| 45           | nov-23 | 7,365,611.41  | 2,166.71          | 499,017.52           | 501,184.22           |
| 46           | dec-23 | -             | 2,099.20          | 7,365,611.41         | 7,367,710.61         |
| <b>TOTAL</b> |        |               | <b>360,588.74</b> | <b>35,700,000.00</b> | <b>36,060,588.74</b> |

- The following amortisation scenario (amounts in Euro) is based on the assumptions: (i) listed above under this section; and (ii) a CPR as listed in scenario 2.

Cash flows:

| Class A Notes |              |  |   |                        |                                     |
|---------------|--------------|--|---|------------------------|-------------------------------------|
| Period        | Payment Date | Principal Amount Outstanding (after giving effect to all payments) | Gross interest payments (free of withholding for the Note holder) | Principal Amortization | Total Cash Flows from Class A Notes |
| 0             | feb-20       | 1,000,000,000.00   |   |                        |                                     |
| 1             | mar-20       | 967,745,800.36   | 151,333.33  | 32,254,199.64          | 32,405,532.98                       |
| 2             | apr-20       | 935,734,692.60   | 188,656.67  | 32,011,107.76          | 32,199,764.42                       |
| 3             | may-20       | 903,957,193.10   | 188,706.50  | 31,777,499.49          | 31,966,205.99                       |
| 4             | jun-20       | 872,499,458.93   | 194,451.24  | 31,457,734.17          | 31,652,185.41                       |
| 5             | jul-20       | 841,352,926.68   | 170,088.92  | 31,146,532.25          | 31,316,621.18                       |
| 6             | aug-20       | 810,516,135.51   | 175,328.60  | 30,836,791.16          | 31,012,119.77                       |
| 7             | sep-20       | 779,983,715.52   | 168,902.56  | 30,532,419.99          | 30,701,322.55                       |
| 8             | oct-20       | 749,741,817.23   | 157,296.72  | 30,241,898.29          | 30,399,195.01                       |
| 9             | nov-20       | 719,740,353.29   | 166,317.73  | 30,001,463.93          | 30,167,781.66                       |
| 10            | dec-20       | 690,151,273.16   | 135,471.13  | 29,589,080.14          | 29,724,551.26                       |
| 11            | jan-21       | 661,054,881.18   | 143,819.86  | 29,096,391.97          | 29,240,211.83                       |
| 12            | feb-21       | 632,462,859.66   | 142,200.25  | 28,592,021.52          | 28,734,221.77                       |
| 13            | mar-21       | 604,317,694.41   | 119,043.56  | 28,145,165.25          | 28,264,208.82                       |
| 14            | apr-21       | 576,632,311.57   | 121,870.74  | 27,685,382.84          | 27,807,253.58                       |
| 15            | may-21       | 549,451,082.03   | 116,287.52  | 27,181,229.54          | 27,297,517.06                       |
| 16            | jun-21       | 522,763,286.24   | 114,499.50  | 26,687,795.79          | 26,802,295.29                       |
| 17            | jul-21       | 496,569,377.73   | 105,423.93  | 26,193,908.51          | 26,299,332.44                       |
| 18            | aug-21       | 470,924,252.37   | 110,155.64  | 25,645,125.36          | 25,755,281.00                       |
| 19            | sep-21       | 445,803,024.06   | 91,804.07   | 25,121,228.31          | 25,213,032.37                       |
| 20            | oct-21       | 421,106,397.69   | 89,903.61   | 24,696,626.37          | 24,786,529.98                       |
| 21            | nov-21       | 396,814,491.77   | 90,584.67   | 24,291,905.92          | 24,382,490.59                       |
| 22            | dec-21       | 372,992,721.38   | 77,356.78   | 23,821,770.39          | 23,899,127.17                       |
| 23            | jan-22       | 350,040,716.70   | 77,727.54   | 22,952,004.68          | 23,029,732.22                       |
| 24            | feb-22       | 327,966,964.95   | 72,944.60   | 22,073,751.75          | 22,146,696.35                       |
| 25            | mar-22       | 306,578,746.12   | 61,730.67   | 21,388,218.83          | 21,449,949.50                       |
| 26            | apr-22       | 289,219,537.44   | 63,887.60   | 17,359,208.67          | 17,423,096.28                       |
| 27            | may-22       | 272,885,718.81   | 62,214.34   | 16,333,818.63          | 16,396,032.97                       |
| 28            | jun-22       | 257,176,824.51   | 53,197.55   | 15,708,894.30          | 15,762,091.85                       |
| 29            | jul-22       | 242,110,437.01   | 51,863.99   | 15,066,387.50          | 15,118,251.50                       |
| 30            | aug-22       | 227,817,859.58   | 52,080.65   | 14,292,577.43          | 14,344,658.08                       |
| 31            | sep-22       | 214,236,545.13   | 45,943.27   | 13,581,314.44          | 13,627,257.71                       |
| 32            | oct-22       | 201,274,453.85   | 43,204.37   | 12,962,091.28          | 13,005,295.65                       |
| 33            | nov-22       | 188,832,377.70   | 41,943.36   | 12,442,076.16          | 12,484,019.52                       |
| 34            | dec-22       | 176,815,280.20   | 38,081.20   | 12,017,097.50          | 12,055,178.69                       |
| 35            | jan-23       | 165,447,130.73   | 39,223.52   | 11,368,149.47          | 11,407,372.99                       |
| 36            | feb-23       | 154,716,974.83   | 32,253.00   | 10,730,155.90          | 10,762,408.90                       |
| 37            | mar-23       | 144,480,210.41   | 29,121.17   | 10,236,764.42          | 10,265,885.59                       |
| 38            | apr-23       | 134,832,105.24   | 30,108.07   | 9,648,105.18           | 9,678,213.25                        |

|              |        |                |                     |                         |                         |
|--------------|--------|----------------|---------------------|-------------------------|-------------------------|
| <b>39</b>    | may-23 | 125,623,666.87 | 28,097.51           | 9,208,438.37            | 9,236,535.88            |
| <b>40</b>    | jun-23 | 116,975,866.31 | 25,334.11           | 8,647,800.56            | 8,673,134.66            |
| <b>41</b>    | jul-23 | 108,897,124.89 | 23,590.13           | 8,078,741.41            | 8,102,331.55            |
| <b>42</b>    | aug-23 | 101,495,079.02 | 22,692.95           | 7,402,045.87            | 7,424,738.82            |
| <b>43</b>    | sep-23 | 94,718,658.90  | 21,150.45           | 6,776,420.13            | 6,797,570.57            |
| <b>44</b>    | oct-23 | 88,486,606.99  | 20,375.04           | 6,232,051.91            | 6,252,426.95            |
| <b>45</b>    | nov-23 | -              | 17,249.97           | 88,486,606.99           | 88,503,856.96           |
| <b>TOTAL</b> |        |                | <b>3,973,518.56</b> | <b>1,000,000,000.00</b> | <b>1,003,973,518.56</b> |

| <b>Class B Notes</b> |                     |   |  |                               |  |
|----------------------|---------------------|---|--|-------------------------------|--|
| <b>Period</b>        | <b>Payment Date</b> | <b>Principal Amount Outstanding (after giving effect to all payments)</b> | <b>Gross interest payments (free of withholding for the Note holder)</b> | <b>Principal Amortization</b> | <b>Total Cash Flows from Class B Notes</b> |
| <b>0</b>             | feb-20              | 35,700,000.00   |  |                               |  |
| <b>1</b>             | mar-20              | 35,700,000.00   | 7,782.60   | -                             | 7,782.60                                   |
| <b>2</b>             | apr-20              | 35,700,000.00   | 9,835.35   | -                             | 9,835.35                                   |
| <b>3</b>             | may-20              | 35,700,000.00   | 10,174.50  | -                             | 10,174.50                                  |
| <b>4</b>             | jun-20              | 35,700,000.00   | 10,852.80  | -                             | 10,852.80                                  |
| <b>5</b>             | jul-20              | 35,700,000.00   | 9,835.35   | -                             | 9,835.35                                   |
| <b>6</b>             | aug-20              | 35,700,000.00   | 10,513.65  | -                             | 10,513.65                                  |
| <b>7</b>             | sep-20              | 35,700,000.00   | 10,513.65  | -                             | 10,513.65                                  |
| <b>8</b>             | oct-20              | 35,700,000.00   | 10,174.50  | -                             | 10,174.50                                  |
| <b>9</b>             | nov-20              | 35,700,000.00   | 11,191.95  | -                             | 11,191.95                                  |
| <b>10</b>            | dec-20              | 35,700,000.00   | 9,496.20   | -                             | 9,496.20                                   |
| <b>11</b>            | jan-21              | 35,700,000.00   | 10,513.65  | -                             | 10,513.65                                  |
| <b>12</b>            | feb-21              | 35,700,000.00   | 10,852.80  | -                             | 10,852.80                                  |
| <b>13</b>            | mar-21              | 35,700,000.00   | 9,496.20   | -                             | 9,496.20                                   |
| <b>14</b>            | apr-21              | 35,700,000.00   | 10,174.50  | -                             | 10,174.50                                  |
| <b>15</b>            | may-21              | 35,700,000.00   | 10,174.50  | -                             | 10,174.50                                  |
| <b>16</b>            | jun-21              | 35,700,000.00   | 10,513.65  | -                             | 10,513.65                                  |
| <b>17</b>            | jul-21              | 35,700,000.00   | 10,174.50  | -                             | 10,174.50                                  |
| <b>18</b>            | aug-21              | 35,700,000.00   | 11,191.95  | -                             | 11,191.95                                  |
| <b>19</b>            | sep-21              | 35,700,000.00   | 9,835.35   | -                             | 9,835.35                                   |
| <b>20</b>            | oct-21              | 35,700,000.00   | 10,174.50  | -                             | 10,174.50                                  |
| <b>21</b>            | nov-21              | 35,700,000.00   | 10,852.80  | -                             | 10,852.80                                  |
| <b>22</b>            | dec-21              | 35,700,000.00   | 9,835.35   | -                             | 9,835.35                                   |
| <b>23</b>            | jan-22              | 35,700,000.00   | 10,513.65  | -                             | 10,513.65                                  |
| <b>24</b>            | feb-22              | 35,700,000.00   | 10,513.65  | -                             | 10,513.65                                  |
| <b>25</b>            | mar-22              | 35,700,000.00   | 9,496.20   | -                             | 9,496.20                                   |
| <b>26</b>            | apr-22              | 32,451,818.74   | 10,513.65  | 3,248,181.26                  | 3,258,694.91                               |
| <b>27</b>            | may-22              | 28,615,936.97   | 9,865.35   | 3,835,881.77                  | 3,845,747.12                               |
| <b>28</b>            | jun-22              | 24,917,604.78   | 7,883.69   | 3,698,332.19                  | 3,706,215.88                               |
| <b>29</b>            | jul-22              | 21,360,486.22   | 7,101.52   | 3,557,118.56                  | 3,564,220.08                               |

|              |        |               |                   |                      |                      |
|--------------|--------|---------------|-------------------|----------------------|----------------------|
| 30           | aug-22 | 18,744,507.43 | 6,493.59          | 2,615,978.78         | 2,622,472.37         |
| 31           | sep-22 | 17,627,057.51 | 5,342.18          | 1,117,449.92         | 1,122,792.11         |
| 32           | oct-22 | 16,560,556.33 | 5,023.71          | 1,066,501.18         | 1,071,524.89         |
| 33           | nov-22 | 15,536,841.20 | 4,877.08          | 1,023,715.13         | 1,028,592.21         |
| 34           | dec-22 | 14,548,092.67 | 4,428.00          | 988,748.53           | 993,176.53           |
| 35           | jan-23 | 13,612,738.60 | 4,560.83          | 935,354.07           | 939,914.90           |
| 36           | feb-23 | 12,729,877.68 | 3,750.31          | 882,860.93           | 886,611.24           |
| 37           | mar-23 | 11,887,612.25 | 3,386.15          | 842,265.43           | 845,651.57           |
| 38           | apr-23 | 11,093,780.81 | 3,500.90          | 793,831.44           | 797,332.34           |
| 39           | may-23 | 10,336,124.49 | 3,267.12          | 757,656.32           | 760,923.44           |
| 40           | jun-23 | 9,624,596.59  | 2,945.80          | 711,527.89           | 714,473.69           |
| 41           | jul-23 | 8,959,890.02  | 2,743.01          | 664,706.57           | 667,449.58           |
| 42           | aug-23 | 8,350,860.93  | 2,638.69          | 609,029.09           | 611,667.78           |
| 43           | sep-23 | 7,793,307.38  | 2,459.33          | 557,553.55           | 560,012.88           |
| 44           | oct-23 | 7,280,543.61  | 2,369.17          | 512,763.76           | 515,132.93           |
| 45           | nov-23 | -             | 2,005.79          | 7,280,543.61         | 7,282,549.40         |
| <b>TOTAL</b> |        |               | <b>349,839.66</b> | <b>35,700,000.00</b> | <b>36,049,839.66</b> |

- The following amortisation scenario (amounts in Euro) is based on the assumptions: (i) listed above under this section; and (ii) a CPR as listed in scenario 3.

Cash flows:

| Class A Notes |              |  |   |                        |                                     |
|---------------|--------------|--|---|------------------------|-------------------------------------|
| Period        | Payment Date | Principal Amount Outstanding (after giving effect to all payments) | Gross interest payments (free of withholding for the Note holder) | Principal Amortization | Total Cash Flows from Class A Notes |
| 0             | feb-20       | 1,000,000,000.00   |   |                        |                                     |
| 1             | mar-20       | 965,825,692.61   | 151,333.33  | 34,174,307.39          | 34,325,640.72                       |
| 2             | apr-20       | 932,013,868.28   | 188,282.35  | 33,811,824.33          | 34,000,106.68                       |
| 3             | may-20       | 898,553,502.92   | 187,956.13  | 33,460,365.36          | 33,648,321.49                       |
| 4             | jun-20       | 865,528,609.79   | 193,288.84  | 33,024,893.13          | 33,218,181.98                       |
| 5             | jul-20       | 832,928,711.03   | 168,729.99  | 32,599,898.76          | 32,768,628.75                       |
| 6             | aug-20       | 800,750,424.40   | 173,573.09  | 32,178,286.63          | 32,351,859.72                       |
| 7             | sep-20       | 768,986,524.52   | 166,867.49  | 31,763,899.88          | 31,930,767.37                       |
| 8             | oct-20       | 737,621,471.46   | 155,078.95  | 31,365,053.06          | 31,520,132.00                       |
| 9             | nov-20       | 706,604,167.43   | 163,629.03  | 31,017,304.03          | 31,180,933.06                       |
| 10            | dec-20       | 676,102,003.14   | 132,998.61  | 30,502,164.30          | 30,635,162.90                       |
| 11            | jan-21       | 646,191,290.90   | 140,892.15  | 29,910,712.23          | 30,051,604.38                       |
| 12            | feb-21       | 616,880,612.18   | 139,002.93  | 29,310,678.72          | 29,449,681.65                       |
| 13            | mar-21       | 588,110,861.12   | 116,110.64  | 28,769,751.06          | 28,885,861.70                       |
| 14            | apr-21       | 559,892,055.21   | 118,602.36  | 28,218,805.91          | 28,337,408.27                       |
| 15            | may-21       | 532,264,747.77   | 112,911.56  | 27,627,307.43          | 27,740,219.00                       |
| 16            | jun-21       | 505,215,647.05   | 110,918.06  | 27,049,100.72          | 27,160,018.78                       |
| 17            | jul-21       | 478,742,387.25   | 101,885.16  | 26,473,259.80          | 26,575,144.95                       |

|              |        |                |                     |                         |                         |
|--------------|--------|----------------|---------------------|-------------------------|-------------------------|
| 18           | aug-21 | 452,895,334.96 | 106,201.02          | 25,847,052.29           | 25,953,253.31           |
| 19           | sep-21 | 427,647,357.11 | 88,289.43           | 25,247,977.85           | 25,336,267.28           |
| 20           | oct-21 | 402,899,703.10 | 86,242.22           | 24,747,654.01           | 24,833,896.22           |
| 21           | nov-21 | 378,630,822.24 | 86,668.20           | 24,268,880.86           | 24,355,549.07           |
| 22           | dec-21 | 354,901,326.79 | 73,811.98           | 23,729,495.45           | 23,803,307.42           |
| 23           | jan-22 | 332,092,154.50 | 73,957.49           | 22,809,172.30           | 22,883,129.79           |
| 24           | feb-22 | 310,631,492.42 | 69,204.32           | 21,460,662.07           | 21,529,866.39           |
| 25           | mar-22 | 293,013,037.12 | 58,467.75           | 17,618,455.30           | 17,676,923.05           |
| 26           | apr-22 | 276,066,582.71 | 61,060.66           | 16,946,454.41           | 17,007,515.07           |
| 27           | may-22 | 260,011,921.36 | 59,384.99           | 16,054,661.36           | 16,114,046.35           |
| 28           | jun-22 | 244,607,713.30 | 50,687.88           | 15,404,208.06           | 15,454,895.94           |
| 29           | jul-22 | 229,867,346.81 | 49,329.22           | 14,740,366.49           | 14,789,695.71           |
| 30           | aug-22 | 215,911,881.40 | 49,447.02           | 13,955,465.41           | 14,004,912.43           |
| 31           | sep-22 | 202,678,107.64 | 43,542.23           | 13,233,773.75           | 13,277,315.98           |
| 32           | oct-22 | 190,075,398.58 | 40,873.42           | 12,602,709.06           | 12,643,582.48           |
| 33           | nov-22 | 178,007,001.37 | 39,609.60           | 12,068,397.21           | 12,108,006.81           |
| 34           | dec-22 | 166,380,766.14 | 35,898.08           | 11,626,235.23           | 11,662,133.31           |
| 35           | jan-23 | 155,404,838.70 | 36,908.80           | 10,975,927.45           | 11,012,836.25           |
| 36           | feb-23 | 145,065,596.48 | 30,295.31           | 10,339,242.22           | 10,369,537.53           |
| 37           | mar-23 | 135,224,411.99 | 27,304.57           | 9,841,184.48            | 9,868,489.05            |
| 38           | apr-23 | 125,967,741.25 | 28,179.26           | 9,256,670.74            | 9,284,850.01            |
| 39           | may-23 | 117,153,613.52 | 26,250.28           | 8,814,127.73            | 8,840,378.01            |
| 40           | jun-23 | 108,892,378.26 | 23,625.98           | 8,261,235.26            | 8,284,861.24            |
| 41           | jul-23 | 101,188,997.23 | 21,959.96           | 7,703,381.03            | 7,725,340.99            |
| 42           | aug-23 | 94,140,412.56  | 21,086.66           | 7,048,584.67            | 7,069,671.33            |
| 43           | sep-23 | -              | 19,617.82           | 94,140,412.56           | 94,160,030.37           |
| <b>TOTAL</b> |        |                | <b>3,829,964.81</b> | <b>1,000,000,000.00</b> | <b>1,003,829,964.81</b> |

| Class B Notes |              |  |   |                        |                                     |
|---------------|--------------|--|---|------------------------|-------------------------------------|
| Period        | Payment Date | Principal Amount Outstanding (after giving effect to all payments) | Gross interest payments (free of withholding for the Note holder) | Principal Amortization | Total Cash Flows from Class B Notes |
| 0             | feb-20       | 35,700,000.00  |   |                        |                                     |
| 1             | mar-20       | 35,700,000.00  | 7,782.60  | -                      | 7,782.60                            |
| 2             | apr-20       | 35,700,000.00  | 9,835.35  | -                      | 9,835.35                            |
| 3             | may-20       | 35,700,000.00  | 10,174.50   | -                      | 10,174.50                           |
| 4             | jun-20       | 35,700,000.00  | 10,852.80   | -                      | 10,852.80                           |
| 5             | jul-20       | 35,700,000.00  | 9,835.35  | -                      | 9,835.35                            |
| 6             | aug-20       | 35,700,000.00  | 10,513.65   | -                      | 10,513.65                           |
| 7             | sep-20       | 35,700,000.00  | 10,513.65   | -                      | 10,513.65                           |
| 8             | oct-20       | 35,700,000.00  | 10,174.50   | -                      | 10,174.50                           |
| 9             | nov-20       | 35,700,000.00  | 11,191.95   | -                      | 11,191.95                           |
| 10            | dec-20       | 35,700,000.00  | 9,496.20  | -                      | 9,496.20                            |

|              |        |               |                   |                      |                      |
|--------------|--------|---------------|-------------------|----------------------|----------------------|
| 11           | jan-21 | 35,700,000.00 | 10,513.65         | -                    | 10,513.65            |
| 12           | feb-21 | 35,700,000.00 | 10,852.80         | -                    | 10,852.80            |
| 13           | mar-21 | 35,700,000.00 | 9,496.20          | -                    | 9,496.20             |
| 14           | apr-21 | 35,700,000.00 | 10,174.50         | -                    | 10,174.50            |
| 15           | may-21 | 35,700,000.00 | 10,174.50         | -                    | 10,174.50            |
| 16           | jun-21 | 35,700,000.00 | 10,513.65         | -                    | 10,513.65            |
| 17           | jul-21 | 35,700,000.00 | 10,174.50         | -                    | 10,174.50            |
| 18           | aug-21 | 35,700,000.00 | 11,191.95         | -                    | 11,191.95            |
| 19           | sep-21 | 35,700,000.00 | 9,835.35          | -                    | 9,835.35             |
| 20           | oct-21 | 35,700,000.00 | 10,174.50         | -                    | 10,174.50            |
| 21           | nov-21 | 35,700,000.00 | 10,852.80         | -                    | 10,852.80            |
| 22           | dec-21 | 35,700,000.00 | 9,835.35          | -                    | 9,835.35             |
| 23           | jan-22 | 35,700,000.00 | 10,513.65         | -                    | 10,513.65            |
| 24           | feb-22 | 35,275,243.51 | 10,513.65         | 424,756.49           | 435,270.14           |
| 25           | mar-22 | 31,742,968.67 | 9,383.21          | 3,532,274.84         | 3,541,658.05         |
| 26           | apr-22 | 28,360,381.49 | 9,348.30          | 3,382,587.18         | 3,391,935.49         |
| 27           | may-22 | 24,562,071.48 | 8,621.56          | 3,798,310.00         | 3,806,931.56         |
| 28           | jun-22 | 20,908,177.23 | 6,766.85          | 3,653,894.26         | 3,660,661.11         |
| 29           | jul-22 | 18,913,136.13 | 5,958.83          | 1,995,041.10         | 2,000,999.93         |
| 30           | aug-22 | 17,764,901.63 | 5,749.59          | 1,148,234.50         | 1,153,984.09         |
| 31           | sep-22 | 16,676,046.83 | 5,063.00          | 1,088,854.80         | 1,093,917.80         |
| 32           | oct-22 | 15,639,115.07 | 4,752.67          | 1,036,931.76         | 1,041,684.43         |
| 33           | nov-22 | 14,646,145.68 | 4,605.72          | 992,969.39           | 997,575.11           |
| 34           | dec-22 | 13,689,556.71 | 4,174.15          | 956,588.97           | 960,763.13           |
| 35           | jan-23 | 12,786,474.07 | 4,291.68          | 903,082.64           | 907,374.31           |
| 36           | feb-23 | 11,935,776.93 | 3,522.67          | 850,697.14           | 854,219.82           |
| 37           | mar-23 | 11,126,059.21 | 3,174.92          | 809,717.71           | 812,892.63           |
| 38           | apr-23 | 10,364,434.41 | 3,276.62          | 761,624.81           | 764,901.43           |
| 39           | may-23 | 9,639,221.37  | 3,052.33          | 725,213.04           | 728,265.37           |
| 40           | jun-23 | 8,959,499.48  | 2,747.18          | 679,721.89           | 682,469.07           |
| 41           | jul-23 | 8,325,676.99  | 2,553.46          | 633,822.49           | 636,375.95           |
| 42           | aug-23 | 7,745,730.15  | 2,451.91          | 579,946.84           | 582,398.75           |
| 43           | sep-23 | -             | 2,281.12          | 7,745,730.15         | 7,748,011.26         |
| <b>TOTAL</b> |        |               | <b>336,963.37</b> | <b>35,700,000.00</b> | <b>36,036,963.37</b> |

#### 4.11 Representation of the security holders

It is the responsibility of the Management Company, as manager of third party business, to represent and safeguard the interests of Noteholders against the Fund and the interests of the other creditors thereof. Therefore the Management Company must give highest priority in its actions to the defence of these interests and must comply with the provisions established for this purpose from time to time.

In addition, the Meeting of Creditors shall be established upon and by virtue of the Deed of Incorporation and shall remain in force and in effect until repayment of the Notes in full or cancellation of the Fund.

The terms and conditions of the rules for the Meeting of Creditors (the "**Rules**") are the following:

## **RULES FOR THE MEETING OF CREDITORS**

### **TITLE I**

#### **GENERAL PROVISIONS**

##### **Article 1**

##### **General**

- 1.1 *According to Article 37 of Law 5/2015, the Meeting of Creditors will be validly constituted upon execution of the public deed of incorporation of the Fund and asset-backed securities issuance.*
- 1.2 *The contents of these Rules are deemed to form part of each Note issued by the Fund.*
- 1.3 *The Rules also govern the relationship of the Noteholders with the Subordinated Lender (the "Other Creditor"). No creditor of the Fund other than the Noteholders and the Other Creditor shall have the right to vote at any Meeting of Creditors.*
- 1.4 *Any matter relating to the Meeting of Creditors which is not regulated under these Rules shall be regulated in accordance with Article 37 of the Law 5/2015 and, if applicable, in accordance with provisions contained in Royal Decree-Law 1/2010 of 2 July, approving the Restated Text of Capital Companies Act ("**Spanish Companies Act**"), relating to the Bondholders' Syndicate ("sindicato de obligacionistas"), as amended.*
- 1.5 *All and any Noteholders and the Other Creditor are members of the Meeting of Creditors and shall be subject to the provisions established in these Rules as modified by the Meeting of Creditors.*
- 1.6 *The Meeting of Creditors convened by the Management Company shall have the objective of defending the interests of the Noteholders and the Other Creditor and without distinction between the different Classes of the Noteholders and the Other Creditor. Any information given to one Class of Noteholders must be given to the rest of Noteholders and the Other Creditor.*

##### **Article 2**

##### **Definitions**

*All capitalised items of these Rules not otherwise defined herein shall have the same meaning set forth in the Prospectus.*

*"**Extraordinary Resolution**" means a resolution passed at a Meeting of Creditors duly convened and held in accordance with the Rules which is necessary to approve a Reserved Matter.*

*"**Resolution**" means a resolution (different from the Extraordinary Resolutions) passed by the applicable Noteholders or Other Creditor at a Meeting of Creditors or by virtue of a Written Resolution.*

*"**Transaction Party**" means any person who is a party to a Transaction Document and "**Transaction Parties**" means some or all of them.*

*"**Transaction Documents**" means the following documents: (i) Deed of Incorporation of the Fund; (ii) the Assignment Policy; (iii) the Management, Placement and Subscription Agreement; (iv) the Subordinated Loan Agreement; (v) the Paying Agency Agreement; (vi) the Account Agreement; (vii) the Servicing Agreement; (viii) the Swap Agreements; and (ix) any other documents executed from time to time after the Incorporation Date in connection with the Fund and designated as such by the relevant parties.*

**"Written Resolution"** means a resolution in writing approved by or on behalf of all Noteholders and the Other Creditor for the time being outstanding who for the time being entitled to receive notice of a meeting in accordance with the Rules for the Meeting of Creditors, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more such Noteholders or by or on behalf of one or more of the Other Creditor.

### **Article 3**

#### **Separate and combined meetings**

- 3.1 A Resolution or an Extraordinary Resolution which in the opinion of the Management Company affects the Notes of only one Class and/or the Other Creditor shall be transacted at a separate meeting of the Noteholders of such Class and/or the Other Creditor without prejudice of the provisions of section 1.6 above.
- 3.2 A Resolution or an Extraordinary Resolution which in the opinion of the Management Company affects the Noteholders of more than one Class of Notes and/or the Other Creditor but does not give rise to an actual or potential conflict of interest between the Noteholders of one Class of Notes and the holders of the other Class/es of Notes and/or the Other Creditor shall be transacted either at separate Meeting of Creditors of each such Class or at a single Meeting of Creditors of the affected Classes of Notes and the Other Creditor as the Management Company shall determine in its absolute discretion without prejudice of the provisions of section 1.6 above.
- 3.3 A Resolution or an Extraordinary Resolution which in the opinion of the Management Company affects the Noteholders of more than one Class of Notes and/or the Other Creditor and gives rise to any actual or potential conflict of interest between the Noteholders of one Class of Notes and the Noteholders of other Class/es of Notes and/or the Other Creditor shall be transacted at separate meetings of the Noteholders of each such Class of Notes and of the Other Creditor without prejudice of the provisions of section 1.6 above.

### **Article 4**

#### **Meetings convened by Noteholders and the Other Creditor**

- 4.1 A Meeting of Creditors shall be convened or call for a Written Resolution shall be made by the Management Company upon the request in writing of a Class or Classes of Noteholders holding no less than 10 per cent of the aggregate Outstanding Nominal Balance of the Notes of the relevant Class or Classes or Other Creditor holding no less than 10 per cent of the outstanding principal amount due to such Other Creditor. Noteholders and the Other Creditor can also participate in a Meeting of Creditors convened by the Management Company.
- 4.2 However, unless the Management Company, on behalf of the Fund, has an obligation to take such action under these Rules, the Noteholders and the Other Creditor are not entitled to instruct or direct the Management Company to take any actions without the consent of the Meeting of Creditors.

**TITLE II**  
**MEETING PROVISIONS**

**Article 5**  
**Convening of Meeting**

- 5.1 *The Management Company may at its discretion convene a meeting at any time and shall convene a meeting if so instructed by the relevant percentage of Noteholders or the Other Creditor set forth in section 4.1 above.*
- 5.2 *Whenever the Management Company is about to convene any such meeting, it shall immediately give notice of the date thereof and of the nature of the business to be transacted thereat, through the publication of a material event (hecho relevante) with the CNMV and/or, if applicable, the corresponding national competent authority.*
- 5.3 *The resources needed and the costs incurred for each Meeting of Creditors shall be provided and borne by the Fund.*
- 5.4 *For each Meeting of Creditors, the Management Company will designate a representative and, therefore, no commissioner (comisario) shall be appointed for any Meeting of Creditors.*

**Article 6**  
**Notice**

- 6.1 *The Management Company shall give at least 21 calendar days' notice but no more than 45 calendar days' notice (both exclusive of the day on which the notice is given and of the day on which the meeting is to be held) specifying the date, time and place of the initial meeting ("**Initial Meeting**") to the Noteholders and the Other Creditor.*
- 6.2 *In the same notice, the Management Company shall specify the date, time and place of the adjourned meeting ("**Adjourned Meeting**"). The date of the Adjourned Meeting shall be 10 calendar days after the Initial Meeting. The Adjourned Meeting shall not be held if there is quorum for the Initial Meeting according to the following Article 7.*

**Article 7**  
**Quorums at Initial Meeting and Adjourned Meetings**

- 7.1 *The quorum at any Initial Meeting to vote on a Resolution shall be at least one or more persons holding or representing a majority (more than fifty per cent (50%)) of the Outstanding Nominal Balance of the Notes of the relevant Class or Classes.*
- 7.2 *The quorum at any Adjourned Meeting to vote on a Resolution shall be at least one or more persons being or representing Noteholders of the relevant Class or Classes.*
- 7.3 *The quorum at any Initial Meeting to vote on an Extraordinary Resolution shall be at least one or more persons holding or representing not less than seventy-five per cent (75%) of the Outstanding Nominal Balance of the Notes of the relevant Class or Classes, unless the Reserved Matter is to decide the Early Liquidation of the Fund in accordance with Article 23.2 b) of Law 5/2015, in which case it shall be at least one or more persons holding or representing not less than seventy-five per cent (75%) of the Outstanding Nominal Balance*

of the Notes of each Class and seventy-five per cent (75%) of the outstanding principal amount due to the Other Creditor.

- 7.4 The quorum at any Adjourned Meeting to vote on an Extraordinary Resolution shall be at least one or more persons holding or representing more than fifty per cent (50%) of the Outstanding Nominal Balance of the Notes of the relevant Class or Classes, unless the Reserved Matter is to decide the Early Liquidation of the Fund in accordance with Article 23.2 b) of Law 5/2015, in which case it shall be at least one or more persons holding or representing not less than seventy-five per cent (75%) of the sum of (i) Outstanding Nominal Balance of the Notes and (ii) the outstanding principal amount due to the Other Creditor.
- 7.5 There is no minimum quorum of Other Creditor for a valid quorum of any Initial Meeting or Adjourned Meeting except for such Meeting is to decide the Early Liquidation of the Fund in accordance with Article 23.2 b) of Law 5/2015, in which case one or more persons holding or representing not less than seventy-five per cent (75%) of the outstanding principal amount due to the Other Creditor shall attend.
- 7.6 For the purposes of calculating the relevant quorum and the required majority, the entitlement of the Noteholders and Other Creditor to attend the meeting or to vote shall be determined by reference to the Outstanding Nominal Balance of the Notes of the relevant Class or Classes or the outstanding principal due to the Other Creditor on the immediately preceding Payment Date to the convening of the Meeting of Creditors.

## **Article 8**

### **Required Majority**

- 8.1 A Resolution or an Extraordinary Resolution is validly passed at any Initial Meeting and/or Adjourned Meeting when not less than seventy-five per cent (75%) of votes cast by the Noteholders and the Other Creditor attending the relevant meeting have been cast in favour of it.
- 8.2 An Extraordinary Resolution to decide the Early Liquidation of the Fund in accordance with Article 23.2 b) of Law 5/2015 is validly passed at any Initial Meeting and/or Adjourned Meeting when not less than seventy-five per cent (75%) of the total outstanding principal held by the Noteholders and not less than seventy-five per cent (75%) of the total outstanding principal held by the Other Creditor have been cast in favour thereof, also taking into account those not attending the relevant meeting.
- 8.3 For the purposes of calculating the required majority, the entitlement of the Noteholders and Other Creditor to vote shall be determined by reference to the Outstanding Nominal Balance of the Notes of the relevant Class or Classes or the outstanding principal due to the Other Creditor on the immediately preceding Payment Date to the convening of the Meeting.
- 8.4 Any Resolution or Extraordinary Resolution (except an Extraordinary Resolution to decide the Early Liquidation of the Issuer in accordance with Article 23.2 b) of Law 5/2015) whose decision may adversely modify the ranking in the priority of any payment to the Swap Counterparty or may change any Transaction Document in a manner that causes the Swap Counterparty to pay more or receive less, shall also require a formal approval from the Swap Counterparty before being validly passed by the required majority.

## **Article 9**

### **Written Resolution**

- 9.1 *A Written Resolution is validly passed in respect of a Class of Notes or the Other Creditor when it has been approved by or on behalf of the Noteholders and the Other Creditor (as applicable) holding one hundred per cent (100%) of the Outstanding Nominal Balance of the relevant Class of Notes or the relevant credit. A Written Resolution shall take effect as if it were an Extraordinary Resolution.*
- 9.2 *Any Written Resolution whose decision may adversely modify the ranking in the priority of any payment to the Swap Counterparty or may change any Transaction Document in a manner that causes the Swap Counterparty to pay more or receive less, shall also require a formal approval from the Swap Counterparty before being validly passed by the required majority.*

## **Article 10**

### **Matters requiring an Extraordinary Resolution**

- 10.1 *An Extraordinary Resolution is required to approve any Reserved Matter.*

## **Article 11**

### **Resented Matters and Allowed Modifications**

- 11.1 *The following are "Reserved Matters":*

- (i) to change any date fixed for the payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest due on any date in respect of the Notes or to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity;*
- (ii) to alter the priority of payment of interest or principal in respect of the Notes;*
- (iii) to change the quorum required at any Meeting of Creditors or the majority required to pass an Extraordinary Resolution;*
- (iv) to authorise the Management Company or (if relevant) any other Transaction Party to perform any act or omission which is not expressly regulated under the Deed of Incorporation and other Transaction Documents;*
- (v) to de-list all or part of the Notes;*
- (vi) to approve the termination of the Fund in accordance with Article 23.2.b) of Law 5/2015;*
- (vii) to approve any proposal by the Management Company for any modification of the Deed of Incorporation or any arrangement in respect of the obligations of the Fund under or in respect of the Notes;*
- (viii) to instruct the Management Company or any other person to do all that may be necessary to give effect to any Extraordinary Resolution;*

(ix) to give any other authorisation or approval which under the Deed of Incorporation or the Notes is required to be given by Extraordinary Resolution;

(x) to appoint any persons as a committee to represent the interests of the Noteholders and to confer upon such committee any powers which the Noteholders could themselves exercise by Extraordinary Resolution; and

(xi) to amend this definition of Reserved Matters.

11.2 The following are "**Allowed Modifications**":

*The Management Company may agree without the consent of the Noteholders and the Other Creditor to (i) any modification of any of the provisions of the Deed of Incorporation, the Notes or any other Transaction Document which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Deed of Incorporation, the Notes or any other Transaction Document which is in the opinion of the Management Company not materially prejudicial to the interests of the Noteholders and the Other Creditor provided that Rating Agencies confirmations are available in respect of such modification, authorisation or waiver. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Other Creditor and, if the Management Company so requires, such modification shall be notified to the Noteholders and the Other Creditor in accordance with section 4.1.3 of the Additional Building Block as soon as practicable thereafter.*

*In addition, the Management Company may agree, without the consent of the Noteholders and the Other Creditor, to (a) the entering into of a new Transaction Document by the Issuer with a successor of the relevant counterparty or (b) the transfer of the rights and obligations under a Transaction Document by the relevant counterparty to a successor provided that the Rating Agencies confirmation are available in connection with such transfer or contracting.*

## **Article 12**

### **Relationships between Classes of Noteholders**

12.1 In relation to each Class of Notes:

- (a) a Resolution or Extraordinary Resolution of any Class of Notes shall only be effective if it is sanctioned by an Extraordinary Resolution of the holders of the other Class of Notes ranking senior to such Class (unless the Management Company considers that none of the holders of the other Class of Notes ranking senior to such Class would be materially prejudiced by the absence of such sanction); and
- (b) any Resolution or Extraordinary Resolution passed at a Meeting of Creditors of one or more Classes of Notes duly convened and held in accordance with these Rules and the Deed of Incorporation shall be binding upon all Noteholders of such Class or Classes, whether or not present at such meeting and whether or not voting.

## **Article 13**

### **Relationships between Noteholders and the Other Creditor**

- 13.1 Any resolution passed at a Meeting of Creditors duly convened and held in accordance with these Rules and the Deed of Incorporation shall be binding upon all Noteholders and the Other Creditor.

- 13.2 *In addition, so long as any Notes are outstanding and there is, in the Management Company's sole opinion, a conflict between the interests of the Noteholders and the Other Creditor, the Management Company shall have regard solely to the interests of the Noteholders in the exercise of its discretion.*

#### **Article 14**

##### **Domicile**

- 14.1 *The Meeting of Creditors' domicile is located at the Management Company's registered office, i.e., calle Orense nº 58, 28020 Madrid.*
- 14.2 *Nevertheless, the Meeting of Creditors may meet whenever appropriate at any other venue in the city of Madrid, with express specification in the notice of call to meeting.*

#### **TITLE III**

### **GOVERNING LAW AND JURISDICTION**

#### **Article 15**

##### **Governing law and jurisdiction**

- 15.1 *These Rules and any non-contractual obligations arising therefrom or in connection therewith are governed by, and will be construed in accordance with, the common laws of Spain.*
- 15.2 *All disputes arising out of or in connection with these Rules, including those concerning the validity, interpretation, performance and termination hereof, shall be exclusively settled by the Courts of the city of Madrid.*

#### 4.12 Resolutions, authorisations and approvals for the securities issue

##### 4.12.1 Corporate resolutions

- (i) Agreement for the incorporation of the Fund and the Notes Issue: The Chief Executive Officer (*Consejero Delegado*) of the Management Company agreed, among other things, on 12 February 2020:

- (1) the incorporation of the Fund;
- (2) the acquisition of the Loan Receivables to be grouped in the Fund; and
- (3) the Notes Issue charged against the Fund.

- (ii) Agreement of the assignment of Loan Receivables

The Board of Directors of the Seller, at a meeting held on 11 February 2020, agreed to the authorisation of the assignment of the Loan Receivables owned by the Seller to the Fund.

The Seller has granted on 11 February 2020 a special power of attorney, duly notarised and apostilled pursuant to Hague Convention, authorising the execution of the assignment of Loan Receivables owned by the Seller to the Fund by certain VW employees.

#### 4.12.2 Registration with the CNMV

This Prospectus has been registered with the Official Registries of the CNMV on 20 February 2020.

#### 4.12.3 Execution of the Deed of Incorporation

Upon the registration of this Prospectus with the CNMV, and with exception of the withdrawal events of the Seller described in this Prospectus referred to in section 4.4.1 of the Registration Document, the Management Company and the Seller shall, on the Date of Incorporation, execute the Deed of Incorporation, in accordance with the terms foreseen in Law 5/2015. Such Deed of Incorporation will be drafted in Spanish language and will include the: (i) regulation of the Fund (including its management by the Management Company); and (ii) appoint the Seller, as Service Provider, to administer, collect and enforce the Loan Receivables.

The Management Company represents and warrants that the content of the Deed of Incorporation will match with the draft of the Deed of Incorporation previously submitted to the CNMV. The Deed of Incorporation and the Assignment Policy shall not contradict, modify, alter or invalidate the content of the present Prospectus.

The Management Company will submit to the CNMV a copy of the Deed of Incorporation and a copy of the Assignment Policy for its filing with the Official Registry.

#### 4.13 Issue date of the securities

The Notes Issue will be carried out by virtue of the Deed of Incorporation on 24 February 2020.

##### 4.13.1 Group of potential investors to which the Notes are offered

According to section 4.2.2 above of this Securities Note, on the Subscription Date the Notes shall be subscribed by the Underwriters and placed by the Placement Entities.

The placement of each of the Notes will be addressed solely to "qualified investors" within the meaning of article 39 of Royal Decree 1310/2005, of November 4 and to qualified investors from other jurisdictions.

Furthermore, the Notes will not be offered, sold or otherwise made available to (i) any retail investor in the European Economic Area as this term is defined in point (11) of Article 4(1) of MiFID II, (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129.

##### 4.13.1(a) Basel Capital Accord and regulatory capital requirements

The European authorities have now incorporated the Basel III framework into EU law, primarily through Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directive 2006/48/EC and 2006/49/EC (Capital Requirements Directive – "**CRD**"), as amended by Directive (EU) 2019/878 of 20 May 2019 (the "**CRD V**"), and the CRR, as amended by Regulation (EU) 2019/876 of 20 May 2019 (the "**CRR II**"). The changes under CRD V and CRR II which recently entered into force may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the relevant framework and, as a result, may affect the liquidity and/or value of the Notes.

Additionally, Regulation (EU) No 2015/61 of 10 October 2014 (the "**LCR Regulation**") sets out assumed asset inflow and outflow rates to better reflect actual experience in times of stress. On 19 November 2018, Delegated Regulation (EU) 2018/1620 amending the LCR Regulation (the "**LCR Delegated Regulation**") entered into force, pursuant to which, inter alia, (i) the calculation of the expected liquidity outflows and inflows on repurchase agreements, reverse repurchase agreements and collateral swaps shall be aligned with the international liquidity standard developed by Basel Committee on Banking Supervision; (ii) the treatment of certain reserves held with third-country central banks shall be amended and (iii) transactions exposures of securitisations, which qualify as simple, transparent and standardised securitisations in accordance with the Securitisation Regulation, shall qualify as Level 2B high quality liquid assets, if they additionally fulfil the conditions laid down in Article 13 of the LCR Regulation. The LCR Delegated Regulation will apply as from 30 April 2020.

The above changes to the CRD, the LCR Regulation and the LCR Delegated Regulation may have negative implications on the cost of regulatory capital for certain investors and thereby on the overall return from an investment of the Notes and the liquidity of the Notes.

#### 4.13.2 Date or period of subscription or acquisition

As indicated, the subscription of the Notes shall take place on 27 February 2020. Said date has been established as the Subscription Date.

According to section 4.2.2 of this Securities Note, the Notes shall be subscribed by the Underwriters in the Subscription Period, that is, between 11:30 AM (C.E.T.) and 2:00 PM (C.E.T.) on the Subscription Date. The outcome of such will be reported to the Management Company not later than 2:30 PM (C.E.T.) on the Subscription Date.

By virtue of the Management, Subscription and Placement Agreement, the Underwriters shall irrevocably subscribe the Notes. Then the Underwriters will promote the placement of the Notes among qualified investors.

If the entire nominal amount of the Class A and Class B Notes Issue issued by the Fund has not been subscribed by the Underwriters, it shall be understood that an event of early extinguishment has taken place. This situation shall be reported immediately to the Management Company by the Joint Lead Managers. The Management Company shall in turn report the situation to the CNMV. All the communications relating to this situation must be sent on the Subscription Date.

#### 4.13.3 Form and date for carrying out the disbursement

The disbursement shall take place on the Business Day following the Subscription Date, that is on Closing Date, (28 February 2020) without prejudice to the penultimate paragraph of section 4.13.2 above.

According to the Management, Subscription and Placement Agreement, each of the Underwriters, through their relevant IBERCLEAR participating entities, shall make the disbursement of the amounts corresponding to the Notes subscribed by each of them, after deducting the amounts corresponding to the underwriting and placement fees, making such disbursement in favour of BNP Paribas Securities Services before 11:00 AM (C.E.T.) on the Closing Date.

Each of the Underwriters must severally but not jointly (*mancomunadamente*) meet its obligation to disburse the total amounts corresponding to the Notes subscribed by each of them, as reflected in section 4.2.2 above of this Securities Note.

In its turn, before 12:00 noon (C.E.T.) on the Closing Date, in accordance with the abovementioned, the entity in charge of centralising the payments for the disbursement of the Notes, that is, BNP Paribas Securities Services shall pay to the Fund the amount corresponding to the disbursements made by all the Underwriters (which will not include the amounts already deducted by the Underwriters for the underwriting and placement fees), by means of a deposit made to the Distribution Account, with value date that same date, in accordance with the terms contained in the Management, Subscription and Placement Agreement.

4.14 Restrictions on the free transferability of the securities

There are no restrictions to the free transferability of the Notes. The Notes are freely transferable by any lawful means and in accordance with the rules of the AIAF market where an admission to trading of the Notes will be sought. The ownership of each of the Notes will be transferred by means of accounting transfer (book entry). The registration of the transfer to the acquiring party through book entry will have the same effect as the handling of the securities, thus the transfer will be effective against third parties as from the moment of the execution of the entry.

4.15 If different from the issuer, the identity and contact details of the offeror of the securities and/or the person asking for admission to trading

By virtue of the Management, Subscription and Placement Agreement, the Underwriters shall irrevocably subscribe the Notes issued by the Issuer pursuant to the Deed of Incorporation. Then the Underwriters will promote the placement of the Notes among qualified investors.

The Management Company, in the name and on behalf of the Fund will apply for the admission to trading of this Notes Issue in accordance with section 5.1 of this Securities Note.

**5. ADMISSION TO TRADING AND DEALING ARRANGEMENTS**

5.1 Market in which the securities will be traded

The Management Company, in the name and on behalf of the Fund will apply for the admission to trading of this Notes Issue, upon incorporation of the Fund, on the AIAF, which qualifies as an official secondary market, according to the Securities Act. The Management Company shall use its best efforts in order to achieve that the admission to trading of the Notes Issue is achieved not later than 1 month after the Closing Date.

In the event of a failure to comply with the mentioned term for the admission to trading of the Notes, the Management Company shall notify such to the CNMV, indicating the causes for such non-compliance as well as the new date foreseen for the admission to trading of the Notes, without prejudice of the potential liability of the Management Company in the event the non-compliance has occurred due to causes which can be attributed to it.

The Management Company, in the name and on behalf of the Fund, will request the inclusion in the accounting registry held by IBERCLEAR of this Notes Issue, so that the compensation and settlement of the securities is carried out in accordance with the regulation set forth by IBERCLEAR in respect of securities admitted to trading with AIAF. The Management Company shall carry out its best efforts in order that the Notes Issue is included in the registries of IBERCLEAR.

The Management Company, in the name and on behalf of the Fund, states that it is aware of the requirements and conditions that may be requested for the listing, maintenance and de-listing of the securities with AIAF, in accordance with applicable regulation, as well as the requirements by the governing bodies of the latter, and the Management Company accepts to comply with them.

## 5.2 Paying and depository agents

The financial service of the Notes Issue will be met through BNP Paribas Securities Services (the "**Paying Agent**").

On the Date of Incorporation, the Management Company, in representation and on behalf of the Fund, will enter into a paying agency agreement with the Paying Agent in order to carry out the financial service of the Notes issued by the Fund (the "**Paying Agency Agreement**").

The obligations that the Paying Agent will assume in the Paying Agency Agreement are, in summary, the following:

- (a) before 12:00 noon (C.E.T.) on the Closing Date, the Paying Agent shall pay to the Fund the amount corresponding to the disbursements made by all the Underwriters by means of a deposit made to the Distribution Account, with value date that same date;
- (b) on Closing Date and according to the instructions provided by the Management Company acting on behalf of the Fund, the Paying Agent shall make the relevant transfers, with value date that same date, in respect of the amounts deposited at the Distribution Account deriving from the disbursement of the Notes;
- (c) provided that the underwriting and placement fees have not been already deducted from the disbursement price of the Notes, on the Closing Date, and following the instructions of the Management Company, acting on behalf of the Fund, to pay to each of the Underwriters and Placement Entities the corresponding amounts of the underwriting and placement fees accrued on behalf of each of them, as may be applicable, after the payments referred under letter (a) above have been carried out;
- (d) to carry out, on each Payment Date of the Notes, the payment of the interest and, if applicable, of the repayment of the principal amount of the Notes, as well as any other remaining payment obligations of the Fund according to the appropriate instructions received from the Management Company; and
- (e) on each Determination Date, to notify to the Management Company the Reference Interest Rate (save if a Benchmark Event has occurred and has been notified by the Service Provider to the Paying Agent) that will be taken as a basis for the calculation of the Nominal Interest Rate applicable to the Notes for each corresponding Interest Accrual Period.

In the event that: (i) in relation to the rating granted by S&P Global Ratings (a) the rating of the Paying Agent as an issuer of non-subordinated and non-guaranteed short-term debt obligations, is downgraded to below A-1 by S&P Global Ratings or the rating of the Paying Agent as an issuer of uninsured, non-secured unsubordinated long-term debt obligations, is downgraded to below A by S&P Global Ratings; or (b) in the event the Paying Agent does not have a short term rating granted by S&P Global Ratings, its long term rating is downgraded to below A+ or if such rating is withdrawn by S&P Global Ratings for any other reason; or (ii) in relation to the rating granted by DBRS (a) the rating of the Paying Agent as issuer of long-term uninsured, non-secured unsubordinated debt, experiences a downgrade in the rating below "A"; or (b) the rating of the Paying Agent in a long-term critical obligation experiences a downgrade in the rating below "A"s for any reason, the Paying Agent, no later than 30 days after the occurrence of such circumstance, will have to put into practice, in its own name, in order to maintain the ratings assigned to each of the Classes of Notes by the Rating Agencies, and after having notified it to the same, one of the necessary options among the ones described below, that allow to maintain an adequate level of guarantee in respect of the undertakings deriving from the functions as Paying Agent:

- (a) to obtain guarantees or similar undertakings, by a credit entity or credit entities: (i) with a rating for its uninsured, non-secured, non-subordinated short-term debt obligations not lower than A-1 pursuant to the rating scale of S&P Global Ratings, and a rating for its uninsured,

non-secured, non-subordinated long-term debt obligations not lower than A pursuant to the rating scale of S&P Global Ratings, or a rating for its uninsured, nonsecured, non-subordinated long-term debt obligations not lower than A+ pursuant to the rating scale of S&P Global Ratings in the event the credit entity or credit entities are not subject to a short-term rating from S&P Global Ratings; and (ii) with a rating for its uninsured, non-secured, non-subordinated long-term debt obligations not lower than "A" pursuant to the rating scale of DBRS, that guarantees the undertakings assumed by the Paying Agent; and

- (b) to substitute the Paying Agent with an entity: (i) with a rating for its uninsured, non-secured, non-subordinated short-term debt obligations not lower than A-1 pursuant to the rating scale of S&P Global Ratings, and a rating for its uninsured, non-secured, non-subordinated long-term debt obligations not lower than A pursuant to the rating scale of S&P Global Ratings, or a rating for its uninsured, non-secured, non-subordinated long-term debt obligations not lower than A+ pursuant to the rating scale of S&P Global Ratings in the event the entity is not subject to a short-term rating from S&P Global Ratings; and (ii) with a rating (a) for its uninsured, non-secured unsubordinated long-term debt not lower than "A" pursuant to the scale of DBRS, and (b) for its long-term critical obligations not lower than "A", so that it assumes, under the same conditions, the functions of the Paying Agent.

Any costs, expenses or taxes derived from the options referred to in the above paragraphs caused by a downgrade in the rating of the Paying Agent, according to the above, will be borne by the Fund and will be considered as Extraordinary Expenses, as defined in section 3.4.7(ii)(5) of the Additional Building Block.

As a consideration for the services carried out by the Paying Agent, the Fund will pay an annual commission, which will be paid on the corresponding Payment Date, provided that the Fund has Available Distribution Amount in accordance with the Order of Priority or, if applicable, the Liquidation Order of Priority.

