

VCL Master S.A., Compartment 1 Senior And Junior Schuldschein Loans And Series A 2025-3 Auto ABS Notes Assigned Ratings

September 25, 2025

Ratings

Class	Rating*	Maximum commitment amount (mil. €)§	Minimum available credit enhancement (%)†	Interest‡	Legal final maturity
Ratings assigned					
Senior Schuldschein Loan 2025 – 1	AAA (sf)	260.0	7.95	One-month EURIBOR plus 0.55%	September 2033
A 2025 – 3	AAA (sf)	300.0	7.95	One-month EURIBOR plus 0.55%	September 2033
Junior Schuldschein Loan 2025 - 1	A+ (sf)	36.0	4.45	One-month EURIBOR plus 1.10%	September 2033
Ratings affirmed					
A 2010 – 2	AAA (sf)	300.0	7.95	One-month EURIBOR plus 0.55%	September 2033
A 2011 – 2	AAA (sf)	150.0	7.95	One-month EURIBOR plus 0.55%	September 2033
A 2012-2	AAA (sf)	250.0	7.95	One-month EURIBOR plus 0.55%	September 2033
A 2012-3	AAA (sf)	200.0	7.95	One-month EURIBOR plus 0.55%	September 2033
A 2013-1	AAA (sf)	100.0	7.95	One-month EURIBOR plus 0.55%	September 2033
A 2015-1	AAA (sf)	350.0	7.95	One-month EURIBOR plus 0.55%	September 2033
A 2017-1	AAA (sf)	100.0	7.95	One-month EURIBOR plus 0.55%	September 2033

Primary Contact

Sebastian Mauersberger
Frankfurt
49-1729-913944
sebastian.mauersberger
@spglobal.com

Secondary Contact

Monica Anghel
Frankfurt
monicaioana.anghel
@spglobal.com

Ratings

Class	Rating*	Maximum commitment amount (mil. €)§	Minimum available credit enhancement (%)†	Interest‡	Legal final maturity
A 2017-3	AAA (sf)	600.0	7.95	One-month EURIBOR plus 0.55%	September 2033
A 2018-1	AAA (sf)	80.0	7.95	One-month EURIBOR plus 0.55%	September 2033
A 2020-1	AAA (sf)	200.0	7.95	One-month EURIBOR plus 0.55%	September 2033
A 2024-1	AAA (sf)	250.0	7.95	One-month EURIBOR plus 0.55%	September 2033
A 2025-1	AAA (sf)	390.0	7.95	One-month EURIBOR plus 0.55%	September 2033
B 2014-1	A+ (sf)	40.0	4.45	One-month EURIBOR plus 1.10%	September 2033
B 2014-3	A+ (sf)	50.0	4.45	One-month EURIBOR plus 1.10%	September 2033
B 2018-1	A+ (sf)	10.7	4.45	One-month EURIBOR plus 1.10%	September 2033
Ratings discontinued					
A 2025-2	NR	N/A	N/A	N/A	N/A
B 2025-1	NR	N/A	N/A	N/A	N/A

*Our ratings address timely payment of interest and ultimate principal. The senior Schuldschein loan ranks pari passu with the class A notes and the junior Schuldschein loan ranks pari passu with the class B notes. §The current issuance amount may be less than the maximum commitment for each class. †Reflects the documented minimum figures and includes subordination, overcollateralization, and a cash reserve. ‡Subject to a floor of zero. EURIBOR--Euro Interbank Offered Rate. NR--Not rated. N/A--Not applicable.

Overview

- We assigned our 'AAA (sf)' ratings to VCL Master Compartment 1's senior Schuldschein loans 2025-1 and series A 2025-3 notes and our 'A+ (sf)' rating to its junior Schuldschein loan 2025-1.
- At the same time, we affirmed our ratings on the remaining class A and B notes. We discontinued the ratings on the series A 2025-2 and series B 2025-1 notes.
- The transaction is a securitization of a portfolio of German auto leases, excluding their residual values, which Volkswagen Leasing GmbH (VW Leasing) originated.

FRANKFURT (S&P Global Ratings) Sept. 25, 2025--S&P Global Ratings today assigned its 'AAA (sf)' credit ratings to [VCL Master S.A., Compartment 1](#)'s senior Schuldschein loans and series A 2025-3 notes. We assigned our 'A+ (sf)' rating to the junior Schuldschein loans. We affirmed our 'AAA (sf)' and 'A+ (sf)' ratings on the issuer's outstanding series of A and B notes, respectively. At the same time, we discontinued our rating on the series A 2025-2 and series B 2025-1 notes (see list).

The senior Schuldschein loan ranks pari passu with the class A notes and the junior Schuldschein loan ranks pari passu with the class B notes. The class A notes and senior Schuldschein loan are

referred to as senior instruments. The class B notes and junior Schuldschein loan are referred to as junior instruments. The senior instruments rank senior to the junior instruments. Senior and junior instruments are referred to as instruments.

VCL Master S.A., Compartment 1 is a securitization of a portfolio of German auto lease receivables, excluding the residual value portion, which Volkswagen Leasing GmbH (VW Leasing) originated. The portfolio is currently in the revolving phase, which ends in September 2026 unless it is extended. The legal final maturity has been extended by two years to September 2033. The newly issued rated instruments benefit from a swap agreement. The existing instruments have been repriced and benefit from a swap agreement as well. VW Leasing is the initial servicer, and no backup servicer was appointed at closing.

On any payment date during the revolving period, the issuer can issue new series of instruments or increase the size of the outstanding ones, subject to maintaining the initial required credit enhancement for both the senior and junior instruments. The most recent review of the transaction was on April 25, 2025 (see "[VCL Master S.A., Compartment 1 Series A And B 2025 Auto ABS Notes Assigned Ratings; Other Ratings Affirmed](#)").

The initial required credit enhancement or target overcollateralization amounts for both the senior and junior instruments have changed since our April 2025 review. The required credit enhancement for the senior instruments decreased to 7.95% from 8.70%, while for the junior instruments it decreased to 4.45% from 5.20%. A combination of subordination, initial and additional overcollateralization, and a cash reserve provide credit enhancement to the rated notes.

In addition to the abovementioned changes, several additional updates were made to the transaction documents. We have included in our analysis the following list of amendments:

- During the revolving period, credit enhancement falling below the minimum credit enhancement level on two consecutive payment dates will trigger the end of the revolving phase and the start of sequential amortization. Previously, the trigger was breached if the credit enhancement was below