If the Available Distribution Amount is not sufficient to pay the total commission, the default amounts shall accumulate without any penalty, and they shall be paid on the following Payment Date, unless such situation persists, in which event the due amounts shall accumulate until total payment on the Payment Date on which they are paid.

The early termination of the Paying Agency Agreement shall occur if the Management, Subscription and Placement Agreement is terminated in accordance with its terms.

For these purposes, the Paying Agent will give an irrevocable undertaking to notify the Management Company, if the short and long term ratings assigned to it by the Rating Agencies are modified or withdrawn, as soon as such circumstance occurs, throughout the life of the Notes Issue.

Neither the resignation by the Paying Agent nor the removal of its appointment as such Paying Agent shall take any effect until the appointment of a replacement agent is effective.

The ending by the Paying Agent of the performance of its functions under the Paying Agency Agreement, as well as the appointment of a replacement agent, will be notified by the Management Company to the CNMV.

## 6. **EXPENSES OF THE OFFER OF THE ADMISSION TO TRADING**

The expected expenses deriving from setting up the Fund and issue and admission to trading of the Notes amount to €1,306,000. These expenses include, inter alia, the registration of the prospectus with the CNMV, AIAF and Iberclear fees, notary fees, audit and rating fees, placement and advertising of the issue, legal fees, the initial Management Company fee, fee payable to SVI, fee payable to True Sale International GmbH (as grantor of the certificate entitled "CERTIFIED BY TSI - DEUTSCHER VERBRIEFUNGSSTANDARD") and the initial fee payable to EDW (the "**Initial Expenses**").

The Initial Expenses shall be borne by the Fund. In any event, an amount equal to that paid by the Fund as Initial Expenses shall be subtracted in determining the Purchase Price, as indicated in section 3.3.3 of the Additional Building Block.

**7. ADDITIONAL INFORMATION**

**7.1 Statement of the capacity in which the advisors of the Issue mentioned in the Securities Note have acted**

Hogan Lovells is the legal advisor to the Transaction. Hogan Lovells shall issue the true sale legal opinion for the purposes of Article 20.1 of the Securitisation Regulation.

ING, as Arranger, has structured and arranged the Transaction on behalf of the Seller.

ING and Commerzbank, as Joint Lead Managers, have provided advice regarding the design of the financial conditions of the Fund and the Issue of Notes.

ING, Commerzbank, DZ BANK, CACIB and SCIB as Underwriters have agreed to subscribe all the Notes issued by the Fund prior to the end of the Subscription Period with the aim of placing then the Notes amongst qualified investors.

Furthermore, ING, Commerzbank, DZ BANK, CACIB and SCIB as Placement Entities have (i) engaged in temporary commercial actions and activities involved in the offering of the Issue of the Notes, (ii) managed the Notes placement operations; and (iii) coordinated with the potential investors.

The Seller will retain a material net economic interest in this securitisation in accordance with the terms described in this Prospectus. Before pricing of the Notes, for the purpose of compliance with Article 22(3) of the Securitisation Regulation, VW Bank Spanish Branch has engaged Moody's Analytics to make available a cashflow liability model of the Transaction on the website of Moody's Analytics (<https://www.sfportal.com/deal/summary/YBI.DRIVESPSIX>). Such cashflow model will be available after the Closing Date to investors on an ongoing basis and to potential investors on request.

EY will act as auditor of the accounts of the Fund.

PwC has prepared a special securitisation report on the most significant features of a sample of selected loans from which the Loan Receivables will be taken for the purposes of complying with article 22.2 of the Securitisation Regulation.

SVI will issue a verification label entitled "verified – STS VERIFICATION INTERNATIONAL". Such label verifies 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. The details, requirements, criteria and meaning of the certificate can be found in SVI's web page [www.sts-verification-international.com](http://www.sts-verification-international.com).

EDW will be appointed as provider of the website which conforms to the requirements set out in Article 7.2 of the Securitisation Regulation.

**7.2 Other information of the Securities Notes that have been audited or reviewed by the auditors**

Not applicable.

**7.3 Credit ratings assigned to the securities**

S&P Global Ratings and DBRS Ratings Limited have assigned on 16 January 2020 the provisional ratings to each of the Classes of Notes that are detailed in the following chart.

| Classes | Rating by S&P Global Ratings | Rating by DBRS Rating Limited |
|---------|------------------------------|-------------------------------|
| Class A | AAA(sf)                      | AAA(sf)                       |
| Class B | A+(sf)                       | A(high)(sf)                   |

It is expected that Class A Notes will be rated AAA(sf) by S&P Global Ratings and AAA(sf) by DBRS Ratings Limited, and Class B Notes will be rated A+(sf) by S&P Global Ratings and A(high)(sf) by DBRS Ratings Limited. It is expected that DBRS Ratings Limited make public its final ratings of the Notes prior to the subscription period and S&P Global Ratings no later than Closing Date.

#### Rating considerations

The meaning of the rating assigned by the Rating Agencies is detailed in their web pages ([www.standardandpoors.com](http://www.standardandpoors.com) and [www.dbrs.com](http://www.dbrs.com)).

Each of the abovementioned Rating Agencies is established in the European Community and registered and authorised by the European Securities Markets Authority (ESMA) on 31 October 2011, pursuant to the terms of Regulation (EC) N° 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) N° 513/2011 and by Regulation (EU) N° 462/2013.

The Rating Agencies' ratings are not an assessment of the likelihood of Borrowers prepaying principal, nor indeed of the extent to which such prepayments differ from what was originally forecast and should not prevent potential investors from conducting their own analyses of the notes to be acquired. The ratings are not by any means a rating of the level of actuarial performance.

The abovementioned credit ratings are intended purely as an opinion and should not prevent potential investors from conducting their own analyses of the securities to be acquired.

The Rating Agencies may revise, suspend or withdraw the final ratings assigned at any time, based on any information that may come to their notice.

The DBRS® long-term rating scale provide an opinion on the risk of default. That is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligations has been issued. All rating categories other than AAA and D also contain subcategories "(high)" and "(low)". The absence of either a "(high)" and "(low)" designation indicates the rating is in middle of the category. Descriptions on the meaning of each individual relevant rating is as follows:

- AAA(sf): Highest credit quality. The capacity for the payment of financial obligations is considered very high. Unlikely to be significantly vulnerable to future events.
- AA(sf): Superior credit quality. The capacity for the payment of financial obligations is considered high. Credit quality differs from AAA only to a small degree. Unlikely to be significant vulnerable to future events.
- A(sf): Good Credit quality. The capacity for the payment of financial obligations is substantial, but of lesser credit quality than AA. May be vulnerable to future events, but qualifying negative factors are considered manageable.
- BBB(sf): Adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events.
- B(sf): Highly speculative credit quality. There is a high level of uncertainty as to the capacity to meet financial obligations.

Regarding the Brexit implications for credit ratings in Europe, DBRS published a press release on 18 March 2019 communicating that DBRS is in position to provide continued service following the withdrawal of the United Kingdom (UK) from the European Union to their customers and other who use their credit ratings for regulatory purposes in Europe. DBRS has legal entities in both the European Union and UK, and therefore, the offices located in Frankfurt and Madrid will serve as the operational centre for the credit rating activity.

Descriptions on the meaning of each long-term issuer credit rating assigned by S&P Global Ratings is as follows:

- AAA: An obligor rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by S&P Global Ratings.
- AA: An obligor rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree.
- A: An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.
- BBB: An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments.
- BB, B, CCC and CC: Obligors rated 'BB', 'B', 'CCC', and 'CC' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'CC' the highest. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions.
- BB: An obligor rated 'BB' is less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments.
- B: An obligor rated 'B' is more vulnerable than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.
- CCC: An obligor rated 'CCC' is currently vulnerable and is dependent upon favorable business, financial, and economic conditions to meet its financial commitments.
- CC: An obligor rated 'CC' is currently highly vulnerable. The 'CC' rating is used when a default has not yet occurred but S&P Global Ratings expects default to be a virtual certainty, regardless of the anticipated time to default.
- SD and D: An obligor is rated 'SD' (selective default) or 'D' if S&P Global Ratings considers there to be a default on one or more of its financial obligations, whether long- or short-term, including rated and unrated obligations but excluding hybrid instruments classified as regulatory capital or in nonpayment according to terms. A 'D' rating is assigned when S&P Global Ratings believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when S&P Global Ratings believes that the obligor has selectively defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. A rating on an obligor is lowered to 'D' or 'SD' if it is conducting a distressed exchange offer.

Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

The "sf" identifier is attributed to "structured finance instruments".

#### IV. ADDITIONAL BUILDING BLOCK TO THE SECURITISATION SECURITIES NOTE

##### 1. SECURITIES

###### 1.1 Statement in relation to communication to ESMA as regards STS compliance

VW Bank intends to notify ESMA that the Transaction will meet the requirements for simple, transparent and standardised securitisation as set out in Articles 19 to 22 of the Securitisation Regulation (the "**STS Notification**") on Closing Date. The STS Notification would then be available for download on the website of ESMA. ESMA has, in accordance with Articles 27(6) and (7) of the Securitisation Regulation developed and published on 16 July 2018 a final draft regulatory technical standard specifying the information that the originator, sponsor and SSPE are required to provide in order to comply with their STS notification requirements. On 12 November 2019, the European Commission adopted the RTS on STS notifications. The RTS on STS notifications are now subject to the scrutiny of the European Parliament and the Council before they can be published in the Official Journal and enter into force. ESMA is obliged to maintain on its website a list of all securitisations which the originators and sponsors have notified as meeting the STS Requirements in accordance with Article 27(5) of the Securitisation Regulation. For this purpose, ESMA has set up a register on an interim basis under <https://www.esma.europa.eu/policy-activities/securitisation/simple-transparent-and-standardised-sts-securitisation>. According to ESMA, a more established register is to be launched in due course and placed on the dedicated section of its website under <https://registers.esma.europa.eu/publication/>.

###### 1.2 Statement in relation to STS status

The STS status of the Transaction is not static and investors should verify the current status of the transaction on ESMA's website.

SVI will issue a verification label entitled "verified – STS VERIFICATION INTERNATIONAL". Such label verifies 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. The details, requirements, criteria and meaning of the certificate can be found in SVI's web page [www.sts-verification-international.com](http://www.sts-verification-international.com).

###### 1.3 Minimum denomination of an issue

The Fund shall be set up on the Date of Incorporation by means of the assignment of the Loan Receivables from VW Bank Spanish Branch to the Fund. The Aggregate Cut-off Date Discounted Receivables Balance shall be €1,116,102,974.27, which is the sum of the face value amount of the Notes Issue and the amount of the Subordinated Loan plus the overcollateralisation amount (that is, the difference resulting between the Aggregate Discounted Receivables Balance on the Cut-off Date and the amount of both previous concepts).

###### 1.4 Confirmation that the information about an undertaking or obligor which is not involved in the issue has been accurately reproduced

Not applicable.

##### 2. UNDERLYING ASSETS

###### 2.1 Confirmation that the securitised assets have the capacity to produce funds to service payments to the securities

The Seller and the Management Company (based on the information referred to in last paragraph of this section 2.1) confirm that, based on their contractual characteristics, the flows of principal, interest and any other amounts generated by the Loan Receivables allow the generation of cash sufficient to make the payments due and payable on the Notes.

Nevertheless, in order to provide protection against potential defaults on payment by the Borrowers of the Loan Receivables, certain measures, such as credit enhancement measures have been arranged allowing the amounts payable on the Notes of each Class to be covered to a different extent and mitigating interest rate risk due to the different terms of the clauses regarding the interest on the Loans and of the Notes in each Class. In exceptional circumstances, the enhancement measures could actually be insufficient. The credit enhancement transactions are described in sections 3.4.2 and 3.4.3 of this Additional Building Block.

Not all the Notes have the same risk of receiving payments as and when due and therefore they have different credit ratings assigned by the Rating Agencies as detailed in section 7.3 of the Securities Note.

Upon the occurrence of any of the circumstances listed in section 4.4.3 of the Registration Document, the Management Company may proceed with the early liquidation of the Fund and thereby an Early Redemption of the Notes Issue on the terms described in section 4.4.3 of the Registration Document.

The Seller and the Management Company provide the information set forth in the previous paragraphs on the basis of: (i) the representations made by the Seller with respect to the Loan Receivables subject to be assigned, that are listed in section 2.2.8 of the Additional Building Block; (ii) all the information supplied by the Seller about each of the Loan Receivables; (iii) the special securitisation report on the most significant features of a sample of selected loans from which the Loan Receivables will be taken; (iv) the information contained in section 4.10 of the Securities Note, which has been provided by ING Bank N.V., as Arranger, and VW Bank Spanish Branch, as Seller and Originator; and (v) the provisional ratings assigned to the Notes by the Rating Agencies.

## 2.2 In respect of a pool of assets backing the issue:

The Loan Receivables assigned to the Fund originated exclusively from loan receivables among the assets of the Seller arising from 103,919 loans granted to individuals having their place of residence or corporate entities having their registered office in Spain to finance the purchase of new and used motor cars, for the Aggregate Discounted Receivables Balance of €1,116,102,974.27 as at the Cut-off Date (the "**Cut-off Portfolio**"). Section 3.3.2 of this Additional Building Block describes the terms of the assignment of the Loan Receivables to the Fund.

Volkswagen Finance, S.A. E.F.C. was merged by absorption with VW Bank with effects from 31 May 2019. Taking into account that, as provided for in this Prospectus, the Loan Receivables were originated between 2012 and 2019, 84.74% of the Loans were originated by Volkswagen Finance, S.A. E.F.C. The Loan Receivables have been acquired by universal succession (*sucesión universal*) by the Seller as a consequence of the merger.

For the determination of the Cut-off Portfolio, all the elements being part of the Loan Receivables have been taken into account according to the following section 3.3.2 (among which Balloon Instalments are not included). The Loan Receivables included in the Cut-off Portfolio are covered on the Cut-off Date by the Eligibility Criteria set out in section 2.2.8(ii) of the Additional Building Block.

The Loans that are included in the Cut-off Portfolio on the Cut-off Date are those whose Loan Receivables will be assigned to the Fund on the Date of Incorporation, and comply with the representations and warranties contained in section 2.2.8(ii) below. The Aggregate Discounted Receivables Balance of the Loans on the Cut-off Date amounts to €1,116,102,974.27.

Unless otherwise stated, the information contained in this Prospectus refers to the said Cut-off Portfolio on the Cut-off Date (31 January 2020).

As previously mentioned, the assignment of the Loan Receivables to the Fund will be formalised in the Assignment Policy immediately and in unity of act with the granting of the Deed of Incorporation and with the intervention of the same Notary before whom the Deed of Incorporation is executed.

According to the Seller, certain Loan Receivables arise from Loans formalised before a notary public, while others arise from Loans formalised in private agreements, as described in more detail in section 2.2.7 of this Additional Building Block.

For the purposes of Article 20(8) of the Securitisation Regulation, Articles 1(a) to (d) of the regulatory technical standards on the homogeneity of the underlying exposures in securitisation and Article 2(5)(b) of Commission Delegated Regulation 2019/1851, as applicable, the Receivables: (i) have been underwritten according to similar underwriting standards, (ii) are serviced according to similar servicing procedures, (iii) fall within the same category of auto loans and leases and (iv) the Borrowers are all resident or incorporated in one jurisdiction, being Spain.

#### **Reservations of title to the vehicles in the portfolio**

All Loans from which the Loan Receivables to be assigned to the Fund arise include a reservation of title clause in favour of the Seller, which is included and is part of the Loan Receivables that will be assigned to the Fund. By virtue of such clause, legal and beneficial title to the vehicles is not transferred to the Borrower until the relevant loan has been settled in full.

Once the Borrower has fulfilled all the obligations arising from the relevant Loan, the Borrower shall forthwith acquire full legal and beneficial title to the relevant vehicle, and the Borrower will have until such moment no faculties of disposal over the vehicle, other than with the consent of the beneficiary of the reservation of title (it is noted that in none of the Loans has a consent in such sense been granted).

In such cases where the reservation of title has been registered with the Chattels Register (*Registro de Bienes Muebles*), it is enforceable vis-à-vis *bona fide* third parties from the date of entry. In any event, the reservation of title is enforceable, from the date of its establishment, vis-à-vis third parties knowing of the existence of such clause before being registered with the Chattels Register (*Registro de Bienes Muebles*).

The Seller has agreed the reservation of title with all Borrowers, but such clauses have only been registered with the Chattels Register in respect of 40.15% of the number of Loans of the Cut-off Portfolio, which represent 41.54% of the Aggregate Discounted Receivables Balance of the Loan Receivables. The reason why the Seller does not carry out the registration in relation to 100% of the loans is based on risk management criteria and cost efficiency, as the loans with higher quality, in terms of solvency and risk of the Borrower, and of a lower amount are among the loans that are not registered.

Also, it is noted that the Chattels Register notifies on a daily basis the registration of such reservations of title to the Vehicles Register of the Spanish General Traffic Direction (*Registro de Vehículos de la Dirección General de Tráfico*), of a purely administrative nature, where they also become registered.

Once the reservation of title clause is registered with the Chattels Register, it vests its holder, or the assignee to whom the holder may have assigned the rights under the reservation of title with a number of preferential rights over other creditors of the Borrower, as provided for in article 16.5 of the Chattels Hire Purchase Act 28/1998, of July 13 (*Ley de Venta a Plazos de Bienes Muebles*) (the "**Chattels Hire Purchaser Act**"), consisting, *inter alia*, of a preference in the payment order laid down in articles 1,922.2 and 1,926.1 of the Spanish Civil Code.

In addition, once the reservation of title clauses have been registered with the Chattels Register, the holder, or the beneficiary of the rights thereunder, will benefit from the specific actions and proceedings provided for in the Chattels Hire Purchase and in the Civil Procedure Act 1/2000, of January 7 (the "**Civil Procedure Act**"). Consequently, and with regards to the reservation of title clauses included in the Loan Receivables that are assigned to the Fund and that are registered with the Chattels Register, the Service Provider, in the event of non-payment of the instalments of a

Loan, may proceed against the vehicle acquired in instalments in accordance with the following procedure:

- (i) the Service Provider, acting on behalf of the Fund, will have to request payment from the Borrower via a notary public, expressing the total requested amount and the cause of termination of the non-fulfilled obligation, and it will warn the Borrower that, in the event of not making the payment of the amounts due, it will proceed against the chattels acquired in instalments;
- (ii) the Borrower, within 3 Business Days as from the request, will have either to pay the amount requested in the notification, or it will have to deliver the possession of the vehicle to the Service Provider, or to the person that the latter may have appointed in the notarised request;
- (iii) if the Borrower fails to pay but returns the vehicle purchased, the vehicle shall be disposed of in a public auction, in the presence of a notary public. The Service Provider may request that it be awarded the vehicle in payment of the debt, instead of the vehicle's being auctioned off. The vehicle may only be awarded in payment of the debt in the framework of judicial proceedings; and
- (iv) if the Borrower does not comply with the notarised request, then the Service Provider will be entitled to request the summary protection (*tutela sumaria*) of its right by means of the actions foreseen in paragraphs 10 and 11 of article 250.1 of the Civil Procedure Act, in order to obtain by this a condemnatory sentence which permits it to direct the enforcement exclusively and directly against the vehicle acquired in instalments, or, as an alternative, to obtain a sentence that declares the termination of the relevant loan agreement and the immediate delivery of the vehicle to the Service Provider. The judicial proceedings that would be started upon filing of any of such actions (which would follow the procedure set forth in articles 437 et seq. of the Civil Procedure Act, for the so called "verbal proceedings" *-juicio verbal-*) would involve the submission of a claim, the holding of a hearing before the court, where the respondent shall present any relevant allegation and any relevant witnesses shall also make their respective allegations, and the subsequent judgment by the court.

The fulfilment of the obligations described under paragraph (ii) above, in such cases where the corresponding reservation of title has been registered with the Chattels Register, will be applicable to *bona fide* possessors of the vehicle by any title, so that the latter could also be challenged via notary either to pay the amount demanded in the request, or to deliver the possession of the vehicle to the Service Provider or to the person that the Service Provider may have appointed in the notarised request. Should such third party pay the debt, he would subrogate in the position of the creditor against the Borrower. If he abandons the vehicle, the judicial proceedings would be addressed against him in the enforcement procedure. If he does not attend the request sent via notary, the summary procedure described under letter (d) above may be addressed against him.

In case the corresponding reservation of title has not been registered with the Chattels Register, such reservation of title will not be enforceable against *bona fide* third parties, due to the fact that the same did not have access to a public registry, so that the Service Provider, in case of non-payment of the deferred price, will only be entitled to enforce the reservation of title against the Borrower.

Thus, if the corresponding reservation of title has not been registered, in case of non-payment of the deferred/financed price, the Service Provider could choose between: (a) the termination of the agreement by means of an ordinary declarative action *-acción declarativa ordinaria-* or through a "verbal proceeding" *-juicio verbal-*, depending on the amount of the claim; the exclusive purpose of such action would be the termination of the agreement and the immediate delivery of the relevant vehicle to the Service Provider; or (b) an action for compliance, by means of which the Service Provider would seek the refund of the credit; for this purpose, the Service Provider could exercise an ordinary declarative proceeding, an abbreviated proceeding *-proceso monitorio-* or an enforcement

proceeding, in which the relevant vehicle affected by the reservation of title could be seized (this option has been criticised by certain scholars that considers the reservation of title and the seizure of an asset are incompatible).

Such enforcement proceeding could be directly initiated by the Service Provider if:

- (i) the Loan had been formalised by means of a policy granted by a notary public, then it would be considered as an executive title in accordance with article 517.2 of the Civil Procedure Act. Such executive action would imply the submission of a claim, which may be challenged by the Borrower only on certain limited grounds, and the subsequent judgment by the court ordering the seizure of the assets of the Borrower, including the relevant vehicle; or
- (ii) the Loan had not been formalised by means of a policy granted by a notary public, then the Service Provider would have to request the corresponding declarative procedure (*procedimiento declarativo*) for the acknowledgement of its right to obtain the payment of its credit prior to the exercise of the executive action against the assets of the Borrower. Such declarative procedure would involve the submission of a claim, the answer by the Borrower to such claim, the holding of a preliminary hearing (*audiencia previa*) where any procedural or formal matters would be discussed and the parties would request the admission of the means of evidence they want to make use of, which would be then followed by the hearing (*juicio*), where any witnesses or experts would make their respective allegations, and the subsequent judgment by the court. If the judgment of the court were rendered in favour of the Service Provider and the Borrower does not voluntarily comply with the same, the Service Provider could initiate the corresponding enforcement proceeding of such judgment, in which the seizure of the assets of the Borrower would be imposed, including the relevant vehicle.

As detailed above, the reservation of title has been registered with the Chattels Register (either agreements formalised by a notarised policy (*póliza notarial*) or by a private document) with respect to 40.15% of the Loans making up the Cut-off Portfolio, which represent 41.54% of the Aggregate Discounted Receivables Balance of the Loan Receivables. In this regard, it is noted that Loans formalised by a notarised policy (*póliza notarial*) with a reservation of title that has not been registered with the Chattels Registry on the Cut-off Date represent less than 2.60% of the Loans making up the Cut-off Portfolio. Furthermore, Loans formalised by a private agreement with a reservation of title that has not been registered with the Chattels Registry on the Cut-off Date represent 53.85% of the Loans making up the Cut-off Portfolio.

The following chart refers to the percentage of Loans being part of the Cut-off Portfolio formalised by a notarised policy (*póliza notarial*) or a private agreement.

| Type of agreement                  | Number of loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance | Percentage of Balance (%) |
|------------------------------------|-----------------|-------------------------|--|---------------------------|
| Notarised policy (Póliza notarial) | 1.157           | 1,11%                   | 16.364.302,95 €                          | 1,47%                     |
| Private agreement                  | 102.762         | 98,89%                  | 1.099.738.671,32 €                       | 98,53%                    |
| <b>Total</b>                       | <b>103.919</b>  | <b>100,00%</b>          | <b>1.116.102.974,27€</b>                 | <b>100,00%</b>            |

As indicated, the assignment of the Loan Receivables to the Fund comprises in all cases the assignment of the rights conferred by the reservation of title clauses. In this respect, the Order of July 19, 1999, approving the Regulation for the Chattels Hire Purchase Register, provides that it is possible to register the assignments carried out by the lender in favour of a third party of its right vis-à-vis the buyer. In particular, article 21 expressly provides for the assignment of the rights entered in favour of a securitisation assets fund in the event of securitisation of loans guaranteed by reservation of title. However, and with regards to the Fund, it has been agreed that the assignment of the rights

deriving from the reservation of title clauses will not be registered with the Chattels Register in the name of the Fund as long as the Seller continues to be the Service Provider. Only if the Seller ceases to act as the Service Provider of the Loan Receivables, the assignment of the rights referred to above shall be registered in the name of the Fund by the new Service Provider. The costs associated to the registration of the relevant reservation of title clauses in favour of the Fund will be borne by the Fund.

The Assignment Policy which assigns the Loan Receivables to the Fund shall contain an annex itemising each of the Loan Receivables assigned to the Fund, indicating the main features in order to duly identify each, but without providing the personal data of the assigned Borrower.

### **Review of the selected assets securitised through the Fund upon being established**

PwC has reviewed a sample of 149 loans comprising a number of both quantitative and qualitative attributes which are summarised in the following stratification tables. The Loan Receivables will be taken from the loans with respect to which a sample has been reviewed by PwC.

The results applying a confidence level of at least 95%, as set out in a special securitisation report, dated 9 January 2020, prepared by PwC for the purpose of complying with Article 22.2 of the Securitisation Regulation. VW Bank Spanish Branch, as Originator, confirms that no significant adverse findings have been detected by PwC in the special securitisation report.

The Management Company has requested from the CNMV the exemption from the contribution of the special securitisation report according to the second paragraph of Article 22.1 c) of Law 5/2015.

VW Bank Spanish Branch will not assign to the Fund any loans in respect of which issues are detected while carrying out the audit.

#### **2.2.1 Legal jurisdiction by which the assets to be securitised are governed**

The securitised Loan Receivables are governed by Spanish Law.

Law 16/2011, of 24 June, as amended (the "**Consumer Credit Contracts Act**") shall apply to individuals (*personas físicas*) not acting as professional and, supplementary, for legal entities (*personas jurídicas*), the Chattels Hire Purchase Act shall apply. According to article 3 of the Consumer Credit Contracts Act, and among other things, consumer agreements where the credit amount is lower than €200 are excluded from the scope of application of such act.

For the agreements regulated pursuant to the Consumer Credit Contracts Act, article 4 of such law sets forth partial applicability of the provisions contemplated thereunder to consumer agreements where the credit amount is higher than €75,000, in particular the applicable provisions are articles 1 to 11, 14, 15 and 32 to 36 which contained reporting obligations and the exercise of the cessation action (*acción de cesación*).

Article 31 of the aforesaid Consumer Credit Contracts Act sets forth that, in the event of assignment, the Borrower will be entitled to use against the third party the same exceptions that he/she may have had against the original creditor including, as the case may be, set-off rights.

#### **2.2.1(a) Consumer Protection Act and linked contracts under Consumer Credit Contracts Act**

If a loan agreement is entered into with a consumer within the meaning of article 3 of Legislative Royal Decree 1/2007, of 16 November, approving the restated and amended text of the law on the protection of consumers and users (the "**Consumer Protection Act**") and/or article 2 of the Consumer Credit Contracts Act, there is also a risk that the provisions on consumers' rights and linked contracts referred to below apply.

In particular, if the vehicles do not conform to the sale agreement, consumers may (pursuant to articles 119 and 120 of the Consumer Protection Act) choose between demanding from the seller the repair or the replacement of the vehicles (being both options free of charge for the consumer or user), unless either of these two options is objectively impossible or disproportionate.

It will be considered disproportionate when the forms of remedy, in comparison to the other, impose unreasonable costs on the seller of the vehicles, taking into account: (i) the value of the vehicle had it been fully compliant; (ii) the materiality of the lack of conformity; and (iii) whether the alternative remedy may cause less inconveniences for the customer. Costs shall be considered unreasonable when the expenses corresponding to one form of remedy are materially higher than those associated to the other form of remedy.

If the abovementioned measures were not possible, within a reasonable period of time, the customer would be entitled either to a price reduction or contract termination, at the choice of the consumer. However, such termination is not an eligible remedy where the lack of conformity is considered minor.

The above remedies are generally available for any lack of conformity that arises within 2 years as from the date of delivery. Likewise, the customer claims relating to the sale, repair, price reduction or contract termination referred to above are subject to a 3 year term (as from the delivery date) statute of limitations. Notwithstanding this, in certain circumstances it cannot be ruled out that a Spanish court would count the above terms as from the date when the lack of conformity has become of the public knowledge.

The remedies do not preclude the right of clients to be indemnified for damages (if any and provided that they are duly evidenced) caused to them. Such claims for damages are subject to a 5 year term statute of limitations.

If the Loan agreement is entered into with a consumer (within the meaning of the Consumer Protection Act), for the sole purpose of acquiring the vehicle and both agreements (i.e. the Loan agreement and the sale contract) objectively constitute a single commercial transaction, the provisions on linked contracts (*contratos vinculados*) pursuant to article 29 of the Consumer Credit Contracts Act will also apply. If the Loan agreement and the purchase contract in respect of the financed vehicles are deemed to constitute linked contracts (*contratos vinculados*), the Borrower will be entitled to raise any objections and defences arising under the purchase contract also against VW Bank Spanish Branch (as lender) to the extent that: (i) the purchased vehicles are not, in whole or in part, compliant with the relevant sale agreement; and (ii) the customer has claimed, either on court or off court, against the seller of the vehicle without having been duly satisfied by it.

If as a result of the above, the customer has any claim against VW Bank Spanish Branch (and regardless of VW Bank Spanish Branch's right to, in turn, seek compensation from the seller of the vehicle), such claim may be set-off by the customer against amounts due and payable on the Loan.

#### 2.2.2 General characteristics of the Borrowers, as well as global statistical data referred to the securitised assets

It is noted that the reference date of the information included in the following stratification charts is the Cut-off Date. The Aggregate Discounted Receivables Balance of the Loan Receivables included in each chart is based on the Discount Rate, which has been determined in 1.3493% per annum. Likewise, the Aggregate Discounted Receivables Balance of the Loan Receivables has been selected considering the Loan Receivable components and the terms of the transfer to the Fund contained in section 3.3.2 of the Additional Building Block and, as a consequence, it must be noted that the amounts included in the following charts do not include the Balloon Instalments. The stratification

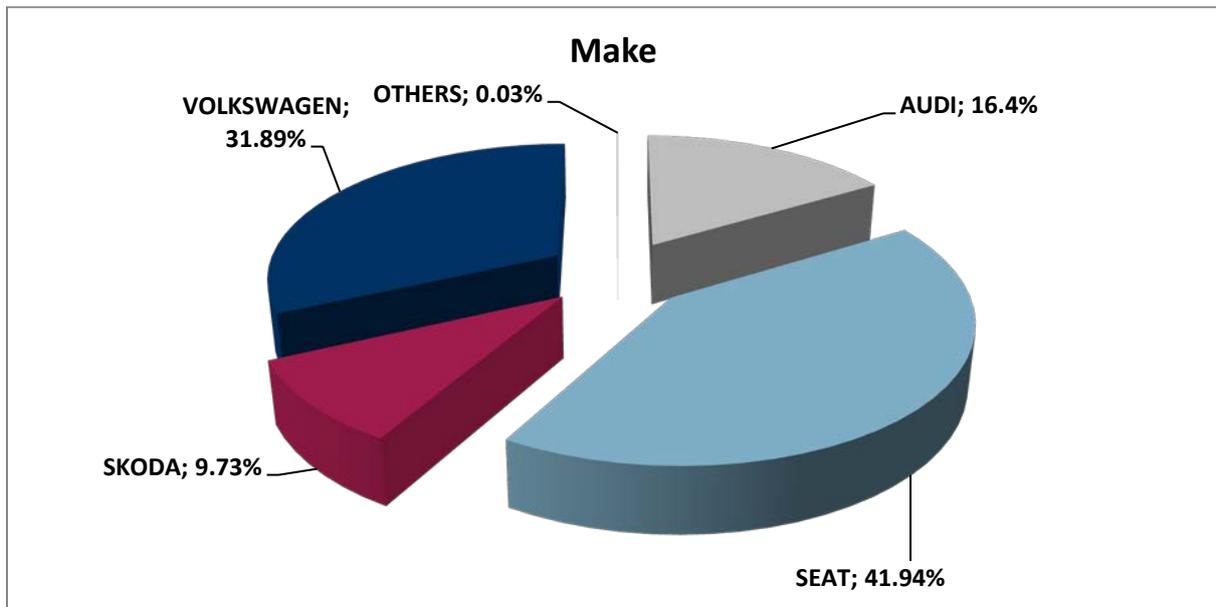
charts below refer to global statistical data in relation to the Loan Receivables to be securitised, the outstanding Discounted Receivables Balance and the Borrowers.

For purely information purposes, it is stated that on the Cut-off Date the nominal amount corresponding to the sum of the instalments of principal and interest (excluding the Balloon Instalments) pending payment of the loans included in the Cut-off Portfolio would amount to €1.145.879.816,99. The Aggregate Discounted Receivables Balance, as indicated, on the basis of the above-mentioned Discount Rate, would be €1,116,102,974.27.

1. Distribution by brand (*Distribución por marca*)

| Make       | Number of Loans | Number of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|------------|-----------------|---------------------|--|---------------------------|
| AUDI       | 16,000          | 15.40%              | 183,040,058.58 €                             | 16.40%                    |
| SEAT       | 44,392          | 42.72%              | 468,128,525.51 €                             | 41.94%                    |
| SKODA      | 10,107          | 9.73%               | 108,611,476.22 €                             | 9.73%                     |
| VOLKSWAGEN | 33,375          | 32.12%              | 355,946,024.52 €                             | 31.89%                    |
| OTHERS     | 45              | 0.04%               | 376,889.44 €                                 | 0.03%                     |
| Total      | 103,919         | 100.00%             | 1,116,102,974.27 €                           | 100.00%                   |

(\*)The vehicles within "Others" include, among others, Opel, Fiat, Nissan, Renault and Peugeot.



The information in the above graph shows the percentages of the Discounted Receivables Balance.

## 2. Type of car (*Tipo de coche*)

| Type of car  | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|--------------|-----------------|-------------------------|--|---------------------------|
| New cars     | 83,294          | 80.15%                  | 878,009,415.71 €                             | 78.67%                    |
| Used Cars    | 20,625          | 19.85%                  | 238,093,558.56 €                             | 21.33%                    |
| <b>Total</b> | <b>103,919</b>  | <b>100.00%</b>          | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>            |

### Type of Credit: Auto Credit

| Type of car  | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|--------------|-----------------|-------------------------|--|---------------------------|
| New cars     | 15,964          | 96.45%                  | 132,556,881.35 €                             | 97.62%                    |
| Used Cars    | 588             | 3.55%                   | 3,236,962.13 €                               | 2.38%                     |
| <b>Total</b> | <b>16,552</b>   | <b>100.00%</b>          | <b>135,793,843.48 €</b>                      | <b>100.00%</b>            |

### Type of Credit: Classic Credit

| Type of car  | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|--------------|-----------------|-------------------------|--|---------------------------|
| New cars     | 67,330          | 77.07%                  | 745,452,534.36 €                             | 76.04%                    |
| Used Cars    | 20,037          | 22.93%                  | 234,856,596.43 €                             | 23.96%                    |
| <b>Total</b> | <b>87,367</b>   | <b>100.00%</b>          | <b>980,309,130.79 €</b>                      | <b>100.00%</b>            |

The "Auto Credit" and the "Classic Credit" refer to the financing models used by VW Bank Spanish Branch in relation to the Loans.

Both types of financing, "Auto Credit" and "Classic Credit", are executed in the form of the model agreement provided by ASNEF which main features are detailed in section 2.2.7 of the Additional Building Block.

Additionally, "Auto Credit" loans include a balloon instalment, as further described in section 2.2.7 of the Additional Building Block which is not assigned to the Fund.

The immediate depreciation of the value of the vehicles at the time a vehicle leaves the concessionary represents approximately 20% of its value. The average depreciation per month is approximately 2% of the market value of the vehicle at all times (in any case, the depreciation depends on the model of the vehicle, these percentages do not apply equally) for the first year, 1% for the second and third year and 0.5% for the fourth and subsequent years. The average age of the vehicles being financed by the Loans comprising the Cut-off Portfolio is 1.67 years.

### 3. Brand: new and used cars (*Marca: coches nuevos y usados*)

#### AUDI

| New or Used Cars | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|------------------|-----------------|-------------------------|--|---------------------------|
| New Cars         | 10,256          | 64.10%                  | 108,824,926.31 €                             | 59.45%                    |
| Used Cars        | 5,744           | 35.90%                  | 74,215,132.27 €                              | 40.55%                    |
| <b>Total</b>     | <b>16,000</b>   | <b>100.00%</b>          | <b>183,040,058.58 €</b>                      | <b>100.00%</b>            |

#### SEAT

| New or Used Cars | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|------------------|-----------------|-------------------------|--|---------------------------|
| New Cars         | 36,890          | 83.10%                  | 388,455,777.76 €                             | 82.98%                    |
| Used Cars        | 7,502           | 16.90%                  | 79,672,747.75 €                              | 17.02%                    |
| <b>Total</b>     | <b>44,392</b>   | <b>100.00%</b>          | <b>468,128,525.51 €</b>                      | <b>100.00%</b>            |

#### SKODA

| New or Used Cars | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|------------------|-----------------|-------------------------|--|---------------------------|
| New Cars         | 8,689           | 85.97%                  | 93,713,289.47 €                              | 86.28%                    |
| Used Cars        | 1,418           | 14.03%                  | 14,898,186.75 €                              | 13.72%                    |
| <b>Total</b>     | <b>10,107</b>   | <b>100.00%</b>          | <b>108,611,476.22 €</b>                      | <b>100.00%</b>            |

#### VOLKSWAGEN

| New or Used Cars | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|------------------|-----------------|-------------------------|--|---------------------------|
| New Cars         | 27,440          | 82.22%                  | 286,869,147.61 €                             | 80.59%                    |
| Used Cars        | 5,935           | 17.78%                  | 69,076,876.91 €                              | 19.41%                    |
| <b>Total</b>     | <b>33,375</b>   | <b>100.00%</b>          | <b>355,946,024.52 €</b>                      | <b>100.00%</b>            |

#### OTHER

| New or Used Cars | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|------------------|-----------------|-------------------------|--|---------------------------|
| New Cars         | 19              | 42.22%                  | 146,274.56 €                                 | 38.81%                    |
| Used Cars        | 26              | 57.78%                  | 230,614.88 €                                 | 61.19%                    |
| <b>Total</b>     | <b>45</b>       | <b>100.00%</b>          | <b>376,889.44 €</b>                          | <b>100.00%</b>            |

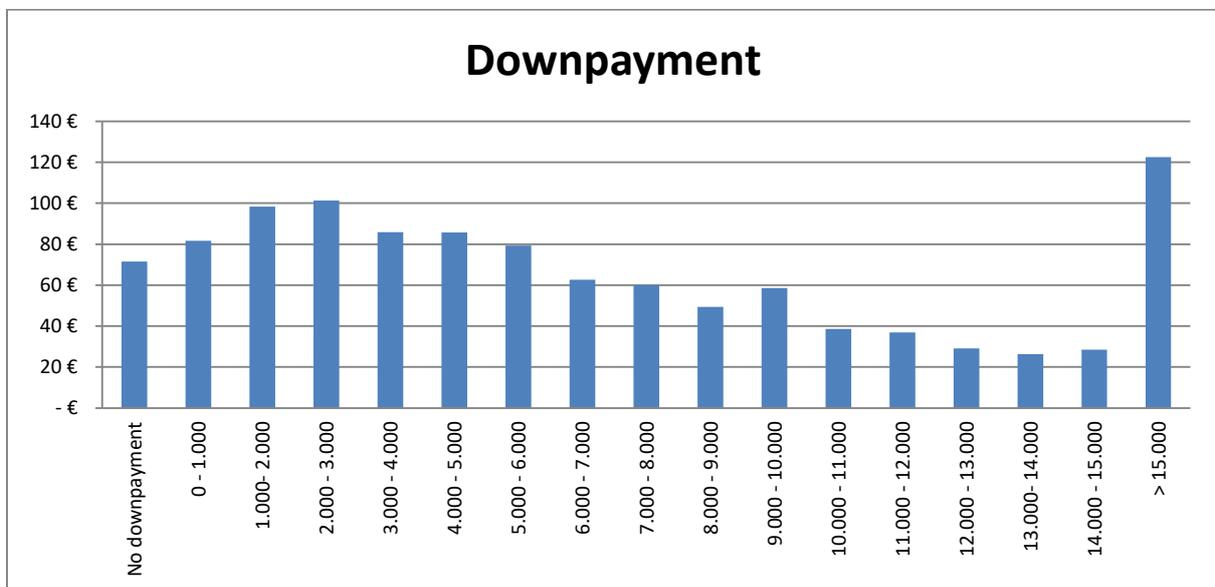
The abovementioned trademarks (Audi, Seat, Skoda and Volkswagen) are owned by the Volkswagen group.

#### 4. Downpayment (Entrada)

| Downpayment       | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|-------------------|-----------------|-------------------------|--|---------------------------|
| No downpayment    | 4,744           | 4.57%                   | 71,490,342.82 €                              | 6.41%                     |
| [0 - 1.000]       | 6,566           | 6.32%                   | 81,634,382.66 €                              | 7.31%                     |
| (1.000- 2.000]    | 8,360           | 8.04%                   | 98,406,636.60 €                              | 8.82%                     |
| (2.000 - 3.000]   | 8,688           | 8.36%                   | 101,241,691.39 €                             | 9.07%                     |
| (3.000 - 4.000]   | 7,612           | 7.32%                   | 85,828,133.55 €                              | 7.69%                     |
| (4.000 - 5.000]   | 7,828           | 7.53%                   | 85,651,049.29 €                              | 7.67%                     |
| (5.000 - 6.000]   | 7,401           | 7.12%                   | 79,379,524.87 €                              | 7.11%                     |
| (6.000 - 7.000]   | 6,031           | 5.80%                   | 62,597,418.96 €                              | 5.61%                     |
| (7.000 - 8.000]   | 5,919           | 5.70%                   | 60,011,504.33 €                              | 5.38%                     |
| (8.000 - 9.000]   | 5,025           | 4.84%                   | 49,392,877.77 €                              | 4.43%                     |
| (9.000 - 10.000]  | 5,694           | 5.48%                   | 58,524,152.88 €                              | 5.24%                     |
| (10.000 - 11.000] | 3,989           | 3.84%                   | 38,664,068.39 €                              | 3.46%                     |
| (11.000 - 12.000] | 3,864           | 3.72%                   | 36,876,195.23 €                              | 3.30%                     |
| (12.000 - 13.000] | 3,111           | 2.99%                   | 29,121,149.07 €                              | 2.61%                     |
| (13.000- 14.000]  | 2,824           | 2.72%                   | 26,302,270.51 €                              | 2.36%                     |
| (14.000 - 15.000] | 2,978           | 2.87%                   | 28,502,823.54 €                              | 2.55%                     |
| > 15.000          | 13,285          | 12.78%                  | 122,478,752.41 €                             | 10.97%                    |
| <b>Total</b>      | <b>103,919</b>  | <b>100.00%</b>          | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>            |

| Statistics   |             |
|--|-------------|
| Minimum Downpayment(*)                             | 0.01 €      |
| Maximum Downpayment                                | 95,000.00 € |
| Average Downpayment (Customer who did Downpayment) | 8,186.86 €  |
| Average Downpayment                                | 7,813.13 €  |

(\*) The Minimum Downpayment (0.01€) derives from the fact that sometimes a downpayment of 0.01 € has been carried out with the sole purpose of rounding the amount of the principal of loans.



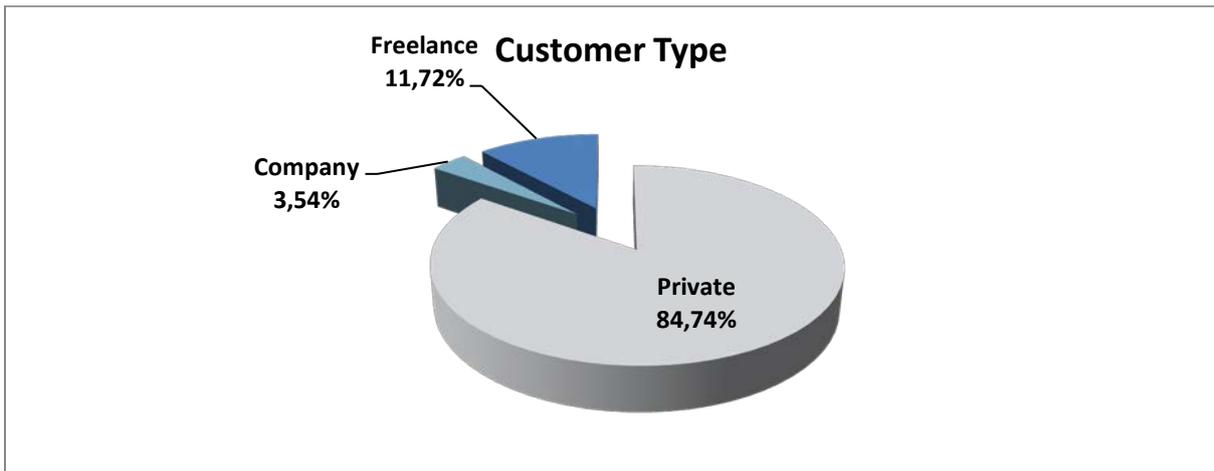
**5. Customer Type (Tipo de cliente)**

| Customer Type  | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|----------------|-----------------|-------------------------|--|---------------------------|
| Private(*)     | 88,921          | 85.57%                  | 945,751,470.26 €                             | 84.74%                    |
| Company(**)    | 3,257           | 3.13%                   | 39,555,909.44 €                              | 3.54%                     |
| Freelance(***) | 11,741          | 11.30%                  | 130,795,594.57 €                             | 11.72%                    |
| <b>Total</b>   | <b>103,919</b>  | <b>100.00%</b>          | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>            |

(\*) Private: Personas físicas (no autónomo)

(\*\*) Company: Empresas

(\*\*\*) Freelance: Autónomos

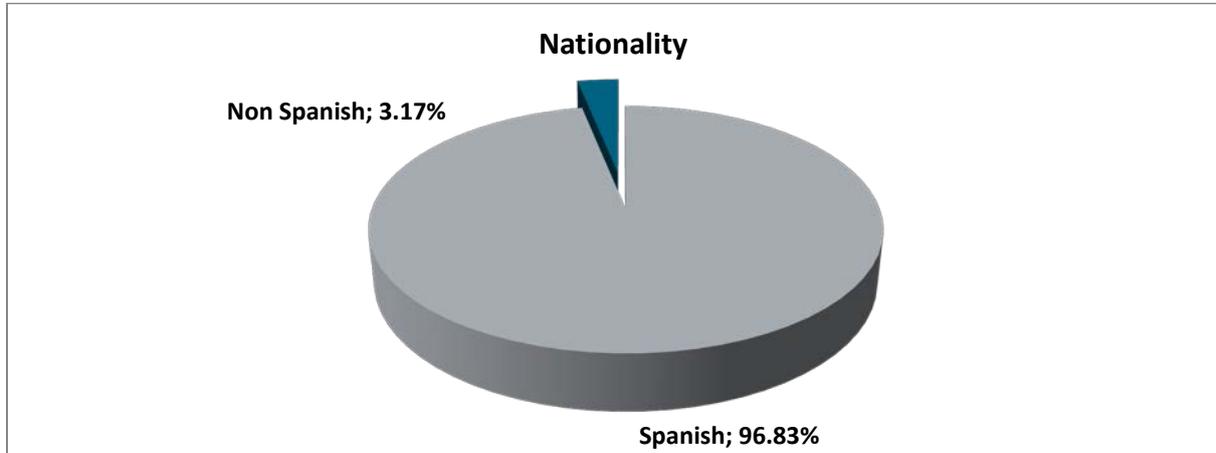


The information in the above graph shows the percentages of the Discounted Receivables Balance.

**6. Nationality (*Nacionalidad*) (\*)**

| Classification | Number of contracts | Percentage of Loans (%) | Outstanding Discounted Principal Balance | Percentage of Balance (%) |
|----------------|---------------------|-------------------------|--|---------------------------|
| Spanish        | 100,878             | 97.07%                  | 1,080,742,183.12 €                       | 96.83%                    |
| Non Spanish    | 3,041               | 2.93%                   | 35,360,791.15 €                          | 3.17%                     |
| <b>Total</b>   | <b>103,919</b>      | <b>100.00%</b>          | <b>1,116,102,974.27 €</b>                | <b>100.00%</b>            |

(\*) All borrowers (i.e. individuals and corporate entities) have their place of residence or registered office, as applicable, in Spain.



**7. Occupational group (Sector de actividad de los deudores)**

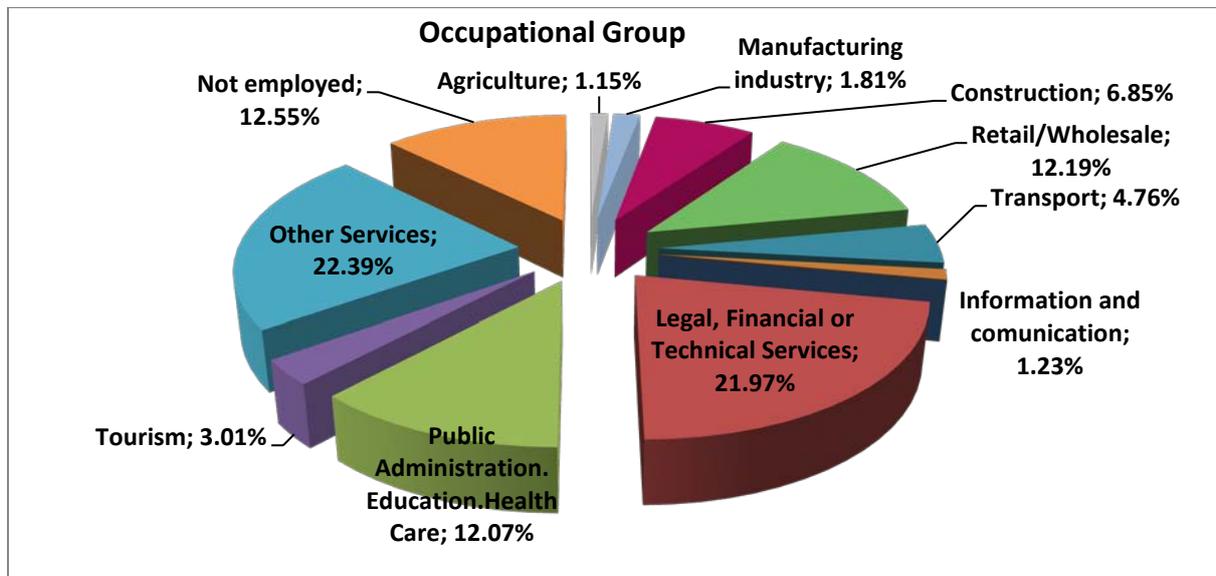
| Classification (*)                            | Number of contracts | Percentage of Loans (%) | Outstanding Discounted Principal Balance | Percentage of Balance (%) |
|---|---------------------|-------------------------|--|---------------------------|
| Agriculture                                   | 1,147               | 1.10%                   | 12,857,432.24 €                          | 1.15%                     |
| Manufacturing industry                        | 1,724               | 1.66%                   | 20,221,311.65 €                          | 1.81%                     |
| Construction                                  | 6,525               | 6.28%                   | 76,501,095.88 €                          | 6.85%                     |
| Retail/Wholesale                              | 11,765              | 11.32%                  | 136,055,787.37 €                         | 12.19%                    |
| Transport                                     | 4,426               | 4.26%                   | 53,106,993.00 €                          | 4.76%                     |
| Information and communication                 | 1,317               | 1.27%                   | 13,719,088.58 €                          | 1.23%                     |
| Legal, Financial or Technical Services        | 22,856              | 21.99%                  | 245,253,924.21 €                         | 21.97%                    |
| Public Administration. Education. Health Care | 12,996              | 12.51%                  | 134,766,972.78 €                         | 12.07%                    |
| Tourism                                       | 2,959               | 2.85%                   | 33,626,891.24 €                          | 3.01%                     |
| Other Services (**)                           | 24,146              | 23.24%                  | 249,881,811.33 €                         | 22.39%                    |
| Not employed                                  | 14,058              | 13.53%                  | 140,111,665.99 €                         | 12.55%                    |
| <b>Total</b>                                  | <b>103,919</b>      | <b>100.00%</b>          | <b>1,116,102,974.27 €</b>                | <b>100.00%</b>            |

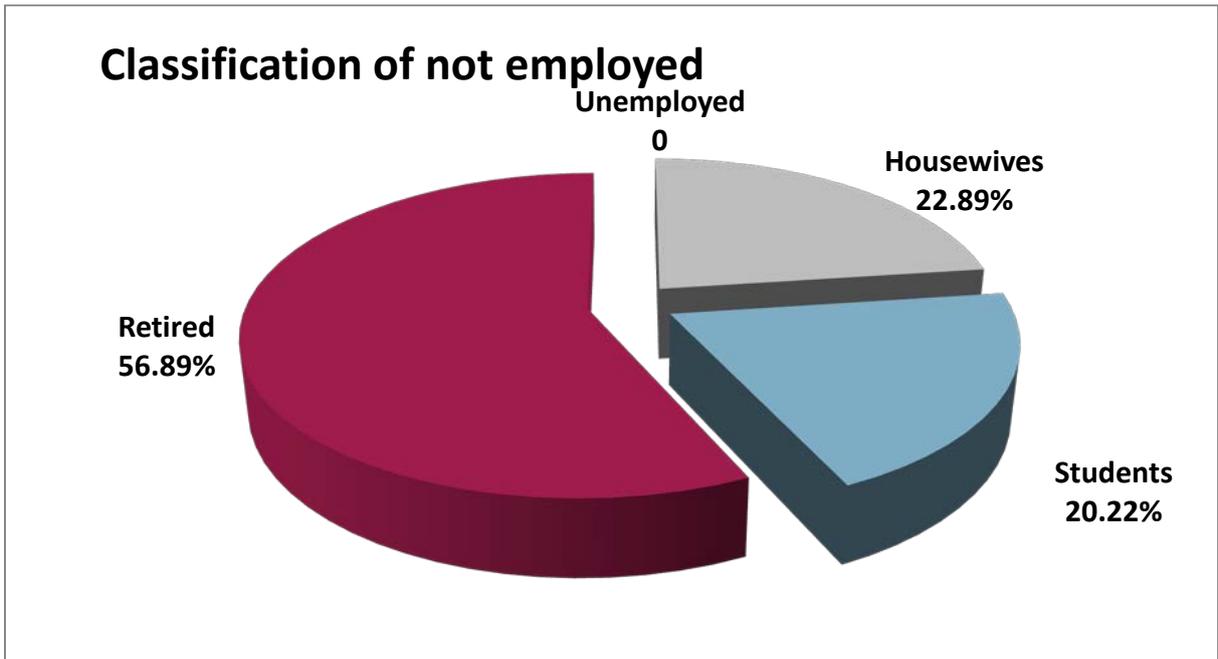
**Classification of not employed**

| Classification | Number of contracts | Percentage of Loans (%) | Outstanding Discounted Principal Balance | Percentage of Balance (%) |
|----------------|---------------------|-------------------------|--|---------------------------|
| Housewives     | 3,139               | 22.33%                  | 32,076,022.66 €                          | 22.89%                    |
| Students       | 2,818               | 20.05%                  | 28,330,141.03 €                          | 20.22%                    |
| Retired        | 8,101               | 57.63%                  | 79,705,502.30 €                          | 56.89%                    |
| <b>Total</b>   | <b>14,058</b>       | <b>100.00%</b>          | <b>140,111,665.99 €</b>                  | <b>100.00%</b>            |

(\*) This classification is internally elaborated by the Seller based on CNAE codes.

(\*\*) "Other Services" include all occupational groups that are not included in the other groups listed here (e.g. engineers, architects, athletes, cleaners, janitors).





**8. Type of payment (*Forma de pago*)**

| Type of Payment                   | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|-----------------------------------|-----------------|-------------------------|--|---------------------------|
| Direct Borrower Account Debit (*) | 103,919         | 100.00%                 | 1,116,102,974.27 €                           | 100.00%                   |
| Total                             | 103,919         | 100.00%                 | 1,116,102,974.27 €                           | 100.00%                   |

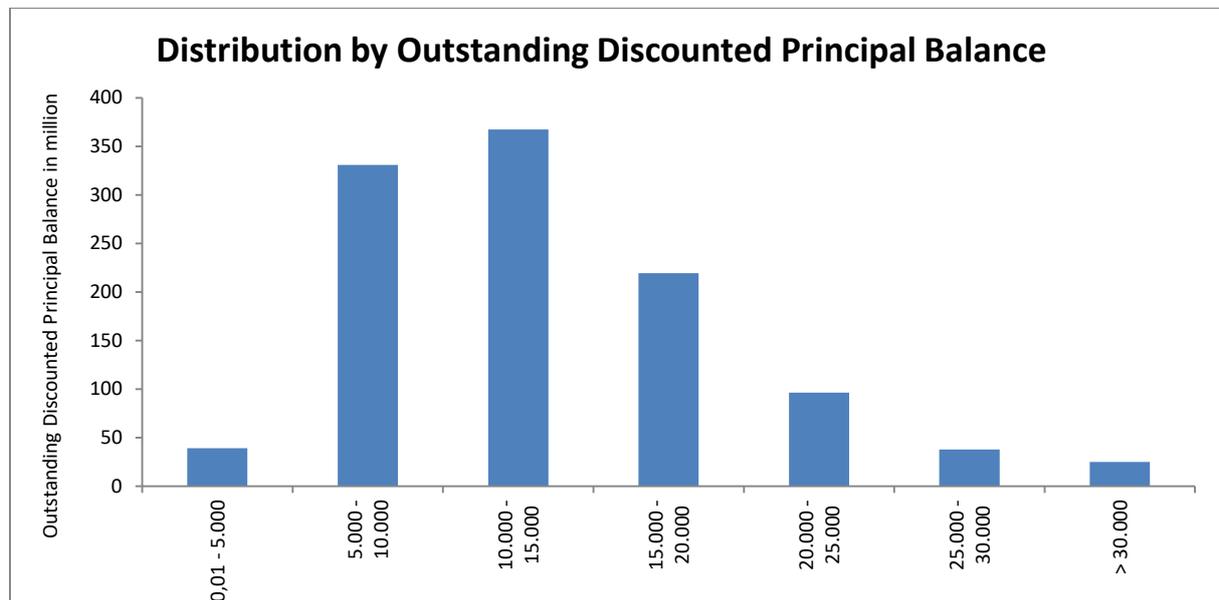
(\*) *Domiciliación en cuenta del deudor.*

**9. Distribution by Discounted Receivables Balance as of Cut-off Date (*Distribución por Saldo con Descuento de los Derechos de Crédito en la Fecha de Corte*) (\*)**

| Distribution by Outstanding Discounted Principal Balance | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|--|-----------------|-------------------------|--|---------------------------|
| [0,01 - 5.000]   | 11,402          | 10.97%                  | 39,122,325.61 €                              | 3.51%                     |
| (5.000 - 10.000]   | 42,905          | 41.29%                  | 330,863,252.23 €                             | 29.64%                    |
| (10.000 - 15.000]  | 30,296          | 29.15%                  | 367,330,975.48 €                             | 32.91%                    |
| (15.000 - 20.000]  | 12,834          | 12.35%                  | 219,489,514.91 €                             | 19.67%                    |
| (20.000 - 25.000]  | 4,372           | 4.21%                   | 96,515,142.71 €                              | 8.65%                     |
| (25.000 - 30.000]  | 1,408           | 1.35%                   | 37,933,340.34 €                              | 3.40%                     |
| > 30.000   | 702             | 0.68%                   | 24,848,422.99 €                              | 2.23%                     |
| <b>Total</b>   | <b>103,919</b>  | <b>100.00%</b>          | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>            |

| Statistics                                       |             |
|--|-------------|
| Minimum Outstanding Discounted Principal Balance | 263.61 €    |
| Maximum Outstanding Discounted Principal Balance | 64,789.63 € |
| Average Outstanding Discounted Principal Balance | 10,740.12 € |

(\*) Information relating to the principal and interests of the original loan as from the Cut-off Date discounted at the Discount Rate.



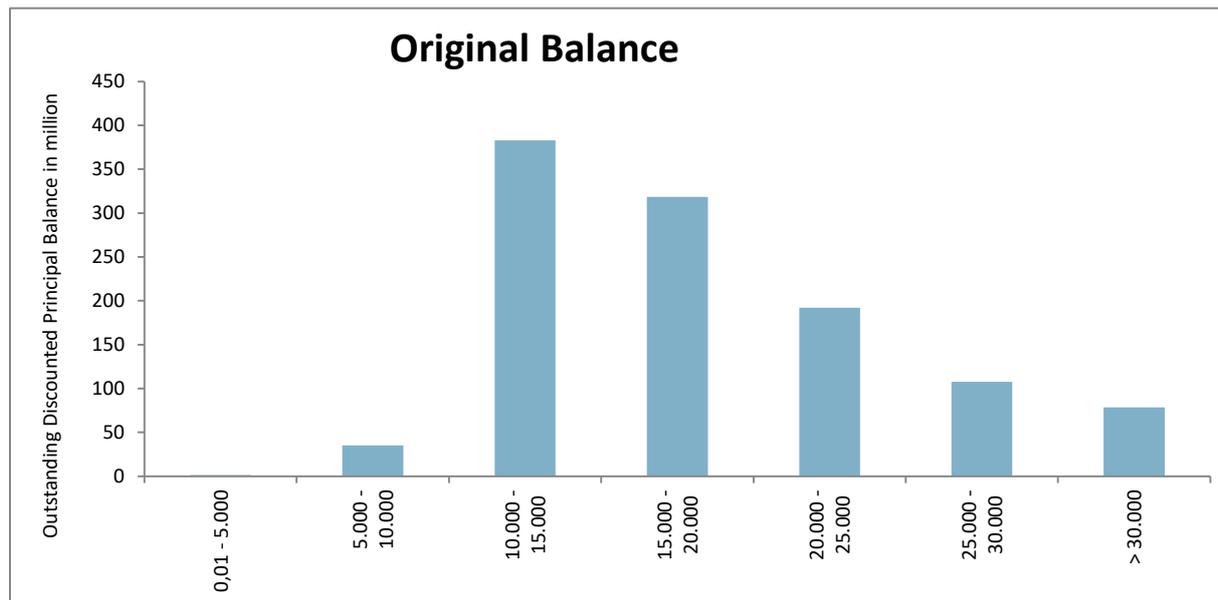
**10. Distribution by original nominal balance as of Cut-off Date (*Distribución por saldo nominal inicial en la Fecha de Corte*) (\*)**

| Distribution by Original Nominal Balance | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|--|-----------------|-------------------------|--|---------------------------|
| [0,01 - 5.000]                           | 611             | 0.59%                   | 1,406,315.95 €                               | 0.13%                     |
| (5.000 - 10.000]                         | 7,440           | 7.16%                   | 35,255,504.76 €                              | 3.16%                     |
| (10.000 - 15.000]                        | 47,969          | 46.16%                  | 382,844,840.72 €                             | 34.30%                    |
| (15.000 - 20.000]                        | 27,424          | 26.39%                  | 318,506,158.05 €                             | 28.54%                    |
| (20.000 - 25.000]                        | 12,160          | 11.70%                  | 192,164,128.44 €                             | 17.22%                    |
| (25.000 - 30.000]                        | 5,403           | 5.20%                   | 107,602,909.18 €                             | 9.64%                     |
| > 30.000                                 | 2,912           | 2.80%                   | 78,323,117.17 €                              | 7.02%                     |
| <b>Total</b>                             | <b>103,919</b>  | <b>100.00%</b>          | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>            |

| Statistics                            |             |
|---------------------------------------|-------------|
| Minimum Original Nominal Balance (**) | 2,124.50 €  |
| Maximum Original Nominal Balance      | 75,836.16 € |
| Average Original Nominal Balance      | 15,995.70 € |

(\*) Original nominal balance refers to the capital of the original loan without discount.

(\*\*) For information purposes, it is hereby stated that the minimum original nominal balance corresponds to a loan in which most of the amortisation takes place as a result of the Balloon Instalment.

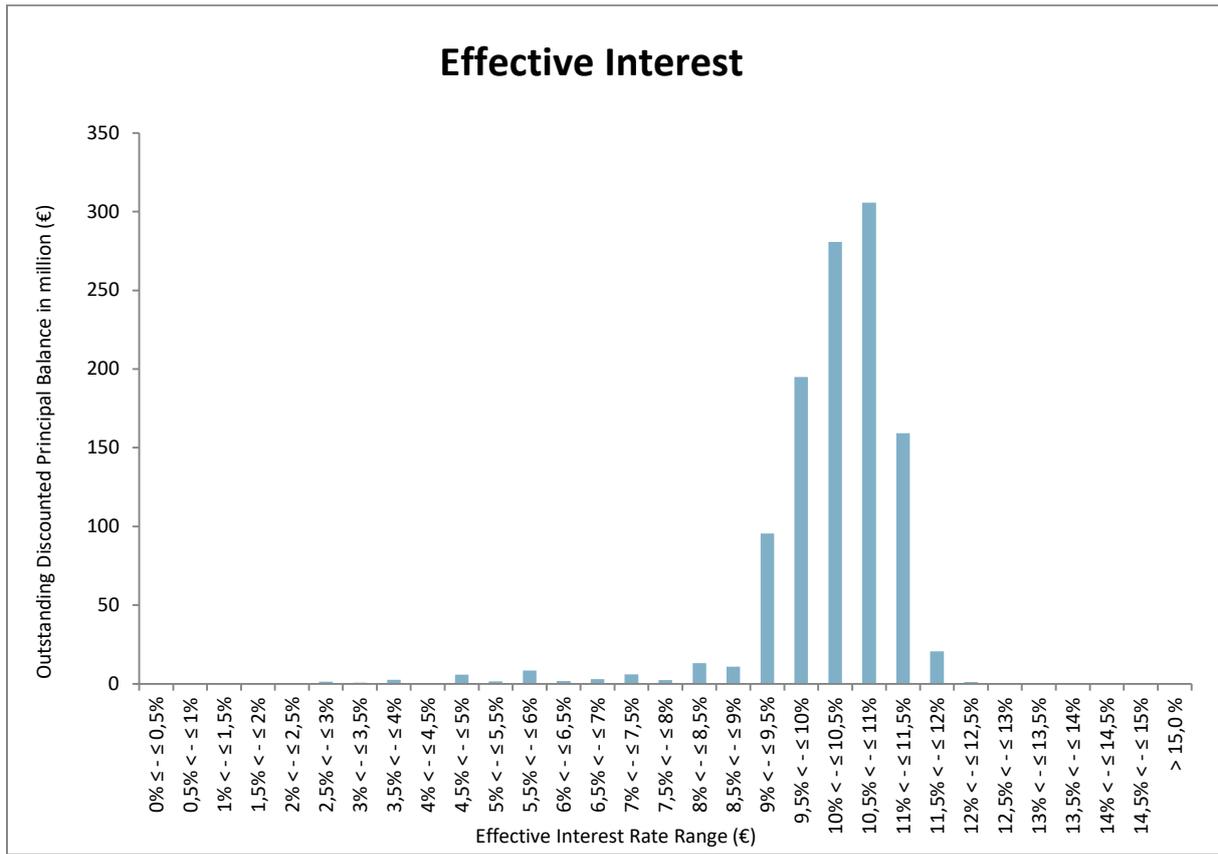


**11. Effective Interest Rate paid by Borrower (*Tipo de Interés efectivo pagado por el Deudor*)**

| Effective Interest Rate paid by the Receivable Debtor | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|---|-----------------|-------------------------|--|---------------------------|
| [0% - 0,5%]   | 16              | 0.02%                   | 73,176.00 €                                  | 0.01%                     |
| (0,5% - 1%]   | 0               | 0.00%                   | - €  | 0.00%                     |
| (1% - 1,5%]   | 0               | 0.00%                   | - €  | 0.00%                     |
| (1,5% - 2%]   | 0               | 0.00%                   | - €  | 0.00%                     |
| (2% - 2,5%]   | 0               | 0.00%                   | - €  | 0.00%                     |
| (2,5% - 3%]   | 101             | 0.10%                   | 1,412,269.91 €                               | 0.13%                     |
| (3% - 3,5%]   | 70              | 0.07%                   | 672,108.42 €                                 | 0.06%                     |
| (3,5% - 4%]   | 134             | 0.13%                   | 2,606,577.39 €                               | 0.23%                     |
| (4% - 4,5%]   | 35              | 0.03%                   | 496,266.92 €                                 | 0.04%                     |
| (4,5% - 5%]   | 409             | 0.39%                   | 5,813,897.46 €                               | 0.52%                     |
| (5% - 5,5%]   | 101             | 0.10%                   | 1,586,465.89 €                               | 0.14%                     |
| (5,5% - 6%]   | 406             | 0.39%                   | 8,362,153.34 €                               | 0.75%                     |
| (6% - 6,5%]   | 172             | 0.17%                   | 1,779,663.21 €                               | 0.16%                     |
| (6,5% - 7%]   | 230             | 0.22%                   | 2,988,795.97 €                               | 0.27%                     |
| (7% - 7,5%]   | 524             | 0.50%                   | 5,979,416.23 €                               | 0.54%                     |
| (7,5% - 8%]   | 325             | 0.31%                   | 2,370,028.41 €                               | 0.21%                     |
| (8% - 8,5%]   | 1,411           | 1.36%                   | 13,105,893.25 €                              | 1.17%                     |
| (8,5% - 9%]   | 966             | 0.93%                   | 10,954,263.06 €                              | 0.98%                     |
| (9% - 9,5%]   | 8,713           | 8.38%                   | 95,534,244.84 €                              | 8.56%                     |
| (9,5% - 10%]  | 15,539          | 14.95%                  | 194,968,092.95 €                             | 17.47%                    |
| (10% - 10,5%]   | 23,859          | 22.96%                  | 280,757,287.13 €                             | 25.16%                    |
| (10,5% - 11%]   | 30,240          | 29.10%                  | 305,727,400.80 €                             | 27.39%                    |
| (11% - 11,5%]   | 18,267          | 17.58%                  | 159,143,033.54 €                             | 14.26%                    |
| (11,5% - 12%]   | 2,236           | 2.15%                   | 20,636,508.88 €                              | 1.85%                     |
| (12% - 12,5%]   | 165             | 0.16%                   | 1,135,430.67 €                               | 0.10%                     |
| > 12,5 %  | 0               | 0.00%                   | - €  | 0.00%                     |
| <b>Total</b>  | <b>103,919</b>  | <b>100.00%</b>          | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>            |

| Statistics                            |        |
|---------------------------------------|--------|
| Minimum Interest Rate Debtor (*)      | 0.00%  |
| Maximum Interest Rate Debtor          | 12.39% |
| Weighted Average Interest Rate Debtor | 10.25% |

(\*) The loans with an effective interest rate of 0% have been granted within the framework of PLAN PIVE to stimulate the automobile industry and vehicle purchases, the interest of which is subsidised in its entirety by the Institute of Official Credit, or under the campaign "TAE 0%", whose interests are entirely subsidised by VW group brands.



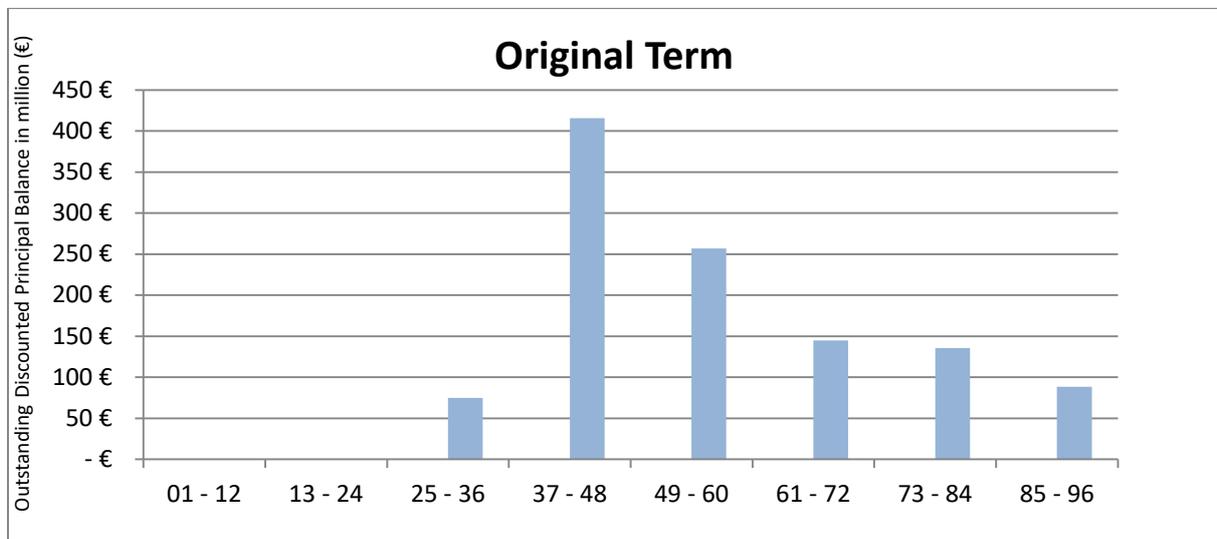
**12. Original term (Vida inicial) (\*)**

| Length of Original Term | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|-------------------------|-----------------|-------------------------|--|---------------------------|
| 01 - 12                 | 1               | 0.00%                   | 1,226.74 €                                   | 0.00%                     |
| 13 - 24                 | 39              | 0.04%                   | 160,485.55 €                                 | 0.01%                     |
| 25 - 36                 | 13,307          | 12.81%                  | 74,640,308.17 €                              | 6.69%                     |
| 37 - 48                 | 47,099          | 45.32%                  | 415,788,786.56 €                             | 37.25%                    |
| 49 - 60                 | 20,832          | 20.05%                  | 256,784,219.42 €                             | 23.01%                    |
| 61 - 72                 | 10,009          | 9.63%                   | 144,891,343.17 €                             | 12.98%                    |
| 73 - 84                 | 7,883           | 7.59%                   | 135,328,229.72 €                             | 12.13%                    |
| 85 - 96                 | 4,749           | 4.57%                   | 88,508,374.94 €                              | 7.93%                     |
| <b>Total</b>            | <b>103,919</b>  | <b>100.00%</b>          | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>            |

| Statistics                     |       |
|--------------------------------|-------|
| Minimum Original Term          | 9     |
| Maximum Original Term          | 96    |
| Weighted Average Original Term | 61.14 |

The references in the above charts to the Term are in months.

(\*) The Original Term provides information regarding the original loan term from the date of formalization.



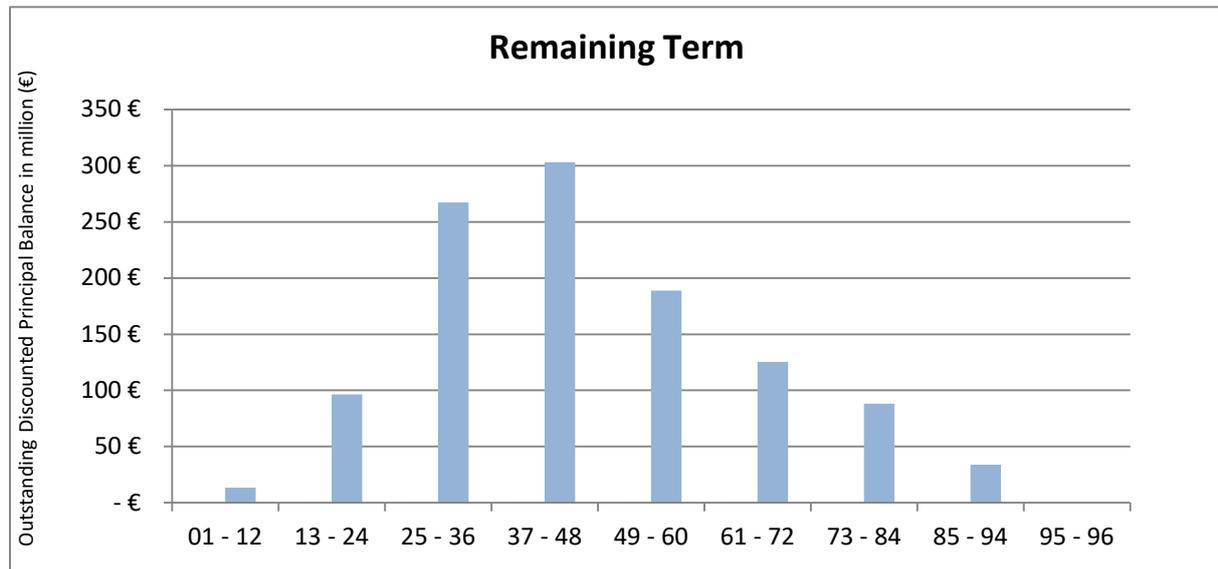
**13. Remaining term (*Vida residual*) (\*)**

| Length of Remaining Term | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|--------------------------|-----------------|-------------------------|--|---------------------------|
| 01 - 12                  | 4,752           | 4.57%                   | 13,457,989.32 €                              | 1.21%                     |
| 13 - 24                  | 16,642          | 16.01%                  | 96,301,443.52 €                              | 8.63%                     |
| 25 - 36                  | 30,547          | 29.40%                  | 267,152,132.75 €                             | 23.94%                    |
| 37 - 48                  | 25,713          | 24.74%                  | 302,917,326.78 €                             | 27.14%                    |
| 49 - 60                  | 12,695          | 12.22%                  | 188,737,140.90 €                             | 16.91%                    |
| 61 - 72                  | 7,375           | 7.10%                   | 125,448,163.87 €                             | 11.24%                    |
| 73 - 84                  | 4,618           | 4.44%                   | 88,243,932.35 €                              | 7.91%                     |
| 85 - 94                  | 1,577           | 1.52%                   | 33,844,844.78 €                              | 3.03%                     |
| 95 - 96                  | 0               | 0.00%                   | - €  | 0.00%                     |
| <b>Total</b>             | <b>103,919</b>  | <b>100.00%</b>          | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>            |

| Statistics                      |       |
|---------------------------------|-------|
| Minimum Remaining Term          | 3     |
| Maximum Remaining Term          | 92    |
| Weighted Average Remaining Term | 45.97 |

The references in the above charts to the Term are in months.

(\*) The information relating to the number of outstanding instalments pending maturity, "Monthly instalment" refers to the monthly period of payment, of principal and interest, of each loan.



**14. Seasoning (Antigüedad)**

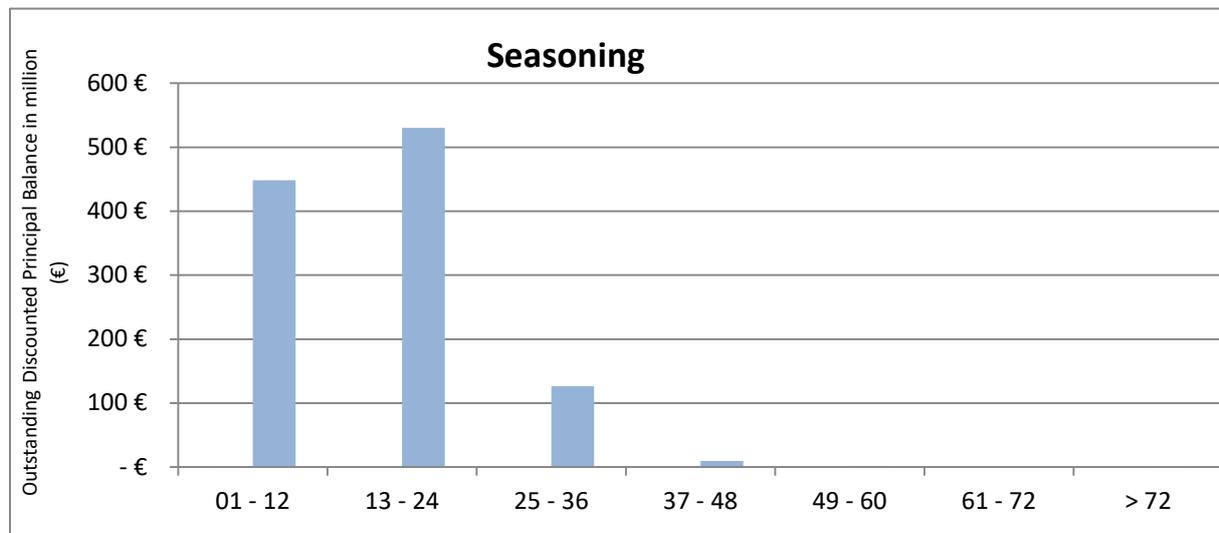
| Seasoning    | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|--------------|-----------------|-------------------------|--|---------------------------|
| 01 - 12      | 32,808          | 31.57%                  | 448,548,681.41 €                             | 40.19%                    |
| 13 - 24      | 51,824          | 49.87%                  | 530,370,919.60 €                             | 47.52%                    |
| 25 - 36      | 17,008          | 16.37%                  | 126,209,708.50 €                             | 11.31%                    |
| 37 - 48      | 1,978           | 1.90%                   | 9,419,493.53 €                               | 0.84%                     |
| 49 - 60      | 255             | 0.25%                   | 1,385,063.57 €                               | 0.12%                     |
| 61 - 72      | 32              | 0.03%                   | 134,709.93 €                                 | 0.01%                     |
| > 72         | 14              | 0.01%                   | 34,397.73 €                                  | 0.00%                     |
| <b>Total</b> | <b>103,919</b>  | <b>100.00%</b>          | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>            |

| Statistics                 |       |
|----------------------------|-------|
| Minimum Seasoning (*)      | 4     |
| Maximum Seasoning          | 92    |
| Weighted Average Seasoning | 15.18 |

The references in the above charts to the Term are in months.

This chart shows the matured and paid instalments of each loan since the first instalment to the one corresponding to the Cut- Off Date.

(\*) At the Cut-off Date at least four instalments have been paid in respect of each of the Loan Receivables.



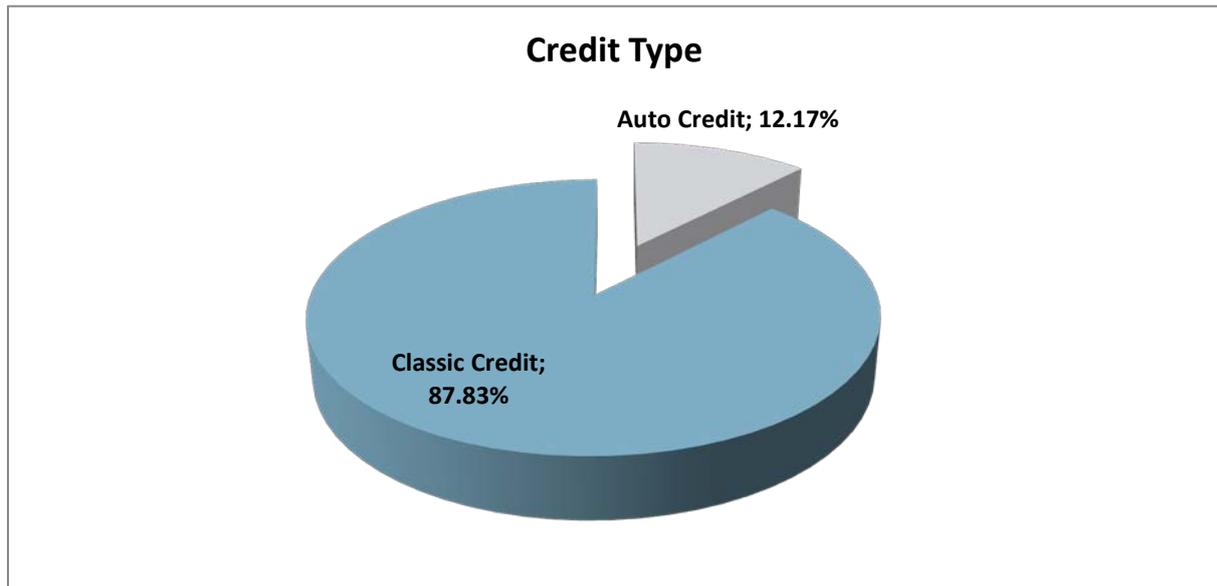
**15. Type of credit (*Tipo de crédito*)**

| Credit Type    | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|----------------|-----------------|-------------------------|--|---------------------------|
| Auto Credit    | 16,552          | 15.93%                  | 135,793,843.48 €                             | 12.17%                    |
| Classic Credit | 87,367          | 84.07%                  | 980,309,130.79 €                             | 87.83%                    |
| <b>Total</b>   | <b>103,919</b>  | <b>100.00%</b>          | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>            |

The "Auto Credit" and the "Classic Credit" refer to the financing models used by VW Bank Spanish Branch in relation to the Loans.

Both types of financing, "Auto Credit" and "Classic Credit", are executed in the form of the model agreement provided by ASNEF which main features are detailed in section 2.2.7 of the Additional Building Block.

Additionally, "Auto Credit" loans include a balloon instalment, as further described in section 2.2.7 of the Additional Building Block which is not assigned to the Fund.



**16. Brand and model (Marca y modelo)**

| Make            | Model       | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|-----------------|-------------|-----------------|-------------------------|--|---------------------------|
| Audi            | A1          | 2,866           | 2.76%                   | 30,007,688.41 €                              | 2.69%                     |
|                 | A3          | 3,874           | 3.73%                   | 44,000,443.51 €                              | 3.94%                     |
|                 | A4          | 2,175           | 2.09%                   | 24,751,394.30 €                              | 2.22%                     |
|                 | A5          | 720             | 0.69%                   | 8,313,142.81 €                               | 0.74%                     |
|                 | A6          | 456             | 0.44%                   | 6,396,746.54 €                               | 0.57%                     |
|                 | A7          | 24              | 0.02%                   | 358,297.87 €                                 | 0.03%                     |
|                 | A8          | 11              | 0.01%                   | 239,109.92 €                                 | 0.02%                     |
|                 | Q2          | 1,751           | 1.68%                   | 18,970,850.26 €                              | 1.70%                     |
|                 | Q3          | 2,562           | 2.47%                   | 29,187,589.20 €                              | 2.62%                     |
|                 | Q5          | 1,343           | 1.29%                   | 16,961,601.51 €                              | 1.52%                     |
|                 | Q7          | 87              | 0.08%                   | 1,444,877.67 €                               | 0.13%                     |
|                 | TT          | 26              | 0.03%                   | 428,502.45 €                                 | 0.04%                     |
|                 | OTHER AUDI  | 105             | 0.10%                   | 1,979,814.13 €                               | 0.18%                     |
| <b>Subtotal</b> |             | <b>16,000</b>   | <b>15.40%</b>           | <b>183,040,058.58 €</b>                      | <b>16.40%</b>             |
| Seat            | ALHAMBRA    | 612             | 0.59%                   | 6,583,262.47 €                               | 0.59%                     |
|                 | ALTEA       | 15              | 0.01%                   | 123,077.25 €                                 | 0.01%                     |
|                 | AROSA       | 3               | 0.00%                   | 26,958.04 €                                  | 0.00%                     |
|                 | ATECA       | 7,633           | 7.35%                   | 84,137,758.44 €                              | 7.54%                     |
|                 | IBIZA       | 13,145          | 12.65%                  | 127,000,069.44 €                             | 11.38%                    |
|                 | LEON        | 13,860          | 13.34%                  | 150,902,523.03 €                             | 13.52%                    |
|                 | MII         | 341             | 0.33%                   | 2,565,825.35 €                               | 0.23%                     |
|                 | TOLEDO      | 1,092           | 1.05%                   | 10,345,664.73 €                              | 0.93%                     |
|                 | ARONA       | 7,304           | 7.03%                   | 80,537,883.90 €                              | 7.22%                     |
|                 | TARRACO     | 314             | 0.30%                   | 5,087,495.68 €                               | 0.46%                     |
|                 | OTHER SEAT  | 73              | 0.07%                   | 818,007.18 €                                 | 0.07%                     |
| <b>Subtotal</b> |             | <b>44,392</b>   | <b>42.72%</b>           | <b>468,128,525.51 €</b>                      | <b>41.94%</b>             |
| Skoda           | CITIGO      | 94              | 0.09%                   | 915,439.44 €                                 | 0.08%                     |
|                 | FABIA       | 3,573           | 3.44%                   | 31,284,885.70 €                              | 2.80%                     |
|                 | RAPID       | 1,018           | 0.98%                   | 9,249,290.54 €                               | 0.83%                     |
|                 | OCTAVIA     | 1,687           | 1.62%                   | 19,998,391.23 €                              | 1.79%                     |
|                 | ROOMSTER    | 1               | 0.00%                   | 4,784.32 €                                   | 0.00%                     |
|                 | SPACEBACK   | 72              | 0.07%                   | 694,392.14 €                                 | 0.06%                     |
|                 | SUPERB      | 362             | 0.35%                   | 4,584,317.18 €                               | 0.41%                     |
|                 | YETI        | 188             | 0.18%                   | 1,726,932.98 €                               | 0.15%                     |
|                 | KODIAQ      | 787             | 0.76%                   | 10,483,595.93 €                              | 0.94%                     |
|                 | KAROQ       | 2,090           | 2.01%                   | 26,380,672.71 €                              | 2.36%                     |
|                 | SCALA       | 188             | 0.18%                   | 2,782,960.85 €                               | 0.25%                     |
|                 | OTHER SKODA | 47              | 0.05%                   | 505,813.20 €                                 | 0.05%                     |
| <b>Subtotal</b> |             | <b>10,107</b>   | <b>9.73%</b>            | <b>108,611,476.22 €</b>                      | <b>9.73%</b>              |
| VW              | FOX         | 2               | 0.00%                   | 22,667.02 €                                  | 0.00%                     |
|                 | POLO        | 5,039           | 4.85%                   | 42,231,393.39 €                              | 3.78%                     |
|                 | GOLF        | 8,071           | 7.77%                   | 77,421,656.83 €                              | 6.94%                     |
|                 | UP          | 36              | 0.03%                   | 247,869.54 €                                 | 0.02%                     |
|                 | JETTA       | 16              | 0.02%                   | 127,406.61 €                                 | 0.01%                     |
|                 | PASSAT      | 1,181           | 1.14%                   | 12,004,391.84 €                              | 1.08%                     |
|                 | ARTEON      | 702             | 0.68%                   | 8,526,594.19 €                               | 0.76%                     |
|                 | NEW BEETLE  | 122             | 0.12%                   | 1,059,162.53 €                               | 0.09%                     |
|                 | TOURAN      | 1,687           | 1.62%                   | 16,213,426.60 €                              | 1.45%                     |
|                 | SHARAN      | 337             | 0.32%                   | 3,398,775.44 €                               | 0.30%                     |

|                              |                 |                |                |                         |                |
|------------------------------|-----------------|----------------|----------------|-------------------------|----------------|
|                              | TOUAREG         | 26             | 0.03%          | 428,406.33 €            | 0.04%          |
|                              | CADDY           | 1,189          | 1.14%          | 14,267,020.30 €         | 1.28%          |
|                              | T4/T5           | 1,615          | 1.55%          | 24,107,835.55 €         | 2.16%          |
|                              | CRAFTER/LT      | 517            | 0.50%          | 8,051,083.98 €          | 0.72%          |
|                              | AMAROK          | 74             | 0.07%          | 1,234,288.15 €          | 0.11%          |
|                              | SCIROCCO        | 270            | 0.26%          | 1,921,485.33 €          | 0.17%          |
|                              | TIGUAN          | 5,690          | 5.48%          | 62,154,552.17 €         | 5.57%          |
|                              | T-ROC           | 3,524          | 3.39%          | 42,548,083.19 €         | 3.81%          |
|                              | T-CROSS         | 20             | 0.02%          | 294,649.11 €            | 0.03%          |
|                              | OTHER VW        | 3,257          | 3.13%          | 39,685,276.42 €         | 3.56%          |
|                              | <b>Subtotal</b> | <b>33,375</b>  | <b>32.12%</b>  | <b>355,946,024.52 €</b> | <b>31.89%</b>  |
| <b>Non VW Group Vehicles</b> | OTHER           | 45             | 0.04%          | 376,889.44 €            | 0.03%          |
|                              | <b>Total</b>    | <b>103,919</b> | <b>100.00%</b> | <b>1,116,102,974.27</b> | <b>100.00%</b> |

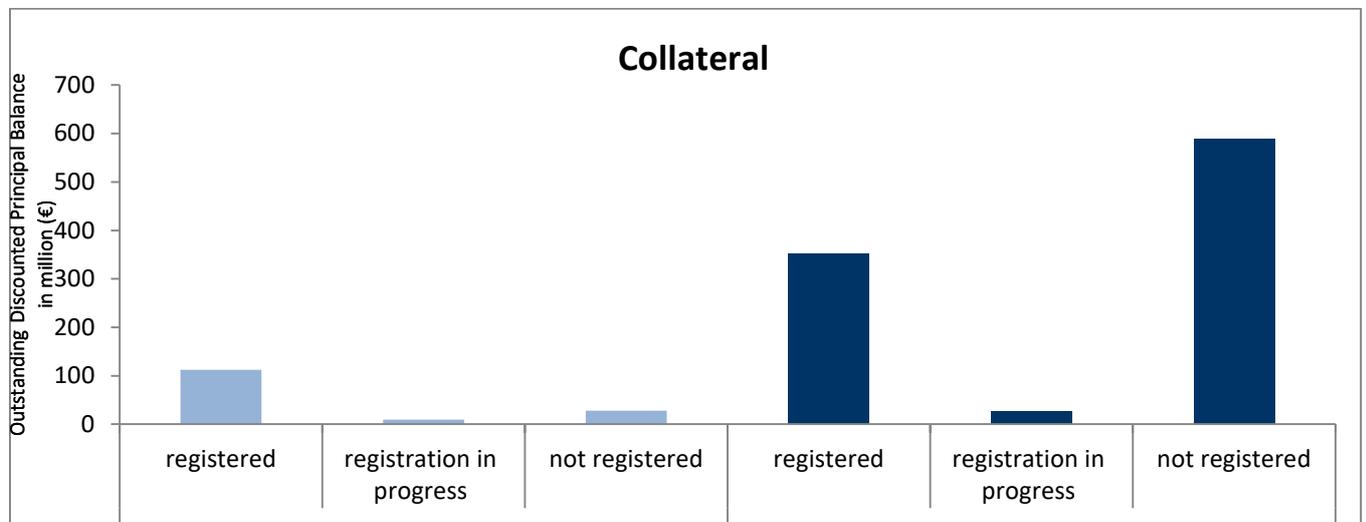
**17. Collateral (Préstamos con y sin garantía personal de tercero)**

| Third Party Guarantor | Vehicle Registration           | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|-----------------------|--------------------------------|-----------------|-------------------------|--|---------------------------|
| Guarantor (*)         | Registered (**)                | 9,959           | 9.58%                   | 112,283,428.86 €                             | 10.06%                    |
|                       | registration in progress (***) | 720             | 0.69%                   | 9,539,862.02 €                               | 0.85%                     |
|                       | not registered                 | 2,337           | 2.25%                   | 28,207,585.66 €                              | 2.53%                     |
| <b>Sub Total</b>      |                                | <b>13,016</b>   | <b>12.53%</b>           | <b>150,030,876.54 €</b>                      | <b>13.44%</b>             |
| No Guarantor          | Registered (**)                | 31,772          | 30.57%                  | 351,394,150.50 €                             | 31.48%                    |
|                       | registration in progress (***) | 2,080           | 2.00%                   | 25,963,894.86 €                              | 2.33%                     |
|                       | not registered                 | 57,051          | 54.90%                  | 588,714,052.37 €                             | 52.75%                    |
| <b>Sub Total</b>      |                                | <b>90,903</b>   | <b>87.47%</b>           | <b>966,072,097.73 €</b>                      | <b>86.56%</b>             |
| <b>Total</b>          |                                | <b>103,919</b>  | <b>100.00%</b>          | <b>1,116,102,974.27</b>                      | <b>100.00%</b>            |

(\*) It refers to a personal guarantee (*garantía personal*) given by a third party

(\*\*) Registered with the Chattels Register and, consequently, with the Vehicles Register of the Traffic General Direction.

(\*\*\*) The approximate term for the procedure of inscription of the reservation of title with the Chattels Register is estimated in around 1 month.



**18. Geographical distribution of the Borrowers (*Distribución Geográfica de los Deudores*)**

| Autonomous Communities | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|------------------------|-----------------|-------------------------|--|---------------------------|
| GALICIA                | 6,059           | 5.83%                   | 69,515,568.15 €                              | 6.23%                     |
| ASTURIAS               | 1,533           | 1.48%                   | 16,177,826.05 €                              | 1.45%                     |
| CANTABRIA              | 1,280           | 1.23%                   | 13,734,162.25 €                              | 1.23%                     |
| LA RIOJA               | 489             | 0.47%                   | 4,698,228.45 €                               | 0.42%                     |
| CASTILLA LEON          | 4,113           | 3.96%                   | 43,137,813.78 €                              | 3.87%                     |
| C. MADRID              | 16,028          | 15.42%                  | 158,333,416.92 €                             | 14.19%                    |
| PAIS VASCO             | 4,700           | 4.52%                   | 46,776,148.71 €                              | 4.19%                     |
| C.NAVARRA              | 1,125           | 1.08%                   | 11,267,936.71 €                              | 1.01%                     |
| CATALUÑA               | 21,195          | 20.40%                  | 229,949,091.06 €                             | 20.60%                    |
| ARAGÓN                 | 2,818           | 2.71%                   | 30,965,251.52 €                              | 2.77%                     |
| C. VALENCIANA          | 11,144          | 10.72%                  | 120,427,591.97 €                             | 10.79%                    |
| CASTILLA LA MANCHA     | 4,478           | 4.31%                   | 46,818,590.35 €                              | 4.19%                     |
| EXTREMADURA            | 1,520           | 1.46%                   | 16,344,485.18 €                              | 1.46%                     |
| ANDALUCIA              | 17,647          | 16.98%                  | 194,215,421.74 €                             | 17.40%                    |
| ISLAS BALEARES         | 2,755           | 2.65%                   | 29,581,520.20 €                              | 2.65%                     |
| MURCIA                 | 2,914           | 2.80%                   | 34,205,685.20 €                              | 3.06%                     |
| ISLAS CANARIAS         | 4,011           | 3.86%                   | 48,590,286.65 €                              | 4.35%                     |
| CEUTA                  | 48              | 0.05%                   | 613,686.01 €                                 | 0.05%                     |
| MELILLA                | 62              | 0.06%                   | 750,263.37 €                                 | 0.07%                     |
| <b>Total</b>           | <b>103,919</b>  | <b>100.00%</b>          | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>            |

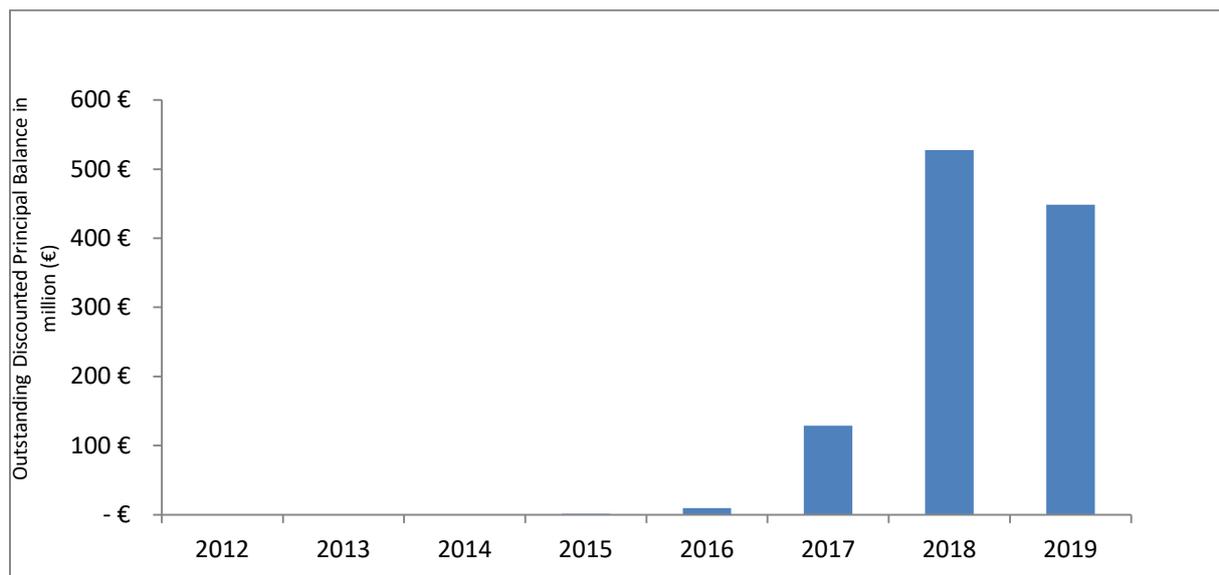
**19. Borrower concentration -20 main Borrowers- (Concentración por deudor -20 deudores principales-)**

| Ranking                           | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|-----------------------------------|-----------------|-------------------------|--|---------------------------|
| 1                                 | 1               | 0.0010%                 | 64,789.63 €                                  | 0.0058%                   |
| 2                                 | 1               | 0.0010%                 | 64,390.57 €                                  | 0.0058%                   |
| 3                                 | 1               | 0.0010%                 | 63,617.05 €                                  | 0.0057%                   |
| 4                                 | 6               | 0.0058%                 | 62,185.07 €                                  | 0.0056%                   |
| 5                                 | 1               | 0.0010%                 | 60,934.26 €                                  | 0.0055%                   |
| 6                                 | 1               | 0.0010%                 | 58,605.45 €                                  | 0.0053%                   |
| 7                                 | 1               | 0.0010%                 | 57,282.93 €                                  | 0.0051%                   |
| 8                                 | 1               | 0.0010%                 | 56,852.68 €                                  | 0.0051%                   |
| 9                                 | 1               | 0.0010%                 | 55,759.97 €                                  | 0.0050%                   |
| 10                                | 1               | 0.0010%                 | 55,683.54 €                                  | 0.0050%                   |
| <b>Subtotal 10 main borrowers</b> | <b>15</b>       | <b>0.01%</b>            | <b>600,101.15 €</b>                          | <b>0.05%</b>              |
| 11                                | 1               | 0.0010%                 | 55,504.28 €                                  | 0.0050%                   |
| 12                                | 1               | 0.0010%                 | 55,291.77 €                                  | 0.0050%                   |
| 13                                | 1               | 0.0010%                 | 54,834.96 €                                  | 0.0049%                   |
| 14                                | 1               | 0.0010%                 | 53,902.93 €                                  | 0.0048%                   |
| 15                                | 3               | 0.0029%                 | 52,559.84 €                                  | 0.0047%                   |
| 16                                | 2               | 0.0019%                 | 52,225.01 €                                  | 0.0047%                   |
| 17                                | 1               | 0.0010%                 | 52,071.83 €                                  | 0.0047%                   |
| 18                                | 1               | 0.0010%                 | 51,712.03 €                                  | 0.0046%                   |
| 19                                | 1               | 0.0010%                 | 51,532.19 €                                  | 0.0046%                   |
| 20                                | 1               | 0.0010%                 | 51,495.39 €                                  | 0.0046%                   |
| <b>Total 20 main borrowers</b>    | <b>28</b>       | <b>0.03%</b>            | <b>1,131,231.38 €</b>                        | <b>0.10%</b>              |
| >20                               | 103,891         | 99.9724%                | 1,114,971,743                                | 99.8985%                  |
| <b>Total</b>                      | <b>103,919</b>  | <b>100.00%</b>          | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>            |

The calculation of borrower exposure is based on the first titular/customer per contract exclusively. It is noted that the preceding table has been prepared by grouping, if applicable, the existing borrower groups. For the consideration of group, the definitions contained under article 5 of the Spanish Securities Act have been followed.

**20. Contract start date (Año de formalización del contrato)**

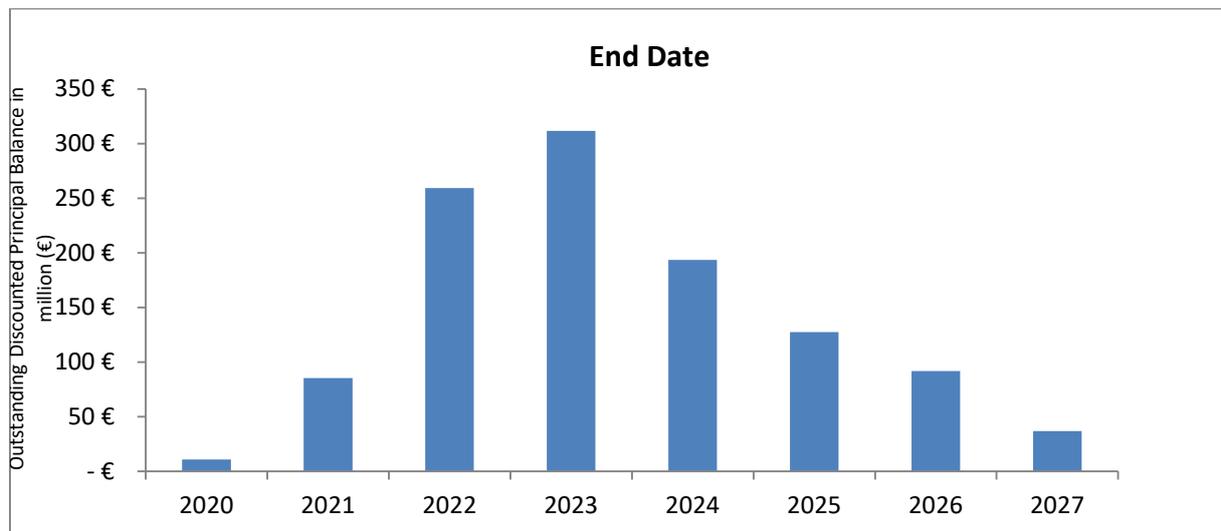
| Origination Date | Number of Loans | Percentage of loans % | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|------------------|-----------------|-----------------------|--|---------------------------|
| 2012             | 2               | 0.00%                 | 1,830.57 €                                   | 0.00%                     |
| 2013             | 10              | 0.01%                 | 29,662.39 €                                  | 0.00%                     |
| 2014             | 30              | 0.03%                 | 131,791.18 €                                 | 0.01%                     |
| 2015             | 262             | 0.25%                 | 1,436,597.77 €                               | 0.13%                     |
| 2016             | 1,994           | 1.92%                 | 9,498,304.04 €                               | 0.85%                     |
| 2017             | 17,269          | 16.62%                | 128,715,392.71 €                             | 11.53%                    |
| 2018             | 51,529          | 49.59%                | 527,634,576.38 €                             | 47.27%                    |
| 2019             | 32,823          | 31.59%                | 448,654,819.23 €                             | 40.20%                    |
| <b>Total</b>     | <b>103,919</b>  | <b>100.00%</b>        | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>            |



**21. Contract end date (Año de vencimiento)**

| Maturity Date | Number of Loans | Percentage of loans % | Outstanding Discounted Principal Balance (€) | Percentage of balance (%) |
|---------------|-----------------|-----------------------|--|---------------------------|
| 2020          | 4,031           | 3.88%                 | 10,649,314.33 €                              | 0.95%                     |
| 2021          | 15,400          | 14.82%                | 85,415,540.35 €                              | 7.65%                     |
| 2022          | 30,393          | 29.25%                | 259,214,753.00 €                             | 23.22%                    |
| 2023          | 26,856          | 25.84%                | 311,570,496.24 €                             | 27.92%                    |
| 2024          | 13,138          | 12.64%                | 193,402,902.15 €                             | 17.33%                    |
| 2025          | 7,547           | 7.26%                 | 127,462,670.96 €                             | 11.42%                    |
| 2026          | 4,835           | 4.65%                 | 91,692,718.17 €                              | 8.22%                     |
| 2027          | 1,719           | 1.65%                 | 36,694,579.07 €                              | 3.29%                     |
| <b>Total</b>  | <b>103,919</b>  | <b>100.00%</b>        | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>            |

For information purposes, it is noted that the final maturity date of the Loans with the latest final maturity date is September 2027. In particular, there are 48 Loans with said final maturity date.

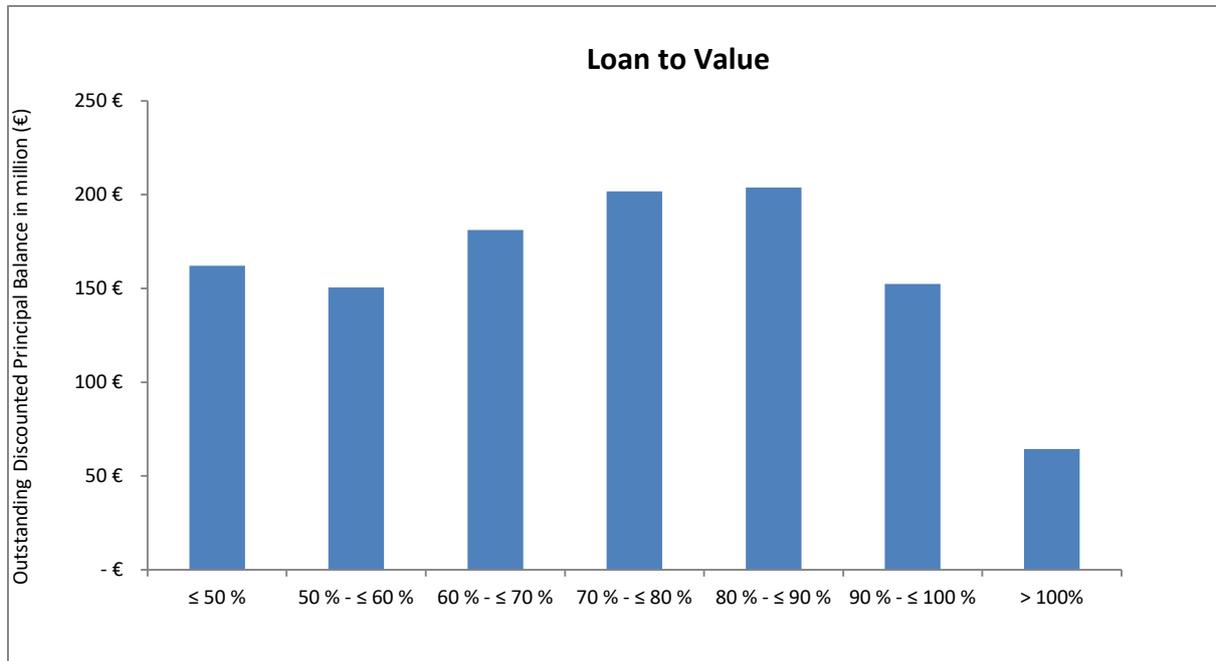


**22. Loan to value in ranges (Ratio del importe del Préstamo / valor del vehículo)**

| Loan to value  | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|----------------|-----------------|-------------------------|--|---------------------------|
| ≤ 50 %         | 20,047          | 19.29%                  | 162,145,462.67 €                             | 14.53%                    |
| 50 % - ≤ 60 %  | 16,102          | 15.49%                  | 150,464,214.69 €                             | 13.48%                    |
| 60 % - ≤ 70 %  | 18,100          | 17.42%                  | 181,107,170.72 €                             | 16.23%                    |
| 70 % - ≤ 80 %  | 18,371          | 17.68%                  | 201,807,762.88 €                             | 18.08%                    |
| 80 % - ≤ 90 %  | 16,494          | 15.87%                  | 203,831,742.91 €                             | 18.26%                    |
| 90 % - ≤ 100 % | 10,949          | 10.54%                  | 152,342,240.27 €                             | 13.65%                    |
| > 100%         | 3,856           | 3.71%                   | 64,404,380.13 €                              | 5.77%                     |
| <b>Total</b>   | <b>103,919</b>  | <b>100.00%</b>          | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>            |

The concept "loan amount" refers to the initial amount of the same. The concept "vehicle value" refers to the public sale price of the vehicle, including taxes (V.A.T. and Registration Tax) as of the date of its purchase. The formula for calculating the ratio loan to value is the following: (loan amount/vehicle value)\*100.

For clarification purposes, there are Loans with a Loan to value ratio above 100% because the insurance policies to be assigned to the Fund are paid at the beginning of the life of the Loan and, accordingly, are part of the Loan. The same occurs with registry fees. Therefore the amount of the loan may be higher than the value of the vehicle being financed.



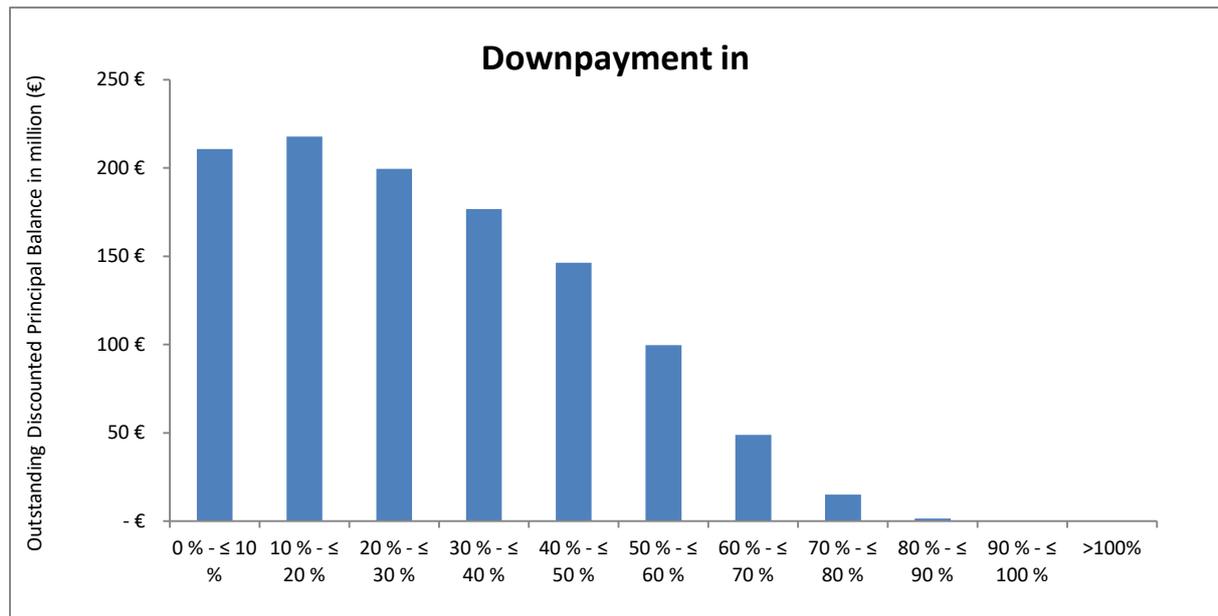
**23. Downpayment / Vehicle Value in Ranges (*Ratio entrada inicial / valor del vehículo*)**

| Down Payment/Vehicle Purchase Price | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|-------------------------------------|-----------------|-------------------------|--|---------------------------|
| [0 % - 10 %]                        | 15,106          | 14.54%                  | 210,645,309.80 €                             | 18.87%                    |
| (10 % - 20 %]                       | 17,494          | 16.83%                  | 217,856,510.62 €                             | 19.52%                    |
| (20 % - 30 %]                       | 17,994          | 17.32%                  | 199,573,947.97 €                             | 17.88%                    |
| (30 % - 40 %]                       | 17,392          | 16.74%                  | 176,694,419.86 €                             | 15.83%                    |
| (40 % - 50 %]                       | 15,644          | 15.05%                  | 146,377,908.37 €                             | 13.12%                    |
| (50 % - 60 %]                       | 11,521          | 11.09%                  | 99,686,943.30 €                              | 8.93%                     |
| (60 % - 70 %]                       | 6,351           | 6.11%                   | 48,827,967.29 €                              | 4.37%                     |
| (70 % - 80 %]                       | 2,184           | 2.10%                   | 14,993,721.39 €                              | 1.34%                     |
| (80 % - 90 %]                       | 225             | 0.22%                   | 1,405,901.27 €                               | 0.13%                     |
| (90 % - 100 %]                      | 8               | 0.01%                   | 40,344.40 €                                  | 0.00%                     |
| >100%(*)                            | 0               | 0.00%                   | - €  | 0.00%                     |
| <b>Total</b>                        | <b>103,919</b>  | <b>100.00%</b>          | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>            |

The concept "downpayment" refers to the amount paid by the customer to reduce the initial loan amount. The concept "vehicle value" refers to the public sale price of the vehicle, including taxes (V.A.T. and Registration Tax). The formula for calculating the ratio downpayment/vehicle value is the following: (downpayment/vehicle value)\*100.

For the avoidance of doubt, the financing may cover the entire price of the purchase. Therefore, the vehicle may be purchased without making any downpayment whatsoever. Consequently, there may be loans with or without a downpayment.

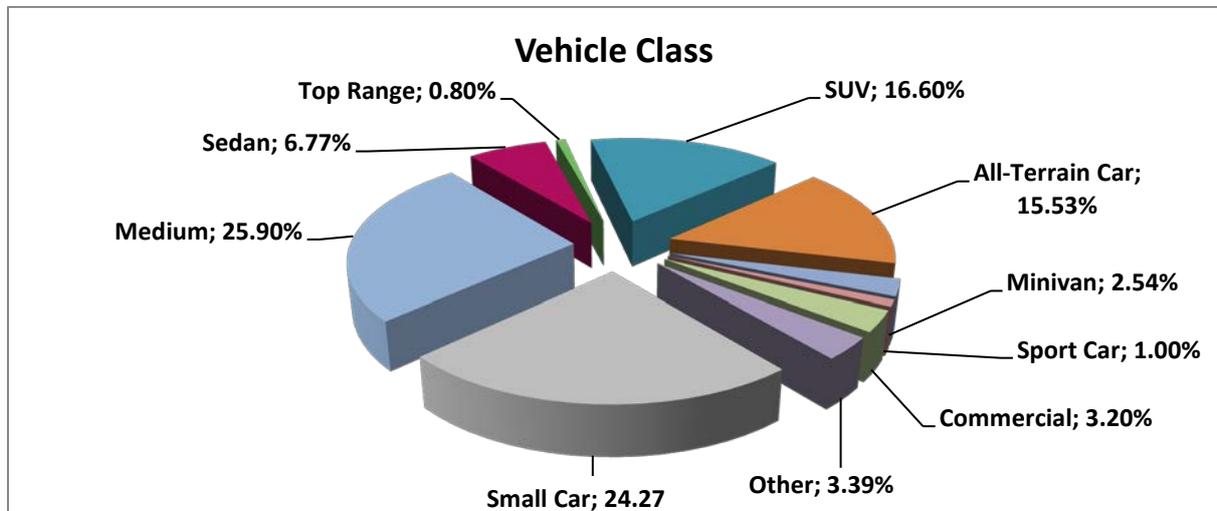
(\*)Loans with a downpayment to vehicle value ratio above 100% is because the insurance policies to be assigned to the Fund are paid at the beginning of the life of the Loan and are considered as a part of the Loan. The same occurs with registry fees. This is the reason why the amount of the downpayment may be higher than the value of the vehicle being financed.



**24. Vehicle Class (Tipo de vehículo)**

| Segment         | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|-----------------|-----------------|-------------------------|--|---------------------------|
| Small Car       | 25,221          | 24.27%                  | 235,361,958.86 €                             | 21.09%                    |
| Medium          | 26,911          | 25.90%                  | 282,395,712.66 €                             | 25.30%                    |
| Sedan           | 7,040           | 6.77%                   | 78,532,474.39 €                              | 7.04%                     |
| Top Range       | 829             | 0.80%                   | 11,220,173.64 €                              | 1.01%                     |
| SUV             | 17,251          | 16.60%                  | 197,919,728.37 €                             | 17.73%                    |
| All-Terrain Car | 16,142          | 15.53%                  | 183,659,508.86 €                             | 16.46%                    |
| Minivan         | 2,637           | 2.54%                   | 26,200,248.83 €                              | 2.35%                     |
| Sport Car       | 1,040           | 1.00%                   | 11,021,428.46 €                              | 0.99%                     |
| Commercial      | 3,321           | 3.20%                   | 46,425,939.83 €                              | 4.16%                     |
| Other (*)       | 3,527           | 3.39%                   | 43,365,800.37 €                              | 3.89%                     |
| <b>Total</b>    | <b>103,919</b>  | <b>100.00%</b>          | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>            |

(\*) The segment "Other" includes the sum of the vehicles classified as "OTHER VW", "OTHER AUDI", "OTHER SEAT", "OTHER SKODA" and "OTHER" (for non VW Group vehicles) referred to in Chart 16 above, and correspond to vehicles that cannot be included in the specific segments of this Chart.



## 25. Insurances (*Seguros*)

| Loans (*)         | Number of Loans | Number of Loans (%) | Outstanding Discounted Principal Balance (€) | Outstanding Discounted Principal Balance (%) |
|-------------------|-----------------|---------------------|--|--|
| With insurance    | 98,841          | 95.11%              | 1,056,096,965.54 €                           | 94.62%                                       |
| Without insurance | 5,078           | 4.89%               | 60,006,008.73 €                              | 5.38%  |
| <b>Total</b>      | <b>103,919</b>  | <b>100.00%</b>      | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>                               |

| Number of insurances (**) | Number of Loans | Number of Loans (%) | Outstanding Discounted Principal Balance (€) | Outstanding Discounted Principal Balance (%) |
|---------------------------|-----------------|---------------------|--|--|
| 3 types of insurance      | 36,454          | 35.08%              | 404,969,217.59 €                             | 36.28%                                       |
| 2 types of insurance      | 42,056          | 40.47%              | 443,022,160.77 €                             | 39.69%                                       |
| 1 type of insurance       | 20,331          | 19.56%              | 208,105,587.18 €                             | 18.65%                                       |
| no insurance              | 5,078           | 4.89%               | 60,006,008.73 €                              | 5.38%  |
| <b>Total</b>              | <b>103,919</b>  | <b>100.00%</b>      | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>                               |

| Insurance Policies to Ensure Payment | Number of Loans | Number of Loans (%) | Outstanding Discounted Principal Balance (€) | Outstanding Discounted Principal Balance (%) |
|--------------------------------------|-----------------|---------------------|--|--|
| Formalized                           | 85,749          | 82.52%              | 918,726,538.57 €                             | 82.32%                                       |
| Not Formalized                       | 18,170          | 17.48%              | 197,376,435.70 €                             | 17.68%                                       |
| <b>Total</b>                         | <b>103,919</b>  | <b>100.00%</b>      | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>                               |

| Insurance Policies for Total Loss | Number of Loans | Number of Loans (%) | Outstanding Discounted Principal Balance (€) | Outstanding Discounted Principal Balance (%) |
|-----------------------------------|-----------------|---------------------|--|--|
| Formalized                        | 0               | 0.00%               | 0.00 €                                       | 0.00%  |
| Not Formalized                    | 103,919         | 100.00%             | 1,116,102,974.27 €                           | 100.00%                                      |
| <b>Total</b>                      | <b>103,919</b>  | <b>100.00%</b>      | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>                               |

| Damage insurance | Number of Loans | Number of Loans (%) | Outstanding Discounted Principal Balance (€) | Outstanding Discounted Principal Balance (%) |
|------------------|-----------------|---------------------|--|--|
| Formalized       | 61,098          | 58.79%              | 664,244,472.71 €                             | 59.51%                                       |
| Not Formalized   | 42,821          | 41.21%              | 451,858,501.56 €                             | 40.49%                                       |
| <b>Total</b>     | <b>103,919</b>  | <b>100.00%</b>      | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>                               |

| Driver License Insurance Policies | Number of Loans | Number of Loans (%) | Outstanding Discounted Principal Balance (€) | Outstanding Discounted Principal Balance (%) |
|-----------------------------------|-----------------|---------------------|--|--|
| Formalized                        | 66,958          | 64.43%              | 726,086,550.21 €                             | 65.06%                                       |
| Not Formalized                    | 36,961          | 35.57%              | 390,016,424.06 €                             | 34.94%                                       |
| <b>Total</b>                      | <b>103,919</b>  | <b>100.00%</b>      | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>                               |

| Motor car insurance (***) | Number of Loans | Number of Loans (%) | Outstanding Discounted Principal Balance (€) | Outstanding Discounted Principal Balance (%) |
|---------------------------|-----------------|---------------------|--|--|
| Formalized                | 8,798           | 8.47%               | 122,733,357.60 €                             | 11.00%                                       |
| Not Formalized            | 95,121          | 91.53%              | 993,369,616.67 €                             | 89.00%                                       |
| <b>Total</b>              | <b>103,919</b>  | <b>100.00%</b>      | <b>1,116,102,974.27 €</b>                    | <b>100.00%</b>                               |

(\*) This chart does not include the Motor Car Insurance Policies (*Pólizas de Seguro de Automóvil Obligatorio*).

(\*\*) This chart only includes the supplementary insurances (i.e. Insurance Policy for Payment Protection, Insurance Policy for Total Loss, Damage Insurance Policy and Privation of Driving License Insurance Policy), but it does not include the Motor Car Insurance Policy (*Pólizas de Seguro de Automóvil Obligatorio*).

There are no loans with more than 3 supplementary insurances.

(\*\*\*) This chart exclusively refers to Motor Car Insurance Policies (*Pólizas de Seguro de Automóvil Obligatorio*) that have been formalised with the intervention of the VW Bank Spanish Branch as broker (*mediador*). Therefore, the data in the row "Not Formalized" do not entail that said policy has not been entered into but only that the same has not been formalized with VW Bank Spanish Branch (as broker).

The rights and indemnifications corresponding to the Seller by virtue of the insurance policies subscribed in relation to the vehicles (i.e., insurance policies for payment protection (*pólizas de seguro de protección de pago*), insurance policies for total loss (*pólizas de seguro de pérdida total*), motor car insurance policies (*pólizas de seguro de automóvil obligatorio*), privation of driving license insurance policies (*pólizas de seguro de retirada de carnet de conducir*) and the damage insurance policies (*póliza de seguro por daños*)) will be transferred to the Fund together with the Loan Receivables. Notwithstanding the above, the Motor Car Insurance (*Seguro de Automóvil Obligatorio*) is stripped from the Loan instalment. Therefore, in relation to the Motor Car Insurance Policy (*Póliza de Seguro de Automóvil Obligatorio*), only the Loan instalment shall be transferred to the Fund, but not the insurance premium (*prima del seguro*). As a result of this, the insurance premium (*prima del seguro*) does not affect the securitization since the potential breach of payment of the insurance premium (*prima del seguro*) has no effect in the repayment of the Loan. A detailed description of the Motor Car Insurance Policy (*Póliza de Seguro de Automóvil Obligatorio*) is provided for in section 2.2.10(iii) of the Additional Building Block.

**26. Brand and type of credit (Distribución por marca y tipo de crédito)**

AUDI

| Classic Credit or Auto Credit | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|-------------------------------|-----------------|-------------------------|--|---------------------------|
| Classic Credit                | 11,621          | 72.63%                  | 149,470,640.00 €                             | 81.66%                    |
| Auto Credit                   | 4,379           | 27.37%                  | 33,569,418.58 €                              | 18.34%                    |
| <b>Total</b>                  | <b>16,000</b>   | <b>100.00%</b>          | <b>183,040,058.58 €</b>                      | <b>100.00%</b>            |

SEAT

| Classic Credit or Auto Credit | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|-------------------------------|-----------------|-------------------------|--|---------------------------|
| Classic Credit                | 41,755          | 94.06%                  | 447,482,879.25 €                             | 95.59%                    |
| Auto Credit                   | 2,637           | 5.94%                   | 20,645,646.26 €                              | 4.41%                     |
| <b>Total</b>                  | <b>44,392</b>   | <b>100.00%</b>          | <b>468,128,525.51 €</b>                      | <b>100.00%</b>            |

SKODA

| Classic Credit or Auto Credit | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|-------------------------------|-----------------|-------------------------|--|---------------------------|
| Classic Credit                | 9,234           | 91.36%                  | 102,778,354.41 €                             | 94.63%                    |
| Auto Credit                   | 873             | 8.64%                   | 5,833,121.81 €                               | 5.37%                     |
| <b>Total</b>                  | <b>10,107</b>   | <b>100.00%</b>          | <b>108,611,476.22 €</b>                      | <b>100.00%</b>            |

VW

| Classic Credit or Auto Credit | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|-------------------------------|-----------------|-------------------------|--|---------------------------|
| Classic Credit                | 24,712          | 74.04%                  | 280,200,367.69 €                             | 78.72%                    |
| Auto Credit                   | 8,663           | 25.96%                  | 75,745,656.83 €                              | 21.28%                    |
| <b>Total</b>                  | <b>33,375</b>   | <b>100.00%</b>          | <b>355,946,024.52 €</b>                      | <b>100.00%</b>            |

OTHER

| Classic Credit or Auto Credit | Number of Loans | Percentage of Loans (%) | Outstanding Discounted Principal Balance (€) | Percentage of Balance (%) |
|-------------------------------|-----------------|-------------------------|--|---------------------------|
| Classic Credit                | 45              | 100.00%                 | 376,889.44 €                                 | 100.00%                   |
| Auto Credit                   | 0               | 0.00%                   | 0.00 €                                       | 0.00%                     |
| <b>Total</b>                  | <b>45</b>       | <b>100.00%</b>          | <b>376,889.44 €</b>                          | <b>100.00%</b>            |

**27. Retention of net economic interest (*Información relativa a la retención del interés económico neto*)**

| Type of Asset                               | Number of Loans | Percentage of Loans (*) (%) | Outstanding Nominal Balance | Percentage of Balance (%) |
|---|-----------------|-----------------------------|-----------------------------|---------------------------|
| Portfolio sold to SPV                       | 103,919         | 94.54%                      | 1,145,879,816.99 €          | 94.63%                    |
| Retention of Volkswagen Bank Spanish Branch | 6,004           | 5.46%                       | 64,980,156.59 €             | 5.37%                     |
| <b>Total</b>                                | <b>109,923</b>  | <b>100.00%</b>              | <b>1,210,859,973.58 €</b>   | <b>100.00%</b>            |

| Retention Amounts | Outstanding Nominal Balance | Percentage of Balance |
|-------------------|-----------------------------|-----------------------|
| Minimum Retention | 60,542,998.68 €             | 5.00%                 |
| Actual Retention  | 64,980,156.59 €             | 5.37%                 |
|                   |                             |                       |

The information regarding minimum and actual (as from the Cut-off Date) retention refers to the retention of net economic interest by VW Bank Spanish Branch in the Fund as detailed under section 4.1.3 of the Securities Note.

(\*) This percentage is calculated over the total number of loans referred to in this chart (i.e. 109,923).

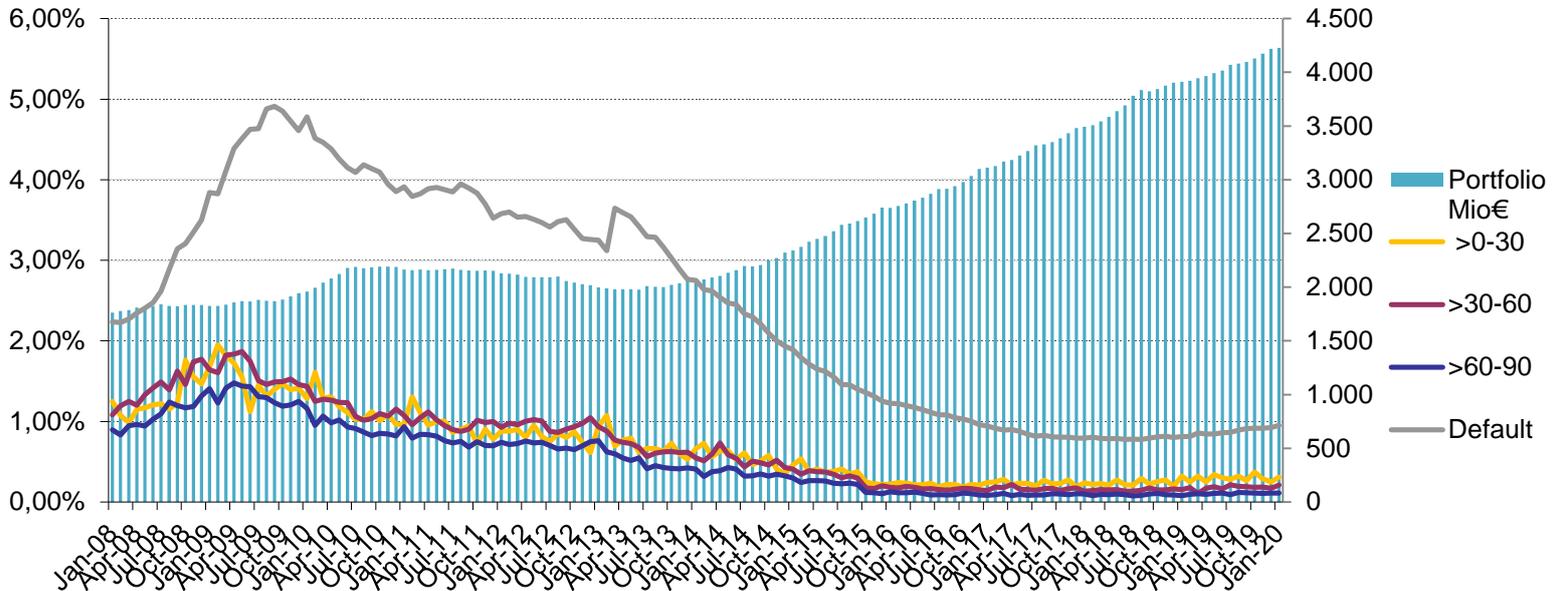
**28. Historical performance data**

The following data indicates, for the Spanish auto loan portfolio of VW Bank Spanish Branch, and for a given month the outstanding balance of the receivables which are current, 1-30 days in arrears, 31-60 days in arrears, 61-90 days in arrears, more than 90 days in arrears, expressed as a percentage of the total outstanding balance of the auto loan portfolio at the beginning of such period. The below data is provided for the purposes of Article 22.1 of the Securitisation Regulation.

**Arrear status credit portfolio VW Bank Spanish Branch**  
in per cent. of receivables volume

| DAYS IN ARREARS                           | Jan-20                  |
|---|-------------------------|
| >0-30                                     | 13,070,264.85<br>0.31%  |
| >30-60                                    | 8,856,269.72<br>0.21%   |
| >60-90                                    | 4,711,617.38<br>0.11%   |
| Default                                   | 40,207,934.88<br>0.95%  |
| Ut.Amount in arrears                      | 66,846,086.83           |
| <b>Total portfolio</b>                    | <b>4,227,567,579.51</b> |
| <b>Portfolio Mio€</b>                     | <b>4,227.57</b>         |
| <b>% Ut. In arrears / Total Portfolio</b> | <b>1.58%</b>            |

**Delinquency Rates - Auto Loans Portfolio VWF**



### **Doubtful loans**

Without prejudice to chart 28 above, the consideration of "doubtful loans" is given to those loans that have unpaid amounts for more than 3 months, and those loans that have not exceeded the said 3 months, but that have been classified as such for reasons "other than delinquency" (e.g. if the relevant loan is early terminated before said 3 months due to a default not linked with a breach of payment), as established by the regulations of the Bank of Spain (i.e. Circular 4/2017).

There are no doubtful Loans included in the Cut-off Portfolio as of Cut-off Date. Additionally, as indicated in section 2.2.8(ii)(9) of the Additional Building Block, at least 4 instalments have been paid in respect of each of the Loan Receivables as of Cut-off Date.

### **Gross Losses and Net Losses**

For the behaviour of the Seller's loans in this sphere, the following definitions shall apply:

- **"Gross Losses"** means, regarding the Terminated Loans by the Seller, the outstanding amount of said loans at the moment of termination of the same.
- **"Net Losses"** means, regarding the loans which have been considered as Write-offs by the Seller and have been accounted as a loss by the same (according to that described below and in section 2.2.7 of the Additional Building Block), the outstanding amount of said loans on said accounting date as a loss, subtracting the sales incomes of the corresponding vehicle as well as any other recovery arising from the outstanding amounts of the corresponding Loan Receivables until the mentioned accounting date as a loss.
- **"Terminated Loan"** means any Loan: (i) which is at any time in default for 245 days or longer from the first defaulted instalment and is cancelled or terminated early by the Seller; or (ii) that is cancelled or terminated early by the Seller, provided that such Loan has been in default on at least 2 instalments, and the Management Company had been informed thereof through the means of communication agreed by the parties.
- **"Write-off"** means any Loan: (i) which at any time is 48 months in default or longer from the first defaulted instalment; or (ii) which has been declared or classified as a write-off by the Seller, provided that such Loan has been in default on at least 2 instalments, and the Management Company had been informed thereof through the means of communication agreed by the parties.

The terms and the actions carried out by Seller in such events are described with more detail in the chart regarding the recovery policy of unpaid loans contained in section 2.2.7 of the Additional Building Block of this Prospectus.

#### **2.2.3 Legal nature of the assets to be securitised**

The Loan Receivables are receivables subject to Spanish law. The sale and assignment of the Loan Receivables to the Fund is also subject to Spanish law, in particular to Articles 1526 *et seq.* of the Spanish Civil Code.

The Loan Receivables shall be directly assigned to the Fund by VW Bank Spanish Branch, and will be acquired by the Fund in the terms provided for in section 3.3 of this Additional Building Block. The terms governing the assignment of the Loan Receivables to the Fund are detailed in section 3.3.2.

#### 2.2.4 Expiry or maturity date(s) of the assets

Each of the Loan Receivables has a final maturity date without prejudice of the periodic partial repayment instalments (the amortisation of the Loan Receivables is made on substantially equal monthly instalments, including principal and interest), in accordance with the specific terms applicable to each of them.

At any time during the life of the Loan Receivables, the Borrowers may prepay all or part of the outstanding capital, in which case the accrual of interest on the prepaid part will cease with effect from the date on which repayment occurs, and the prepayment fees that may exist will be transferred to the Fund, in accordance with section 3.3.2 of this Additional Building Block.

The Borrowers may also request (in relation to Classic Credit contracts) the novation of the Loan Receivables under and subject to Section 3.7.2 below. This may result in an increase or a reduction of the relevant instalments.

In this respect, in any of the events of early termination or novation of the Loan Receivables in accordance with the above, it is stated that the existing difference of interest rate between, on one side, the Discount Rate and, on the other, the interest rate applicable to the prepaid (or novated) Loan agreement will be compensated, for the period elapsing between the date of prepayment and the date of ordinary amortisation initially foreseen in the relevant Loan agreement (or in the event of novation, for the period elapsing between the newly agreed amortisation dates and the amortisation dates initially provided in the relevant Loan agreement). Such compensation will be carried out either by means of a payment carried out by VW Bank Spanish Branch to the Fund, or by the Fund to VW Bank Spanish Branch, as may be applicable (the "**Interest Compensation Payment**").

According to the definition of the Collections of the Fund, the Interest Compensation Payment, when it must be charged to the Fund and credited to the Seller, shall be offset against the remaining Collections of the Fund.

The final maturity date of the Loan Receivables to be assigned to the Fund upon being established will not exceed 96 months from their origination date.

#### 2.2.5 Amount of the assets

The Fund shall be set up on the Date of Incorporation by means of the assignment of the Loan Receivables by VW Bank Spanish Branch to the Fund. The Aggregate Cut-off Date Discounted Receivables Balance amounts to €1,116,102,974.27, which is the face value amount of the Notes Issue plus the amount of the Subordinated Loan plus the overcollateralisation amount.

#### 2.2.6 Ratio of nominal outstanding balance over valuation or level of overcollateralisation

In addition to the Subordinated Loan, there will be overcollateralisation, during the entire life of the Fund, for the amount that on any moment the Aggregate Discounted Receivables Balance exceeds the sum of the Nominal Amount of the Notes and the nominal amount of the Subordinated Loan. The initial overcollateralisation will amount to €39,100,000 on Closing Date.

#### 2.2.7 Credit and collection policy

As indicated above, most of the Loans to be transferred to the Fund have been originated by Volkswagen Finance, S.A. E.F.C. which was absorbed by the Seller with effects from 31 May 2019. The Loans were granted following the usual credit risk analysis and assessment procedures for such type of retail financing to natural persons and legal entities. The procedures currently in place at VW Bank Spanish Branch and followed for the granting of

the Loans comprising the Cut-off Portfolio are described below and are these are the same that were in place for Volkswagen Finance, S.A. E.F.C. and, therefore, references to the procedures of the Seller are applicable to the procedures then in place by Volkswagen Finance, S.A. E.F.C.

VW Bank Spanish Branch specialises in providing financing at the point of sale. It operates through agreements with dealerships (mainly distributors) which then offer the final customer the financing for their products, even though the loan underwriting and risk assessment is performed by VW Bank Spanish Branch. The loan agreement is signed between VW Bank Spanish Branch and the customer. Agreements that VW Bank Spanish Branch agrees with dealerships (who are intermediaries) are annual agreements through which the objectives to be reached by the distributor as a dealership of VW Bank Spanish Branch are set, as well as commissions and rappels to which the dealership would be entitled to in case of reaching the targets set previously.

The members of its management body and the senior staff of Volkswagen Bank Spanish Branch have adequate knowledge and skills in originating and underwriting loan receivables, similar to the loan receivables included in the portfolio, gained through years of practice and continuing education. The members of the management body and Volkswagen Bank Spanish Branch's senior staff have been appropriately involved within the governance structure of the functions of originating and underwriting of the portfolio. Volkswagen Bank GmbH holds a permission granted by the German regulator *Bundesanstalt für Finanzdienstleistungsaufsicht* for the granting of loans and origination of loan receivables. Additionally, VW Bank has been securitising loan receivables actively since 2004 through private as well as public securitisation transactions, similar to this Transaction. The members of its management body and the senior staff responsible for the securitisation transactions of Volkswagen Bank GmbH have also professional experience in the securitisation of loan receivables of many years, gained through years of practice and continuing education. Other subsidiaries of Volkswagen AG have also been securitising lease receivables and loan receivables all across Europe, Australia, Brazil, Canada, Japan, China, Turkey and USA.

The commercial network of the Spanish Branch is national in scope and consists of 34 commercial managers, the main objective of which is to attract and manage business.

To improve management and customer service, VW Bank Spanish Branch has provided its managers with advanced management and administration tools which identify business opportunities and reduce administrative procedures.

### **General operation**

The general scheme of a collaboration agreement between VW Bank Spanish Branch and its dealerships includes the following steps:

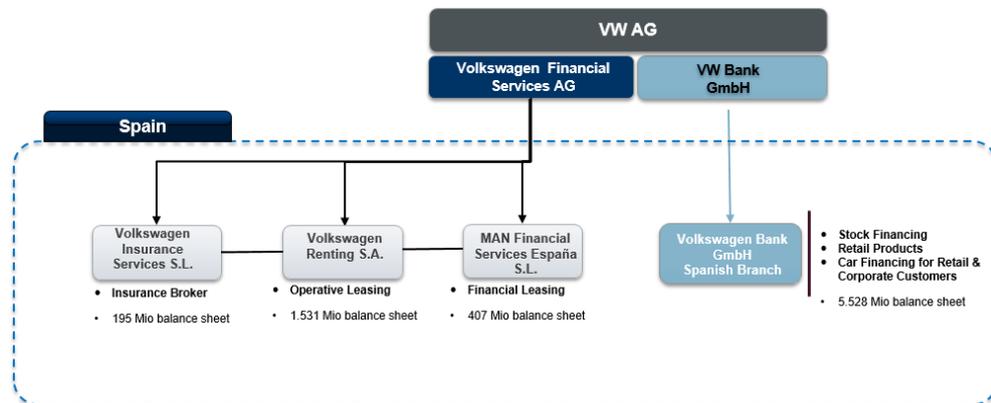
- (a) Financing is offered to the customer through the dealership.
- (b) The financing agreement is signed between VW Bank Spanish Branch and the final customer. VW Bank Spanish Branch finances the purchase of the vehicle and assumes the financial risk of the transactions.
- (c) VW Bank Spanish Branch pays the amount for the purchase of the vehicle to the dealership.
- (d) The final customer returns the amount to VW Bank Spanish Branch using the form of payment stipulated in the corresponding loan agreement.
- (e) A financing operation must always include 4 steps:

- (i) Filling out an application with the information on the financing transaction;
- (ii) Signing the application / the agreement and attaching documentation;
- (iii) Verifying the information; and
- (iv) Paying for the operation.

### Principles of credit risk management

VW Bank Spanish Branch's general risk policy fits within the Volkswagen Bank GmbH Group's general risk policy, which is VW Bank Spanish Branch's reference, though VW Bank Spanish Branch's policy has specific corrections, necessary to meet its own requirements.

As of the date of this Prospectus, the position of VW Bank Spanish Branch within the group of Volkswagen AG (i.e. the parent company) is the following:



The risks are subject to monitoring and supervision processes at all times. These processes allow: knowledge of their quality, analysis of their development, establishment of specific points of difference which may be necessary in each case, and foreseeing undesired situations.

The basic principle of VW Bank Spanish Branch's credit risk management is the management of risk exposure for the life of the risk (on-going management of the risk), assigning precise responsibilities in the different phases: analysis, admission, monitoring, and, if credit quality worsens, intensive monitoring and recovery management.

This ensures that each risk exposure is being managed where and by whom it must be, that the staff involved in the different phases of the life of the risk effectively interact, and that each step of the process adds value.

This management dynamic is supplemented by the continued review and improvement of the policies, regulations, and methodologies employed, as well as of the procedures, decision-making circuits, and tools used in the study and supervision of risks.

One of VW Bank Spanish Branch's basic priorities is the development of tools and support systems in each phase of risk management. Accordingly, in the risk analysis and admission phases, credit rating models allow for more objective, streamlined, and effective decisions.

The credit risk management principles and policies are included in the Risk Management Regulations approved by the management bodies of Volkswagen Bank GmbH Group Risk Management.

### **Acceptance of risk**

Acceptance of the risk for automobile finance operations for individuals proceeds, first, from the automatic reports produced by the systems. For those operations which the automatic systems label "UNDER STUDY", it proceeds from a manual analysis, depending on the amount, within the personal delegation schemes of VW Bank Spanish Branch.

Risk analysis is centralised in Operations Management, within Credit Management.

All operations which exceed the risk limit established for the Operations Management delegations, according to the delegation of powers scheme below, must be proposed to the entity's Credit Corporate for authorisation, with the recommendation of the person in charge of said area.

VW Bank Spanish Branch Risk Management develops automatic sanction models in keeping with the internal credit risk validation regulations designed by the Volkswagen Bank GmbH Group Risk Management.

### **Delegation of responsibilities regarding risk**

The delegation of risk management is a necessary condition but insufficient to allow a person to decide, since any decision-making is based on a prior, professional analysis of operations and customers, in accordance with the risk management procedures applicable from time to time.

The quality of the risk is a non-negotiable priority which must be evaluated objectively and independently, making no concessions in the face of diverse pressures – environmental, sociological, goal-oriented, etc. – which those deciding on risks suffer.

Delegation is conferred on a person due to his/her expertise and qualifications and due to the need for him/her to have the delegation conferred so that he/she may carry out his/her mission. Since the delegation is conferred on a person and not a job position, the amount handled by the delegate may vary when different persons take care of the same responsibility.

Contrasting decisions to be made with other persons is a necessary procedure, to achieve both enrichment and greater objectivity in the decision. This does not undermine the principle of personal responsibility, nor does it slow response time in dealings with customers.

Delegation of risk acceptance originates in the political bodies of the Volkswagen Bank GmbH Group Risk Management, is relayed from the chairman down the entire hierarchy, and is centralised in the Credit Area.

The amount delegated involves the maximum limits and risks which the delegate may have with a customer or a group of customers considered as a group. For these purposes, the concept of group is the one included in article 42 of the Spanish Commercial Code.

Delegation is always attributed in writing, in keeping with the model established by the internal regulations.

Operations which, due to their amount, type, deadline, etc., cannot be accommodated by the delegation must be referred to the next higher level after analysis.

VW Bank Spanish Branch's regulations on delegation of powers ("**Decision Regulations**") is included in its credit risk management regulations ("**Credit Risk Management Regulations**").

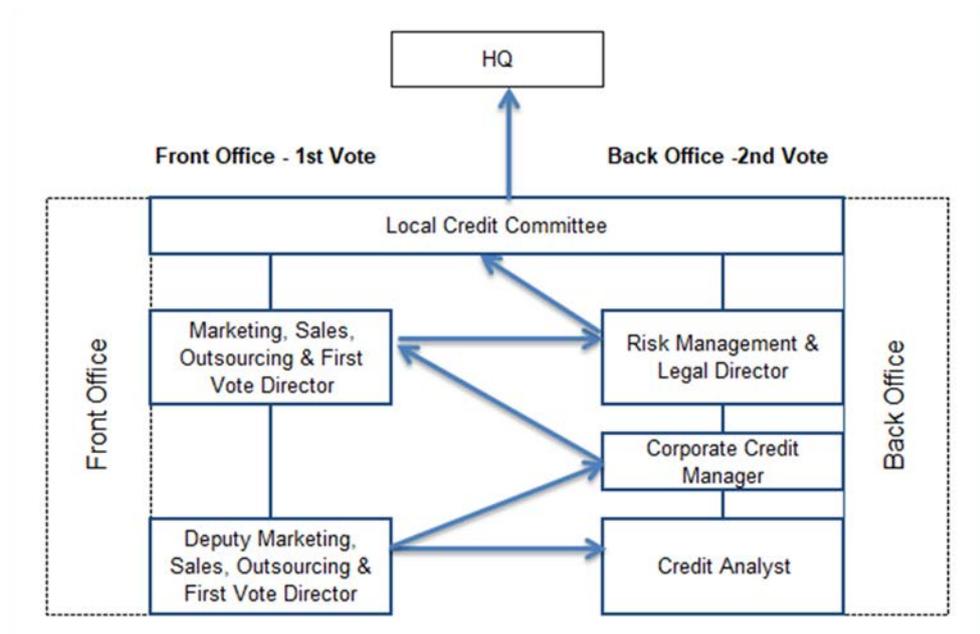
### Delegation levels

The Decision Regulations included in the Credit Risk Management Regulations establishes different levels of delegation, by amount, to decide on whether to accept the risks of final customers. In this way, the underwriting authorisation is established as follows:

#### VW Bank Spanish Branch:

- VW Bank Germany Marktfolge.
- Credit Committee: made up of the Risk Management & Legal Director, Local Branch Manager, Corporate Credit Manager, Marketing Sales and First Vote Director.
- Credit Corporate Assessment: made up of the Risk Management and Legal Director, Credit Corporate Manager and the Credit Corporate Analyst.
- Credit Retail Assessment: made up of the Marketing Sales and First Vote Director, Credit Retail Analyst + Responsible (Senior and Junior).

#### Delegation of powers scheme:



### Analysis and approval process for automobile financing operations for individual buyers

VW Bank Spanish Branch only receives applications from the dealerships forming part of the official networks of the brands, as indicated in chart 1 of section 2.2.2 of the Additional Building Block, of the Volkswagen Group in Spain. The financing of vehicles with brands classified as "Others" in said chart 1 can be provided by VW Bank Spanish Branch with respect to vehicles that are young-used (*semi-nuevos*) and are delivered by the Borrower to the relevant official dealer of Volkswagen Group when the Borrower acquires a new vehicle.

The application for financing reaches VW Bank Spanish Branch directly, with all the information provided electronically by the dealership. Once all the customer's information has been entered in the system, the system performs an automatic analysis and, depending on the results of such analysis the operations managers, and in accordance with the parameters established by Risk Management, will process the applications.

The above process leads to the result or final report, which may declare the application is authorised, denied, or under study:

- (a) if the report declares the application "under study" managers must study the application, in accordance with the scheme of personal delegations;
- (b) if the information obtained from the application, the rating report, and the credit references is insufficient to base an opinion on, the credit manager may request additional information from the applicant; and
- (c) once the operation is authorised, the process of putting it into effect continues, with the reception of the documentation established, the rigorous check that all the documented information coincides with that contained in the application, and, once verified, release of the payment to the dealership and settlement of the operation with the final customer.

If any information contained in the documentation does not match the information recorded in the system, a new report from the scoring must be issued before the process may continue.

The following is the minimum documentation required for study and approval of operations processed through the automatic decision-making system:

- (a) application/contract;
- (b) identification documents: National Identity Card (DNI)/Residency Permit/Immigrant Identity Card (NIE);
- (c) receipt for direct debit;
- (d) receipts for income: pay-slip, Personal Income Tax (IRPF) declaration, etc. (depending on the case); and
- (e) titles to property, if necessary: Municipal Real Estate Tax (IBI), latest receipt for payment of mortgage.

Contracts involving more than €40,000 and those for a lesser amount but flagged by the credit manager must be notarised.

### **Rating Systems**

The first step in the process is filling out the application. It is of vital importance that all sections of the applications be filled out. The omission of any may affect the final decision. The application for financing is sent to VW Bank Spanish Branch electronically.

The information on the application must be verified against the customer's National Identity Card (DNI) or Residency Permit (in order to avoid fraud). The dealership must verify the documentation, since VW Bank Spanish Branch only receives a photocopy.

Operations Management receives the application. If any indispensable information is missing, Operations Management contacts the dealership. The dealership then requests that the customer provide the necessary information. This new information is then entered in the system.

There are five rating models, based on VW Bank Spanish Branch's knowledge of the sector's behaviour and on VW Bank Spanish Branch's data base:

- (a) "Classic Credit" new vehicle financing model for individuals (*personas físicas*);

- (b) "Classic Credit" young-used vehicle financing model for legal entities (*personas jurídicas*);
- (c) "Classic Credit" used vehicle financing model;
- (d) "Auto Credit" credit financing model (including the subset Next "Auto Credit" credit financing model); and
- (e) leasing model not included in the securitisation transaction.

It is hereby recorded that on 31 January 2020, the "Auto Credit" and the "Classic Credit" financing models represented 17.84% and 82.16% respectively of the Seller's entire portfolio (not the Cut-off Portfolio).

The financing through "Auto Credit" and "Classic Credit" loan agreements involves VW Bank Spanish Branch granting a loan to the purchaser to purchase the vehicle. The purchaser is then obliged to repay the borrowed amount in several payments, and VW Bank Spanish Branch secures the recovery of the borrowed amount through the reservation of title clause, as well as other guarantees which may be agreed.

As previously stated by the Seller, a portion of the Loan Receivables are derived from Loans executed before a Spanish notary public (public deed), while others are derived from Loans executed by private agreements. The execution of the loans before a Spanish notary is required for loans for €40,000 and upwards, without prejudice to the possibility of the execution of agreements below such amount before a Spanish notary when so decided by the credit analyst in charge, according to that established in this section.

VW Bank Spanish Branch executes its agreements by means of the model agreement provided by the National Association of Credit Financial Institutions ("**ASNEF**") and approved by the General Management of Registries and Notaries (resolution of 14 March 2017). These agreements may then be registered in the Chattels Registry. The main features of said model agreement, which are common to the "Classic Credit" and "Auto Credit" agreements, are the following:

- (a) Purpose: The purpose of the loan agreement is the granting of a loan for funding the acquisition of vehicles. The repayment of the loan is carried out by means of the payment of several instalments.
- (b) Interest rate: An annual fixed nominal interest rate accruing on a daily basis is agreed, plus late payment penalty interest of 2% with effect from the date following the expiration of the payment obligation of the relevant instalment. The late payment penalty interest is accrued on a daily basis without prior requirement. The unpaid interests at their due date are accumulated to, and increase the principal amount on a monthly basis themselves and accrue further interest.
- (c) Early termination: If the Borrower delays the payment of any two payments or the last of them, VW Bank Spanish Branch is entitled to terminate the loan agreement and require the payment of all outstanding debt comprising the unpaid debt with the relevant interest, the early overdue debt and all the above with the late payment penalty interest, repayment fees and other expenses agreed in the agreement.
- (d) Prohibition on sale: The Borrower is not allowed to transfer or encumber the financed vehicle until complete payment of the loan, without prior express consent of the financing entity, who is the owner of the financed vehicle until said complete payment.
- (e) Reservation of title clause: VW Bank Spanish Branch is the owner of the vehicle until complete repayment of the loan.

- (f) For the reservation of title clause or the prohibition on sale clause to be enforceable against third parties they must be registered with the Chattels Registry. The legal configuration of the reservation of title is further detailed in section 2.2 of this Additional Building Block.
- (g) Insurance policies: The purchaser of the vehicle is required to subscribe and maintain full insurance policies for the damages of the vehicle during the term of the loan agreement and any extensions. The first beneficiary of the said policy is VW Bank Spanish Branch.

In addition to the above and as a specific regulation of the "Auto Credit" loans (including the NEXT Auto Credit loans), said loans include a Borrower's faculty, as described below, to be exercised at the ending of the contract, and regarding the last instalment of the loan, which is configured as an instalment composed of principal and interest with an amount significantly higher than the previous instalments ("**Balloon Instalment**"), which, as set forth in section 3.3.2 below, shall not be assigned to the Fund. In this respect, the particularities of the "Auto Credit" loan agreements are the following:

- (a) Borrower options: at the end of the term of the loan agreement the Borrower may opt between the following alternatives:
  - (i) pay the Balloon Instalment. The Borrower in this event may, in turn, opt between: (i) pay the Balloon Instalment at the due date of the loan agreement; or (ii) request that VW Bank Spanish Branch finances the Balloon Instalment; or
  - (ii) deliver the vehicle to VW Bank Spanish Branch as payment of the Balloon Instalment (subject to certain conditions, regarding the use, state and mileage of the vehicle). The delivery is made on a sale commission basis and VW Bank Spanish Branch guarantees to the Borrower a minimum sale price of the vehicle equalling the Balloon Instalment. The Borrower waives any possible excess between the sale price and the minimum value guaranteed.
- (b) The loan agreement includes the above referred final options and the terms and conditions in the event of the return of the vehicle (as well as consequences of damage or excess of mileage of the vehicle).
- (c) All other terms and conditions of these loan agreements are part of the above referred ASNEF approved models.
- (d) NEXT Auto Credit loans is a subset of Auto Credit loans in which the Borrower (i) elects to pay an extra nominal amount as part of the monthly instalments; and (ii) this extra nominal amount is converted by VW Bank Spanish Branch into points that can then be converted into a cash equivalent sum and either be used to reduce the Balloon Instalment or used as a deposit for the purchase of another financed vehicle.

It is not possible for the Borrowers to set-off their accumulated "points" against any outstanding balance of their loans (other than with respect to the Balloon Instalment).

As further indicated in section 3.3.2 of the Additional Building Block, nominal instalments (other than the Balloon Instalment) of the NEXT Auto Credit Loans will be assigned to the Fund.

The "Classic Credit" loan agreements contain the same terms and conditions of the above referred ASNEF approved models.

These rating models have been developed and are periodically reviewed by VW Bank Spanish Branch's Risk Management area with the collaboration of Volkswagen Bank GmbH Group Risk Management and specialised external suppliers. The variables and weighting factor are adjusted depending on how the profiles of the portfolios develop. Company management must decide on implementation. VW Bank Spanish Branch's Risk Management Department is responsible for the subsequent calibration of the rating model.

The complete rating process consists of the following:

- (a) Decision-making algorithm by points: selection of the best borrower. This is a rating model by points, based on the applicant's socio-demographic information and the information on the operation. All parties, Borrowers, and guarantors involved are given points, and the best borrower is then chosen. For clarification purposes, the "best borrower" is the one that obtains the highest score based on the parameters described above;
- (b) Risk filters: The system evaluates the filters and issues an "under study" report if there are any. The analyst reviews the application using the parameters given and issues an "authorised" or "denied" report;
- (c) Validation and/or rules to override the automatic denial: The model is supplemented with a series of validation rules which may alter the report indicated above or downgrade the model recommendation; and
- (d) Final decision: Once the above phases have been completed, the final report may be: (a) "Authorised"; or (b) "Denied".

#### **Supervision and monitoring of credit risk**

VW Bank Spanish Branch's Risk Management area prepares the information on the development of the risk in all its phases in all the business units through the existing computer systems and submits all aspects it deems convenient for monitoring the risk to the relevant committees.

There are different types of reports, depending on how often they are prepared and on their content:

- (a) periodical reports, in which the development of the main aspects of the risk is analysed, distinguishing between the different portfolios and sub-portfolios through standardised reports, outstanding among which are those on development in delay or default in payment, recoveries, etc.;
- (b) detailed reports, which are obtained in case of a warning situation regarding the development of a given segment or in order to improve the existing risk criteria, the purpose of which is to provide more information for decision-making; and
- (c) reports on the criteria for risk and for rating, development of the decision, and behaviour and stability of the models.

All the executive lines of the business, from the highest level to that closest to the customer, are committed and responsible for monitoring risk and for adopting the actions in response. Specialised units provide the information, the necessary technical analyses, and the regulations on action.

One of the main tools of credit risk monitoring is an early warning system which is triggered when a non-payment takes place on any instalment and is fed with the statistical information generated by the Recovery Management.

### Delinquent loan recovery policy

The recovery management is divided into three stages: call management stage, pre-litigation stage and court proceedings stage.

The call management stage is performed internally using as a main tool a powerful call centre system that runs continuously from 9:00 am to 9:00 pm.

Pre-litigation stage is outsourced in the first phase to two agencies specialised in recovery and it is internally managed too. The second phase is conducted internally by managers distributed throughout Spain. In addition there are two external agencies. Both are managed and coordinated by the head of pre-litigation and his team from the Service Provider's headquarters.

The court proceeding stage is conducted by the litigation manager by means of a team of in-house lawyers and 5 law firms supervised by this team.

Below are the terms and actions carried out in each of the stages:

| CALENDAR DAY | ACTION  |
|--------------|---|
| Day D        | First default.  |
| Day D + 1    | If the loan agreement has no previous instalments unpaid or if it does have them but they were cancelled more than 60 days before, a second call for payment is produced automatically and a warning letter is automatically sent to the customer.  |
| Day D + 1    | Otherwise, the recovery operation begins: first phone contact and automatic dispatch of a letter to the customer requesting deposit of the amount into a bank account held by VW Bank Spanish Branch with other bank.   |
| Day D + 7    | Recovery management by phone, internal call centre, obtaining of promises to pay, and follow-up. For each non-payment, a letter requesting payment is automatically sent to the customer. If the payment is not made within 60 calendar days, the collection enters the pre-litigation or amicable procedure.   |
| Day D + 47   | Pre-litigation stage: Outsourced on-site collection management (by phone, letter, and visit). Contracts have been signed with two collection agencies from which on-site collection management is required: <ul style="list-style-type: none"> <li>• If collection is successful, payment and cancellation of the unpaid debt.</li> <li>• If not, internal on-site collection management begins.</li> </ul>   |
| Day D + 150  | Pre-litigation stage: Internal On-Site Collection Management: The case manager attempts to resolve the case through personal contact, agreements to pay, and, if the debt cannot be recovered, repossession of the vehicle is intended. <ul style="list-style-type: none"> <li>• If the debt is recovered, the file is regularised, as the debt is settled.</li> <li>• If the debt is not recovered and the deadlines for collection expire, the loan is deemed terminated. If the customer is solvent, the file is brought before a court of law; if not, the case is given up as Write-off status (as defined below).</li> </ul>  |
| Day D + 151  | Collection through Court Proceedings. <p>Internal collection through court proceedings: once a contract has been in default on at least 2 instalments it is reviewed by the Write-off Committee. Then, in-house lawyers make a last attempt to collect by phone and letter for a maximum of 10 days. In some of the most important regions of Spain, internal lawyers start abbreviated proceedings <i>-procesos monitorios-</i>, which they process until the judicial situation changes. At that moment they are passed to external lawyers.</p> <p>External collection through court proceedings: The case is assigned to one of the 5 collaborating law firms for collection on two fronts: court proceedings and amicable negotiation. The company acts constantly seeking dynamic decisions and considering collection its priority, even once in court.</p> <p>External collection is supervised and monitored by in-house counsel, with immediate consultations and bi-monthly reviews.</p> |

Each case can only be closed on full collection or when acknowledged as a Write-off. "Write-off" means any Loan: (i) which at any time is 48 months in default or longer from the first defaulted instalment; or (ii) which has been declared or classified as a write-off by the Seller, provided that such Loan has been in default on at least 2 instalments, and the Management Company had been informed thereof through the means of communication agreed by the parties.

Remuneration of law firms: the regulations on collaboration with law firms and court liaisons promote the attempt to have the borrower pay these fees. In all other cases, remuneration of lawyers depends on the rapid recovery of the debt. The expenses from the lawyers are billed in accordance with standardised fees and regardless of the amount.

Management of Write-offs: Once court proceedings have been exhausted, Write-offs are placed in the hands of agencies specialised in recovery, or, if applicable, they may be assigned to be managed in lots. This results in an economic return even in cases in which collection efforts have been exhausted.

Sale of recovered goods: Repossessed vehicles are sold through a special unit (Profit Centre) so as to obtain the best price as fast as possible to be applied to the debt. The company has a web site for the sale of such vehicles to professionals and private individuals.

The objective of the Recovery Area, in all its channels, is the recovery of all the amounts owed by the clients, although there is the possibility of a partial or total forgiveness of the expenses and/or default interests, even debt in certain cases with the prior authorization of the person in charge of the area, through the procedure described for this purpose.

#### 2.2.8 Indication of representations and warranties given to the Issuer in relation to the assets

##### (i) General representations and warranties

The Seller represents and warrants the following to the Fund and the Management Company with respect to itself and the Loan Receivables by reference to and in connection with the Date of Incorporation:

Regarding the Seller:

- (1) the Seller is duly incorporated as a private limited liability company (*Gesellschaft mit beschränkter Haftung*) and validly existing under the laws of Germany, and its Spanish Branch is duly registered within Bank of Spain's applicable Register;
- (2) neither on the Date of Incorporation nor at any time since it was incorporated has the Seller been declared insolvent (*zahlungsunfähig*) (as defined in section 17 of the InsO, has been in negative equity (*überschuldet*) (as defined in section 19 InsO), nor is any insolvency imminent (*drohende Zahlungsunfähigkeit*) (as defined in section 18 InsO);
- (3) the Seller has obtained all necessary authorisations, including those required of its corporate bodies and third parties, if any, affected by the assignment of the Loan Receivables to the Fund, to validly execute the Deed of Incorporation, the Assignment Policy, and any other agreements relating to the establishment of the Fund to which the Seller is a party to, as well as to fulfil its obligations thereunder; and

- (4) the most recent financial statements of the Seller were prepared in accordance with international accounting standards or accounting principles generally accepted in Germany consistently applied.
- (5) VW Bank has audited annual accounts for the last two available financial years which have been filed with relevant authority in accordance with German law. As of the date of this Prospectus, the Seller has unqualified audited annual accounts for years ended 31 December 2017 and 2018.

Regarding the Loans and the Loan Receivables (also with reference to and in connection with the Date of Incorporation):

- (1) the Loan Receivables arise from Loans granted to individuals resident in Spain or legal persons with their registered office in Spain to finance the purchase of vehicles, which have the characteristics and comply with the policy described in Section 2.2.7 above of the Additional Building Block of this Prospectus, which will be included in a document attached to the Deed of Incorporation. The policy has been faithfully followed, is that normally used by the Seller in granting loans, and complies with the Spanish law;
- (2) the Seller has full ownership of the Loan Receivables and its accessory rights, such as all guarantee rights (third party personal guarantees and reservations of title), and the benefits from any insurance policies as established in section 3.3.2(ii)(4) below of the Additional Building Block. The Loan Receivables and the above referred accessory rights are not subject, neither in part nor in whole, to any right of assignment, pledge, guarantee, claim, compensation, or charge of any type;
- (3) the information given about the Loans in the Deed of Incorporation and the Assignment Policy correctly reflects their status on the date to which such information refers and that such information is correct, complete and not misleading. Any other additional information about the nature of the Seller's Loan portfolio given in this Prospectus or notified to the Management Company is correct, according to the information about the Loans included in the computer files or in the documentation of the Seller and is not misleading. Furthermore, any information about the Loans that might, in any way, have a bearing upon the financial or legal structure of the Fund has been reported to the Management Company;
- (4) the Loans have been granted in accordance with the Credit and Collection Policy (as described under section 2.2.7 of the Additional Building Block), which also applies to loans which will not be securitised;
- (5) all the Loans and the Loan Receivables have been and are being serviced by the Seller (as Service Provider), from the time of their granting or subrogation in favour of the Seller as consequence of the merger of Volkswagen Finance S.A., E.F.C. into the Seller, in accordance with the procedures normally used by the latter in servicing loans and in accordance with the Credit and Collection Policy;
- (6) all the Loans are denominated in Euros, are payable exclusively in Euros and do not include any clause that allows for deferral of the periodic payment of interest or principal. Furthermore, and at the Cut-off Date, none of the Loans allow a grace period;
- (7) the interest rate applicable to each Loan agreement is fixed;

- (8) a portion of the Loan Receivables derives from Loans executed by a Spanish Notary, whereas others are formalised in a private document;
  - (9) all the contracts and policies whereby the Loans (from which the Loan Receivables are derived) have been formalised, have been duly placed at the disposal of the Management Company at the address of the Seller. All the Loan Receivables are clearly identified in electronic medium and by the relevant contracts or policies, and they are analysed and followed up by the Seller;
  - (10) the Seller has access to all the insurance documents related to the Loan Receivables which have been insured through a payment protection policy;
  - (11) the Seller is not aware of any lawsuits in connection with the Loan Receivables which may prejudice the validity thereof or may result in the application of Article 1,535 of the Spanish Civil Code;
  - (12) according to the Seller's records, the Loan Receivables are capable of being assigned and that the Loans do not contain any provisions preventing them from being assigned or, if they are not capable of being transferred freely without the consent of the Borrower, such consent has been obtained;
  - (13) according to the Seller's records, the Loans require substantially equal of monthly interest and principal instalments. The payment obligations of the Loans Receivables are carried out by means of direct debit. The amortisation system of the monthly instalments is the French method, except for the "Auto Credit" financing models, which include Balloon Instalments that, as indicated, are not assigned to the Fund;
  - (14) the Seller has not received any notice of early repayment, neither in part nor in full, of the Loan Receivables; and
  - (15) the Loans granted to Borrowers designated as "not employed" are otherwise eligible for sale by reason of the existence of either: (a) at least one co-borrower (occupied, or with a regular income); (b) a personal guarantee granted by a third party; or (c) due to a source of regular income.
- (ii) Specific representations and warranties regarding the Loan Receivables, on the Cut-off Date and on the Incorporation Date (Eligibility Criteria)

In addition, the Seller shall represent and warrants the following to the Fund and the Management Company. The following representations and warranties are made by reference to and in connection with the Cut-off Date and the Incorporation Date, unless otherwise expressly provided in the wording of each of the representations and guarantees:

That, according to VW Bank Spanish Branch's records on the Cut-off Date and on the Date of Incorporation:

- (1) the Loans constitute legally valid, binding and enforceable agreements;
- (2) the Loan Receivable are up-to-date in payments (i.e. there are no outstanding amounts due under such Loan Receivables);
- (3) the status and enforceability of the Loan Receivables is not impaired due to warranty claims or any other rights of the Borrower;

- (4) as far as it is aware, none of the Borrowers holds any credit right against the Seller which would give them the right to claim compensation and thus negatively affect the rights conferred by the Loan Receivables. Therefore, the Loan Receivables are free of claims for compensation against the Seller by the Borrowers, whether pre-emptory or otherwise, on the Cut-off Date, as well as free of rights of third parties;
- (5) no Borrower maintains deposits on accounts with VW Bank Spanish Branch;
- (6) none of the Borrowers is an Affiliate of Volkswagen AG;
- (7) none of the Borrowers is an employee of the Seller;
- (8) none of the Loans is a Terminated Loan or a Write-off;
- (9) the Loans have been entered into exclusively with Borrowers which, if they are corporate entities, have their registered office in Spain or, if they are individuals, have their place of residence in Spain;
- (10) on the Cut-off Date at least 4 instalments have been paid in respect of each of the Loan Receivables and that the Loan Receivables foresee the payment of up to 96 monthly instalments from the date of origination of the Loan;
- (11) each of the Loan Receivables has at least 3 monthly instalments remaining until maturity and no more than 92 monthly instalments from the Cut-off Date;
- (12) none of the Loans was entered into to finance more than one car;
- (13) the total Discounted Receivables Balance of Loan Receivables assigned hereunder which is derived from the Loans with one and the same Borrower will not exceed 0.5% of the Aggregate Discounted Receivable Balance in respect of any single Borrower;
- (14) the Loans which are subject to the provisions of Spanish law on consumer financing comply in all material respects with the requirements of such provisions;
- (15) no insolvency proceedings has been initiated against any of the Borrowers during the term of the Loans up to the Cut-off Date;
- (16) the Loans under which the relevant Loan Receivables arises provides for reservation of title (*reserva de dominio*) of the financed vehicles and that VW Bank Spanish Branch has the right to demand registration of the reservation of title (*reserva de dominio*) in the Chattels Register (*Registro de Bienes Muebles*);
- (17) the Loan Receivables are governed under the Spanish laws;
- (18) none of the Loans has been formalised as a financial lease agreement;
- (19) all of the Loans have been fully drawn by the corresponding Borrower;
- (20) the Loans are not the result of rent a car operations (i.e., loans aimed at the acquisition of vehicles by vehicle rental companies); and

- (21) the Loan Receivables will not include Loan Receivables relating to:
- (i) a Borrower who the Seller considers as unlikely to pay its obligations to the Seller and/or to a Borrower who is past due more than 90 days on any material credit obligation to the Seller; and
  - (ii) a credit-impaired Borrower or guarantor who, on the basis of information obtained (i) from the Borrower of the relevant Loan Receivable, (ii) in the course of the Seller's servicing of the Loan Receivables or the Seller's risk management procedures, or (iii) from a third party,
    - (1) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer of the Loan Receivables to the Issuer;
    - (2) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the Seller; or
    - (3) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable receivables held by the Seller which are not securitised.
  - (iii) The Seller further represents and warrants that it has in place (i) effective systems to apply its standard loan criteria for granting the Loan Receivables and (ii) processes for approving and, where relevant, amending, renewing and re-financing the Loan Receivables, in order to ensure that granting of the Loan Receivables is based on a thorough assessment of each Borrower's creditworthiness. Furthermore, the Seller warrants and guarantees that the assessment of each Borrower's creditworthiness (i) has been performed on the basis of sufficient information, where appropriate obtained from the Borrower and, where necessary, on the basis of a consultation of the relevant database, and (ii) is repeated before any significant increase in the total amount is granted after the conclusion of the loan, in combination with an update of the Borrower's financial information.

#### 2.2.9 Substitution of the securitised assets

In the exceptional event that, after the Date of Incorporation and, notwithstanding the representations and warranties made by the Seller in accordance with section 2.2.8(i) (regarding the Loan Receivables) and section 2.2.8(ii), the diligence exercised by the latter in ensuring their truthfulness, it is established, during the life of the Fund, that any of the Loan Receivables did not conform to the content of said representations and warranties on the date to which the representations and warranties refer, the Seller undertakes as follows:

- (i) To substitute the relevant Loan Receivable with another or similar financial characteristics, in terms of the amount, remaining term, interest rate and characteristics of the Borrower, which is accepted by the Management Company, reported to the Rating Agencies and provided that it does not affect the Note ratings granted by such agencies to the Notes.

The amounts accrued and unpaid until the date of substitution of the Loan Receivable that is to be substituted must be paid to the Fund by the Seller, in its capacity as Service Provider, at the time that such Loan Receivable is substituted.

When substituting a Loan Receivable, the Seller must attest that the substitute Loan Receivable conforms to the representations and warranties set forth in section 2.2.8 above of this Additional Building Block. The Management Company will verify the suitability of the terms of the replacement Loan Receivable.

As soon as the Seller learns that one of the Loan Receivables transferred to the Fund does not comply with any of the aforementioned representations and warranties, it will report the matter to the Management Company and, within 5 Business Days, indicate the Loan Receivables with which it proposes to substitute the affected Loan Receivables.

The Seller undertakes to formalise the substitution of the Loan Receivables in a deed of assignment and in the manner and time frame stipulated by the Management Company, and to furnish any related information that the Management Company deems necessary. The substitution will be reported to the Rating Agencies and a copy of the agreement will be sent to the CNMV.

- (ii) Failing the obligation assumed under point (i) above and whenever the substitution stipulated therein is not possible because the Loan Receivables available are not homogeneous with the securitised portfolio in terms of: (i) the amount; (ii) the residual term; (iii) the interest rate; (iv) the characteristics of the Borrower; or (v) the collateral, the Seller undertakes to proceed to the early redemption of the relevant Loan Receivable, by reimbursing the Discounted Receivables Balance, as well as pay any other amount owed to the Fund with respect to the relevant Loan Receivable, by depositing it in the Fund. The amounts received from the relevant Loan Receivables in the aforementioned circumstances will be added to the Available Distribution Amount and applied on the next Payment Date subject to the Order of Priority or the Liquidation Order of Priority, as appropriate.

In particular, with respect to the representation and warranty contained in section 2.2.8(i)(14) above of this Additional Building Block, the Seller has agreed that, if it is evidenced that a Borrower has opted for the early repayment, totally or in part, of any Loan Receivable, prior to the Date of Incorporation, even if such option was unknown to VW Bank Spanish Branch, the terms and undertakings referred to in sections (i) and (ii) above would be applicable, but this will not imply nor deemed to be in any way as a lack of truthfulness or a breach of the referred representation and warranty by VW Bank Spanish Branch.

Additionally, in particular, should the Seller modify the terms and conditions of the Loans during their lifetime without complying with the limits established in the special legislation applicable and with the terms agreed between the Fund and the Seller in the Deed of Incorporation and in the Assignment Policy, and in section 3.7.2(ii) below of this Additional Building Block and, therefore, the Seller would be unilateral breach of its obligations and the Fund will not be held responsible. In the event of such breach, the Fund, through the Management Company, will be entitled to: (i) seek damages; and (ii) seek the substitution or reimbursement of the relevant Loan Receivables, pursuant to the provisions of letters (i) and (ii) above. This will not imply that the Seller guarantees the success of the Transaction but the necessary redress of the effects caused by the breach of its obligations, pursuant to article 1,124 of the Spanish Civil Code. The Management Company will immediately notify the CNMV whenever Loan Receivables are substituted as a result of breach by the Seller. The expenses resulting from the actions to remedy the breach of the Seller will be borne by the latter and may not be recovered from the Fund.

#### 2.2.10 Relevant insurance policies relating to the securitised assets

The Loan agreements giving rise to the Loan Receivables which will be transferred to the Fund entitle the Borrower to purchase optional supplementary services related to insurance policies in connection with the vehicles (insurance policies for payment protection, insurance policies for total loss, damage insurance policies, privation of driving license insurance policies and motor car insurance -*seguro de automóvil obligatorio*-), being the rights and indemnifications corresponding to the Seller also transferred to the Fund, as indicated in section 3.3.2 of this Additional Building Block. Chart 25, included in section 2.2.2 of the Additional Building Block, shows the contracts included in the Cut-off Portfolio which have these insurance policies. The terms and conditions of the insurance policies are the following:

- (i) Insurance policy for payment protection:
  - (1) The payment protection insurance releases the customer from its payment obligation in the event of:
    - death and permanent disability (basic protection); and
    - death, temporary or permanent disability and unemployment (total protection).
  - (2) The Seller acts only in an assistance capacity to the insurance broker. The insurance contract is entered into between the Borrower and the insurance company (i.e., Cardif Seguros).
  - (3) The insurance premium (*prima del seguro*) is paid upfront by the Borrower to VW Bank Spanish Branch. In turn VW Bank Spanish Branch forwards this payment to the insurance company.
  - (4) Notwithstanding with the above, the insurance premium (*prima del seguro*) can be financed by the Seller for the Borrower jointly with the vehicle, in which case the insurance premium (*prima del seguro*) may increase the Loan amount. In such event, the Loan instalment includes the corresponding premium and the principal amount as a sole amount. Partial payments are not allowed.
  - (5) Payment in the event of use of the policy:
    - Death and disability coverage: the insurance company settles the outstanding Loan amount and makes the payment directly to the Seller. This results in the early repayment of the entire Loan. The payment is transferred to the Fund as a Collection.
    - Unemployment coverage: the insurance company makes the payment directly to the Seller (maximum: 6 instalments for unemployment). These amounts are transferred to the Fund as a Collection.
- (ii) Insurance policy for total loss:
  - (1) This insurance covers the total loss of the vehicle in the event of an accident, theft or fire.
  - (2) The Seller only acts in an assistance capacity to the insurance broker. The insurance policy is entered into between the customer and the insurance company.

- (3) The insurance premium (*prima del seguro*) is paid upfront by the Borrower to VW Bank Spanish Branch. In turn VW Bank Spanish Branch forwards this payment to the insurance company.
- (4) Notwithstanding with the above, the insurance premium (*prima del seguro*) can be financed by the Seller for the Borrower jointly with the vehicle, in which case the insurance premium (*prima del seguro*) increases the Loan amount. In such event, the Loan instalment includes the corresponding premium and the principal amount, as a sole amount. Partial payments are not allowed.
- (5) Payment in the event of use of the policy: The insurance policy settles the outstanding Loan amount and makes a payment (for an amount equal to the outstanding amounts under the relevant loan) directly to the Seller. This results in the early repayment of the entire Loan. The payment is transferred to the Fund as a Collection.

(iii) Motor car insurance (*seguro de automóvil obligatorio*):

- (1) The motor car insurance (*seguro de automóvil obligatorio*) covers the following events:
  - third party liability (basic coverage);
  - third party liability and damage to own car exceeding the excess coverage (all risk with excess coverage); and
  - third party liability and damage to own car (all risk without excess coverage).
- (2) The Seller only acts in an assistance capacity to the insurance broker. The insurance policy is entered into between the Borrower and the insurance company (i.e., Mapfre and Zurich Insurance).
- (3) In this case, only the Loan instalment is assigned to the Fund, excluding the amount for the reimbursement of the insurance policy.

For the purposes of securitisation, the motor car insurance policies are not included in the Loan instalment. Only the Loan instalment is sold and transferred to the Fund, but not the insurance premium (*prima del seguro*). The insurance premium (*prima del seguro*) does not affect the securitisation.

- (4) The yearly insurance premium (*prima del seguro*) is paid by the Seller to the insurance company in advance on behalf of the Borrower. Subsequently it is reimbursed by the Borrower to the Seller by increasing the monthly instalments of the car Loan for the relevant annual payment pro rata. In the case of partial payment, the amount paid by the Borrower shall be used to cover, firstly, the monthly instalments for the vehicle Loan and, secondly, for the reimbursement of the insurance premium (*prima del seguro*), according to the common practice in terms of payment allocation.
- (5) Payment in the event of use of the policy:
  - Third party liability is not relevant.

- In the event of damage to own car, the insurance company makes the payment directly to the Borrower, if this coverage has been purchased.
- In the event of total loss of own car, if this coverage has been purchased, the insurance company makes the payment directly to the Seller. This results in the early repayment of the entire Loan. In this case, the payment is transferred to the Fund as a Collection.

(iv) Privation of driving license insurance policy:

- (1) The privation of driving license insurance covers the payment obligation in the case of a temporary privation of driving license.
- (2) The privation of the driving license must be enacted by administrative resolution or final judicial decision.
- (3) VW Bank Spanish Branch acts as insurance broker exclusively; the insurance contract is concluded between the Borrower and Caser Insurance.
- (4) The insurance premium (*prima del seguro*) is paid upfront by the Borrower to VW Bank Spanish Branch. In turn VW Bank Spanish Branch forwards this payment to the insurance company.
- (5) However, the insurance premium (*prima del seguro*) may be financed by VW Bank Spanish Branch to the Borrower jointly with the car, so that, if applicable, the insurance premium (*prima del seguro*) would increase the Loan amount. In this event, the Loan instalment includes both the payment of the insurance premium (*prima del seguro*) as well as the principal amount, being therefore a joint instalment; there is no possibility of making partial payments of the instalments.
- (6) The maximum duration of this insurance is 12 months, being as well 12 months the highest coverage of this insurance.
- (7) Payment in the event of use of the policy: (i) Caser Insurance pays directly to VW Bank Spanish Branch; and (ii) Caser Insurance pays to the Borrower the cost of the course to recover the driving license.

(v) Damage insurance policies:

- (1) This insurance policy is an extension of the legal warranty for an additional period of up to 3 years.
- (2) The Seller only acts in an assistance capacity to the insurance broker. The insurance policy is entered into between the Borrower and the insurance company (mainly Real Garant or Caser Insurance).
- (3) The insurance premium (*prima del seguro*) is paid upfront by the Borrower to VW Bank Spanish Branch. In turn VW Bank Spanish Branch forwards this payment to the insurance company.
- (4) Notwithstanding with the above, this premium may be financed by VW Bank Spanish Branch jointly with the car, so that, if applicable, the insurance premium (*prima del seguro*) would increase the Loan amount. In this event, the Loan instalment includes both the payment of the insurance premium (*prima del seguro*) as well as the principal amount, being

therefore a joint instalment; there is no possibility of carrying out partial payments of the instalments.

- (5) Payment in the event of use of the policy: the insurance company pays the reparation expenses incurred by the Borrower.

2.2.11 Information concerning the obligors in the events where the securitised assets comprise obligations of 5 or fewer obligors which are legal persons or are guaranteed by 5 or fewer legal persons or where an obligor or entity guaranteeing the obligations accounts for 20% or more of the assets or where 20% or more of the assets are guaranteed by a single guarantor

Not applicable.

2.2.12 If a relationship exists that is material to the issue, between the Issuer, the guarantor and the obligor, details of such relationship

Not applicable.

2.2.13 If the assets comprise obligations that are not traded on a regulated or equivalent third country market or SME Growth Market, a description of the main conditions

Not applicable.

2.2.14 If the assets comprise obligations that are traded on regulated or equivalent third country market or SME Growth Market, a description of the main conditions

Not applicable.

2.2.15 Where the assets comprise equity securities that are admitted to trading on a regulated or equivalent third country market or SME Growth Market, a description of the main conditions

Not applicable.

2.2.16 Where more than 10% of the assets comprise equity securities that are not traded on a regulated or equivalent third country market or SME Growth Market, a description of the main conditions

Not applicable.

2.2.17 Valuation reports of the property and the cash flow / income streams in the events that an important portion of the assets is secured by real property

Not applicable.

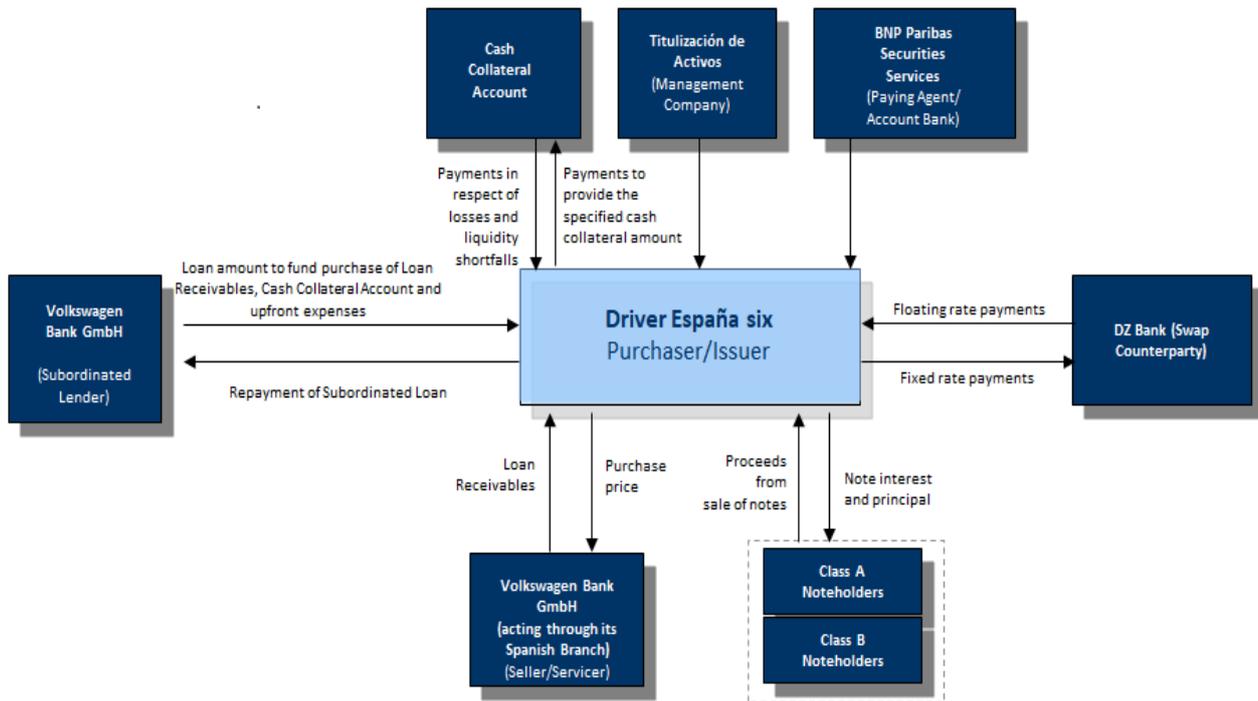
2.3 Actively managed assets backing the Issue of Notes

Not applicable.

2.4 Statement in the event that the Issuer proposes to issue further securities backed by the same assets, and description of how the holders of that class will be informed

Not applicable.

### 3. STRUCTURE AND CASH FLOW



#### 3.1 Description of the structure of the Transaction and the cash flows

By means of this Transaction, VW Bank Spanish Branch will assign and sell to the Fund the Loan Receivables, resulting from the provision of Loans for the purpose of vehicle purchases by natural persons or legal entities, on the Date of Incorporation. The assignment of the Loan Receivables will be formalised by means of the Assignment Policy which will be granted by the Management Company, acting for and on behalf of the Fund, and by VW Bank Spanish Branch, in the same act as the granting of the Deed of Incorporation. Therefore, by means of the Deed of Incorporation and the Assignment Policy the following Transaction will take place:

- (a) the sale and assignment of the Loan Receivables by the Seller to the Fund; and
- (b) the issue of 10,357 Notes, classified in two Classes of Notes (A and B).

Additionally, in order to strengthen the financial structure of the Fund and the coverage of the inherent risks of the Issue of Notes, the Management Company, acting for and on behalf of the Fund, will execute the Transaction Documents, being able to extend or modify them in accordance with its terms, replace the Service Provider and even execute additional agreements, having informed the CNMV and, if necessary, obtaining the authorisation of the Rating Agencies, in order to comply with the operation of the Fund in the terms and conditions of the applicable law. The above, always without prejudicing the rights of the Noteholders and, in particular, ensuring that it will not result in the downgrade of the ratings of the Notes.

**Initial financial statements sheet of the Fund**

The estimated fund financial statements at the Closing Date of the Notes shall be as follows:

| <b>ASSETS(*)</b>                             | <b>EUROS</b>            | <b>LIABILITIES</b>       | <b>EUROS</b>            |
|--|-------------------------|--------------------------|-------------------------|
| Loan receivables                             | 1,116,102,974.27        | Class A Notes            | 1,007,000,000.00        |
| Distribution Account                         | 1,306,000.00            | Class B Notes            | 35,700,000.00           |
| Cash Collateral Account                      | 14,500,000.00           | Subordinated Loan        | 41,302,974.27           |
| Excess of Class A Issue price<br>(over 100%) | 7,000,000.00            | Overcollateralisation    | 39,100,000.00           |
|  |                         | Cash Collateral          | 14,500,000.00           |
|  |                         | Initial Expenses(**)     | 1,306,000.00            |
| <b>Total Assets</b>                          | <b>1,138,908,974.27</b> | <b>Total Liabilities</b> | <b>1,138,908,974.27</b> |

(\*) In the assets of the financial statements of the Fund at the Closing Date is reflected the total amount of the Loan Receivables acquired by the Fund, that is, the Aggregate Cut-off Date Discounted Receivables Balance. However, the amount to be transferred by the Fund to the Seller by virtue of the acquisition of the Loan Receivables shall be an amount equal to the Aggregate Cut-off Date Discounted Receivables Balance minus (i) the Initial Cash Collateral; minus (ii) the Overcollateralisation; minus (iii) the Initial Expenses; plus (iv) €7,000,000, being an amount equal to the amount of the issue price of the Class A Notes in excess of 100% of their nominal value, that is, the "Purchase Price". The difference between the Aggregate Cut-off Date Discounted Receivables Balance and the Purchase Price is reflected in the liabilities of the financial statements of the Fund in the records Overcollateralisation, Cash Collateral and Initial Expenses.

(\*\*) As indicated, the Initial Expenses shall be paid by the Fund. In any event, an amount equal to that paid by the Fund as Initial Expenses shall be deducted to determine the Purchase Price, as provided in Section 3.3.3 of the Additional Building Block.

The estimated fund financial statement of the Fund has been prepared in accordance with Circular 2/2016.

3.2 Description of the entities participating in the issue and of the functions to be performed by them in addition to information on the direct and indirect ownership or control between those entities

The list of these entities and a description of their functions is contained in section 3.1 of the Securities Note.

No other direct or indirect ownership or control relationship is known to exist between the legal persons that are involved in the Transaction.

The Management Company, on behalf of and for the account of the Fund, will proceed to execute the Deed of Incorporation and the Assignment Policy and to enter into the agreements that are summarised in this Additional Building Block.

The Management Company declares that the summary descriptions of the agreements of the Fund contained in the relevant sections of this Prospectus contain the most important and material information on each of the contracts and give a true and fair view of their content, and no information that might affect the contents of this Prospectus has been omitted.

3.3 Description of the method and date of sale, transfer, novation or assignment of the assets or of any other right and/or obligation in the assets to the Issuer

### 3.3.1 Assignment of the Loan Receivables

In the act of incorporating the Fund, the Seller shall sell and assign the Loan Receivables to the Fund by means of the Assignment Policy governed by Spanish law, formalised before a Spanish notary public in the same act as the execution of the Deed of Incorporation. The assignment shall take place on the Date of Incorporation, effective on the Cut-off Date. The Fund thus holds all the Loan Receivables accrued from the day following the Cut-off Date. In accordance with Article 6.2 of the Securitisation Regulation, the Seller did not select Loan Receivables to be transferred to the Issuer with the aim of rendering losses on the transferred Loan Receivables higher than the losses over the same period on comparable assets held on the balance sheet of the Seller.

### 3.3.2 Terms of the assignment of the Loan Receivables

- (i) The Loan Receivables will be fully and unconditionally assigned for the entire term remaining until maturity of each Loan Receivable.
- (ii) The transfer of the Loan Receivables will include the following components derived from the Loans effective on the day after the Cut-off Date:
  - (1) nominal instalments (principal and interest); for the avoidance of doubt, the assignment does not include the Balloon Instalment, according to what is established in section 3.3.2(iv) below;
  - (2) interest for delayed payment;
  - (3) prepayments fees (total or partial); and
  - (4) rights or compensations assigned to the Seller by virtue of insurance policies related to the vehicles according to Section 2.2.10 above of the Additional Building Block.

As indicated in greater detail in section 2.2.10 of the Additional Building Block, in relation to certain types of insurances, the insurance premium (*prima del seguro*) may be financed by the Seller to the Borrower jointly with the car, increasing, as the case may be, the amount of the Loan. In such event, the Loan instalment includes the corresponding premium and the principal amount, as a sole amount. Partial payments are not allowed. Notwithstanding the above, according to section 2.2.10 of the Additional Building Block, in relation to the motor car insurance policy (*póliza de seguro de automóvil obligatorio*), only the Loan instalment will be transferred to the Fund, but not the insurance premium (*prima del seguro*).

- (iii) The transfer of the Loan Receivables shall not include commissions different to those detailed above, that is to say, it shall not include commissions for unpaid instalments, commissions for agreement novation or motor car insurance premiums (*primas de seguro de automóvil obligatorio*).
- (iv) Likewise, the transfer of the Loan Receivables shall not include the Balloon Instalments for "Auto Credit" loans, described in section 2.2.7 above. Balloon Instalments for the residual value of the vehicle on the date on which the relevant loan agreement ends allows the vehicle purchaser to choose between the following alternatives on that date: (a) to pay off the Loan directly by means of the Balloon Instalment or applying for financing of the final instalment from the Seller (such financing will not be considered an additional credit right for the Fund); or (b) to hand the vehicle over to the Seller as the payment of the final instalment of the agreement.

It is hereby stated that, if an event of termination occurs in connection with a loan for which there are Balloon Instalments, the amount resulting from any partial repayments shall be distributed between the Fund and the Seller on a pro rata basis, based on the amounts owed to each of them, arising from the Loan Receivables and the Balloon Instalment, respectively.

- (v) The assignment of the Loan Receivables to the fund will as well implicate the assignment of the rights inherent to the Loan Receivables such as guarantees granted in connection with the Loans, including but not limited to third-party guarantees of the Borrower's obligations, as well as ownership reservation agreements.
- (vi) Pursuant to Article 348 of the Spanish Commercial Code, the Seller shall only be liable for the existence and lawfulness of the Loan Receivables at the time they are assigned to the Fund and under the terms and conditions contained in this Prospectus, as well as for the legal status with which the Loan Receivables are assigned to the Fund.
- (vii) The Seller shall not bear the risk of default on the Loan Receivables and shall therefore have no liability whatsoever for default by the Borrowers of principal, interest or any other amount owed to it by the Borrowers under the Loans, and will not be liable for the enforceability of personal security collateral thereto or the accessibility or effects, as the case may be, of exchange proceedings for the claim of any debt. The Seller will moreover have no liability whatsoever to directly or indirectly guarantee that the Transaction will be properly performed, nor give any guarantees or security, nor indeed agree to replace or repurchase the Loan Receivables, other than as provided in section 2.2.9 of this Additional Building Block.
- (viii) The Loan Receivables shall be assigned on the Date of Incorporation and shall include all interest accrued on each Loan Receivable assigned, and for all rights derived from the reservations of title and the insurance agreements detailed above under paragraph 3.3.2(ii)(4) of this section that the Borrower may have signed with the Seller.
- (ix) The Fund's rights resulting from the Loan Receivables are linked to the payments made by the Borrowers, and are hence directly affected by the evolution, delays, prepayments or any other incident relating to the Loans.
- (x) The Seller of the Loan Receivables shall be entitled to receive from the Borrower the fees (except for the prepayment fee that will be transferred to the Fund), or any other right which cannot be made part of the debt claimed from the Borrower in the event of default of the Loans.
- (xi) Returns on the Loan Receivables obtained by the Fund are not subject to withholding tax, as provided in Article 61.k) of the Regulation on Corporate Income Tax. If any additional direct or indirect tax, rate, or withholding is established in the future on such returns, they shall be paid by the Fund, and the Seller shall not be required to give the Fund additional amounts in this regard.

### 3.3.3 Loan Receivable sale or assignment price

The price for the sale and assignment of the Loan Receivables shall be an amount equal to the Aggregate Cut-off Date Discounted Receivables Balance, minus (i) €14,500,000 of the Initial Cash Collateral Amount; minus (ii) an amount equal to that for overcollateralisation, which will be the amount of the Aggregate Discounted Receivables Balance of the Loan Receivables which exceeds the face value of the Notes and the face value of the

Subordinate Loan; minus (iii) €1,306,000 established as the payment for Initial Expenses relating to the Notes Issue; plus (iv) €7,000,000, being an amount equal to the amount of the issue price of the Class A Notes in excess of 100% of their nominal value (i.e., a total amount of €1,068,196,974.27, the "**Purchase Price**").

The Discount Rate represents a fixed percentage of 1.3493% per annum, which has been determined by the Seller, and that is equal to the sum of: (i) the Service Provider Fee Rate of 1% per annum; plus (ii) 0.03% of any administrative expenses and fees; plus (iii) the weighted average of the fixed rate under the Swap Agreements to be paid by the Fund to the Swap Counterparty and the fixed rate under the Subordinated Loan to be paid by the Fund to the Subordinated Lender. It is also expressly stated that there is no swap agreement in connection with the Subordinated Loan.

The Subordinated Loan, together with the proceeds from the subscription of the Class A Notes and Class B Notes, shall be used to: (a) pay the Purchase Price; (b) pay the Initial Expenses; and (c) provision the Initial Cash Collateral Amount.

The Purchase Price shall be paid by the Fund to the Seller on the Closing Date, for the value on said day, once the disbursement for the subscription of the Notes Issue is made and the Subordinated Loan is made available by means of deposit in the Distribution Account opened in the name of the Fund. In no event shall VW Bank Spanish Branch receive interest for the time past from the Cut-off Date until the Closing Date, on which the Purchase Price must be paid.

If the incorporation of the Fund and hence the assignment of the Loan Receivables terminates, in accordance with the provisions of section 4.4.3 of the Registration Document: (i) the Fund's obligation to pay the Purchase Price shall terminate; and (ii) the Management Company shall be obliged to restore to VW Bank Spanish Branch any rights whatsoever accrued for the Fund upon the Loan Receivables being assigned (after paying the relevant Initial Expenses that would be assumed by the Seller if the Fund is not incorporated).

#### 3.3.4 Defences and set-off rights of the Borrowers

Under the Assignment Policy VW Bank Spanish Branch will be selling and assigning the Loan Receivables to the Issuer without disclosing the assignment to the respective Borrowers (save for the exceptions referred to in section 3.7.2(iii) of the Additional Building Block below). This means that a Loan Receivable may be subject to defences and set-off rights of the Borrower where such rights (i) were in existence and due and payable at the time of the assignment of such Loan Receivable or (ii) were acquired by the Borrower after the date of the assignment of the Loan Receivable to the Issuer and the Borrower did not have knowledge of the assignment of the Loan Receivable to the Issuer at the time when it acquired the right giving rise to the defence or set-off or at the time when the right giving rise to the defence or set-off became due and payable. Such set-off rights could in particular result from deposits of Borrowers with VW Bank Spanish Branch who are, at the same time, debtors under Loan Receivables.

If, despite the representation contained in section 2.2.8(ii)(4), any of the Borrowers opposes set-off because it does not know that the Loan Receivables have been assigned to the Fund, the Seller shall so inform the Management Company and must pay the Fund the amount by which the Borrower is compensated, plus the interest which would have accrued in favour of the Fund to the date on which the deposit is made, calculated in accordance with the conditions applicable to the relevant Loan.

### 3.4 Explanation of the flow of funds

#### 3.4.1 Explanation of how the cash flow from the assets will meet the obligations of the Issuer with the Noteholders

The Service Provider is entitled to commingle funds such as collections from the Loan Receivables and proceeds from the enforcement of the Loan Receivables with its own funds. However, in order to mitigate the temporary risk that the Collections received by the Service Provider and pending transfer to the Fund might not be separated from the Service Provider's funds in the event of an Insolvency Event of the Service Provider, the cash flows from the assets will follow the mechanism described below in order to meet the obligations of the Issuer with the Noteholders.

If and as long as the Monthly Remittance Condition is satisfied, VW Bank Spanish Branch, as Service Provider, shall be entitled to commingle funds representing Collections with its own funds during each Monthly Period, and shall therefore not be obliged to maintain the funds separately. However, it must transfer the Collections received to the Fund and deposit them in the Distribution Account twice in each Monthly Period for the life of the Fund, in keeping with the following:

- (i) Collections received in the first 15 days of each Monthly Period (the "**Monthly Collections Part 1**") shall be determined by VW Bank Spanish Branch, as Service Provider, on the 2<sup>nd</sup> Business Day after the 15<sup>th</sup> calendar day of the Monthly Period in question. The transfer to the Fund and the deposit in the Distribution Account shall be made on the same day; and
- (ii) Collections received from the 16<sup>th</sup> to the last day of each Monthly Period (the "**Monthly Collections Part 2**") shall be determined by VW Bank Spanish Branch, as Service Provider, on the 2<sup>nd</sup> Business Day of the following Monthly Period. The transfer to the Fund and the deposit in the Distribution Account shall be made on the same day.

If and as long as the Monthly Remittance Condition is not satisfied, VW Bank Spanish Branch shall be entitled to commingle funds representing Collections with its own funds during each Monthly Period provided that, no later than 14 calendar days after the first day on which the Monthly Remittance Condition has not been satisfied, VW Bank Spanish Branch complies with the following mechanism:

- (i) VW Bank Spanish Branch, as Service Provider, shall determine the expected Collections for the period from the 1<sup>st</sup> calendar day to 19<sup>th</sup> calendar day of each Monthly Period (the "**Monthly Collateral Part 1**") and shall transfer the Monthly Collateral Part 1 to the Monthly Collateral Account opened with the Account Bank on the 2<sup>nd</sup> Business Day of each Monthly Period as guarantee for the Monthly Collections Part 1. Said guarantee shall be maintained until the Monthly Collections Part 1 have been transferred to the Fund and deposited in the Distribution Account; and
- (ii) VW Bank Spanish Branch, as Service Provider, shall further determine the expected Collections for the period from the 16<sup>th</sup> calendar day of each Monthly Period and the 4<sup>th</sup> calendar day of the following Monthly Period (the "**Monthly Collateral Part 2**") and shall transfer the Monthly Collateral Part 2 to the Monthly Collateral Account opened with the Account Bank on the 2<sup>nd</sup> Business Day following the 15<sup>th</sup> calendar day of each Monthly Period as guarantee for the Monthly Collections Part 2. Said guarantee shall be maintained until the Monthly Collections Part 2 have been transferred to the Fund and deposited in the Distribution Account.

Irrespective of its obligation to advance the Monthly Collateral Part 1 and Monthly Collateral Part 2, as applicable, the Service Provider will still remain being obliged to transfer the Monthly Collections Part 1 and the Monthly Collections Part 2, as applicable, to the Distribution Account. However, at any time when either (a) the Monthly Remittance Condition is satisfied or (b) the Monthly Remittance Condition is not satisfied but VW Bank Spanish Branch as Service Provider has complied with its obligation to remit the Monthly Collateral Part 1 and Monthly Collateral Part 2, as applicable, to the Distribution Account, VW Bank Spanish Branch is entitled to hold, use and invest at its own risk the amount collected under the Loan Receivables and other amounts collected by it during each Monthly Period without segregating such funds from its other funds.

The Service Provider's obligation to transfer Monthly Collections Part 1 and Monthly Collections Part 2, as applicable, received by the Service Provider into the Distribution Account will be netted with its claim for repayment of the Monthly Collateral Part 1 and Monthly Collateral Part 2, as applicable, and such Monthly Collateral Part 1 and Monthly Collateral Part 2, as applicable (after netting) will form part of the Available Distribution Amount on the relevant Payment Date. If (a) the Monthly Collateral Part 1 or Monthly Collateral Part 2, as applicable, exceeds the Monthly Collections Part 1 or Monthly Collections Part 2, as applicable, such excess shall be released to Service Provider outside the Order of Priority by wire transfer from the Account Bank once the Management Company, acting in the name and on behalf of the Fund, has given the instruction to the Account Bank; or (b) that the Monthly Collections Part 1 or Monthly Collections Part 2, as applicable, exceed the Monthly Collateral Part 1 or Monthly Collateral Part 2, as applicable, such excess shall be paid into the Distribution Account by the Service Provider.

When the Monthly Remittance Condition is satisfied again, any Monthly Collateral standing to the credit of the Distribution Account shall be released to the Service Provider outside of the Order of Priority by wire transfer from the Account Bank once the Management Company, acting in the name and on behalf of the Fund, has given the instruction to the Account Bank.

Following a breach of the Monthly Remittance Condition, the monthly report prepared by the Service Provider will show for each Monthly Period whether the Monthly Collateral which has been transferred by Service Provider for the relevant Monthly Period exceeds the Monthly Collections and other amounts collected by it for such Monthly Period or whether the Monthly Collections and other amounts collected by it for the relevant Monthly Period exceed the Monthly Collateral for such Monthly Period.

The Fund is the sole holder of the Monthly Collateral Account; however, the Fund may use the funds deposited in the Monthly Collateral Account only if an Insolvency Event occurred in respect of the Service Provider. In such event, if VW Bank Spanish Branch does not transfer the Monthly Collections to the Fund and deposit them in the Distribution Account as established above, the Management Company, acting in the name and on behalf of the Fund, shall give the Account Bank instructions to release an equivalent amount from the funds in the Monthly Collateral Account as established in the Accounts Agreement.

The cash flow from the Loan Receivables will meet the Fund's obligations as follows:

- (i) on the Closing Date, the proceeds from the subscription of the Notes shall be transferred to the Paying Agent. Also, the Subordinated Lender shall pay the Subordinated Loan amount of €41,302,974.27 to the Fund and shall pay the said amount to the Paying Agent;
- (ii) from the amounts available (obtained from the proceeds of the subscription of the Notes and the Subordinated Loan), the Paying Agent, acting for the Fund under instructions from the Management Company, shall on the Closing Date: (i) deposit the Initial Cash Collateral Amount, as defined in section 3.4.2(i) of this Additional

Building Block, in the Cash Collateral Account; (ii) pay the Initial Expenses of the Fund; and (iii) pay the Seller the Purchase Price;

- (iii) the Collections of the Loan Receivables shall be received by VW Bank Spanish Branch and transferred to the Fund as indicated above by means of a deposit in the Distribution Account, which shall cover the Fund's payments on each Payment Date in accordance with the Order of Priority and the Liquidation Order of Priority. As provided in the Accounts Agreement, the interest of the Distribution Account shall be part of the Available Distribution Amount; and
- (iv) the Available Distribution Amount, as defined in section 3.4.7(ii)(1) of this Additional Building Block shall be used on each Payment Date to meet the payment obligations of the Fund in accordance with the Order of Priority and the Liquidation Order of Priority, described in sections 3.4.7(ii)(2) and 3.4.7(ii)(4), respectively.

For the purpose of this section the following definition shall apply:

**"Monthly Remittance Condition"** means a condition which shall no longer be satisfied, if:

- (a) Volkswagen Bank GmbH no longer has a short-term rating for unsecured and unguaranteed debt of at least "A-2" from S&P Global Ratings and a long-term rating for unsecured and unguaranteed debt of at least "BBB" from S&P Global Ratings; or (y) where Volkswagen Bank GmbH is not the subject of an S&P Global Ratings short-term rating, Volkswagen Bank GmbH no longer has a long-term rating for unsecured and unguaranteed debt of at least "BBB+" from S&P Global Ratings; or (z) S&P Global Ratings notifies the Issuer and/or the Service Provider that Volkswagen Bank GmbH is not deemed eligible any longer under the applicable rating criteria by S&P Global Ratings; or
- (b) Volkswagen Bank GmbH receives notification from DBRS that DBRS has determined Volkswagen Bank GmbH's capacity for timely payment of financial commitments would no longer equal a short-term rating for unsecured and unguaranteed debt of at least "R-2" by DBRS or a long-term rating for unsecured and unguaranteed debt of at least "BBB (high)" by DBRS.

#### 3.4.1(a) Application of insolvency regulations

The Transaction is structured to qualify under German law as an effective (true) sale of the Loan Receivables under the Assignment Policy of Loan Receivables from the Seller to the Issuer and provisions under German insolvency laws are considered not to represent any severe clawback risk for the Transaction.

In the event of insolvency of the Seller, the applicable law will be the German Law insofar as the Seller is the Spanish Branch of a German bank. However, the general rule under German Law will be that the Issuer will have a right of segregation (*Aussonderungsrecht*), similar to the one referred to in article 16.4 of Law 5/2015, of the Loan Receivables.

It is outlined below the applicable regime to the Seller as a result of the implementation into German law of the Directive 2014/59/EU on Banking Recovery and Resolution Directive of 15 May 2014 ("**BRRD**"), by virtue of the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz* - "**SAG**"), which became effective on 1 January 2015.

On 27 June 2019, Directive (EU) 2019/879 amending the BRRD (the "**BRRD II**") entered into force. Furthermore, the Directive (EU) 2017/2399 amending the BRRD (the "**BRRD Amending Directive**") as regards the ranking of unsecured debt instruments entered into force on 28 December 2017. At this stage it cannot be predicted when and in which form the remaining parts of the proposal may be implemented, nor the impact of the BRRD II and/or the BRRD Amending Directive and future amendments on the Noteholders.

An institution will be considered as failing or likely to fail according to Art. 32 (4) BRRD when: (a) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; (b) its assets are, or are likely in the near future to be, less than its liabilities; (c) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (d) it requires extraordinary public financial support (except in limited circumstances). The BRRD provides for various actions and measures that can be taken by the resolution authority in order to avoid systematic risks for the financial markets or the necessity of a public bail-out if a credit institution is in financial difficulties.

The BRRD currently contains four resolution tools according to Recital no. 59: (a) the sale of business tool enables resolution authorities to direct the sale of the institution or parts of its business to one or more purchasers without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply; (b) furthermore the BRRD enables resolution authorities to transfer all or part of the business of the firm to another entity or a bridge institution (a public controlled entity holding such business or part of a business with a view to reselling it (Art. 40 (2) BRRD)) or an asset management vehicle; (c) the asset separation tool enables resolution authorities to transfer impaired or underperforming assets to an asset management vehicle to allow them to be managed and worked out over time; and (d) the bail-in tool gives resolution authorities the power to write-down the claims of unsecured creditors of a failing institution and to convert certain unsecured debt claims to equity, which equity could also be subject to any future cancellation, transfer or dilution by application of such general bail-in tool.

The implementation of the BRRD into German law by the SAG is relevant for the Seller. The SAG provides for various actions and measures that can be taken by the German Federal Agency for Financial Services Supervision (Bundesanstalt für Finanzdienstleistungsaufsicht – "**BaFin**") in its capacity as national resolution authority. BaFin could take any of the above described measures and actions with regard to the Seller. The Issuer has been advised that, even if the Seller should be in financial difficulties and measures are being taken, these measures should only have limited impact on the claims of the Issuer against the Seller for the following reasons: Claims of the Issuer against the Seller (in its capacity as Seller or Service Provider) for payment of Collections received in respect of the Loan Receivables and other claims under the Servicing Agreement are subject to a collateral agent arrangement (*Treuhandverhältnis*) and, in principle, the Collections (unless commingled) are subject to substitute segregation (*Ersatzaussonderung*) and should therefore be excluded from any bail-in measures pursuant to Section 91(2) No. 4 SAG. The Loan Receivables should not be subject to bail-in pursuant to the SAG as long as the sale and transfer of the Loan Receivables from the Seller to the Issuer will not be re-characterised as a secured loan. However, even if the sale and transfer of the Loan Receivables was re-characterised as a secured loan, claims against the Seller would not become subject to bail-in to the extent these claims are secured claims within the meaning of Section 91(2) No. 2 SAG. Consequently, if and to the extent the relevant claims against the Seller are secured by collateral they should not be affected by bail-in. Finally, although the Issuer will not be in a position to prevent the transfer of any of the Seller's assets to another entity, such transfer pursuant to Section 110(1) SAG may only occur in conjunction with a transfer of the security provided therefor and vice versa. A separation of the Loan Receivables from the collateral should therefore not result from any such transfer (see also Section 110(3) No. 4 SAG).

In addition, the risk of loss for the Issuer with regard to its claims against the Seller due to a bail-in or other measures under the SAG is further mitigated by the following: (i) Pursuant to Section 97 SAG, the claims of the Issuer against the Seller would only become subject to a bail-in after the equity and capital positions set out in Section 90 SAG have been exhausted and (ii) Section 147 SAG provides creditors with a compensatory claim against the restructuring fund pursuant to Section 8 of the Restructuring Fund Act (*Restrukturierungsfondsgesetz*) if and to the extent the restructuring measures under the SAG put them into a worse position than they would be in if insolvency proceedings had

been opened over the assets of the relevant credit institution in accordance with the no creditor worse off principle.

Furthermore, if an Insolvency Event occurs in respect of the Seller, the Issuer may under certain circumstances be able to claim under the prerequisites of section 48 of the German Insolvency Code (*Insolvenzordnung*) the right to substitutional segregation (*Ersatz-Aussonderungsrecht*) from the assets involved in the insolvency proceedings, with respect to Collections that the Seller's insolvency administrator received for the Loan Receivables, if subsequent to the opening of insolvency proceedings against the Seller, the Loan Receivables have been collected by the insolvency administrator without authorisation, as long as the consideration continues to exist in a distinct form among the assets involved in the insolvency proceedings of the Seller. If payments on the Loan Receivables have been credited to an account of the Seller, a right to substitutional segregation (*Ersatz-Aussonderungsrecht*) could be reduced by subsequent drawings from such account and would only exist to the extent of the remaining credit balance on such account (after taking subsequent account drawings into consideration). Where a right for substitutional segregation would not exist or be available for the Issuer, the Issuer would rank as unsecured creditor in relation to amounts standing on credit on the Seller's accounts unless such accounts have been pledged to the Issuer. Additionally, in accordance with German law, any transfer of rights or assets or any payments contemplated by the Transaction Documents may be challenged by an insolvency administrator of the Seller in accordance with sections 129 to 147 of the German Insolvency Code (*Insolvenzordnung* – "**InsO**").

If and to the extent the sale and transfer of the Loan Receivables was re-characterised as a secured loan, an insolvency administrator would be obliged to transfer the proceeds from the realisation of the Loan Receivables to the Issuer, he would be controlling the way and manner of enforcement and would be entitled to deduct from the enforcement proceeds a flat fee of four (4) per cent. of the realisation proceeds for assessing the (security) rights to the Loan Receivables plus a further fee of five (5) per cent. of the enforcement proceeds as compensation for the costs of enforcement. If such enforcement costs are considerably higher or lower than five (5) per cent. of the enforcement proceeds, the compensation for the enforcement costs may be increased or decreased, as the case may be. If the enforcement is subject to VAT, the insolvency administrator may also withhold VAT on such amounts. Similar cost sharing provisions apply in respect of the realisation of the vehicles in respect of which the Seller holds a reservation of title (*reserva de dominio*) (and which the Seller will transfer to the Issuer). The payment of such compensation for the costs of enforcement to the insolvency administrator may have an impact on the ability of the Fund to repay the Notes.

For the purpose of this section the following definition shall apply:

**"Insolvency Event"** means, in relation to the Seller, the Service Provider or the Management Company, any of the following events: (i) the assignment or transfer of its assets or of a substantial part of the same, or any agreement with its creditors that may affect them; (ii) the application to invoke any insolvency measure, or the consent or the acceptance to the appointment of a receiver, custodian, trustee, liquidator or similar position at the company or in relation to a substantial part of its assets, (iii) the start of any lawsuit, action or procedure before any court or tribunal or governmental authority against the Seller, the Service Provider or the Management Company under any legislation on insolvency, liquidation or bankruptcy that may imply the insolvency, the dissolution or the corporate reorganisation of the same or a creditors agreement or similar situation, and provided that such requests, actions or lawsuits are not contested on good faith by the company with a reasonable possibility of success; (iv) seizures or judicial writs that affect the whole or a substantial part of the assets of the Seller, the Service Provider or the Management Company, provided that such seizure is not lifted or its enforcement is prevented within 30 days following the seizure or the reception of the judicial writ; (v) the judicial request to dissolve the Seller, the Service Provider or the Management Company, or the adoption of

any measure aiming at its dissolution; and (vi) the acknowledgement by the Seller, the Service Provider or the Management Company of not being capable of facing its debts as they mature in accordance with any law on insolvency, liquidation, bankruptcy, reorganisation or other of similar nature in the jurisdiction where such entity was incorporated or where its permanent establishment is located.

### 3.4.2 Information on any credit enhancements

#### (i) Description of credit enhancements

##### (1) Cash Collateral

On the Closing Date, the initial cash collateral of €14,500,000 (the "**Initial Cash Collateral Amount**") will be constituted with the amount available in the Distribution Account obtained with the Notes Issue and the Subordinated Loan.

On each Payment Date (except a Payment Date on which the Fund is liquidated early), the Cash Collateral amount shall be replenished with an amount taken from the Available Distribution Amounts according to the Order of Priority (once interest on the Notes and other amounts owing to the Fund as indicated in Items 1 to 5 of the Order of Priority have been paid) which allows the balance of the Cash Collateral amount to be equal to the higher of the following amounts: (a) 1.3% of the Aggregate Discounted Receivables Balance on the last day of the Monthly Period; and (b) the lowest amount of the following: (i) €12,275,000; and (ii) the Outstanding Nominal Balance of the Class A and the Class B Notes on the Payment Date (once all payments and distributions have been made at such date) (the "**Specified Cash Collateral Account Balance**").

Furthermore, on each Payment Date (other than a Payment Date on which an early liquidation event of the Fund or the event referred to in section 3.4.7(ii)(3)4 of this Additional Building Block would take place) amounts will be withdrawn from the Cash Collateral Account to cover any shortfall in the Available Distribution Amount and pay the amounts under Items 1 through 5 of the Order of Priority (this will include Interest Shortfall of the Notes).

"**Interest Shortfall**" means the accrued interest which is not paid on previous Payment Dates.

"**Scheduled Repayment Date**" means, - assuming that among the Loans to be assigned to the Fund on the Date of Incorporation there is at least one with a term of 92 months and which is not affected by an event of early repayment prior to its initially scheduled due date - the Payment Date following the Monthly Period on which the last of the Loan Receivables is to mature, that is, 21 September 2027, or if such day is not a Business Day, the following Business Day unless that day is in the following month. In the later event, the Payment Date shall be the first previous Business Day. This assumes that there is at least one Loan among those to be assigned to the Fund, on the Cut-off Date which has a term of 92 months and is not affected by a termination event or early repayment prior to its initially scheduled maturity date.

Thus: (i) on the Scheduled Repayment Date, after the last maturity date of the Loan Receivables occurs; or (ii) as soon as all the Loan Receivables have matured, no amount shall be assigned to the Specified Cash Collateral Account Balance, and the funds from the Cash Collateral

Account will be used for the payment of Items 7 to 12 of the Order of Priority or in accordance with the Liquidation Order of Priority, as applicable.

On each Payment Date, provided that no Level 1 Credit Enhancement Increase Condition or Level 2 Credit Enhancement Increase Condition is in effect and/or provided that no Service Provider Insolvency Event has occurred, the amount in the Cash Collateral Account in excess of the Specified Cash Collateral Account Balance for that Payment Date may be used to pay Items 10, 11, and 12 of the Order of Priority (that is, payments owing to the Subordinated Lender until all amounts payable in respect of accrued and unpaid interest have been made and the principal of the Subordinated Loan has been reduced to zero and the Financial Intermediation Margin). For the avoidance of doubt, if any of the aforementioned events occur, no amount of the Cash Collateral Account in excess of the Specified Cash Collateral Account Balance for that Payment Date may be used to pay Items 10, 11 and 12 of the Order Priority and therefore the amount of the Cash Collateral Account in excess of the Specified Cash Collateral Account Balance will remain in the account in order to cover any potential shortfall in the Available Distribution Amount on the following Payment Date.

The amounts making up the Cash Collateral amount shall be deposited in the Cash Collateral Account.

#### The Set-Off Risk Reserve

**"Set-Off Risk Reserve"** means, as of the end of the related Monthly Period, the sum of the amounts defined for each Borrower as the lesser of (i) the Discounted Receivables Balance of the related Loan Receivables and (ii) the deposits made by such Borrower in the books of the Seller at that date.

**"Set-Off Risk Reserve Condition"** means, on any Payment Date, a condition that is satisfied if:

- (a) the Set-Off Risk Reserve is greater than zero (0) per cent. of the Aggregate Discounted Receivables Balance as of the end of the related Monthly Period; and
- (b) Volkswagen Bank GmbH's long-term rating is lower than (A) "BBB (high)" by DBRS, or (B) is (deemed to be) rated lower than "BBB" by S&P Global.

If, on any Payment Date subsequent to the Incorporation Date, the Set-Off Risk Reserve Condition is satisfied, VW Bank Spanish Branch shall provide collateral amounting to the Set-Off Risk Reserve. The Set-Off Risk Reserve shall be deposited in the Cash Collateral Account, shall be adjusted on a monthly basis and shall be exclusively used to cover losses resulting from set-off risks related to deposits of Borrowers with VW Bank Spanish Branch owing to Loan Receivables.

All funds in the Cash Collateral Account other than the unused amounts of the Set-Off Risk Reserve are referred to as the "Cash Collateral".

In order to minimise the set-off risk resulting from such Borrowers' deposits, the selection criteria applicable to the Loan Receivables provide for the

exclusion of Borrowers who maintain deposits with VW Bank Spanish Branch as of the Cut-off Date or the Date of Incorporation. For the time thereafter, if the Set-Off Risk Reserve Condition is satisfied on any Payment Date, VW Bank will be obliged to provide collateral in an amount equal to the Set-Off Risk Reserve. The Set-Off Risk Reserve will be deposited in the Cash Collateral Account, will be adjusted on a monthly basis, and will be exclusively reserved to cover losses resulting from set-off risks related to deposits of Borrowers with VW Bank Spanish Branch owing to Loan Receivables. In addition, as long as the Borrower of a Loan Receivable has no knowledge of the assignment of such Loan Receivable to the Issuer, e.g. because not being notified by VW Bank Spanish Branch of the assignment, he may validly discharge his debt outstanding under the Loan Receivable by payment to VW Bank Spanish Branch or may set-off with counterclaims against VW Bank (e.g. with claims from such Borrower's deposits on bank accounts maintained with VW Bank) which have become due and payable prior to obtaining knowledge of the assignment of such Loan Receivable to the Issuer. In such case, the Issuer would have a claim for compensation against VW Bank Spanish Branch and would therefore be subject to Volkswagen Bank GmbH insolvency risk.

On the date of this Prospectus the Set-Off Risk Reserve is zero.

(2) Subordinated Loan

In order to provide credit enhancement to the Class A Notes and the Class B Notes, Volkswagen Bank GmbH shall grant the Subordinated Loan described in section 3.4.4 of this Additional Building Block for in the amount of €41,302,974.27 to the Fund.

(3) Overcollateralisation

In addition to the Subordinated Loan, for the life of the Fund there will be overcollateralisation for the amount by which the Aggregate Discounted Receivables Balance of the Loan Receivables exceeds the sum of the face value of the Notes and the face value of the Subordinated Loan.

(4) Subordination

Class A Notes rank senior to Class B Notes with respect to payment of interest and principal.

Without prejudice to the above and to the Order of Priority or the Liquidation Order of Priority, as indicated in section 4.9 of the Securities Note, the repayment of the Class A Notes will be carried out on a *pro rata* basis among the Notes of such Class, by means of the reduction of their nominal value until redeemed in full, and will take place on each Payment Date, in the amount necessary to reduce on such Payment Date the Outstanding Nominal Balance of the Class A Notes to an amount equal to the Class A Targeted Note Balance.

The repayment of the Class B Notes will be carried out on a *pro rata* basis among the Notes of such Class, by means of the reduction of their nominal value until redeemed in full, and will take place on each Payment Date, in the amount necessary to reduce on such Payment Date the Outstanding Nominal Balance of the Class B Notes to an amount equal to the Class B Targeted Note Balance.

Therefore, the Class B Notes may be repaid together with the Class A Notes depending on the Class B Targeted Note Balance which may be applicable on each Payment Date. It cannot be fully ruled out that the first partial repayment of the Class B Notes will take place once the Class A Notes have been totally repaid.

3.4.3 Risk retention requirement applicable to the Transaction and material net economic interest retained by the Seller

In accordance with Article 6(3)(c) of the Securitisation Regulation, VW Bank (acting through its Spanish Branch) has communicated to the Management Company that it will retain, for the life of the Transaction, a net economic interest through an interest in randomly selected exposures. Such interest in randomly selected exposures has been and will be equivalent to no less than 5 per cent. of the nominal value of the securitised exposures on an ongoing basis provided that the level of retention may reduce over time in compliance with Article 10 (2) of the Commission Delegated Regulation (EU) 625/2014 or any successor delegated regulation.

Notwithstanding the foregoing, certain details relating to the said retention are provided in this Prospectus below. In particular:

- (i) that, in accordance with in accordance with Article 6(3)(c) of the Securitisation Regulation, the Seller, in its capacity of Originator of the securitisation, will undertake under the Deed of Incorporation to retain randomly selected Loan Receivables, equivalent to, at least, 5% of the nominal value of the Loan Receivables (as detailed in Chart 27 in section 2.2.2 of the Additional Building Block); and
- (ii) that, under the Deed of Incorporation, the Seller will undertake to communicate to the Management Company, on a monthly basis, its compliance with the retention commitment assumed by it.

3.4.4 Subordinated Loan Agreement

According to section 3.4.2(i)(2) of this Additional Building Block, the Management Company shall, acting for and on behalf of the Fund, enter with Volkswagen Bank GmbH (the "**Subordinated Lender**") into an agreement whereby Volkswagen Bank GmbH shall grant to the Fund a commercial subordinated loan amounting to €41,302,974.27 (the "**Subordinated Loan**"). The total amount of the Subordinated Loan shall be paid into the Distribution Account on the Closing Date. The Subordinated Loan is granted, among others, in order to enhance the credit rating of the Notes.

The Subordinated Loan shall be amortised on each Payment Date in accordance with the Order of Priority or the Liquidation Order of Priority.

The Subordinated Loan shall be amortised in the following circumstances:

- (1) If: (i) once the payments for Items 1 to 10 of the Order of Priority have been paid: (a) the Outstanding Nominal Balance of the Class A Notes has been reduced to the Class A Targeted Note Balance; and (b) the Outstanding Nominal Balance of the Class B Notes has been reduced to the Class B Targeted Note Balance; and (ii) the Available Distribution Amount is greater than 0 after the payment for Items 1 to 10 of the Order of Priority, it shall be amortised in the Available Distribution Amount after the payment for Items 1 to 10 of the Order of Priority.
- (2) If on the Fund's early liquidation date the Available Distribution Amount is greater than 0 after the payment for Items 1 to 9 of the Liquidation Order of Priority, by the

Available Distribution Amount after the payment for Items 1 to 9 of the Liquidation Order of Priority.

Likewise, the Subordinated Loan shall be amortised on each Payment Date in the amount of the balance of the Cash Collateral Account which is in excess of the Specified Cash Collateral Account Balance on that Payment Date: (i) provided that there is no Level 1 Credit Enhancement Increase Condition or Level 2 Credit Enhancement Increase Condition and/or Insolvency Event for the Service Provider; and (ii) provided that all payments have been made up to Item 10 of the Order of Priority or Item 9 of the Liquidation Order of Priority has been paid (that is, that the Subordinated Lender has paid the interest accrued but not paid from the Subordinated Loan, including without limitation outstanding interest).

Subordinated Loan principal shall be repaid on each Payment Date in accordance with the Order of Priority or the Liquidation Order of Priority. The final maturity of the Subordinated Loan shall occur on the Final Maturity Date or, as the case may be, on the date on which the Management Company proceed with the liquidation of the Fund subject to the Liquidation Order of Priority.

The outstanding Subordinated Loan principal shall accrue an annual fixed nominal interest, determined monthly in each Interest Accrual Period, which shall be a fixed rate of 1.2185%. This interest will be payable only if the Fund has sufficient Available Distribution Amounts to allocate in the Order of Priority or the Liquidation Order of Priority, as the case may be. Interest shall be settled and payable on each Payment Date, and shall be calculated based on: (i) a month of 30 days; and (ii) a 360 day year. Interest shall be paid on the relevant Payment Date provided that the Fund has sufficient funds in the Order of Priority or in the Liquidation Order of Priority.

The accrued but unpaid interest on a Payment Date shall be accumulated to the Subordinated Loan principal and shall earn interest from that time.

All Subordinated Loan amounts due and not paid to Volkswagen Bank GmbH due to a shortfall of Available Distribution Amounts shall be settled on the following Payment Date on which the Available Distribution Amounts allow payment in the Order of Priority of payments or the Liquidation Order of Priority, together with any amounts to be repaid on the same Payment Date. Amounts not paid on preceding Payment Dates shall be paid with preference over Subordinated Loan amounts payable on that Payment Date, paying overdue and unpaid interest and principal repayment, according to the Order of Priority or the Liquidation Order of Priority.

The Subordinated Loan Agreement will be terminated in the event the nominal amount of the Notes Issue is not fully subscribed at the end of the Subscription Period and in the case that the Management Company proceeds with the liquidation of the Fund.

3.4.5 Accounts of the Fund. Parameters for the investment of temporary liquidity surpluses and parties responsible of such investment

(i) Accounts of the Fund

The Management Company, acting in the name and on behalf of the Fund, shall sign the Accounts Agreement with the Account Bank to open the following cash accounts:

(1) Cash Collateral Account

The Cash Collateral Account is the Fund's account opened with the Account Bank endowed on the Closing Date with money from the Initial Cash Collateral Amount and subsequently with the appropriate payments in accordance with item 6 of the Order of Priority in order to maintain the

Specified Cash Collateral Account Balance, as established in the Order of Priority in section 3.4.7(ii)(2) of this Additional Building Block. The sole account holder of the Cash Collateral Account shall be the Fund, represented by the Management Company.

On each Payment Date, the cash collateral amount deposited in this Account shall be used (i) to cover any deficit in the payment of the amounts payable under items 1 to 5 of the Order of Priority, and (ii) (a) on the Scheduled Repayment Date, as defined in the Glossary of Defined Terms, after the last maturity date of the Loan Receivables occurs; or (b) as soon as all the Loan Receivables have matured, for the payment of Items 7 to 12 of the Order of Priority or in accordance with the Liquidation Order of Priority, as applicable.

For this purpose, the Management Company, acting in the name and on behalf of the Fund, shall give the Account Bank instructions to release the funds in the Cash Collateral Account and pay the amounts indicated in section 3.4.7 of the present Additional Building Block and the Accounts Agreement, provided that the Cash Collateral Account has sufficient funds to make such payments.

On each Payment Date, the Cash Collateral Account shall always have a minimum balance equivalent to the Specified Cash Collateral Account Balance, as defined in section 3.4.2(i)(1) of this Additional Building Block, subject to the Available Distribution Amount.

If, on any Payment Date subsequent to the Incorporation Date, the Set-Off Risk Reserve Condition is satisfied, VW Bank Spanish Branch shall provide collateral amounting to the Set-Off Risk Reserve. The Set-Off Risk Reserve shall be deposited in the Cash Collateral Account, shall be adjusted on a monthly basis and shall be exclusively used to cover losses resulting from set-off risks related to deposits of Borrowers with VW Bank Spanish Branch owing to Loan Receivables.

All funds in the Cash Collateral Account other than the unused amounts of the Set-Off Risk Reserve are referred to as the "Cash Collateral".

According to the Accounts Agreement, credit balances in the Cash Collateral Account at any time shall accrue variable monthly interest, which shall be part of the Available Distribution Amount, at a rate equal to the daily EONIA rate as published in the official website of the Bank of Spain reduced by 10 bps. Therefore, it may be the case that the credit balances in the Cash Collateral Account at any time accrue negative interest rate that will be paid by the Fund in accordance with 3.4.7(ii)(5) of the Additional Building Block. The most recent (i.e. 17 February 2020) EONIA rate published in the official website of the Bank of Spain is -0.456%.

(2) Counterparty Downgrade Collateral Account

The Counterparty Downgrade Collateral Account is the Fund's account opened with the Account Bank endowed with the appropriate payments in accordance with the Swap Agreements, as defined in section 3.4.8(ii) of this Additional Building Block. The sole account holder of the Counterparty Downgrade Collateral Account shall be the Fund, represented by the Management Company.

This account serves to deposit any payments of collateral to be made by

the Swap Counterparty pursuant to the Swap Agreements, as defined in section 3.4.8(ii) of this Additional Building Block, upon the occurrence of a downgrade in the Swap Counterparty's credit ratings.

The Counterparty Downgrade Collateral Account shall be segregated from the Distribution Account and from the general cash flow of the Issuer. Collateral deposited in the Counterparty Downgrade Collateral Account shall not constitute Available Distribution Amounts or Collections. Amounts standing to the credit of the Counterparty Downgrade Collateral Account shall secure solely the payment obligations of the Swap Counterparty to the Issuer under the applicable Swap Agreement. The amounts in the Counterparty Downgrade Collateral Account will be applied in or towards satisfaction of the Swap Counterparty's obligations to the Issuer upon termination of the respective Swap Agreement. Any Excess Swap Collateral owing to the respective Swap Counterparty pursuant to the applicable Swap Agreement will not be available to creditors of the Fund other than such Swap Counterparty and shall be returned to such Swap Counterparty in accordance with the applicable Swap Agreement and outside of the Order of Priority. The Swap Counterparty shall bear any costs and expenses in connection with the Counterparty Downgrade Collateral Account. If the Issuer incurs any liabilities, costs or expenses in connection with the Counterparty Downgrade Collateral Account, the Swap Counterparty shall reimburse the Issuer immediately upon request from the Issuer.

Following a termination of a Swap Agreement, the Management Company, acting in the name and on behalf of the Fund, shall give the Account Bank instructions to release the funds in the Counterparty Downgrade Collateral Account and pay any appropriate amounts to an eligible replacement swap counterparty as required to enable the Fund to enter into a new swap agreement, provided that the Counterparty Downgrade Collateral Account has sufficient funds to make such payments.

According to the Accounts Agreement, credit balances in the Counterparty Downgrade Collateral Account at any time shall accrue variable monthly interest, which shall be retained in the Counterparty Downgrade Collateral Account, at a rate equal to the daily EONIA rate as published in the official website of the Bank of Spain reduced by 10 bps. Therefore, it may be the case that the credit balances in the Counterparty Downgrade Collateral Account at any time accrue negative interest rate that will be paid by the Fund in accordance with 3.4.7(ii)(5) of the Additional Building Block. The most recent (i.e. 17 February 2020) EONIA rate published in the official website of the Bank of Spain is -0.456%.

(3) Distribution Account

The Distribution Account is an account which the Fund has opened in the Account Bank. The sole account holder of the Distribution Account shall be the Fund, represented by the Management Company. All the amounts received by the Fund are credited to the Distribution Account. Most of such amounts come from the following sources:

1. subscription for the Notes;
2. Subordinated Loan;
3. Collections of the Fund; and

4. Net Swap Amount, to be paid to the Fund by the Swap Counterparty, as defined in section 3.4.8(ii) of the Additional Building Block, and any other payments made by the Swap Counterparty other than payments of Cash Collateral pursuant to the Swap Agreements.

According to the Accounts Agreement, credit balances in the Distribution Account at any time shall accrue variable monthly interest, which shall be part of the Available Distribution Amount, at a rate equal to the daily EONIA rate as published in the official website of the Bank of Spain reduced by 10 bps. Therefore, it may be the case that the credit balances in the Distribution Account at any time accrue negative interest rate that will be paid by the Fund in accordance with 3.4.7(ii)(5) of the Additional Building Block. The most recent (i.e. 17 February 2020) EONIA rate published in the official website of the Bank of Spain is -0.456%.

The amounts that shall be applied from the Distribution Account to carry out the financial service of the Notes Issue in accordance with the section (2) below (Available Distribution Amount: application) will be transferred by the Paying Agent, following instructions from the Management Company acting on behalf of the Fund, in order to make the relevant payments in accordance with this Prospectus.

(4) Monthly Collateral Account

The Monthly Collateral Account shall serve to cover the temporary risk that the Collections received by the Service Provider and pending transfer to the Fund might not be separated from the Service Provider's funds if the Service Provider has an Insolvency Event.

The sole account holder of the Monthly Collateral Account shall be the Fund, represented by the Management Company.

The Monthly Collections Part 1 and the Monthly Collections Part 2 shall be deposited in the Monthly Collateral Account, as established in section 3.4.1 of the present Additional Building Block.

The Account Bank shall follow the Management Company's instructions in applying the balance as established in section 3.4.1 of the present Additional Building Block.

According to the Accounts Agreement, credit balances in the Monthly Collateral Account at any time shall accrue variable monthly interest, which shall be part of the Available Distribution Amount, at a rate equal to the daily EONIA rate as published in the official website of the Bank of Spain reduced by 10 bps. Therefore, it may be the case that the credit balances in the Monthly Collateral Account at any time accrue negative interest rate that will be paid by the Fund in accordance with 3.4.7(ii)(5) of the Additional Building Block. The most recent (i.e. 17 February 2020) EONIA rate published in the official website of the Bank of Spain is -0.456%.

The Fund shall pay an annual commission in consideration for the services to be provided by the Account Bank, provided that the Fund has sufficient Available Distribution Amounts in accordance with the Order of Priority (Item 2 of the section 3.4.7(ii)(2) of the Additional Building Block) or, if necessary, the Liquidation Order of Priority (Item 2 of the section 3.4.7(ii)(4) of the Additional Building Block).

If the Fund does not have sufficient Available Distribution Amounts to pay the entire commission on the Payment Date indicated in the preceding paragraph, the unpaid amounts shall accrue without penalty and shall be paid on the following Payment Date, unless the situation persists. In such event, the amounts owing shall accumulate until the Payment Date on which they are paid in their entirety.

From the moment on which EONIA is no longer published, the reference interest rate of the Accounts will be equal to the €STR as regulated under the Accounts Agreement.]

(ii) Downgrade in Credit Rating of the Account Bank

The Account Bank must have: (i) (a) a minimum rating of A-1 on the S&P Global Ratings scale for its uninsured, non-secured, non-subordinated short term debt obligations and a minimum rating of A on the S&P Global Ratings scale for its uninsured, non-secured, unsubordinated long-term debt obligation, or (b) a minimum rating of A+ on the S&P Global Ratings scale for its uninsured, non-secured, unsubordinated long-term debt obligations in the event the Account Bank has not a short term rating from S&P Global Ratings; and (ii) (i) (a) if it has a COR, the higher of (x) a rating one notch below its COR and (y) its issuer rating or its unsecured, unsubordinated and unguaranteed debt obligations, rated at least "A" (long-term) by DBRS, (b) if it does not have a COR, the higher of (x) its issuer rating or (y) its unsecured, unsubordinated and unguaranteed debt obligations, rated at least "A" (long-term) by DBRS, or (c) if the relevant entity has no rating from DBRS, having at least a DBRS Equivalent Rating of "A" (long-term) by DBRS ("**Account Bank Required Rating**").

If the Account Bank does not have the Account Bank Required Rating or such rating is withdrawn for any reason, the Account Bank shall have 30 calendar days from such event to adopt one of the following options at its own expense:

- (1) to replace the Account Bank by an Eligible Collateral Bank, which shall assume, substantially, the functions of the Account Bank in the same or better conditions; or
- (2) to seek for an unconditional, irrevocable and first-demand bank guarantee or other guarantee which meets the standards established for this eventuality by S&P Global Ratings and DBRS respectively, granted by an entity which has the Account Bank Required Rating, subject to the early notice to the Rating Agencies. This bank guarantee shall guarantee the Account Bank's timely payment of its obligation to reimburse the Fund for the amounts deposited by the Fund into the Account Bank as long as the situation of the loss of the Account Bank Required Rating is maintained (the "**Account Bank Required Guarantee**").

When the Account Bank ceases to have the Account Bank Required Rating, it shall give an irrevocable commitment to report to the Management Company as soon as said circumstance occurs. This commitment shall last for the life of the Notes Issue.

Any costs, expenses or taxes derived from the options referred to in the above paragraphs caused by a downgrade in the rating of the Account Bank, according to the above, will be borne by the Account Bank, up to a maximum amount of €10,000. The excess over such amount shall be borne by the Fund and will be considered as Extraordinary Expenses, as defined in section 3.4.7(ii)(5) of the Additional Building Block.

3.4.6 Collection by the Fund of the payments related to the assets

VW Bank Spanish Branch shall manage collection of all Loan Receivables payable by the Borrowers, and shall use every effort in order for payments to be made by the Borrowers to be collected in accordance with the contractual terms and conditions of the Loans.

The Collections derived from the Loan Receivables received by VW Bank Spanish Branch shall be paid into the Distribution Account as set forth in section 3.4.5(i)(3) of this Additional Building Block.

3.4.7 Order of Priority of payments made by the Fund

- (i) Source and application of funds on the Closing Date until the First Payment Date, exclusive

The source and application of the amounts available for the Fund on the Notes Issue Closing Date shall be as follows:

- (1) Source: the Fund shall have the following funds:

1. Note subscription payments for Class A and Class B Notes; and
2. drawdown of Subordinated Loan principal.

- (2) Application: in turn, the Fund will apply the funds described above to the following payments:

1. setting up of the Initial Cash Collateral Amount;
2. payment of the Initial Expenses; and
3. payment of the Purchase Price for acquiring the Loan Receivables.

- (ii) Source and application of funds at the first Payment Date, inclusive, until the last Payment Date or the liquidation of the Fund, exclusive

On each Payment Date, other than the Final Maturity Date or other than the date in which the early liquidation of the Fund could take place, the Management Company shall proceed successively to apply the Available Distribution Amount in accordance with the Order of Priority given hereinafter for each of them.

- (1) Available Distribution Amount: source

The Available Distribution Amount at any Payment Date to face the payment obligations or the provisions mentioned in the Order of Priority in section 3.4.7(ii)(2) will be the amounts deposited in the Distribution Account, corresponding to the following concepts identified as such by the Management Company (in accordance with the information obtained by the Service Provider, where applicable) which will be equal to the sum of the following amounts (the "**Available Distribution Amount**"):

1. the Collections of the Monthly Period of such Payment Date; plus
2. the withdrawals of the Cash Collateral Account in accordance to what is established in section 3.4.5(i)(1) of this Additional Building Block; plus

3. the Net Swap Amounts to be paid by the Swap Counterparty as defined in section 3.4.8(ii) of the Additional Building Block, any other payment from such Swap Counterparty; plus
4. in case of a Service Provider's Insolvency Event that prevent the Service Provider from the fulfilment of its obligations in connection with the transfer of the Collections to the Distribution Account, the funds held in the Monthly Collateral Account; plus
5. any other amounts obtained by the Fund, other than amounts held in the Counterparty Downgrade Collateral Account.

In the event of liquidation of the Fund, the liquidation amount of the assets of the Fund will be available and shall be considered to be Available Distribution Amounts to include all the amounts deposited in the Fund Accounts (except in the Counterparty Downgrade Collateral Account).

(2) Available Distribution Amount: application

Generally, the Available Distribution Amount of the Fund, as defined in the preceding section will be applied, on any Payment Date, to the following concepts, establishing the following order of priority (the "**Order of Priority**").

1. payment of taxes by the Fund;
2. payment of Ordinary Expenses and Extraordinary Expenses of the Fund;
3. amounts payable by the Fund to the Swap Counterparty in respect of any Net Swap Amounts, defined in section 3.4.8(ii), of the Additional Building Block, or any Swap Termination Payments under the Swap Agreement (provided that the Swap Counterparty is not the defaulting party (as defined in the Swap Agreement) and there has been no termination of the transaction under the Swap Agreement due to a termination event relating to the Swap Counterparty's downgrade). If the amounts paid by the Fund to the Swap Counterparty are insufficient to meet the Fund's payment obligations under the Swap Agreements, such payments by the Fund will be used first for payments due under the Class A Interest Rate Swap Agreement and, to the extent such payment obligations have been fully satisfied, second, for payments due under the Class B Interest Rate Swap Agreement;
4. amounts payable in respect of: (a) interest accrued during the immediately preceding Interest Accrual Period; plus (b) Interest Shortfalls (if any) on the Class A Notes;
5. amounts payable in respect of: (a) interest accrued during the immediately preceding Interest Accrual Period; plus (b) Interest Shortfalls (if any) on the Class B Notes;
6. amounts payable to the Cash Collateral Account, until the Cash Collateral amount is equal to the Specified Cash Collateral Account Balance;
7. to the Class A Noteholders, an aggregate amount equal to the Class A Principal Payment Amount for such Payment Date;

8. to the Class B Noteholders, an aggregate amount equal to the Class B Principal Payment Amount for such Payment Date;
9. payment to the Swap Counterparty of any payments under the Swap Agreement other than those made under 3 above, provided that if the amounts paid by the Fund to the Swap Counterparty are insufficient to meet the Fund's payment obligations under the Swap Agreements, such payments by the Fund will be used for payments due under the Class A Interest Rate Swap Agreement and, to the extent such payment obligations have been fully satisfied, will be used for payments due under the Class B Interest Rate Swap Agreement;
10. payment to the Subordinated Lender of the accrued and unpaid interest on the Subordinated Loan (including, without limitation, overdue interest);
11. payment to the Subordinated Lender of principal amounts until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and
12. to payment of all remaining excess to VW Bank Spanish Branch by way of Financial Intermediation Margin as described in section 3.4.7(ii)(6) below.

(3) Other Rules

1. If the Available Distribution Amount is insufficient to make any of the above payments, the Available Distribution Amount of the Fund will be applied to the different items mentioned in the previous section in the Order of Priority established and pro rata to the required amount among those entitled to receive payment.
2. The amounts that remain unpaid will be allocated, on the next Payment Date, in a priority order immediately before the concept to which it is referred to and that should be paid on such Payment Date.
3. The amounts owed by the Fund that are not paid on their respective Payment Dates will not accrue additional interest (except in relation to the Subordinated Loan as contemplated in section 3.4.4 of the Additional Building Block).
4. Should the Fund default in the payment of any interest on the Class A Notes then outstanding when the same becomes due and payable (notwithstanding any deferral of interest as per this section) and such default continues for a period of five (5) Business Days, the order of priority to be used from the next Payment Date (and onwards) shall be the "Liquidation Order of Priority", although, such event isolated will not constitute an Early Liquidation event and the Management Company will not (only for that reason) be obliged to early liquidate the Fund.

(4) Fund Liquidation Order of Priority

The Management Company shall proceed to liquidate the Fund upon the Fund being liquidated on the Final Maturity Date or in case of an early liquidation event in accordance with the provisions of section 4.4.3 of the

Registration Document, by applying the available funds obtained from the following items (the "**Liquidation Available Funds**"): (i) the Available Distribution Amount; and (ii) the amounts obtained by the Fund from time to time upon disposing of the Loan Receivables and the remaining assets, in the following order of priority of payments (the "**Liquidation Order of Priority**"), after deducting the necessary Liquidation Expenses reserve:

1. payment of taxes by the Fund;
2. payment of Ordinary Expenses and Extraordinary Expenses of the Fund;
3. amounts payable by the Fund to the Swap Counterparty in respect of any Net Swap Amounts, defined in section 3.4.8(ii), of the Additional Building Block or any Swap Termination Payments under the Swap Agreement (provided that the Swap Counterparty is not the defaulting party (as defined in the Swap Agreement) and there has been no termination of the transaction under the Swap Agreement due to a termination event relating to the Swap Counterparty's downgrade). If the amounts paid by the Fund to the Swap Counterparty are insufficient to meet the Fund's payment obligations under the Swap Agreements, such payments by the Fund will be used first for payments due under the Class A Interest Rate Swap Agreement and, to the extent such payment obligations have been fully satisfied, second, for payments due under the Class B Interest Rate Swap Agreement;
4. amounts payable in respect of: (a) interest accrued during the immediately preceding Interest Accrual Period; plus (b) Interest Shortfalls (if any) on the Class A Notes;
5. to the holders of the Class A Notes, payment by means a reduction of the principal amount until the Class A Notes are redeemed in full;
6. amounts payable in respect of: (a) interest accrued during the immediately preceding Interest Accrual Period; plus (b) Interest Shortfalls (if any) on the Class B Notes;
7. to the holders of the Class B Notes, payment by means of a reduction of the principal amount until the Class B Notes is redeemed in full;
8. payment to the Swap Counterparty of any payments under the Swap Agreement other than those made under item 3 above provided that if the amounts paid by the Fund to the Swap Counterparty are insufficient to meet the Fund's payment obligations under the Swap Agreements, such payments by the Fund will be used for payments due under the Class A Interest Rate Swap Agreement and, to the extent such payment obligations have been fully satisfied, will be used for payments due under the Class B Interest Rate Swap Agreement;
9. payment to the Subordinated Lender of amounts payable in respect of accrued and unpaid interest on the Subordinated Loan (including, without limitation, overdue interest);

10. payment of the Subordinated Lender of principal amounts until the aggregate principal amount of the Subordinated Loan has been reduced to zero; and
11. to payment of all remaining excess to VW Bank Spanish Branch by way of a Financial Intermediation Margin as described in section 3.4.7(ii)(6) below.

For clarification purposes, upon the occurrence of the event described in section 3.4.7(ii)(3)4 above, from the next Payment Date and onwards, the order of priority to be used shall be the "Liquidation Order of Priority", although, such event isolated will not constitute an Early Liquidation event and the Management Company will not (only for that reason) be obliged to early liquidate the Fund.

(5) Fund Expenses

1. Ordinary Expenses. The following are considered ordinary expenses ("**Ordinary Expenses**"): those which may arise from mandatory verifications, registrations, and administrative authorisations; Rating Agency fees for follow-up and maintenance of the rating of the Notes; those relating to bookkeeping for the Notes by means of account entries; those relating to maintenance of the trading of the Notes in secondary markets; those arising from the annual audit of the Fund; those arising from the amortisation of the Notes; those arising from announcements and notices relating to the Fund and/or the Notes; the Management Company's commission; any Paying Agents' fees; any Account Bank's fees; EDW fees (other than the initial fee payable to EDW), other administrative expenses of the Fund; and in general any expenses included in Items 1 to 2 of the Order of Priority and of the Liquidation Order of Priority.

If applicable, the negative interests accrued on the credit balances of the Accounts of the Fund will also be considered Ordinary Expenses.

According to the hypotheses contained in Section 4.10 of the Securities Note, the estimated annual Ordinary Expenses for the Fund amounts to €280,676.87 plus an amount equivalent to 1% of the Aggregate Discounted Receivables Balance of the Loan Receivables corresponding to the Service Provider Fee. The estimated amount of said Ordinary Expenses to be paid on the first Payment Date of the Fund is €27,902.57, plus the Service Provider Fee applicable on such Payment Date. The annual amount of Ordinary Expenses is expected to decrease throughout the life of the Fund because the amount of part of the Ordinary Expenses of the Fund is determined as a percentage of the Transaction balance, which obviously will decrease through time.

2. Extraordinary Expenses. The following are considered extraordinary expenses ("**Extraordinary Expenses**"): where applicable, any expenses arising from the preparation and formal execution of the amendment of the Deed of Incorporation and the ancillary agreements, as well as for the execution of additional agreements; where applicable, the expenses for the incorporation of the Fund and the Notes Issue in excess of the estimated amount

of the Initial Expenses described in section 6 of the Securities Note; where applicable any costs derived from the election and formalisation of the substitution caused by a downgrade in the rating of the Paying Agent in accordance with section 5.2 of the Securities Note and of the Account Bank which exceed the maximum amount of €10,000 according to section 3.4.5(ii) above of this Additional Building Block; extraordinary audit and legal advice expenses; expenses that may be incurred in the case of substitution of the Servicer Provider in connection with the registration of retention of titles and notices to borrowers, any expenses incurred in the sale of the Loan Receivables and of the remaining assets of the Fund; the expenses required for seeking the enforcement of the Loan Receivables and those arising from the necessary recovery actions; costs incurred for each Meeting of Creditors (including those costs incurred by the Management Company that are not foreseen in its management fee); in general, any other extraordinary expenses incurred by the Fund or by the Management Company, on behalf of and for the account of the same. Extraordinary Expenses will include, if applicable, the Liquidation Expenses.

3. Liquidation Expenses. The following will be considered liquidation expenses ("**Liquidation Expenses**"): any expenses incurred in the assignment of the Loan Receivables and the remaining assets of the Fund when it is liquidated and those incurred in the liquidation of the Fund, including the extinction expenses reserve.
4. Initial Expenses. The estimate of the initial expenses ("**Initial Expenses**") incurred in the incorporation of the Fund and the issue of the Notes is detailed in section 6 of the Securities Note. The Initial Expenses will be paid by the Fund. In any event, an amount equal to that paid as Initial Expenses by the Fund shall be subtracted so as to determine the Purchase Price, as indicated in section 3.3.3 of the Additional Building Block.

(6) Financial Intermediation Margin

The Seller will be entitled to receive from the Fund a variable and subordinated amount as remuneration for its involvement in the financial intermediation process carried out and that has permitted the financial transformation defining the activity of the Fund, the acquisition of the Loan Receivables and the provisional ratings assigned to each Class of Notes.

Such remuneration will be settled every month on each Payment Date, for an amount equal to the positive difference between the Available Distribution Amount of the Fund and the application of items 1 to 11 of the Order of Priority and of items 1 to 10 in the Liquidation Order of Priority (the "**Financial Intermediation Margin**").

This amount will not be deemed a fee or consideration owed on account of the delivery of a good or provision of a service to the Fund, but instead will be deemed as remuneration for the financial intermediation process carried out by the Seller.

3.4.8 Other arrangements upon which payments of interest and principal to investors are dependent

(i) Paying Agency Agreement

The Management Company, on behalf of and for the account of the Fund, will enter into a Paying Agency Agreement with the Paying Agent in order to carry out the financial service of the Issue of Notes issued at the expense of the Fund, the main terms and conditions of which are set forth in section 5.2 of the Securities Note.

(ii) Swap Agreements

For the purpose of this section the following definitions shall apply:

**"Excess Swap Collateral"** means, in respect of a Swap Agreement, an amount (which shall be transferred directly to the Swap Counterparty in accordance with the Swap Agreement) equal to the amount by which the value of the collateral (or the applicable part of any collateral) provided by the Swap Counterparty to the Issuer pursuant to the Swap Agreement exceeds the Swap Counterparty's liability under the Swap Agreement as at the date of termination of the Swap Agreement or which it is otherwise entitled to have returned to it under the terms of the Swap Agreement.

**"Net Swap Amount"** means the payments (or collections) which have to be carried out by virtue of the Swap Agreement on each Payment Date for its net value, that is, for the positive (or negative) difference between the amount to be paid by the Fund and the amount to be paid by the Swap Counterparty.

**"Swap Counterparty Required Rating"** means the following credit ratings required for any entity for being Swap Counterparty: (a) (i) not less than the counterparty ratings for the S&P Collateral Framework Option then in effect pursuant to the Swap Agreement; or (ii) the Minimum S&P Collateralised Counterparty Rating and posts collateral in the amount and manner set forth in the Swap Agreements; and (b) a rating of its long term unsecured, unguaranteed and unsubordinated debt obligations assigned by DBRS of at least (i) "A" or (ii) "BBB" and which either posts collateral in the amount and manner set forth in the Swap Agreement or obtains a guarantee from a person having the ratings set forth in (a)(i) above or in each case, if the relevant entity's long-term unsecured, unguaranteed and unsubordinated debt obligations are not rated by DBRS, such debt obligations have at least a DBRS equivalent rating corresponding to the ratings required pursuant to (a)(i) or (a)(ii) above, respectively.

**"Swap Termination Payment"** means any payment due to the Swap Counterparty by the Fund or to the Fund by the Swap Counterparty, including interest that may accrue thereon, under the Swap Agreement due to a termination of the Swap Agreement due to an "event of default" or "termination event" under the Swap Agreement.

The Management Company, on behalf of the Fund, will enter on the Incorporation Date into the Class A Interest Rate Swap Agreement based on the ISDA standard with the Class A Swap Counterparty and the Class B Interest Rate Swap Agreement based on the ISDA standard with the Class B Swap Counterparty. The Swap Counterparty shall be the same in both instances. Each Swap Agreement will hedge the floating interest rate risk on the applicable Class of Notes. The Swap Counterparty has been designated by the Management Company, acting on behalf of the Fund, and such designation has been made in favour of DZ Bank as reflected in section 3.1 of the Securities Note.

Under the Class A Interest Rate Swap Agreement the Fund will undertake to pay to the Class A Swap Counterparty on each Payment Date an amount equal to the amount of interest on the nominal amount of the Class A Notes outstanding on each Payment Date, calculated on the basis of a fixed rate of interest of 0.28% per annum. The Class A Swap Counterparty will undertake to pay to the Fund on each Payment Date an amount equal to the floating rate of interest on such outstanding nominal amount of the Class A Notes, calculated over the Reference Interest Rate plus a margin of 0.70% *per annum* on the basis of the actual number of days elapsed in an Interest Accrual Period divided by 360, subject to a floor of zero. The Class A Interest Rate Swap Agreement will be in force until the Final Maturity Date (unless the Fund is liquidated earlier in accordance with the provisions of section 4.4.3 of the Registration Document) and the initial notional amount will be the nominal amount of the Class A Notes.

Under the Class B Interest Rate Swap Agreement the Fund will undertake to pay to the Class B Swap Counterparty on each Payment Date an amount equal to the amount of interest on the nominal amount of the Class B Notes outstanding on each Payment Date, calculated on the basis of a fixed rate of interest of 0.38% per annum. The Class B Swap Counterparty will undertake to pay to the Fund on each Payment Date an amount equal to the floating rate of interest on such outstanding nominal amount of the Class B Notes, calculated over the Reference Interest Rate a margin of 0.80% per annum on the basis of the actual number of days elapsed in an Interest Accrual Period divided by 360, subject to a floor of zero. The Class B Interest Rate Swap Agreement will be in force until the Final Maturity Date (unless the Fund is liquidated earlier in accordance with the provisions of section 4.4.3 of the Registration Document) and the initial notional amount will be the nominal amount of the Class B Notes.

Swap fixed interest rates have been established by means of a procedure of fixed interest rates offered by different banks. The fixed rate is calculated using valuation procedures that take into account, among others, the current interest rate curve, future prospects and available hedging positions.

The payments (or collections) which have to be carried out by virtue of each of the Swap Agreements will be carried out on each Payment Date for its net value, that is, for the positive (or negative) difference between the amount to be paid by the Fund and the amount to be paid by the Swap Counterparty (the "**Net Swap Amount**"). Payments made by the Fund under the Swap Agreements (other than termination payments related to an event of default or termination event where the Swap Counterparty is the defaulting party, respectively the affected party) rank higher in priority than all payments on the Notes. If the amounts paid by the Fund to the Swap Counterparty are insufficient to meet the Fund's payment obligations under the Swap Agreements, such payments by the Fund will be used for payments due under the Class A Interest Rate Swap Agreement and, to the extent such payment obligations have been fully satisfied, will be used for payments due under the Class B Interest Rate Swap Agreement. Payments by the Swap Counterparty to the Fund under the Swap Agreements will be made into the Distribution Account and will, to the extent necessary, be increased to insure that such payments are free and clear of all taxes.

During periods in which floating interest rates payable by the Swap Counterparty under the Swap Agreement are substantially higher than the fixed interest rates payable by the Fund under the Swap Agreements, the Fund will be more dependent on receiving a Net Swap Amount from such Swap Counterparty in order to make interest payments on the Notes. If in such a period a Swap Counterparty fails to pay any amounts when due under the Swap Agreements, the Monthly Collections and the Cash Collateral amount may be insufficient to make the required payments of

principal and interest on the Notes to the Noteholders and the Noteholders may experience delays and/or reductions in the interest and principal payments under the Notes.

In the event that a Swap Agreement is terminated by either party, then, depending on the market value of the swap, a termination payment may be due to the Fund or to the Swap Counterparty. Any such termination payment could, if market interest rates and other conditions have changed materially, be substantial. Under certain circumstances, termination payments required to be made by the Fund to the Swap Counterparty will rank higher in priority than all payments on the Notes. In such event, the Loan Receivables and the Cash Collateral amount may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments on the Notes.

The Swap Counterparty may transfer its obligations under the Swap Agreements to a third party with the Swap Counterparty Required Rating.

For these purposes, the Swap Counterparty will grant an irrevocable undertaking of communicating to the Management Company, as soon as this circumstance occurs, during the life of the Notes Issue, if the short-term and long-term rating granted to the Swap Counterparty by the Rating Agencies is modified or withdrawn.

Unless the Fund suffers from a permanent alteration of its equity balance, the Management Company, representing the Fund, shall attempt to procure a new financial interest swap agreement in terms essentially similar to those of the terminated agreement.

Upon the occurrence of a downgrade in the Swap Counterparty's credit ratings any payments of collateral to be made by the Swap Counterparty pursuant to the Swap Agreements, as defined in section 3.4.8(ii) of this Additional Building Block must be deposited in the Counterparty Downgrade Collateral Account.

Following a termination of a Swap Agreement, the Management Company, acting in the name and on behalf of the Fund, shall give the Account Bank instructions to release the funds in the Counterparty Downgrade Collateral Account and pay any appropriate amounts to an eligible replacement swap counterparty as required to enable the Fund to enter into a new swap agreement, provided that the Counterparty Downgrade Collateral Account has sufficient funds to make such payments.

### 3.5 Name, address and significant business activities of the Seller of the securitised assets

The Seller of the securitised Loan Receivables is VW Bank Spanish Branch.

Registered office: Avenida Bruselas 34, 28108, Alcobendas (Madrid), España.

#### **Significant economic activities of VW Bank**

The following are the relevant data of VW Bank for fiscal years 2016, 2017 and 2018. This audited individual financial information was prepared in accordance with International Financial Reporting Standards, adopted by the European Union (IFRS).

INDIVIDUAL BALANCE SHEETS AT DECEMBER 31, 2018, 2017 and 2016

**BALANCE SHEET AT 31 DECEMBER 2016, 2017 and 2018**

(in thousands of euros)

| <b>ASSETS</b>  | <b>2016</b>       | <b>2017</b>       | <b>2018</b>       |
|--|-------------------|-------------------|-------------------|
| <b>1. Cash reserve</b>   | <b>1,372,026</b>  | <b>1,714,168</b>  | <b>1,865,567</b>  |
| a) Cash-in-hand  | 1,309             | 909               | 933               |
| b) Central bank balances   | 1,370,640         | 1,713,178         | 1,864,626         |
| of which:  |                   |                   |                   |
| at Deutsche Bundesbank   | (1,363,000)       | (1,705,254)       |                   |
| c) Post office bank balances   | 77                | 81                | 8                 |
| <b>2. Loans to and receivables from banks</b>  | <b>1,712,578</b>  | <b>1,862,374</b>  | <b>528,424</b>    |
| a) Repayable on demand   | 896,774           | 421,626           | 528,046           |
| b) Other receivables   | 815,804           | 1,440,748         | 377               |
| <b>3. Loans to and receivables from customers</b>  | <b>43,210,027</b> | <b>47,912,663</b> | <b>51,077,476</b> |
| <b>4. Bonds and other fixed-income securities</b>  | <b>12,839,252</b> | <b>15,094,211</b> | <b>15,418,973</b> |
| a) Bonds   |                   |                   |                   |
| aa) From public-sector issuers   | 2,071,512         | 1,974,943         | 2,094,399         |
| of which:  |                   |                   |                   |
| eligible as collateral at Deutsche Bundesbank  | (1,819,797)       | (1,737,569)       |                   |
| ab) From other issuers   | 10,767,740        | 13,119,268        | 13,324,573        |
| of which:  |                   |                   |                   |
| eligible as collateral at Deutsche Bundesbank  | (9,425,673)       | (11,967,401)      |                   |
| <b>5. Equities and other variable-yield securities</b>   | <b>0</b>          | <b>0</b>          | <b>0</b>          |
| <b>6. Long-term equity investments</b>   | <b>200</b>        | <b>87,989</b>     | <b>87,852</b>     |
| <b>7. Shares in affiliated companies</b>   | <b>77,136</b>     | <b>631,651</b>    | <b>546,982</b>    |
| of which:  |                   |                   |                   |
| in banks   | (77,136)          | (88,854)          |                   |
| <b>8. Intangible fixed assets</b>  | <b>6,529</b>      | <b>7,481</b>      | <b>11,110</b>     |
| a) Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets | 6,196             | 7,314             | 11,110            |
| b) Goodwill  | 333               | 167               | 0                 |
| <b>9. Property and equipment</b>   | <b>8,549</b>      | <b>8,545</b>      | <b>9,730</b>      |
| <b>10. Lease assets</b>  | <b>1,003,716</b>  | <b>1,198,281</b>  | <b>1,407,756</b>  |
| <b>11. Other assets</b>  | <b>436,139</b>    | <b>488,568</b>    | <b>637,365</b>    |
| <b>12. Prepaid expenses</b>  | <b>5,153</b>      | <b>9,761</b>      | <b>21,032</b>     |
| <b>TOTAL ASSETS</b>  | <b>60,671,305</b> | <b>69,015,602</b> | <b>71,612,266</b> |
| <b>EQUITY AND LIABILITIES</b>  |                   |                   |                   |
| <b>1. Liabilities to banks</b>   | <b>4,872,008</b>  | <b>7,194,019</b>  | <b>8,872,301</b>  |
| a) Repayable on demand   | 184,032           | 213,033           | 1,245,092         |
| b) With agreed maturity or notice period   | 4,687,976         | 6,980,987         | 7,627,209         |
| <b>2. Liabilities to customers</b>   | <b>37,417,321</b> | <b>35,433,829</b> | <b>34,443,652</b> |
| a) Other liabilities   |                   |                   |                   |
| aa) Repayable on demand  | 25,932,463        | 23,885,894        | 23,820,648        |
| ab) With agreed maturity or notice period  | 11,484,858        | 11,547,936        | 10,623,004        |

|  |                   |                   |                   |
|--|-------------------|-------------------|-------------------|
| <b>3. Notes, commercial paper issued</b>                 | <b>1,815,048</b>  | <b>3,802,822</b>  | <b>5,670,650</b>  |
| a) Bonds issued  | 0                 | 3,265,549         | 4,770,326         |
| b) Other notes, commercial paper issued                  | 1,815,048         | 537,723           | 900,324           |
| of which:  |                   |                   |                   |
| Commercial paper   |                   | (537,273)         |                   |
| <b>4. Other liabilities</b>                              | <b>8,901,039</b>  | <b>12,221,980</b> | <b>12,167,503</b> |
| <b>5. Deferred income</b>                                | <b>661,654</b>    | <b>758,833</b>    | <b>887,268</b>    |
| <b>6. Provisions</b>                                     | <b>577,773</b>    | <b>672,426</b>    | <b>639,267</b>    |
| a) Provisions for pensions and similar obligations       | 40,443            | 70,612            | 88,894            |
| b) Provisions for taxes                                  | 21,357            | 40,220            | 40,991            |
| c) Other provisions                                      | 515,973           | 561,594           | 509,381           |
| <b>7. Special tax-allowable reserve</b>                  | <b>1,214</b>      | <b>1,171</b>      | <b>1,128</b>      |
| <b>8. Subordinated liabilities</b>                       | <b>30,000</b>     | <b>30,000</b>     | <b>30,000</b>     |
| <b>9. Fund for general banking risks</b>                 | <b>25,565</b>     | <b>25,565</b>     | <b>25,565</b>     |
| <b>10. Equity</b>  | <b>6,369,683</b>  | <b>8,874,958</b>  | <b>8,874,933</b>  |
| a) Subscribed capital                                    | 318,279           | 318,279           | 318,279           |
| b) Capital reserves                                      | 6,025,800         | 8,531,074         | 8,531,049         |
| c) Revenue reserves                                      |                   |                   |                   |
| ca) Other revenue reserves                               | 25,604            | 25,604            | 25,604            |
| d) Net retained profits                                  | 0                 | 0                 | 0                 |
| <b>TOTAL EQUITY AND LIABILITIES</b>                      | <b>60,671,305</b> | <b>69,015,602</b> | <b>71,612,266</b> |
| <b>1. Contingent liabilities</b>                         |                   |                   |                   |
| a) Liabilities under guarantees and indemnity agreements | 135,339           | 135,995           | 183,232           |
| of which:  |                   |                   |                   |
| to affiliated companies                                  | 115,422           | 108,773           | 152,249           |
| <b>2. Other obligations</b>                              |                   |                   |                   |
| a) Irrevocable credit commitments                        | 1,435,011         | 2,147,999         | 2,303,652         |
| of which:  |                   |                   |                   |
| to affiliated companies                                  | 142,998           | 137,012           | 54,533            |

INDIVIDUAL PROFIT AND LOSS ACCOUNTS FOR YEARS ENDED DECEMBER 31, 2018, 2017 and 2016

|  | 2016             | 2017             | 2018             |
|--|------------------|------------------|------------------|
| <b>1. Interest income from</b>   | <b>1,356,204</b> | <b>1,457,251</b> | <b>1,570,526</b> |
| a) Lending and money market transactions   | 1,269,812        | 1,386,246        | 1,502,960        |
| b) Fixed-income securities and debt register claims  | 86,392           | 71,005           | 67,566           |
| <b>2. Interest expense</b>   | <b>179,637</b>   | <b>138,708</b>   | <b>105,378</b>   |
| <b>3. Interest anomalies</b>   | <b>-9,096</b>    | <b>-12,309</b>   | <b>82,299</b>    |
| a) Positive interest from banking business (collateral deposits)   | 720              | 751              | 104,640          |
| b) Negative interest from money market transactions  | 9,816            | 13,060           | 22,341           |
|  | <b>1,167,471</b> | <b>1,306,234</b> | <b>1,547,447</b> |
| <b>4. Current income from</b>  |                  |                  |                  |
| a) Equities and other variable-yield securities  | 7                | 31               | 58               |
| b) Long-term equity investments  | 0                | 0                | 6,758            |
|  | <b>7</b>         | <b>31</b>        | <b>6,815</b>     |
| <b>5. Leasing income</b>   | 612,136          | 715,588          | 837,646          |
| <b>6. Leasing expenses</b>   | 260,903          | 321,299          | 396,011          |
|  | <b>351,233</b>   | <b>394,289</b>   | <b>441,635</b>   |
| <b>7. Fee and commission income</b>  | 425,054          | 388,164          | 351,980          |
| <b>8. Fee and commission expenses</b>  | 528,448          | 500,544          | 749,225          |
|  | <b>-103,394</b>  | <b>-112,380</b>  | <b>-397,245</b>  |
| <b>9. Other operating income</b>   | 475,198          | 419,824          | 248,195          |
| <b>10. Income from reversal of special tax-allowable reserve</b>   | 43               | 43               | 43               |
| <b>11. General and administrative expenses</b>   | <b>798,432</b>   | <b>815,280</b>   | <b>752,417</b>   |
| a) Personal expenses   | 78,206           | 117,271          | 209,030          |
| aa) Wages and salaries   | 63,807           | 97,913           | 165,730          |
| ab) Social security, post-employment and other employee benefit costs  | 14,399           | 19,357           | 43,300           |
| of which:  |                  |                  |                  |
| in respect of post-employment benefits   | (2,008)          | (363)            |                  |
| b) Other administrative expenses   | 720,226          | 698,010          | 543,387          |
| <b>12. Amortization and write-downs of intangible fixed assets, and depreciation and write-downs of property and equipment and lease assets</b>                                  | <b>330,763</b>   | <b>367,653</b>   | <b>446,175</b>   |
| a) Amortization and write-downs of intangible fixed assets, and depreciation and write-downs of property and equipment   | 6,055            | 5,240            | 8,323            |
| b) Depreciation and write-downs of lease assets  | 324,708          | 362,413          | 437,852          |
| <b>13. Other operating expenses</b>  | <b>156,909</b>   | <b>272,824</b>   | <b>315,962</b>   |
| <b>14. Amortization and write-downs of receivables and certain securities, and additions to provisions in the lending business</b>   | <b>62,465</b>    | <b>0</b>         | <b>105,953</b>   |
| <b>15. Income from the reversal of write-downs of and valuation allowances on receivables and certain securities and from the reversal of provisions in the lending business</b> | <b>0</b>         | <b>125,675</b>   | <b>0</b>         |
| <b>16. Write-downs of long-term equity investments, shares in affiliated companies, and securities treated as fixed assets</b>   | <b>11,265</b>    | <b>0</b>         | <b>453</b>       |
| <b>17. Result from ordinary activities</b>   | <b>553,254</b>   | <b>677,959</b>   | <b>225,932</b>   |

|   |                |                |                |
|---|----------------|----------------|----------------|
| <b>18. Extraordinary income</b>   | <b>7,767</b>   | <b>2,969</b>   | <b>74,972</b>  |
| <b>19. Extraordinary result</b>   | <b>7,767</b>   | <b>2,969</b>   | <b>74,972</b>  |
| <b>20. Income tax expense</b>   | <b>147,253</b> | <b>191,629</b> | <b>96,317</b>  |
| <b>21. Other taxes, unless reported under item 13</b>                     | <b>28</b>      | <b>52</b>      | <b>120</b>     |
| <b>22. Profits transferred under a profit and loss transfer agreement</b> | <b>413,740</b> | <b>489,247</b> | <b>204,467</b> |
| <b>23. Net income</b>   | <b>0</b>       | <b>0</b>       | <b>0</b>       |
| <b>24. Net retained profits</b>   | <b>0</b>       | <b>0</b>       | <b>0</b>       |

3.6 Return and/or repayment of securities linked to the performance or credit of other assets which are not assets of the Issuer

Not applicable.

3.7 Administrator, calculation agent or equivalent

3.7.1 Management and representation of the Fund

The Management Company, Titulización de Activos, S.G.F.T., S.A., shall be responsible for managing and administering the Fund, as the authorised representative of the Fund and the Master Servicer, on the terms set in article 26 of Law 5/2015, to the extent applicable, other applicable laws, and on the terms of the Deed of Incorporation and this Prospectus.

The management and significant economic activities of the Management Company are respectively detailed in section 6 of the Registration Document.

The Management Company shall carry out for the Fund the functions attributed to it in Law 5/2015 and in particular the Management Company is the responsible (in accordance to article 26.1.b) of Law 5/2015) of managing the assets allocated to the Fund. The Management Company may sub-contract or delegate to a third party entity such functions (as contemplated under section 3.7.2 below), keeping its responsibility in accordance with article 30.4) of Law 5/2015.

It is also the Management Company's duty, as the manager of third-party interests, to represent and defend the interests of the holders of Notes issued at the cost of the Fund and those of its creditors. Consequently, the Management Company shall make its actions conditional on their protection and observe the provisions established for that purpose from time to time. Noteholders and all other creditors of the Fund shall have no recourse against the Management Company, except for a breach of its duties or failure to observe the provisions of the Deed of Incorporation and this Prospectus.

The Meeting of Creditors shall be established upon and by virtue of the Deed of Incorporation and shall remain in force and in effect until repayment of the Notes in full or cancellation of the Fund, as established in section 4.11 of the Securities Note.

Merely by way of illustration, and notwithstanding other actions stipulated in the Deed of Incorporation and this Prospectus, the duties of the Management Company in accordance with the applicable laws at the time of registration of this Prospectus, will be as follows:

- (i) check that the amount of the Collections actually received by the Fund matches the information provided by the Service Provider to the Management Company in the monthly investors report and in the periodic information files, in accordance with the provisions of the different contracts from which such Collections derive. Should it be necessary, the Management Company will take any action, either in court or out of

court, necessary or appropriate to protect the rights of the Fund and of the Noteholders;

- (ii) apply the Fund's Collections to the payment of the Fund's obligations, as provided in the Deed of Incorporation and this Prospectus;
- (iii) extend the term or modify the contracts it has entered into on behalf of the Fund in order to allow the Fund to operate in the terms stipulated in the Deed of Incorporation, this Prospectus and the laws applicable from time to time;
- (iv) replace each of the providers of services to the Fund, in the terms set forth in the Deed of Incorporation and in this Prospectus and, if and when necessary, the authorisation of the competent authorities is obtained, the Rating Agencies are notified and the interests of the Noteholders are not harmed. In particular, in the event that the Seller is in breach of its obligations as the service provider of the Loan Receivables, the Management Company will take any steps necessary to ensure the proper servicing of the Loan Receivables;
- (v) issue appropriate instructions in relation to the Accounts;
- (vi) issue appropriate instructions to the Paying Agent regarding payments to be made to the Noteholders and, where applicable, to other entities in charge of making payments;
- (vii) calculate and give instructions regarding the Subordinated Loan principal and interest payments;
- (viii) calculate and give instructions regarding the Fund's payments under the Swap Agreement;
- (ix) appoint and replace the Fund's auditor, where applicable, with the prior approval of the CNMV, where necessary;
- (x) produce and submit to the competent agencies any documents and information that must be submitted under current regulations to the CNMV and produce and disclose to the Noteholders any information that is legally required;
- (xi) make appropriate decisions relating to the liquidation of the Fund, including the decision to proceed with the early liquidation of the Fund, pursuant to the provisions of the Deed of Incorporation and this Prospectus;
- (xii) determine the Nominal Interest Rate applicable to the Notes in each Interest Accrual Period;
- (xiii) perform all of the duties that correspond to it in relation to the Meeting of Creditors as established in section 4.11 of the Securities Note; and
- (xiv) make available to the public any documents and information necessary in accordance with the Deed of Incorporation and this Prospectus.

#### **Resignation and substitution of the Management Company**

The Management Company shall be substituted in managing and representing the Fund, in accordance with articles 32 (*Resignation*) and 33 (*Forced Substitution*) of Law 5/2015 and to the extent applicable, other regulations to be established in the future.

### **Resignation**

The Management Company may resign its management and authorised representation function with respect to all or part of the funds managed whenever it deems this fit, requesting its substitution, which should be authorized by the CNMV, in accordance with the procedure and the conditions to be established in the regulations.

The Management Company may in no event resign its duties until and unless all requirements and formalities have been complied with in order for its substitute to take over its duties.

The substitution expenses originated shall be borne by the Management Company and may in no event be passed on to the Fund.

### **Forced substitution**

- (i) In the event that the Management Company is declared insolvent, it shall find a substitute management company, in accordance with the provisions of the foregoing section.
- (ii) Always in the event for which provision is made in the preceding section, if four months have elapsed from the occurrence determining the substitution and no new management company has been found to take over management of the Fund, there shall be an early liquidation of the Fund, and the Early Redemption of the Notes issued by the Fund in accordance with the provisions of this Prospectus.

The Management Company agrees to execute such notarial deeds and private documents as may be necessary for it to be substituted by another management company, in accordance with the system for which provision is made in the preceding paragraphs of this section. The substitute management company shall be substituted in the Management Company's rights and duties under this Prospectus. Furthermore, the Management Company shall hand to the substitute management company such accounting records and data files as it may have to hand over in connection with the Fund.

### **Management Company's remuneration**

The Management Company will receive, for its management, an initial fee (which has been included within the Initial Expenses of the Fund) plus a management fee on each Payment Date, equal to a twelfth part of the fixed amount (which shall be deemed included in the Ordinary Expenses of the Fund). Such fee will be deemed gross, in the sense of including any direct or indirect tax or withholding which could charge the same.

Exceptionally, on the first Payment Date, the remuneration of the Management Company will be calculated on a *pro rata* basis according to the number of days elapsed as from the Date of Incorporation.

#### **3.7.2 Administration and custody of the securitised assets**

- (i) Appointment of Service Provider and its functions

Notwithstanding the obligations of servicing and management of the Loan Receivables corresponding to the Management Company in accordance with article 26.1.b) of Law 5/2015 (as it is set forth under section 3.7.2(vii) of the Additional Building Block), the Management Company has entered into a Servicing Agreement with the Seller by virtue of which the Management Company subcontract or delegate in the Seller the functions of servicing and managing the Loan Receivables. The relations between VW Bank Spanish Branch and the Fund, represented by the Management Company, shall be governed by the Servicing

Agreement in relation to custody and servicing of the Loan Receivables. All the above should be understood without prejudice to the liability of the Management Company as Master Servicer of the Loan Receivables according to article 26.1.b) of Law 5/2015.

The Service Provider shall manage the Loan Receivables, using the same degree of skill and attention that the Service Provider exercises with respect to comparable vehicle loan receivables that the Service Provider collects for itself or others, and in any case, according to the terms and conditions of the Servicing Agreement.

The Service Provider, in the performance of its duties, must follow the instructions given by the Management Company during the term of the Servicing Agreement, subject to what is established in such agreement. The Service Provider undertakes to apply the procedures for the management and administration of the Loan Receivables which are and shall continue to be in conformity with current applicable laws.

To the extent that the transfer of personal data of the Borrowers is not provided, the Service Provider shall continue to be responsible for the processing of the computer records and for the maintenance of the files regarding the Loan Receivables and the Borrowers, according to the Spanish Act 3/2018, of December 5, on Personal Data Protection and Guarantee of Digital Rights and its development regulation, and shall hold the Issuer and the Management Company harmless from any damages that the Service Provider may cause them in connection therewith.

The Service Provider's functions will include, but are not limited to:

- (1) Custody of private agreements, documents and files. In accordance with the Service Provider's customary practices in effect from time to time, the Service Provider has subcontracted with a third entity (Iron Mountain), with sufficient capacity to carry out satisfactory such activity, the custody of the agreements relating to the Loan Receivables (although the Servicer Provider is still responsible vis-à-vis the Fund). In relation to the other private agreements, deeds (*contratos privados, escrituras o pólizas*), documents and computer records regarding the Loans, the Service Provider shall keep them in safe custody and shall not leave their possession, custody or control without the prior written authorisation of the Management Company, except for the event that a document is required from the Service Provider to initiate proceedings to claim the payment of a Loan Receivable or that a document is required by any other authority having jurisdiction.

All computer records regarding the Loans shall be maintained so that they can be identified.

The Service Provider shall reasonably provide the Management Company, or the auditors of the Fund duly authorised by the Management Company, access to the referred private agreements or deeds (*contratos privados, escrituras o pólizas*), documents and computer records at any time. Additionally, if the Management Company so requests, the Service Provider shall provide, free of charge, a copy of any of the referred private agreements or deeds (*contratos privados, escrituras o pólizas*), documents and computer records within the 5 Business Days following the Management Company's request. All such actions shall, in any event, be carried out in accordance with the regulations on the protection of personal data in effect at any time.

- (2) Insurance policies benefits and realisation of Loan Receivables. The Service Provider is authorised, until revocation by the Management Company, acting in the name and on behalf of the Issuer, in accordance with section 3.7.2(vi) of this Additional Building Block; and obliged to assert, in accordance with the Service Provider's customary practices in effect from time to time in relation to the respective insurance companies, the claims regarding the insurance proceeds derived from the insurance policies which are part of the Loan Receivables and shall be assigned to the Issuer, according to what is established in section 2.2.10 and 3.3.2 of this Additional Building Block. The Service Provider is not required to monitor the compliance by a Borrower with the insurance provisions and the Service Provider shall not be liable for any failure by a Borrower to comply with such provisions.

Likewise, the Service Provider must coordinate the procedure for the collection of any compensation arising from the insurance policies, according to their terms and conditions, which belong to the Fund and shall pay to it the collected amounts.

Upon the termination of a Loan agreement due to a Borrower's delinquency, the Service Provider is authorised, until revocation by the Management Company, acting in the name and of behalf of the Fund, to recover the possession of the vehicle on behalf of the Fund and to realise such vehicle in accordance with the Service Provider's customary practices in effect from time to time. The proceeds of realisation to which the Fund is entitled shall be credited by the Service Provider to the Fund.

- (3) Collection of the Loan Receivables. The Service Provider shall continue with the management of the collection of the Loan Receivables, including principal and interest or any other amount in connection with them, in accordance with the terms and conditions of each Loan and with the Service Provider's customary practices in effect from time to time, using the same degree of skill and attention that the Service Provider exercises with respect to comparable vehicle loan receivables that the Service Provider manages for itself or others.

The Service Provider, as collection manager, shall receive on behalf of the Fund, any Collections and amounts arising from the Loan Receivables, paid by the Borrowers, on any basis, which are payable to the Fund. The Service Provider shall credit the Collections, and the amounts above referred, to its own bank accounts and subsequently, pursuant to Section 3.4 of this Additional Building Block, the Service Provider shall credit said Collections to the Distribution Account, opened by the Management Company, in the name and on behalf of the Fund, in the Account Bank, or in the bank account indicated by the Management Company in the event of change of the Account Bank, pursuant to the Accounts Agreement.

The Service Provider shall not pay any amount whatsoever to the Fund unless it has been previously received as payment of the Loan Receivables, without prejudice to Section 3.4.1 of this Additional Building Block in connection with the Monthly Collateral Account.

The Service Provider's authorisation and power to collect the Loan Receivables ceases automatically if any of the following events occurs (each, a "**Service Provider Replacement Event**"):

- (i) any unremedied failure (in the judgement of the Management Company (provided that such failure is not remedied within 3 Business Days of notice of such failure being given)) by the Service Provider to deliver the Collections or any required payment to the Fund, or cause them to be delivered;
- (ii) any unremedied failure (in the judgement of the Management Company (provided that such failure is not remedied within 3 Business Days of notice of such failure being given)) by the Service Provider to duly observe or perform in any material respect any other of its covenants or agreements which failure materially and adversely affects the rights of the Fund or the Noteholders;
- (iii) the Service Provider is subject to an Insolvency Event;
- (iv) the competent authority withdraws the authorisation of VW Bank Spanish Branch or VW Bank; or
- (v) a sanction is adopted by the competent banking authority to initiate disciplinary proceedings: (a) as a result of deficiencies identified in the organisational structure and the internal control mechanisms or administrative and accounting procedures (including those related to risk management and control) of VW Bank or VW Bank Spanish Branch, if such deficiencies have jeopardised the solvency or viability of the institution or of the consolidated group or financial conglomerate to which it belongs; or (b) in the event of a breach by VW Bank or VW Bank Spanish Branch of the specific policies required by the competent banking authority, particularly with respect to provisions, treatment of assets or reduction of risks inherent to their activities, products or systems, if the referred policies have not been adopted as and when set out for such purposes by the competent banking authority and such breach jeopardises the solvency or viability of the institution.

provided, however, that a delay or failure of performance referred to under paragraphs (i) or (ii) above will not constitute a Service Provider Replacement Event if such delay or failure was caused by an event beyond the reasonable control of the Service Provider, an event of force majeure (*fuerza mayor*) or other similar occurrence.

The Service Provider will notify to the Management Company, S&P Global Ratings and DBRS of the occurrence of the events (iii) to (v) above.

If a Service Provider Replacement Event occurs, the Service Provider expressly undertakes to refrain from further collection of Loan Receivables and from the utilisation of direct debit into its account. Furthermore the Service Provider undertakes to inform at the request of the Management Company all Borrowers about the assignment of the Loan Receivables to the Fund without undue delay and to instruct such Borrowers to no longer make their money transfer to the account of the Service Provider, but to the Distribution Account of the Fund, as it is established in section 3.7.2(ii) of this Additional Building Block. Finally, the Service Provider will provide the Fund, in accordance and subject to data protection regulations applicable, with the relevant information for the registration, where applicable, of the relevant reservations of title clause in favour of the Fund in the event that the Seller is no longer the Service Provider of the Loan Receivables. In

such scenario, the costs associated to the registration of the relevant reservation of title clauses in favour of the Fund will be borne by the Fund.

(4) Action against the Borrowers for default in payment of the Loans.

**Actions for delay in repayment.**

The Service Provider shall use the same diligence and shall implement the same procedure to claim the due, unpaid amounts of the Loans as the Service Provider uses for the loans that it manages for itself or on account of third parties.

In the event of default of its obligations by the Borrower, the Service Provider shall take the necessary steps and shall adopt any measures, as described in section 2.2.7 of this Additional Building Block, that it would normally adopt for the loans that it manages for itself or on account of third parties, in accordance with good banking customs and practices for the recovery of any amounts due. The referred steps include all court and out-of-courts actions that the Service Provider considers appropriate to claim and recover the amounts owed by the Borrowers.

**Court Actions.**

The Service Provider shall take any relevant actions against the Borrowers that default in their payment obligations arising from the Loans and against the guarantors, if appropriate. Such action shall be taken through the appropriate court proceedings.

For the above purposes under the Deed of Incorporation the Management Company (as Master Servicer and manager of the assets pursuant to article 26.1.b) of Law 5/2015) will grant a power of attorney to the Service Provider, as broad as required by law, so that the Service Provider, acting through any of its attorneys-in-fact with sufficient powers for such purposes, and according to the instructions provided by the Management Company, whether on behalf and for account of the Management Company, or on its own behalf and for account of the Management Company (as Master Servicer and manager of the assets pursuant to article 26.1.b) of Law 5/2015), may claim the payment of the debt from any Borrower of any Loan and/or, from their guarantors, as appropriate, through any court or out-of-court proceedings, and bring any appropriate legal actions against them, as well as any other powers required to exercise its role as Service Provider. These powers may be extended and amended if necessary.

The Service Provider undertakes to keep the Management Company up-to-date with any requests for payment, legal actions and any other circumstances affecting the collection of the amounts due and payable under the Loans. The Service Provider shall also provide the Management Company with all the documents that the latter may request in connection with said Loans and, in particular, any documents required for the Management Company to bring any legal actions, if appropriate.

(5) Expenses.

Any expenses incurred by the Service Provider in performing its duties under the Servicing Agreement and this Prospectus shall be included in the Service Provider Fee.

(ii) Refinancing and amendment of Loan agreements

The Seller, as Service Provider of the Loans agreements, shall be authorised to, with effect from the Date of Incorporation of the Fund, carry out the following amendments to the Loan agreements:

- (1) amendment to the terms and conditions of Loan agreements (which in no case may lead to increasing the Loan amount) if so requested by the relevant Borrower and to maximize collections;
- (2) subrogation of any of the parties; and
- (3) execute an acknowledgement of the debt, in case the Loan is due or if any other cause that legally prevents the execution of an amendment or a subrogation occurs.

The amendments will be formalised with at least the same guarantees of the original contract and seeking, as far as possible, the incorporation of additional guarantees.

The above mentioned amendments shall be subject to the limits set out below:

- (1) the total number of instalments (original agreement plus amendment) must not be more than 96 months; and
- (2) the principal amount of the Loan is never increased.

The amendments will be implemented by means of a modification to the Loan agreement. It will seek the signatures of all the parties to the Loan agreement. In this way, the guarantee for the reservation of title is not lost.

The amendments to the Loan agreements will be carried out subject to the representations and warranties that the Seller, as the owner of the Loan Receivables, will grant as described in section 2.2.8 of this Additional Building Block. The Seller shall receive the commission for contractual amendment, to which it may be entitled, and which shall not be assigned to the Fund, without prejudice to the prepayment fee arising in case of reduction of the term of the Loan agreement.

The Service Provider shall provide, periodically, the Management Company with the information in connection with the changes in the terms and conditions of the Loan agreements, if any, in accordance with the provisions of paragraph 3.7.2(iv) of this Additional Building Block and in the Servicing Agreement.

In the event of the extension of the term of the Loan agreement the commission for contractual amendment, which, if any, belongs to the Seller, is not assigned to the Fund. Notwithstanding the above, the additional amount of interest resulting from such extension shall be in favour of the Fund. In the event of a reduction of the term of the Loan agreement, prepayment fees (total or partial) are transferred to the Fund, as described in paragraph 3.3.2 of this Additional Building Block.

All costs and expenses arising from the refinancing and amendment of the Loan agreements shall be borne by the Seller. Said costs and expenses are included in the Service Provider Fee received by the Seller.

Notwithstanding the foregoing, it is necessary to bear in mind that pursuant to the fourth Additional Provision of the Insolvency Act, a judge may order the judicial endorsement of a refinancing agreement which may have the following effects on the Loans in accordance with the majorities of the financial liabilities that have

approved the refinancing: (i) extension, whether of the principal, interest or any other amount owed for a period of five years or more, but in no case exceeding ten; (ii) debt relief; (iii) conversion of the debt into shares or interests in the borrower's company; (iv) conversion of the debt into equity loans for a term of five years or more, but in no case exceeding ten; or (v) the assignment of the creditors' property or rights in lieu of payment of all or part of the debt.

(iii) Notice to the Borrowers

Without prejudice to the exceptions referred to in last paragraph of this section 3.7.2(iii), the Management Company and the Seller have agreed not to serve notice of the transfer on the respective Borrowers. For these purposes, service of notice is not a requirement for the validity of the transfer of receivables. Notwithstanding the above, the Seller shall grant powers as broad as required by law to the Management Company so that the Management Company may, in the name and on behalf of the Fund, serve notice of the transfer on the Borrowers, as provided in this Prospectus and in the Servicing Agreement.

If a Service Provider Replacement Event occurs, or if the Managing Company considers it reasonably justified, on the basis of objective circumstances that advise such decision, the Managing Company may demand that the Service Provider serve notice on the Borrowers that the Receivables were assigned to the Fund, and that the payments arising thereof shall release the Borrower if they are paid into the Distribution Account. If the Service Provider fails to serve notice on the Borrowers within the 5 Business Days following receipt by the Service Provider of the request for notice, the Managing Company may serve notice on the Borrowers and guarantors, as appropriate, or through a new service provider designated by it.

The Fund shall cover the expenses arising from service of notice to the Borrowers, and the Service Provider or the new service provider designated by it shall provide evidence of such expenses.

Notwithstanding the above, the Seller, in order to comply with applicable regulations in certain Spanish Autonomous Communities, shall send a notice to some Borrowers informing about the assignment and, in particular, to:

- a. the Borrowers located in the Autonomous Community of Valencia according to Law 6/2019, of March 15, of the Generalitat, amending Law 1/2011, of March 22, approving the Statute of consumers and users of the Valencian Community, in guarantee of the right of consumer information on mortgage securitization and other credits and certain business practices;
- b. the Borrowers located in the Autonomous Community of Castilla La Mancha to the extent required by Law 3/2019, of March 22, approving the Statute of Consumers in Castilla La Mancha; and
- c. the Borrowers located in of the *Foral* Community of Navarra to the extent required under Ley 1/1973 approving the compilation of Derecho Foral de Navarra.

(iv) Reporting Obligations

VW Bank Spanish Branch, in its capacity as Originator, shall be the designated reporting entity pursuant to Article 7 of the Securitisation Regulation.

Notwithstanding the information undertakings that correspond to the Management Company as Master Servicer of the Loan Receivables in accordance with article 26.1.b of Law 5/2015 and the information undertakings detailed in section 4 of this

Additional Building Block (which correspond to the Management Company) pursuant to the Servicing Agreement, the Management Company has tasked the Service Provider with reporting, amongst others, the following facts to the Management Company, the Paying Agent and the Rating Agencies on the Reporting Date, by means of the monthly investors report:

- the aggregate amount to be distributed on each Class A Note, each Class B Note and on the Subordinated Loan on the Payment Date immediately following;
- the repayment of the nominal amount attributed to the Class A Note, to the Class B Note and to the Subordinated Loan as distributed together with the interest payment;
- the nominal amount still outstanding on each Class A Notes, on each Class B Notes and on the Subordinated Loan on their respective Payment Dates; and
- the Class A Notes factor and the Class B Notes factor;

The factor of the Notes shows the percentage of the outstanding principal amount of the Notes.

For these purposes the Class A Notes factor shall be calculated as follows:

$$NF = \frac{1,000,000,000 - KR}{1,000,000,000}$$

where NF means the Class A Notes factor which is calculated to six decimal places and KR means the total of all repayments of the nominal amount of all Class A Notes paid and contained respectively in each payment up to each respective Payment Date.

Likewise, for these purposes Class B Notes factor shall be calculated as follows:

$$NF = \frac{35,700,000 - KR}{35,700,000}$$

whereby NF means the Class B Notes factor which is calculated to six decimal places and KR means the total of all repayments of the nominal amount of all Class B Notes paid and contained respectively in each payment up to each respective Payment Date.

- the amounts still available in the Cash Collateral Account on the Payment Date immediately following the Payment Date;
- the sums corresponding to the Service Provider Fee;
- the Cumulative Gross Loss Ratio;
- the Class A Actual Overcollateralisation Percentage and the Class B Actual Overcollateralisation Percentage;

- the applicable Class A Targeted Overcollateralisation Percentage and the applicable Class B Targeted Overcollateralisation Percentage;
- delinquency information for delinquency periods of up to one month, up to 2 months, up to 3 months, up to 4 months, up to 5 months, up to 6 months and more than 6 months with respect to the number of Write-off Loan agreements, the amount of Loan Receivables and the total outstanding Discounted Receivables Balance of delinquent Loan agreements;
- information on recoveries;
- in the event of the Final Maturity Date, the fact that such date is the Final Maturity Date; and
- to remit to the Management Company by the deadlines it reasonably requires, the information necessary to comply with the Fund's reporting obligations under legal regulations at any time.

Likewise, the Service Provider shall periodically provide the Management Company with the information in connection with the individual characteristics of each Loan, the Borrowers' compliance with their obligations arising from the Loans, delinquency, any changes made to the terms and conditions of the Loans, as appropriate, in accordance with Section 3.7.2(ii) of the Additional Building Block, and any actions taken in the event of delay, any court proceedings and auction of assets: It is recorded that the delivery of said information will be, in any case, carried out with the compliance of the obligations arising from the regulations on the protection of personal data applicable at any time, where applicable, and shall keep receipts of the relevant communications, as set forth in this section.

The Service Provider shall prepare and deliver to the Management Company any additional information requested by the Management Company in connection with the Loans or any rights arising thereof, in particular, any documents required for the Management Company to bring any legal actions, as appropriate.

Since at the date of publication of this Prospectus, the final ESMA disclosure templates to be completed in accordance with Article 7 of the Securitisation Regulation are not available, in accordance with the transitional provisions therein, and compliance with Article 7 of the Securitisation Regulation will be temporarily satisfied until the date of implementation of the Article 7 of the Securitisation Regulation using the templates set out in Annexes I to VIII of Commission Delegated Regulation (EU) 2015/3 of 30 September 2014.

VW Bank Spanish Branch and the Management Company (provided that it has been previously informed and that it may affect the rating of the Notes or the payments to be made by the Issuer to the Noteholders or other creditors) shall inform the Rating Agencies and the Noteholders of any material change in the Credit and Collection Policy, which either refer to the similarity of the underwriting standards further specified in Commission Delegated Regulation 2019/1851 or changes which materially affect the overall credit risk or expected average performance of the portfolio without resulting in substantially different approaches to the assessment of the credit risk associated with the Loan Receivables.

The Service Provider shall list the amounts to be distributed for each Payment Date in the Order of Priority and will inform on the balance of the Interest Compensation Payments to be paid by the Service Provider or the Management Company, in the name and on behalf the Fund, in case of early repayment or novation of the Loan Receivables pursuant to section 2.2.4 of this Additional Building Block. The Service

Provider shall, furthermore, provide the Rating Agencies with the reports and information which the latter reasonably need to maintain their rating of the Notes.

The Service Provider hereby covenants to the Issuer:

- it will comply with the Securitisation Regulation Disclosure Requirements;
- that it shall maintain (and regularly update) a list of those officers or other persons working for it, whether as employee, agent, contractor or consultant, who have actual or potential access to Relevant Information and shall transmit such list to any relevant governmental or regulatory authority upon request by such authority;
- that it shall promptly inform the Issuer of any information in its possession that it may reasonably determine to be Relevant Information; and
- that it shall promptly assist the Management Company, acting in the name and on behalf the Issuer, in making such disclosures of Relevant Information (if any) as may be incumbent upon the Management Company, acting in the name and on behalf the Issuer.
- The "**Relevant Information**" means any information relating to the Transaction (or any individual item comprised therein) that is likely to have a material impact on the value of the Notes Issue.

VW Bank Spanish Branch, in its capacity as Originator, shall make the information available to the Noteholders, to competent authorities, as referred to in Article 29 of the Securitisation Regulation and to potential Noteholders, all such information as is required to be made available pursuant to and in compliance with the Securitisation Regulation Disclosure Requirements.

To the extent no securitisation repository is registered in accordance with Article 10 of the Securitisation Regulation, the Service Provider will make such information available (as required under Article 7 of the Securitisation Regulation) on the website of the of the European Data Warehouse ([www.eurodw.eu](http://www.eurodw.eu)) which, for the avoidance of doubt, conforms to the requirements set out in Article 7.2 of the Securitisation Regulation or any other website complying with the Securitisation Regulation Disclosure Requirements. If a securitisation repository should be registered in accordance with Article 10 of the Securitisation Regulation, the Service Provider will make the information available to such securitisation repository.

(v) Term of appointment of the Service Provider

The services shall be provided by the Service Provider until the earlier of: (i) the date on which all the Loan Receivables and the Notes are paid; (ii) when all the obligations assumed by the Service Provider with regard to the Loan Receivables and the Notes have been completely extinguished; (iii) when the Fund has been extinguished after its liquidation; or (iv) in the event of non-entire subscription of the Notes by the Underwriters.

If the Service Provider breaches any of its obligations under this Prospectus and the Servicing Agreement, the Management Company, in the name and on behalf of the Issuer, shall have the right to terminate the Servicing Agreement, giving prior notice to the Rating Agencies, without prejudice to any contractual liability of the Service Provider as a result of such breach.

If the event of the early termination of the Servicing Agreement, the Management Company in its capacity of Master Servicer (in accordance with article 26.1.b of Law

5/2015) must previously appoint a substitute service provider in relation to the Loans. In such event, the substitute service provider shall, at the written request of the Management Company, and if legally possible, carry out the servicing and management of the Loans which the Service Provider serviced in terms and conditions identical to those contained in the Servicing Agreement. To this effect, the parties undertake to formalise the necessary documents. The Service Provider shall continue with the servicing in relation to the Loan Agreements until the new service provider had been appointed and is ready to assume the servicing of the Loan Receivables.

The Management Company shall take into account the proposals made by the Service Provider with regard to the appointment of the substitute service provider (but without those proposals being binding on the Management Company).

In the event of the early termination of the Servicing Agreement, the dismissed Service Provider shall, at the request of the Management Company and in the manner the Management Company specifies, make available to the substitute service provider, if appropriate, the documents and computer registers necessary for it to engage in its activities as service provider. Likewise, in the same circumstances, the Management Company will request that the new service provider carry out the administrative procedures necessary to register the assignments of the Loan Receivables subject to reservation of title in the Chattels Registry, pursuant to Section 2.2 of this Additional Building Block. The Issuer shall pay any costs arising thereof (including those derived from the registration of the reservation of title in the Chattels Registry).

The early termination of the Servicing Agreement shall occur if the nominal amount of the Notes Issue is not fully subscribed at the end of the Subscription Period.

(vi) Dismissal and substitution of Service Provider

After a Service Provider Replacement Event, the Management Company, acting in the name and on behalf the Fund, is entitled to dismiss the Service Provider by written notification and to appoint a new service provider. Notwithstanding this, the Management Company is the Master Servicer and responsible for the management of the Fund. The dismissal and the appointment of a new service provider shall only become effective after the new service provider has: (i) taken over all the rights and obligations of the Service Provider hereunder; and (ii) agreed to indemnify and hold harmless the Service Provider from all procedures, claims, obligations and liabilities as well as all related costs, fees, damages claims and expenditures (inclusive fees and expenditures associated with legal advice, auditors and other experts or persons commissioned or initiated from the Service Provider) which it may incur arising out of, in connection with or based upon any negligent breach of the contractual duties or any other omission or action of the new service provider. In case of such a dismissal, the Service Provider is obliged to transfer all the existing vested rights and assets held to the new service provider appointed by the Fund. The Service Provider is furthermore obliged to place all information, files and documents, which are necessary for the proper performance of the Service Provider's obligations, at the new service provider's disposal. The Service Provider is precluded from asserting retention rights and from setting off. The Management Company shall use its best efforts to nominate a new service provider within not more than sixty (60) days.

The Service Provider is permitted to delegate any or all of its duties to other entities, including its Affiliates and subsidiaries, except for the duties that according to law may not be delegated. Notwithstanding, the Service Provider will remain liable for the performance of any duties that it delegates to another entity. The referred

delegation cannot cause any additional costs or expenses for the Fund and shall not result in reduction or withdrawal of the rating of the Notes.

By delegating the duties under the Servicing Agreement or appointing a replacement service provider it has to be assured that all data transfer must be in compliance with the Spanish data protection rules and that the replacement service provider is an entity or person authorised to handle such data and meets the requirements described therein.

The Service Provider may provide services similar to those set forth in the Servicing Agreement and in this Prospectus to other individuals, firms, companies engaged in similar business or that are in competition with the Management Company's business.

(vii) Liability of the Service Provider and indemnity

VW Bank Spanish Branch, as Service Provider, shall at no time have any liability whatsoever in relation to the obligations of the Management Company as manager of the Fund (as contemplated under article 26.1.b) of Law 5/2015) and manager of Noteholders' interests, nor in relation to the obligations of the Borrowers derived from the Loan Receivables, without prejudice to the liabilities undertaken by VW Bank Spanish Branch as Seller of the Loan Receivables acquired by the Fund.

The Service Provider shall not be liable for any losses, expenses or damages caused to the Issuer as a result of the performance of its services under the Servicing Agreement. The above shall apply except when the losses, expenses or damages caused to the Issuer result from a wilful or negligent breach of its obligations by the Service Provider.

The Service Provider has an obligation to indemnify the Fund or its Management Company for any damage, loss or expense caused to the same on account of any breach by the Service Provider of its duties to take custody of, service and report on the Loan Receivables, established under the Servicing Agreement or in the event of a breach in accordance with the last paragraph of section 2.2.9 of this Additional Building Block.

The Management Company shall, for and on behalf of the Fund, take action against the Service Provider for defaulting in its obligations under this Prospectus and under the Servicing Agreement, provided that such default does not arise from a breach by the Borrowers of their obligations under the Loan agreements.

Upon a Loan agreement terminating, the Fund shall, through its Management Company, retain a right of action against the Service Provider until fulfilment of its obligations.

Neither the Noteholders nor any other creditor of the Fund shall have any right of action whatsoever against the Service Provider; that right of action shall lie with the Management Company, as the representative of the Fund, who shall have that right of action on the terms described in this section. Notwithstanding the foregoing, under Article 26.1 (b) and 2 of Law 5/2015, the Management Company shall be liable to Noteholders and other creditors of the Fund for all and any losses caused to them by a breach of its obligation to service and manage the Receivables pooled in the Fund. All of it without prejudice of the instruction that the Management Company may receive from the Meeting of Creditors as described in the Prospectus.

(viii) Service Provider's remuneration

**"Service Provider Fee"** means, for any Payment Date, a twelfth of the Service Provider Fee Rate multiplied by the Aggregate Discounted Receivables Balance of the Loan Receivables at the beginning of the Monthly Period (inclusive of Value Added Tax if applicable).

**"Service Provider Fee Rate"** means 1% *per annum*.

The Service Provider will be entitled to receive the Service Provider Fee, as consideration for the services rendered by it under the Servicing Agreement, on each Payment Date according to the Order of Priority or to the Liquidation Order of Priority, as the case may be, set forth in Section 3.4.7(ii)(2) and 3.4.7(ii)(4) of this Additional Building Block of this Prospectus, which the Service Provider declares to know. The Service Provider Fee shall be, for any Payment Date, a twelfth of the Service Provider Fee Rate multiplied by the Aggregate Discounted Receivables Balance of the Receivables from the beginning of the Monthly Period (inclusive of Value Added Tax if applicable).

In the case of a Service Provider Replacement Event, the Management Company is empowered to modify the Service Provider Fee in favour of the new service provider.

In the event that the Fund, through the Management Company, does not have sufficient Available Distribution Amounts, according to the Order of Priority, and fails to pay the Service Provider Fee on the Payment Date due to the lack of sufficient funds, the unpaid amounts shall accumulate without any penalty until their effective payment.

3.8 Name, address and brief description of any counterparties for swap, credit, liquidity or accounts transactions

- **Titulización de Activos, S.G.F.T., S.A.** is the Management Company of the Fund and the Master Servicer of the Loan Receivables.
- **Volkswagen Bank GmbH, Spanish Branch**, is the Seller of the Loan Receivables and the Service Provider under the Servicing Agreement.
- **BNP Paribas Securities Services** is the Paying Agent and the Account Bank.
- **ING** is the Arranger, one of the Joint Lead Managers, one of the Underwriters and one of the Placement Entities.
- **Commerzbank** is one of the Joint Lead Managers, one of the Underwriters and one of the Placement Entities.
- **CACIB** is one of the Underwriters and one of the Placement Entities.
- **DZ BANK** is one of the Underwriters, one of the Placement Entities and the Swap Counterparty.
- **SCIB** is one of the Underwriters and one of the Placement Entities.
- **Volkswagen Bank GmbH** is the Subordinated Lender under the Subordinated Loan.
- **Hogan Lovells** is the legal advisor to the Transaction.
- **EY** is auditor of the accounts of the Fund.

- **PwC** acts as auditor in the preparation of a special securitisation report on the most significant features of a sample of selected loans owned by VW Bank Spanish Branch from which the Loan Receivables will be taken for the purposes of complying with article 22.2 of the Securitisation Regulation.
- **SVI** will issue a verification label entitled "verified – STS VERIFICATION INTERNATIONAL". Such label verifies 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. The details, requirements, criteria and meaning of the certificate can be found in SVI's web page [www.sts-verification-international.com](http://www.sts-verification-international.com).
- **EDW** has been appointed as provider of the website which conforms to the requirements set out in Article 7.2 of the Securitisation Regulation.
- **S&P Global Ratings** and **DBRS** are the Rating Agencies in the Notes Issue.

#### 4. POST ISSUANCE REPORTING

- 4.1 Indication in the Prospectus of where the Issuer is under an obligation to, or where the Issuer intends to, provide post-issuance transaction information regarding securities to be admitted to trading and the performance of the underlying collateral. The Issuer shall indicate what information will be reported, where such information can be obtained, and the frequency with which such information will be reported

The information proposed to be provided after the Notes Issue is described below.

- 4.1.1 Issue, verification and approval of annual accounts and other accounting documentation of the Fund

Within 4 months following the end of each accounting period, together with the audited annual financial statements of the Fund, the Management Company will issue a report including:

- (i) an annual report including the information detailed under article 35.1 of the Law 5/2015, to be filed with the CNMV within the abovementioned 4 months period; and
- (ii) a management report containing the information that has to be sent pursuant to Circular 2/2016.

Within 2 months following the end of each quarterly period, the report contemplated under the report referred to under article 35.3 of the Law 5/2015, to be filed with the CNMV within the referred 2 months period.

The abovementioned report will be published in the website of the Management Company ([www.tda-sgft.com](http://www.tda-sgft.com)).

- 4.1.2 Obligations and periods envisaged for making periodic information on the financial and economic situation of the Fund available to the public and the CNMV

Every month, within 7 Business Days after each Payment Date, the Management Company will send to the AIAF a report that will contain the information referred to below and, in any event, the information legally required from time to time:

- (i) With regard to each Class of Notes and in relation to each Payment Date:
  - (1) amount of the original nominal balance of the Notes;
  - (2) amount of the matured nominal balance of the Notes;

- (3) amount of the nominal balance pending maturity of the Notes;
  - (4) amount of the Outstanding Nominal Balance of the Notes;
  - (5) amount of the nominal balance matured and actually paid to the Noteholders;
  - (6) total interest accrued on the Notes since the previous Payment Date; and
  - (7) interest accrued since the Closing Date that should have been but was not paid on previous Payment Dates (will not accrue late payment interest).
- (ii) In relation to the Loan Receivables and with respect to each Payment Date:
- (1) aggregate Discounted Receivables Balance of the Loan Receivables;
  - (2) amount of scheduled principal and early repayments of the Loan Receivables;
  - (3) prepayment rates; and
  - (4) Aggregate Discounted Receivables Balance of the Loan Receivables that have been declared as Write-off and percentages of arrears with respect to the total of the Loan Receivables.
- (iii) With regard to the financial and economic situation of the Fund and in relation to each Payment Date:
- (1) balance of the Distribution Account, the Monthly Collateral Account, the Cash Collateral Account and the Counterparty Downgrade Collateral Account and the interest generated by them; and
  - (2) expenses and amount of the Cash Collateral.

Additionally, the Management Company will send to the CNMV the information referred to in paragraph (i) above, in the same time frames established above. The information regarding the Loan Receivables and the information regarding the economic and financial position of the Fund will be sent to the CNMV as stipulated in Circular 2/2016, as amended.

4.1.2(a) Additionally and to the extent no securitisation repository is registered in accordance with Article 10 of the Securitisation Regulation, VW Bank Spanish Branch, in its capacity as Originator, shall make the information required by the Securitisation Regulation Disclosure Requirements available on the website of the of the European Data Warehouse ([www.eurodw.eu](http://www.eurodw.eu)) which, for the avoidance of doubt, complies with the requirements set out in Article 7(2) of the Securitisation Regulation. If a securitisation repository should be registered in accordance with Article 10 of the Securitisation Regulation, the Service Provider will make the information available to such securitisation repository.

4.1.3 Other ordinary and extraordinary disclosure obligations and material disclosure requirements

- (i) Ordinary periodic notification

The Service Provider, on the Reporting Dates, as defined in section 4.9.4 of the Securities Note, shall publish the information regarding the performance of the Fund in its monthly investors report, which shall be accessible on: (i) the web page of Volkswagen Financial Services AG ([www.vwfs.com](http://www.vwfs.com)); or any website that may

replace it in the future); and (ii) Bloomberg (after having been transferred to it by the Service Provider). This report shall include the information indicated in section 3.7.2(iv) of the Additional Building Block.

As indicated in section 3.7.2(iv) of the Additional Building Block, and under the referred Servicing Agreement, the Service Provider will also provide the Rating Agencies with such other information as they may reasonably request.

Also, each month, on the Notification Date, the Management Company will proceed to notify the Noteholders of the Nominal Interest Rate applicable to the Notes for the next Interest Accrual Period.

Each month, on each Reporting Date, as provided in Section 4.9.4 of the Securities Note, the Management Company will notify the Noteholders of the following information:

- (1) the interest and reimbursement of principal of each Class of Notes to be paid to the Noteholders;
- (2) if applicable, the interest and redemption amounts accrued on these and unpaid, due to insufficiency of Available Distribution Amount in accordance with the Order of Priority and Liquidation Order of Priority; and
- (3) the Outstanding Nominal Balances of the Notes, after the redemption due on each Payment Date and the percentages that such balances represent with respect to the initial face value of each Class of Note.

The above notifications will be made as established in section 4.1.3(iii) of this Additional Building Block and also provided to AIAF and IBERCLEAR on each Reporting Date.

(ii) Extraordinary notification

The following will be subject to extraordinary notification:

- (1) any amendment to the Deed of Incorporation; and
- (2) any significant event that may occur in relation to the Loan Receivables, the Notes, the Fund and the Management Company itself that could significantly influence the trading of the Notes and, generally, any significant modification of the assets or liabilities of the Fund and in the event of termination of the incorporation of the Fund or a possible decision for early liquidation of the Fund and Early Redemption of the Notes for any of the reasons envisaged in the present Prospectus. In this case, the affidavit of termination of the Fund and liquidation procedure followed as referred to in section 4.4 of the Registration Document will be sent to the CNMV and the Rating Agencies.

(iii) Noteholder notification procedure

The notifications that the Management Company has to make to the Noteholders in accordance with the above regarding the Fund will be made as follows:

- (1) Ordinary notification.

Ordinary notification will be made through publication of an announcement either in the AIAF daily bulletin or any other bulletin substituting it or with similar characteristics or through publication of an announcement in a

widely circulated newspaper in Spain of a general or economic and financial nature. In addition, the Management Company can distribute this or other information in the interest of the Noteholders through financial market distribution channels and systems such as Reuters, Bridge Telerate, Bloomberg or any other with similar characteristics.

(2) Extraordinary notifications.

Extraordinary notification will be made: (i) by means of their publication as a Relevant Fact (*Hecho Relevante*) at the CNMV; and (ii) through publication of an announcement either in the AIAF daily bulletin, or in such other bulletin as may replace it or with similar characteristics, or through publication of announcement in a widely circulated newspaper in Spain of either a general or business and financial nature.

The abovementioned notifications will be deemed effective on the date of their publication, which may fall on any day of the year, whether a Business Day or not.

Any downgrades in the credit ratings of the Notes, as well as the measures to be taken in the case of activations of the triggers due to a downgrade in the credit rating of any counterparty to the Transaction Documents or any other cause, will be notified to the CNMV by sending the corresponding Relevant Fact (*Hecho Relevante*).

(3) Notifications and other information.

The Management Company may make notifications and other information of interest available to the Noteholders through its own internet pages or other means of remote transmission with similar characteristics.

Notwithstanding the above, the Seller will be responsible for the content of the information generated by it and sent to investors and Rating Agencies.

This Prospectus is endorsed on all its pages and has been signed in Madrid in representation of the Management Company.

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Mr. Ramón Pérez Hernández  
Chief Executive Officer (*Consejero Delegado*)

5. **GLOSSARY OF DEFINED TERMS**

For an appropriate interpretation of this Prospectus, defined terms shall have the meanings described below, unless otherwise expressly indicated. The terms that are not expressly defined will be deemed to have their natural and obvious meaning in accordance with the general use of the same. Also, it is stated that the terms in singular shall include the plural, and vice versa, if the context so requires.

**"Account Bank"** means BNP Paribas Securities Services.

**"Account Bank Required Guarantee"** means an unconditional, irrevocable and first-demand bank guarantee or other guarantee that meets the standards established for this eventuality by S&P Global Ratings and DBRS, granted by an entity which has the Account Bank Required Rating.

**"Account Bank Required Rating"** means a bank which has: (i) (a) a minimum rating of A-1 on the S&P Global Ratings scale for its uninsured, non-secured, non-subordinated short term debt obligations and a minimum rating of A on the S&P Global Ratings scale for its uninsured, non-secured, unsubordinated long-term debt obligation, or (b) a minimum rating of A+ on the S&P Global Ratings scale for its uninsured, non-secured, unsubordinated long-term debt obligations in the event it has not a short term rating from S&P Global Ratings; and (ii) (a) if it has a COR, the higher of (x) a rating one notch below its COR and (y) its issuer rating or its unsecured, unsubordinated and unguaranteed debt obligations, rated at least "A" (long-term), (b) if it does not have a COR, the higher of (x) its issuer rating or (y) its unsecured, unsubordinated and unguaranteed debt obligations, rated at least "A" (long-term) by DBRS, or (c) if the relevant entity has no rating from DBRS, having at least a DBRS Equivalent Rating of "A" (long-term) by DBRS.

**"Accounts"** means the Cash Collateral Account, the Counterparty Downgrade Collateral Account, the Monthly Collateral Account and the Distribution Account.

**"Accounts Agreement"** means the bank accounts opening agreement between the Management Company, in the name and on behalf of the Fund, and the Account Bank governing the Accounts of the Fund.

**"Additional Building Block"** means the additional building block to the securities note prepared in accordance with Annex 19 of Regulation 2019/980, part of this Prospectus.

**"Adjustment Spread"** means in respect of a Substitute Reference Rate an adjustment spread which is recommended by a responsible authority or used in a material number of bonds after determination of a Benchmark Event and designed to eliminate or minimise any potential transfer of value between parties when the Substitute Reference Rate is applied and eliminate or minimise the risk of manipulation.

**"Affiliate"** means, in relation to any legal entity, any entity controlled, directly or indirectly by the legal entity, any entity that controls, directly or indirectly the legal entity or any entity directly or indirectly under common control with such legal entity (for this purpose, "control" has the meaning ascribed to this concept under article 42 of the Spanish Commercial Code).

**"Aggregate Cut-off Date Discounted Receivables Balance"** means the Aggregate Discounted Receivables Balance of the Loans on the Cut-off Date.

**"Aggregate Discounted Receivables Balance"** means the sum of the Discounted Receivables Balance of all the assigned Loan Receivables.

**"AIAF"** means AIAF Mercado de Renta Fija, S.A.

**"AIFM Regulation"** means the Regulation (EU) No. 231/2013 of 19 December 2012 referred to as the Alternative Investment Fund Manager Regulation.

"**Arranger**" means ING Bank N.V.

"**ASNEF**" means the National Association of Credit Financial Institutions.

"**Assignment Policy**" means the policy by means of which the Loan Receivables are assigned to the Fund.

"**Available Distribution Amount**" in respect of a Payment Date shall equal the sum of the following amounts:

- (a) the Collections of the Monthly Period preceding such Payment Date; plus
- (b) the withdrawals of the Cash Collateral Account in accordance with what is established in section 3.4.5(i)(1) of the Additional Building Block; plus
- (c) the Net Swap Amount to be paid by the Swap Counterparty as defined in section 3.4.8(ii) of the Additional Building Block and any other payment from such Swap Counterparty; plus
- (d) in case of a Service Provider's Insolvency Event that prevent the Service Provider from the fulfilment of its obligations in connection with the transfer of the Collections to the Distribution Account, the funds of the Monthly Collateral Account; plus
- (e) any other amounts obtained by the Fund.

"**BaFin**" means German Federal Agency for Financial Services Supervision (*Bundesanstalt für Finanzdienstleistungsaufsicht*).

"**Balloon Instalment**" means, in relation to the "Auto Credit" loans, the final instalment composed of principal and interest, with an amount significantly higher than the previous instalments, and which allows the Borrower under the relevant Loan agreement to opt between the alternatives described under section 2.2.7 of the Additional Building Block.

"**Benchmark Event**" means any of the following (i) a public statement by the European Money Markets Institute that it will cease publishing EURIBOR or will not be included in the register under Article 36 of the Benchmark Regulation permanently or indefinitely (in circumstances where no successor administrator has been appointed or where there is no mandatory administration), or (ii) a public statement by the Belgian Financial Services and Market Authority that EURIBOR has been or will be permanently or indefinitely discontinued; or (iii) a material change in the methodology of determining or calculating the EURIBOR as compared to the methodology used at the time of the issuance of the Notes, if such change results in the EURIBOR, calculated in accordance with the new methodology, no longer representing, or being apt to represent adequately, the EURIBOR or in terms of economic substance no longer being comparable to the EURIBOR determined or calculated in accordance with the methodology used at the time of the issuance of the Notes; or (iv) the applicability of any law or any other legal provision, or of any administrative or judicial order, decree or other binding measure, pursuant to which the EURIBOR may no longer be used as a reference rate to determine the payment obligations under the Notes and/or under the Swap Agreements, or pursuant to which any such use is subject to not only immaterial restrictions or adverse consequences.

"**Benchmark Regulation**" means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds.

"**BNP Paribas Securities Services**" means BNP Paribas Securities Services, Spanish Branch.

"**Borrower**" means, in respect of a Loan Receivable, a natural person (including consumers and businessmen) or legal entity to which the Seller has granted one or more Loans.

"**Borrower Notification Event**" means notification in connection with a Service Provider Replacement Event.

"**Brexit**" means Great Britain's exit from the European Union.

"**BRRD**" means Directive 2014/59/EU on Banking Recovery and Resolution Directive of 15 May 2014.

"**BRRD II**" means Directive (EU) 2019/879 amending the BRRD.

"**BRRD Amending Directive**" means Directive (EU) 2017/2399 amending the BRRD.

"**Business Day**" means any day which is not:

- (a) a holiday in the cities of Madrid or London; or
- (b) a non-business day on the TARGET2 (Trans European Automated Real-Time Gross Settlement Express Transfer System) calendar.

"**CACIB**" means Crédit Agricole Corporate and Investment Bank.

"**Cash Collateral**" means the credit enhancement described in section 3.4.2(i) of this Additional Building Block, which does not include amounts representing the Set-Off Risk Reserve.

"**Cash Collateral Account**" means the account to be opened with the Account Bank, on the name of the Fund, by the Management Company, and that is regulated by the Accounts Agreement.

"**Chattels Hire Purchaser Act**" means the Chattels Hire Purchase Act 28/1998, of July 13 (*Ley de Venta a Plazos de Bienes Muebles*), as amended.

"**Chattels Register**" means any and each of the relevant *Registro de Bienes Muebles* in Spain and the Central Chattels Register.

"**Circular 2/2016**" means the Circular of the CNMV 2/2016, of 20 April 2016, on accounting standards, annual accounts, public financial statements and reserved statistical information of securitisation funds, as amended.

"**Civil Procedure Act**" means the Civil Procedure Act 1/2000, of January 7 (*Ley de Enjuiciamiento Civil*), as amended.

"**Class**" means the Class A Notes or the Class B Notes, as the context requires.

"**Class A**" or "**Class A Notes**" means the Class A Notes, with ISIN ES0305471007, issued by the Fund on the Date of Incorporation with a total nominal amount of €1,000,000,000, consisting of 10,000 individual Class A Notes, each with a nominal amount of €100,000 and ranking senior to the Class B Notes with respect to the payment of interest and principal.

"**Class A Actual Overcollateralisation Percentage**" means, with respect to any Payment Date, one minus the quotient of: (a) the outstanding nominal amount of all Class A Notes; divided by (b) the Aggregate Discounted Receivables Balance at the end of the Monthly Period.

"**Class A Interest Rate Swap Agreement**" means the interest rate swap agreement for the Class A Notes executed between the Fund and the Class A Swap Counterparty in accordance with the terms and conditions of the 2002 ISDA Master Agreement, the attached calendar, the annex for credit assistance and the confirmation on the Date of Incorporation.

"**Class A Noteholders**" means the holders of the Class A Notes.

**"Class A Targeted Note Balance"** means: (a) except in the case of (b), the excess of the Aggregate Discounted Receivables Balance at the end of the Monthly Period over the Class A Targeted Overcollateralisation Amount; and (b) zero, if the Aggregate Discounted Receivables Balance at the end of the Monthly Period is less than 10% of the Aggregate Cut-Off Date Discounted Receivables Balance or if a Service Provider Replacement Event occurs.

**"Class A Targeted Overcollateralisation Percentage"** means:

- (a) 21% unless a Credit Enhancement Increase Condition has taken place; or
- (b) 25%, if a Level 1 Credit Enhancement Increase Condition has taken place; or
- (c) 100%, if a Level 2 Credit Enhancement Increase Condition has taken place.

**"Class A Principal Payment Amount"** means the amount necessary to reduce on each Payment Date the Outstanding Nominal Balance of the Class A Notes to an amount equal to the Class A Targeted Note Balance.

**"Class A Swap Counterparty"** means the entity appointed as counterparty of the Class A Interest Rate Swap Agreement, which is DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main.

**"Class A Targeted Overcollateralisation Amount"** means, on each Payment Date, the Class A Targeted Overcollateralisation Percentage multiplied by the Aggregate Discounted Receivables Balance at the end of the Monthly Period.

**"Class B"** or **"Class B Notes"** means the Class B Notes, with ISIN ES0305471015, issued by the Fund on the Date of Incorporation with a total nominal amount of €35,700,000 consisting of 357 individual Class B Notes, each with a nominal amount of €100,000.

**"Class B Actual Overcollateralisation Percentage"** means, with respect to any Payment Date, one minus the quotient of: (a) the outstanding nominal amount of all Class A Notes and Class B Notes; divided by (b) the Aggregate Discounted Receivables Balance at the end of the Monthly Period.

**"Class B Noteholders"** means the holders of the Class B Notes.

**"Class B Interest Rate Swap Agreement"** means the interest rate swap agreement for the Class B Notes executed between the Fund and the Class B Swap Counterparty in accordance with the terms and conditions of the 2002 ISDA Master Agreement, the attached calendar, the annex for credit assistance and the confirmation on the Date of Incorporation.

**"Class B Targeted Note Balance"** means: (a) except in the case of (b), the excess of the Aggregate Discounted Receivables Balance at the end of the Monthly Period over the sum of the aggregate outstanding principal amount of the Class A Notes (after giving effect to all payments and distributions on such date) and the Class B Targeted Overcollateralisation Amount; and (b) zero, if the Aggregate Discounted Receivables Balance at the end of the Monthly Period is less than 10% of the Aggregate Cut-Off Date Discounted Receivables Balance or if a Service Provider Replacement Event occurs.

**"Class B Targeted Overcollateralisation Percentage"** means:

- (a) 14.5% unless a Credit Enhancement Increase Condition has taken place; or
- (b) 18%, if a Level 1 Credit Enhancement Increase Condition has taken place; or
- (c) 100%, if a Level 2 Credit Enhancement Increase Condition has taken place.

**"Class B Principal Payment Amount"** means the amount necessary to reduce on each Payment Date the Outstanding Nominal Balance of the Class B Notes to an amount equal to the Class B Targeted Note Balance.

**"Class B Swap Counterparty"** means the entity appointed as counterparty of the Class B Interest Rate Swap Agreement, which is DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main.

**"Class B Targeted Overcollateralisation Amount"** means, on each Payment Date, the Class B Targeted Overcollateralisation Percentage multiplied by the Aggregate Discounted Receivables Balance at the end of the Monthly Period.

**"Closing Date"** means 28 February 2020.

**"CNMV"** means the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

**"Collections"** means: (i) all collections of the Fund by virtue of the Loan Receivables in respect of principal, interest (excluding principal and interest amount corresponding to the Balloon Instalments), overdue interest, prepayment fees (total or partial), proceeds from insurance policies that belongs to the Fund, proceeds from the execution of the guarantees granted for any existing Loans (either third-party personal guarantees or guarantees of ownership reservation); plus (ii) Interest Compensation Payments and settlement amounts paid by the Seller to the Fund; minus (iii) Interest Compensation Payments paid by the Fund to the Seller.

**"Commercial Registry"** means the relevant/competent commercial registry (*Registro Mercantil*).

**"Consumer Credit Contracts Act"** means Law 16/2011, of 24 June, on consumer credit contracts, as amended.

**"Consumer Protection Act"** means Legislative Royal Decree 1/2007, of 16 November, approving the restated and amended text of the law on the protection of consumers and users.

**"Corporate Income Tax Act"** means Law 27/2014, of 27 November, on corporate income tax.

**"Counterparty Downgrade Collateral Account"** means the account to be opened with the Account Bank, on the name of the Fund, by the Management Company, and that is regulated by the Accounts Agreement.

**"Commerzbank"** means Commerzbank Aktiengesellschaft.

**"Commission's Proposal"** means the proposal made on 14 February 2013 by the European Commission for a Council Directive implementing enhanced cooperation in the area of a financial transaction tax.

**"COR"** or **"DBRS Critical Obligations Rating"** means, in relation to a relevant entity, the rating assigned by DBRS which addresses the risk of default of particular obligations and/or exposures of the relevant entity that in the view of DBRS have a higher probability of being excluded from bail-in and remaining in a continuing bank in the event of the resolution of a troubled bank than other senior unsecured obligations. If a COR assigned by DBRS to the relevant entity is public, it will be indicated on the website of DBRS ([www.dbrs.com](http://www.dbrs.com)).

**"CPR"** (*TAA – tasa anual constante de amortización anticipada*) means constant annual rate of prepayment.

**"Credit and Collection Policy"** means the method of creation and management of the Loan Receivables set forth in section 2.2.7 of the Additional Building Block.

"**Credit Enhancement Increase Condition**" means either a Level 1 Credit Enhancement Increase Condition or a Level 2 Credit Enhancement Increase Condition.

"**Credit Risk Management Regulations**" means VW Bank Spanish Branch's credit risk management regulations.

"**CRD**" means the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

"**CRD IV-Package**" means the CRD and the CRR.

"**CRD V**" means the Directive (EU) 2019/878 of 20 May 2019.

"**CRR**" means the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

"**CRR II**" means the CRR, as amended by Regulation (EU) 2019/876 of 20 May 2019.

"**Cumulative Gross Loss Ratio**" (*Ratio de Pérdidas Brutas Acumuladas*) means, in relation to each Payment Date, a fraction, expressed as a percentage, the numerator of which is the sum of the Discounted Receivables Balance of the Loan Receivables that were declared Terminated Loans by the Service Provider, corresponding with the closing of the calendar month on which the relevant terminations took place (in accordance with the definition of Terminated Loans included in section 2.2.2 of the Additional Building Block and with the Service Provider's customary practices in effect from time to time and subject to that indicated in the chart included in the subsection "Delinquent loan recovery policy" contained in section 2.2.7 of the Additional Building Block), from the Cut-off Date through the last day of the Monthly Period, and the denominator of which is the Aggregate Cut-off Date Discounted Receivables Balance.

"**Cumulative Write-off Ratio**" (*Tasa de Fallido Acumulado*) means 0.32%. For the purposes of the results shown in section 4.10 of the Securities Note, this ratio is a fraction, expressed as a percentage, which numerator is the sum of the Discounted Receivables Balance of the Loan Receivables under Write-offs in relation to not recovered Terminated Loans, from the Cut-off Date to the end of the corresponding Monthly Period, and the denominator of which is the Discounted Receivables Balance of the Loan Receivables on Cut-off Date. It is assumed that the recovery of Write-offs deriving from unrecovered Terminated Loans occurs 27 months after the termination of the loan.

"**Cut-off Date**" means 31 January 2020.

"**Cut-off Portfolio**" means the Loans constituting the portfolio on the Cut-off Date.

"**Date of Incorporation**" means 24 February 2020.

"**DBRS**" means DBRS Ratings Limited.

"**Deed of Incorporation**" means the public deed recording the establishment of the Fund and the issue of the Notes by the Fund.

"**Delinquency Ratio**" (*Tasa de Morosidad*) means 4%. For the purposes of the results shown in section 4.10 of the Securities Note, this ratio is a fraction, expressed as a percentage, the numerator of which is the sum of the Discounted Receivables Balance of the Loan Receivables delinquent for more than 30 days (>30), excluding the Loan Receivables that have already been considered Terminated Loans (according to the definition of such term included in section 2.2.2 of the Additional Building Block), and the denominator of which is the Aggregate Discounted Receivables Balance of

the portfolio. Delinquent loans are assumed to be fully recovered 3 months after they become delinquent. It is noted that the Delinquency Ratio is calculated on a monthly basis.

**"Determination Date"** means the 2<sup>nd</sup> Business Day prior to each Payment Date, and means the date on which the Management Company will determine the Nominal Interest Rate of the Notes for the corresponding following Accrual Period.

**"Directive 2001/24"** means Directive 2001/24/EC of the European Parliament and of the Council of 4 April 2001, on the reorganisation and winding up of credit institutions.

**"Discount Rate"** means a fixed percentage of 1.3493% per annum, which equals the sum of: (i) the Service Provider Fee Rate of 1% per annum; plus (ii) 0.03% for any administrative expenses and fees; plus (iii) the weighted average of the fixed rate under the Swap Agreements to be paid by the Fund to the Swap Counterparty and the fixed rate under the Subordinated Loan to be paid by the Fund to the Subordinated Lender (i.e. 0.3193%).

**"Discounted Receivables Balance"** means, regarding a Loan Receivable, the outstanding instalments of principal and interest pending payment, including matured and unpaid amounts, discounted at the end of any Monthly Period at the Discount Rate (as described with more detail in section 3.3.3 of the Additional Building Block of this Prospectus), on the basis of a 360-day year, which equals 12 months of 30 days each. For the avoidance of doubt, the Discounted Receivables Balance excludes any Write-offs.

**"Distribution Account"** means the account to be opened with the Account Bank, on the name of the Fund, by the Management Company, which functioning regulated by the Accounts Agreement.

**"DZ BANK"** means DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main.

**"Early Redemption"** means the early redemption of the Notes on a date prior to the Final Maturity Date, in accordance and with the requirements set forth in section 4.4.3 of the Registration Document.

**"Eligible Collateral Bank"** means an international recognised bank with the Account Bank Required Rating.

**"Eligibility Criteria"** means the representations and warranties that the Seller will make to the Service Provider in the Deed of Incorporation and the Assignment Policy at the Cut-off Date in relation to the Loan Receivables, established in section 2.2.8(ii) of the Additional Building Block.

**"ESMA"** means the European Securities Markets Authority.

**"ESTR"** or **"Euro Short-Term Rate"** means the overnight rate calculated on the basis of unsecured borrowing deposit transactions carried out by ECB's money market statistical reporting agents with financial corporations calculated by the European Central Bank.

**"Excess Swap Collateral"** means, in respect of a Swap Agreement, an amount (which shall be transferred directly to the Swap Counterparty in accordance with the Swap Agreement) equal to the amount by which the value of the collateral (or the applicable part of any collateral) provided by the Swap Counterparty to the Issuer pursuant to the Swap Agreement exceeds the Swap Counterparty's liability under the Swap Agreement as at the date of termination of the Swap Agreement or which it is otherwise entitled to have returned to it under the terms of the Swap Agreement.

**"Extraordinary Expenses"** means any expenses arising from the preparation and formal execution of the amendment of the Deed of Incorporation and the ancillary agreements, as well as for the execution of additional agreements; where applicable, the amount of the incorporation of the Fund and Notes Issue expenses that exceed the estimated amount of Initial Expenses described in section 6 of the Securities Note; when applicable, expenses derived from the option and formalisation of a substitution triggered by a downgrade in the rating of the Paying Agent in accordance with section

5.2 of the Securities Note and of the Account Bank which exceed the maximum amount of €10,000 according to section 3.4.5(ii) of the Additional Building Block; extraordinary audit and legal advice expenses; any expenses incurred in the sale of the Loan Receivables and of the remaining assets of the Fund when it is liquidated; expenses required for seeking the enforcement of the Loan Receivables and those arising from the necessary recovery actions; costs incurred for each Meeting of Creditors; in general, any other extraordinary expenses incurred by the Fund or by the Management Company, on behalf of and for the account of the same.

"**EY**" means Ernst & Young, S.L., auditor of the accounts of the Fund.

"**FATCA**" means the Foreign Account Tax Compliance Act.

"**FFI**" means non-U.S. financial institution.

"**Final Maturity Date**" means 23 September 2030 or, if such date is not a Business Day, the following Business Day.

"**Financial Intermediation Margin**" means the variable remuneration paid by the Fund to the Seller according to what established in section 3.4.7(ii)(6) of the Additional Building Block.

"**FSMA**" means the UK Financial Services and Markets Act 2000.

"**FTT**" means financial transaction tax.

"**Fund**" means Driver España Six, Fondo de Titulización.

"**Generally Accepted Market Practice**" means the use of a certain reference rate, subject to certain adjustments (if any), as substitute rate for the EURIBOR or of provisions, contractual or otherwise, providing for a certain procedure to determine payment obligations which would otherwise have been determined by reference to the EURIBOR in a material number of bond issues following the occurrence of a Benchmark Event, or any other generally accepted market practice to replace the EURIBOR as reference rate for the determination of payment obligations.

"**General Contracting Conditions Act**" means Law 7/1998, of 13 April, on general contracting conditions, as amended.

"**Glossary**" means the glossary of defined terms used in this Prospectus.

"**Gross Losses**" means, regarding the Terminated Loans by the Seller, the outstanding amount of said loans at the moment of termination of the same.

"**Hogan Lovells**" means Hogan Lovells International LLP, Establecimiento Permanente en España.

"**IBERCLEAR**" means Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A., the Spanish Central Securities Depository.

"**IGA**" means the intergovernmental agreement to facilitate the implementation of FATCA entered into between the United States and the Government of the Kingdom of Spain.

"**Initial Cash Collateral Amount**" means €14,500,000.

"**Initial Expenses**" means the estimated expenses incurred in the incorporation of the Fund and the Notes Issue detailed in section 6 of the Securities Note. The Initial Expenses will be paid by the Fund. In any event, an amount equal to that paid for the Initial Expenses by the Fund shall be subtracted in determining the Purchase Price, as indicated in section 3.3.3 of the Additional Building Block.

"**ING**" means ING Bank N.V.

**"Industry Solution"** means any statement by the International Swaps and Derivatives Association (ISDA), the International Capital Markets Association (ICMA), the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA), the SIFMA Asset Management Group (SIFMA AMG), the Loan Markets Association (LMA), the Deutsche Kreditwirtschaft (DK), the Bundesverband Öffentlicher Banken Deutschlands (VÖB), the Deutsche Sparkassen- und Giroverband (DSGV), the Bundesverband deutscher Banken (BdB), the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), the Deutsche Derivate Verbands (DDV) or any other private association of the financial industry pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the EURIBOR or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the EURIBOR.

**"InsO"** means German Insolvency Code (*Insolvenzordnung*).

**"Insolvency Act"** means Law 22/2003 (*Ley Concursal*), as amended.

**"Insolvency Event"** means, in relation to the Seller, the Service Provider or the Management Company, any of the following events: (i) the assignment or transfer of its assets or of a substantial part of the same, or any agreement with its creditors that may affect them; (ii) the application to invoke any insolvency measure, or the consent or the acceptance to the appointment of a receiver, custodian, trustee, liquidator or similar position at the company or in relation to a substantial part of its assets, (iii) the start of any lawsuit, action or procedure before any court or tribunal or governmental authority against the Seller, the Service Provider or the Management Company under any legislation on insolvency, liquidation or bankruptcy that may imply the insolvency, the dissolution or the corporate reorganisation of the same or a creditors agreement or similar situation, and provided that such requests, actions or lawsuits are not contested on good faith by the company with a reasonable possibility of success; (iv) seizures or judicial writs that affect the whole or a substantial part of the assets of the Seller, the Service Provider or the Management Company, provided that such seizure is not lifted or its enforcement is prevented within 30 days following the seizure or the reception of the judicial writ; (v) the judicial request to dissolve the Seller, the Service Provider or the Management Company, or the adoption of any measure aiming at its dissolution; and (vi) the acknowledgement by the Seller, the Service Provider or the Management Company of not being capable of facing its debts as they mature in accordance with any law on insolvency, liquidation, bankruptcy, reorganisation or other of similar nature in the jurisdiction where such entity was incorporated or where its permanent establishment is located.

**"Interest Accrual Period"** means with regard to the accrual of the interest for the Notes Issue, the period that includes the days elapsed between each Payment Date (including the first Payment Date and excluding the last one). Exceptionally, the first Interest Accrual Period will start on (and include) the Closing Date and will end on (and exclude) the first Payment Date.

**"Interest Compensation Payment"** means the interest compensation payment payable by VW Bank Spanish Branch to the Fund or the Fund to VW Bank Spanish Branch, as may be applicable for the existing difference of interest rate between, on one side, the Discount Rate and, on the other, the interest rate applicable to the prepaid loan agreement for the period elapsing between the date of prepayment and the date of ordinary amortisation initially foreseen in the relevant Loan agreement.

**"Interest Shortfall"** means the accrued interest which is not paid on previous Payment Dates.

**"IRR"** means internal rate of return.

**"Issuer"** means the Fund.

**"Joint Lead Managers"** means ING and Commerzbank.

**"Law 5/2015"** means Law 5/2015 of 27 April on promoting corporate financing (*Ley de Fomento de la Financiación Empresarial*).

"**Law 10/2014**" means Law 10/2014, of 26 June on the organisation, supervision and solvency of credit entities.

"**Law of Transfer Tax and Stamp Duty**" means Royal Legislative Decree 1/1993, of 24 September on Transfer Tax and Stamp Duty.

"**LCR Regulation**" means the Delegated Regulation (EU) No 2015/61 of 10 October 2014 with regard to liquidity coverage requirement for Credit Institutions.

"**LCR Delegated Regulation**" means the Delegated Regulation (EU) 2018/1620 amending the LCR Regulation.

"**Level 1 Credit Enhancement Increase Condition**" shall be deemed to be in effect if the Cumulative Gross Loss Ratio exceeds: (i) 1% on any Payment Date up to the one corresponding to month May 2021 (included); or (ii) 2.50% for any Payment Date after the one corresponding to month May 2021 but prior to the one corresponding to February 2022 (inclusive).

"**Level 2 Credit Enhancement Increase Condition**" shall be deemed to be in effect if, on any Payment Date, the Cumulative Gross Loss Ratio exceeds 5%.

"**Liquidation Available Funds**" means: (i) the Available Distribution Amount; and (ii) the amounts obtained by the Fund from time to time upon disposing of the Loan Receivables and the remaining assets.

"**Liquidation Expenses**" means such expenses incurred in the sale of the Loan Receivables and the remaining assets of the Fund when it is liquidated and those incurred in the liquidation and extinction of the Fund.

"**Liquidation Order of Priority**" means (i) the order of priority of the Fund's payment or withholding for applying the Liquidation Available Funds on the Final Maturity Date or when there is an early liquidation event of the Fund in accordance with section 4.4 or; (ii) the order of priority to be used in accordance with 3.4.7(ii)(4) to distribute payments of interest and principal to the Noteholders and other payments payable by the Issuer.

"**Loan**" means any loan granted by the Seller to an individual resident in Spain and/or a legal entity with its registered office in Spain for the acquisition of vehicles. To qualify under this definition, a Loan shall have been included in the Cut-off Portfolio on the Cut-off Date and its Loan Receivables assigned to the Fund on the Date of Incorporation.

"**Loan Receivables**" means the loan receivables acquired by the Fund from the Seller, in accordance with the Assignment Policy, formalised in the terms described in section 3.3.2 of the Additional Building Block.

"**Management, Subscription and Placement Agreement**" means the management, subscription and placement agreement of the Notes to be executed by the Management Company, in the name and on behalf of the Fund, the Seller, the Arranger, the Joint Lead Managers, the Underwriters and the Placement Entities on the Date of Incorporation.

"**Management Company**" means Titulización de Activos, S.G.F.T., S.A.

"**Master Servicer**" means the Management Company.

"**Meeting of Creditors**" (*Junta de Acreedores*) means the meeting of the Noteholders and the Subordinated Lender that shall be established upon and by virtue of the issuance of the Notes and shall remain in force and effect until repayment of the Notes in full or cancellation of the Fund.

"**Minimum S&P Collateralised Counterparty Rating**" shall have the meaning given to it in the relevant Swap Agreements.

**"Minimum S&P Uncollateralised Counterparty Rating"** shall have the meaning given to it in the relevant Swap Agreements.

**"Monthly Collateral Account"** means the account to be opened at the Account Bank, on the name of the Fund, by the Management Company that is regulated by the Accounts Agreement.

**"Monthly Collateral Part 1"** means the expected Collections for the period from the 1<sup>st</sup> calendar day to the 19<sup>th</sup> calendar day of each Monthly Period.

**"Monthly Collateral Part 2"** means the expected Collections for the period from the 16<sup>th</sup> calendar day of each Monthly Period and the 4<sup>th</sup> calendar day of the following Monthly Period.

**"Monthly Collections"** means the Monthly Collections Part 1 and the Monthly Collections Part 2.

**"Monthly Collections Part 1"** means Collections received in the first 15 days of each Monthly Period.

**"Monthly Collections Part 2"** means Collections received from the 16<sup>th</sup> to the last day of each Monthly Period.

**"Monthly Period"** means the calendar month immediately preceding the relevant Payment Date (for illustration purposes, if the Payment Date falls on 21 July, the Monthly Period will correspond to the calendar month of June). Since the first Payment Date will be 23<sup>rd</sup> March 2020 the first Monthly Period will be the calendar month of February 2020.

**"Monthly Remittance Condition"** means a condition which shall no longer be satisfied, if:

- (a) Volkswagen Bank GmbH no longer has a short-term rating for unsecured and unguaranteed debt of at least "A-2" from S&P Global Ratings and a long-term rating for unsecured and unguaranteed debt of at least "BBB" from S&P Global Ratings; or (y) where Volkswagen Bank GmbH is not the subject of an S&P Global Ratings short-term rating, Volkswagen Bank GmbH no longer has a long-term rating for unsecured and unguaranteed debt of at least "BBB+" from S&P Global Ratings; or (z) S&P Global Ratings notifies the Issuer and/or the Service Provider that Volkswagen Bank GmbH is not deemed eligible any longer under the applicable rating criteria by S&P Global Ratings; or
- (b) Volkswagen Bank GmbH receives notification from DBRS that DBRS has determined Volkswagen Bank GmbH's capacity for timely payment of financial commitments would no longer equal a short-term rating for unsecured and unguaranteed debt of at least "R-2" by DBRS or a long-term rating for unsecured and unguaranteed debt of at least "BBB (high)" by DBRS.

**"Net Losses"** means, regarding the loans which have been considered as Write-Offs by the Seller and have been accounted as a loss by the same (according to that described in sections 2.2.2 and 2.2.7 of the Additional Building Block), the outstanding amount of said loans on said accounting date as a loss, subtracting the sales incomes of the corresponding vehicle as well as any other recovery arising from the outstanding amounts of the corresponding Loan Receivables until the mentioned accounting date as a loss.

**"Net Swap Amount"** means the payments (or collections) which have to be carried out by virtue of the Swap Agreement on each Payment Date for its net value, that is, for the positive (or negative) difference between the amount to be paid by the Fund and the amount to be paid by the Swap Counterparty.

**"Nominal Interest Rate"** means, in relation to the Notes, an interest rate of 1-month EURIBOR plus a margin of 0.70% for Class A Notes and 0.80% for Class B Notes (if the sum of 1-month EURIBOR plus the margin is negative, the applicable nominal interest rate will be zero).

**"Note Classes"** means each of the two classes of Notes into which the Notes Issue is divided into (Class A and Class B).

**"Noteholders"** means the Class A Noteholders and the Class B Noteholders.

**"Notes Issue"** means the issue of the Class A Notes and the issue of the Class B Notes.

**"Notes"** means the Class A Notes and the Class B Notes collectively issued against the Fund.

**"Notification Dates"** will be each 3<sup>rd</sup> Business Day prior to each Payment Date throughout the life of the Fund. On said dates, the Management Company will notify the amounts to be paid for principal and interest to the Noteholders, in the way described in section 4.1.3(i) of the Additional Building Block.

**"Official Substitution Concept"** means any binding or non-binding statement by any central bank, supervisory authority or supervisory or expert body of the financial sector established under public law or composed of publically appointed members pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the EURIBOR or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the EURIBOR.

**"Order of Priority"** means the order of priority according to which the payments of interest and principal to the Noteholders are distributed and other payments due and payable by the Issuer are made, in accordance with section 3.4.7(ii) of the Additional Building Block.

**"Ordinary Expenses"** means the expenses described in section 3.4.7(ii)(5) of the Additional Building Block.

**"Originator"** means VW Bank, acting through its Spanish Branch.

**"Outstanding Nominal Balance of the Notes"** means the sum of the principal pending maturity plus the principal due and not paid at a certain date of all the Notes comprising each of the Classes.

**"Paying Agency Agreement"** means the paying agency agreement entered into on the Date of Incorporation by the Management Company, in representation and on behalf of the Fund, and the Paying Agent, in order to carry out the financial service of the Notes issued by the Fund.

**"Paying Agent"** means BNP Paribas Securities Services.

**"Payment Date"** means in respect of the first Payment date, 23<sup>rd</sup> March 2020, and in respect of any subsequent Payment Date the 21<sup>st</sup> day of each month or, in the event that such a day is not a Business Day, the next following Business Day unless that day falls in the next calendar month, in which case the date will be the first preceding day that is a Business Day.

**"Placement Entities"** means ING, Commerzbank, DZ BANK, CACIB and SCIB.

**"Prospectus"** means this Spanish asset securitisation prospectus, prepared in connection with the Notes Issue by the Fund.

**"Prospectus Regulation"** means Regulation (EU) 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

**"Purchase Price"** means an amount equal to the Aggregate Cut-off Date Discounted Receivables Balance, minus (i) the amount of €14,500,000, on which the Initial Cash Collateral Amount is calculated; minus (ii) an amount equal to that for overcollateralisation, which will be the amount of the Aggregate Discounted Receivables Balance of the Loan Receivables on the Date of Incorporation which exceeds the face value of the Notes and the face value of the Subordinated

Loan; minus (iii) the amount of €1,306,000 established as the payment for Initial Expenses relating to the Notes Issue; plus (iv) €7,000,000, being an amount equal to the amount of the issue price of the Class A Notes in excess of 100% of their nominal value (i.e., a total amount of €1,068,196,974.27).

"**PwC**" means PricewaterhouseCoopers Auditores, S.L., auditor in the preparation of a special securitisation report on the most significant features of a sample of selected loans owned by VW Bank Spanish Branch from which the Loan Receivables will be taken.

"**Rating Agencies**" means S&P Global Ratings and DBRS.

"**Recovery Ratio**" (*Ratio de Recuperación*) means 84%.

"**Reference Interest Rate**" means the reference interest rate for calculating the interest rate applicable to the Notes, being the 1-month EURIBOR or, if necessary, its substitute, determined as follows:

- (i) the 1-month EURIBOR displayed on the EUR001M page of the BLOOMBERG screen, on the Determination Date at 11.00 A.M. (C.E.T.). "BLOOMBERG screen, EUR001M page" is the one that displays the contents of the "EUR001M" page on the BLOOMBERG SERVICE (or any other page that may replace this service); or
- (ii) in the absence of rates as indicated in paragraph (i) above, the simple arithmetic mean of the rates for interbank interest rates on non-transferable deposits in Euros for a 1-month maturity term for an equivalent amount to the Outstanding Nominal Balance of the Notes on the Determination Date of the Interest Rate by the principal Euro-zone offices of the following banks will apply, as near as possible to 11.00 A.M. (C.E.T.), and this interest rate will be requested simultaneously from such banks:
  - (1) Banco Bilbao Vizcaya Argentaria, S.A.;
  - (2) Banco Santander, S.A.;
  - (3) Cecabank, S.A.; and
  - (4) Deutsche Bank AG.

If one or several of the aforementioned institutions do not furnish a list of quoted rates, the rate applied will be the rate that results from applying the simple arithmetic mean of the rates declared by at least two of the remaining institutions.

In the absence of the rates in accordance with the provisions of paragraphs (i) and (ii), the Reference Interest Rate for the immediately previous Interest Accrual Period will apply. On the first Determination Date, in the event that the reference interest rate is not published in accordance with the provisions of paragraphs (i) and (ii), the rate applied will be the rate displayed according to paragraph (i) on the last Business Day on which such reference interest rate was published.

Following a Benchmark Event, the Service Provider, on behalf of the Issuer, shall be entitled, to determine a Substitute Reference Rate in its due discretion which shall replace the EURIBOR affected by such Benchmark Event. Any Substitute Reference Rate shall apply from (and including) the interest determination date determined by the Issuer in its due discretion, which shall be no earlier than on the second Business Day, prior to the commencement of the relevant Interest Accrual Period, falling on or immediately following the date of the Benchmark Event, with first effect for the Interest Accrual Period for which the Nominal Interest Rate, as the case may be, is determined. If the Service Provider, on behalf of the Issuer, decides to determine a Substitute Reference Rate, the Service Provider, on behalf of the Issuer, shall weigh up the interests of the Noteholders, any Swap Counterparty and the Issuer's own interests and determine the Substitute Reference Rate and any adjustment, if any, in a manner that to the greatest possible extent upholds the economic character

of the Notes for either side (the "**Substitution Objective**"). Notwithstanding the generality of the foregoing, the Service Provider, on behalf of the Issuer, may in particular:

- (i) *firstly*, implement an Official Substitution Concept;
- (ii) *secondly*, if paragraph (i) above is not available, implement an Industry Solution; or
- (iii) *thirdly*, if paragraphs (i) and (ii) above are not available, implement a Generally Accepted Market Practice; or
- (iv) *fourthly*, if paragraphs (i) to (iii) above are not available, apply any unsecured or secured overnight money market reference rate calculated by the European Central Bank or any other third party on swap basis (overnight index swap – OIS); or
- (v) *fifthly*, if paragraphs (i) to (iv) above are not available, determine €STR for the Relevant Period to be the Substitute Reference Rate.

If the Service Provider, on behalf of the Issuer, determines a Substitute Reference Rate, it shall also be entitled to make, in its due discretion, any such procedural determinations relating to the determination of the current Substitute Reference Rate (e.g. the interest determination date, the relevant time, the relevant screen page for obtaining the Substitute Reference Rate and the fallback provisions in the event that the relevant screen page is not available) and to make such adjustments to the definition of "Business Day" in and the business day convention provisions in which in accordance with the generally accepted market practice are necessary or expedient to make the substitution of the EURIBOR by the Substitute Reference Rate operative. To the extent that the Service Provider applies €STR as Substitute Reference Rate, the Service Provider, on behalf of the Issuer, shall be entitled to determine an Adjustment Spread for overnight rate calculated on the basis of unsecured borrowing deposit transactions.

If the Service Provider (on behalf of the Issuer) uses an overnight rate as Substitute Reference Rate in accordance with (iv) above, the interest rate shall be a quote-based rate for tradable EUR interest swaps derived from the respective overnight rate looking forward (rate for overnight indexed swaps) for the relevant Interest Accrual Period calculated on such date as determined by the Service Provider (on behalf of the Issuer) in its reasonable discretion and in accordance with prevailing market standards, if any.

The Service Provider, on behalf of the Issuer, is entitled, but not obliged, to determine, in its due discretion, a Substitute Reference Rate pursuant to these provisions several times in relation to the same Benchmark Event, provided that each later determination is better suitable than the earlier one to realise the Substitution Objective. This paragraph shall apply *mutatis mutandis* in the event of a Benchmark Event occurring in relation to any Substitute Reference Rate previously determined by the Service Provider, on behalf of the Issuer.

If the Service Provider, on behalf of the Issuer, has determined a Substitute Reference Rate following the occurrence of a Benchmark Event, it will cause the occurrence of the Benchmark Event, the Substitute Reference Rate determined by it and any further determinations of it pursuant to this paragraph associated therewith to be notified to the Management Company (which will also notify it to the Noteholders), the Paying Agent and the Swap Counterparty as soon as possible, but in no event later than two Business Days following the determination of the Substitute Reference Rate and the first day of the Interest Accrual Period to which the Substitute Reference Rate applies for the first time. For the avoidance of doubt, if the Service Provider, on behalf of the Issuer, should not determine a Substitute Reference Rate, the fallback provisions pursuant to paragraph (ii) above shall apply.

"**Registration Document**" means the registration document prepared in accordance with Annex 9 of Regulation 2019/980, part of this Prospectus.

**"Regulation 2019/980"** means the Regulation (EU) n° 2019/980 of the European Commission, dated 14 March 2019.

**"Regulation on Corporate Income Tax"** means Royal Decree 634/2015, of 10 July.

**"Relevant Information"** means any information relating to the Transaction (or any individual item comprised therein) that is likely to have a material impact on the value of the Notes Issue.

**"Relevant Period"** means the number of weeks until an Official Substitution Concept, an Industry Solution or a Generally Accepted Market Practice has been implemented.

**"Reporting Dates"** will be the 16<sup>th</sup> of a month (or, in the event such day not being a Business Day, the previous Business Day) throughout the life of the Fund. On these dates the Service Provider will publish the information referring to the performance of the Fund in its monthly investor report, which will be accessible through: (i) the website of Volkswagen Financial Services AG ([www.vwfs.com](http://www.vwfs.com)); and (ii) Bloomberg (after the Service Provider has put at the disposal of the latter such information). The information submitted in this monthly investor report is more precisely detailed in section 3.7.2(iv) of the Additional Building Block.

**"Risk Factors"** means the main risk factors which are specific and material to the Fund and the Notes.

**"Risk Retention U.S. Persons"** means "U.S. persons" as defined in the U.S. Risk Retention Rules.

**"Royal Decree 1310/2005"** means Royal Decree 1310/2005, of 4 November, on public offerings implementing into Spanish law the EU Prospectus Directive 71/2003/EC.

**"SAG"** means German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*).

**"Scheduled Repayment Date"** means, - assuming that among the Loans to be assigned to the Fund on the Date of Incorporation there is at least one with a term of 92 months and which is not affected by an event of early repayment prior to its initially scheduled due date - the Payment Date following the Monthly Period on which the last of the Loan Receivables is to mature, that is, 21 September 2027, or if such day is not a Business Day, the following Business Day unless that day is in the following month. In the later event, the Payment Date shall be the first previous Business Day. This assumes that there is at least one Loan among those to be assigned to the Fund, on the Cut-off Date which has a term of 92 months and is not affected by a termination event or early repayment prior to its initially scheduled maturity date.

**"SCIB"** means Banco Santander, S.A., acting through its Corporate and Investment Banking division.

**"Securities Act"** means the Royal Legislative Decree 4/2015, of 23 October, approving the Restated Text of the Spanish Securities Market Law (*Ley del Mercado de Valores*), in its current version.

**"Securities Note"** means the securities note prepared in accordance with Annex 15 of Regulation 2019/980, part of this Prospectus.

**"Securitisation Regulation"** means 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.

**"Securitisation Regulation Disclosure Requirements"** means the disclosure requirements set out in Articles 7 and 43(8) of the Securitisation Regulation and the related regulatory technical standards.

**"Seller"** means VW Bank, acting through its Spanish Branch.

**"Service Provider"** means VW Bank Spanish Branch. Notwithstanding the obligations of servicing and management of the Loan Receivables corresponding to the Management Company in accordance with article 26.1.b) of Law 5/2015 (as it is set forth under section 3.7.2(vii) of the Additional Building Block), the Management Company has entered into a Servicing Agreement with the Seller by virtue of which the Management Company subcontracts or delegates in the Seller the functions of servicing and managing the Loan Receivables. Therefore, all the references made to the position of Service Provider under this Prospectus shall be understood to be made to VW Bank Spanish Branch.

**"Service Provider Fee"** means, for any Payment Date, a twelfth of the Service Provider Fee Rate multiplied by the Aggregate Discounted Receivables Balance of the Loan Receivables at the beginning of the Monthly Period (inclusive of Value Added Tax if applicable).

**"Service Provider Fee Rate"** means 1% *per annum*.

**"Service Provider Replacement Event"** means:

- (a) any unremedied failure (in the judgement of the Management Company (provided that such failure is not remedied within 3 Business Days of notice of such failure being given)) by the Service Provider to deliver the Collections or any required payment to the Fund, or cause them to be delivered;
- (b) any unremedied failure (in the judgement of the Management Company (provided that such failure is not remedied within 3 Business Days of notice of such failure being given)) by the Service Provider to duly observe or perform in any material respect any other of its covenants or agreements which failure materially and adversely affects the rights of the Fund or the Noteholders;
- (c) the Service Provider is subject to an Insolvency Event;
- (d) the competent banking authority withdraws the authorisation of VW Bank Spanish Branch or VW Bank; or
- (e) a sanction is adopted by the competent banking authority to initiate disciplinary proceedings: (a) as a result of deficiencies identified in the organisational structure and the internal control mechanisms or administrative and accounting procedures (including those related to risk management and control) of VW Bank or VW Bank Spanish Branch, if such deficiencies have jeopardised the solvency or viability of the institution or of the consolidated group or financial conglomerate to which it belongs; or (b) in the event of a breach by VW Bank or VW Bank Spanish Branch of the specific policies required by the competent banking authority, particularly with respect to provisions, treatment of assets or reduction of risks inherent to their activities, products or systems, if the referred policies have not been adopted as and when set out for such purposes by the competent banking authority and such breach jeopardises the solvency or viability of the institution.

**"Servicing Agreement"** means the agreement between the Service Provider and the Fund dated on the Date of Incorporation, for the servicing of the Loan Receivables by the Service Provider, for the benefit of the Fund, in accordance with the Deed of Incorporation.

**"Set-Off Risk Reserve"** means, as of the end of the related Monthly Period, the sum of the amounts defined for each Borrower as the lesser of (i) the Discounted Receivables Balance of the related Loan Receivables and (ii) the deposits made by such Borrower in the books of the Seller at that date.

**"Set-Off Risk Reserve Condition"** means, on any Payment Date, a condition that is satisfied if:

- (b) the Set-Off Risk Reserve is greater than zero (0) per cent. of the Aggregate Discounted Receivables Balance as of the end of the related Monthly Period; and

(c) Volkswagen Bank GmbH's long-term rating is lower than (A) "BBB (high)" by DBRS, or (B) is (deemed to be) rated lower than "BBB" by S&P Global.

"**Solvency II Regulation**" means the Regulation (EU) 2015/35 of 10 October 2014.

"**S&P Global Ratings**" means S&P Global Ratings Europe Ltd.

"**S&P Collateral Framework Option**" shall have the meaning given to it in the relevant Swap Agreements.

"**Spanish Civil Code**" means the Civil Code (*Código Civil*) approved by the Royal Decree of 24 July 1889, as amended.

"**Spanish Commercial Code**" means the Commercial Code (*Código de Comercio*) approved by the Royal Decree of 22 August 1885, as amended.

"**Spanish Companies Act**" means the Companies Act (*Texto Refundido de la Ley de Sociedades de Capital*) approved by the Royal Legislative Decree 1/2010, of 2 July 2010, as amended.

"**Specified Cash Collateral Account Balance**" means, on each Payment Date (except a Payment Date on which the Fund is liquidated early), an amount which allows the balance of the Cash Collateral amount to be equal to the higher of the following amounts: (a) 1.3% of the Aggregate Discounted Receivables Balance on the last day of the Monthly Period of the relevant Payment Date; and (b) the lowest amount of the following: (i) €12,275,000; and (ii) the Outstanding Nominal Balance of the Class A and the Class B Notes on the Payment Date (once all payments and distributions have been made at such date).

"**STS**" means simple, transparent and standardised securitisation.

"**STS Notification**" means the notification to be sent to ESMA that the Transaction will meet the STS Requirements.

"**STS Requirements**" means the requirements for simple, transparent and standardised securitisation as set out in Articles 19 to 22 of the Securitisation Regulation.

"**Subordinated Lender**" means Volkswagen Bank GmbH.

"**Subordinated Loan**" means the loan amounting to €41,302,974.27 granted by Volkswagen Bank GmbH to the Fund under the Subordinated Loan Agreement on the Date of Incorporation.

"**Subordinated Loan Agreement**" means the agreement between Volkswagen Bank GmbH and the Management Company, in name and on behalf of the Fund, which grants the Subordinated Loan.

"**Subscription Date**" means 27 February 2020.

"**Subscription Period**" means the period between 11:30 AM (C.E.T.) and 2:00 PM (C.E.T.) on the Subscription Date, within which the Notes will be subscribed by the Underwriters.

"**Substitute Reference Rate**" means a rate (expressed as a percentage rate *per annum*) provided by a third party and meeting any applicable legal requirements for being used for determining the payment obligations under the Notes determined by the Service Provider, on behalf of the Issuer, in its due discretion, as modified by applying the adjustments (e.g. in the form of premiums or discounts), if any, that may be determined by the Service Provider, on behalf of the Issuer, in its due discretion.

"**Substitution Objective**" means the objective of determining the Substitute Reference Rate by the Service Provider in a manner that to the greatest possible extent upholds the economic character of

the Notes weighing up the interests of the Noteholders, any Swap Counterparty and the Issuer's own interests.

**"SVI"** means STS Verification International GmbH.

**"Swap Agreement"** or **"Swap Agreements"** means the Class A Interest Rate Swap Agreement and the Class B Interest Rate Swap Agreement.

**"Swap Counterparty"** means the entity appointed as the counterparty for the Swap Agreements, which is DZ Bank.

**"Swap Counterparty Required Rating"** means the following credit ratings required for any entity for being Swap Counterparty: (a) (i) not less than the counterparty ratings for the S&P Collateral Framework Option then in effect pursuant to the Swap Agreement; or (ii) the Minimum S&P Collateralised Counterparty Rating and posts collateral in the amount and manner set forth in the Swap Agreements; and (b) a rating of its long term unsecured, unguaranteed and unsubordinated debt obligations assigned by DBRS of at least (i) "A" or (ii) "BBB" and which either posts collateral in the amount and manner set forth in the Swap Agreement or obtains a guarantee from a person having the ratings set forth in (a)(i) above or in each case, if the relevant entity's long-term unsecured, unguaranteed and unsubordinated debt obligations are not rated by DBRS, such debt obligations have at least a DBRS equivalent rating corresponding to the ratings required pursuant to (a)(i) or (a)(ii) above, respectively.

**"Swap Termination Payment"** means any payment due to the Swap Counterparty by the Fund or to the Fund by the Swap Counterparty, including interest that may accrue thereon, under the Swap Agreement due to a termination of the Swap Agreement due to an "event of default" or "termination event" under the Swap Agreement.

**"Terminated Loan"** means any Loan: (i) which is at any time in default for 245 days or longer from the first defaulted instalment and is cancelled or terminated early by the Seller; or (ii) that is cancelled or terminated early by the Seller, provided that such Loan has been in default on at least 2 instalments, and the Management Company had been informed thereof through the means of communication agreed by the parties.

**"Transaction"** means the incorporation of the Fund and issuance of the Notes and the related transactions contemplated in the Transaction Documents.

**"Transaction Documents"** means this Prospectus, the Deed of Incorporation, the Assignment Policy, the Servicing Agreement, the Paying Agency Agreement, the Accounts Agreement, the Subordinated Loan Agreement, the Management, Subscription and Placement Agreement and the Swap Agreements.

**"Transaction Parties"** means the parties to the Transaction Documents.

**"Underwriters"** means ING, Commerzbank, DZ BANK, CACIB and SCIB.

**"U.S. Securities Act"** means the United States Securities Act of 1933, as amended.

**"U.S. Risk Retention Rules"** means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended, adopted pursuant to the requirements of Section 941 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

**"Value Added Tax Act"** means Law 37/1992 of 28 December, on value added tax.

**"Volkswagen Group"** means Volkswagen AG and its Affiliates.

**"VW Bank"** means Volkswagen Bank GmbH.

**"VW Bank Spanish Branch"** means Volkswagen Bank GmbH, acting through its Spanish Branch.

**"Withholdable Payments"** means (i) certain payments from sources within the United States, (ii) "foreign pass through payments" made to certain FFI that do not comply with the new reporting regime imposed by FATCA, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating FFI, potentially subject to a 30 per cent. withholding tax pursuant to FATCA.

**"Write-off"** means any Loan: (i) which at any time is 48 months in default or longer from the first defaulted instalment; or (ii) which has been declared or classified as a write-off by the Seller, provided that such Loan has been in default on at least 2 instalments, and the Management Company had been informed thereof through the means of communication agreed by the parties.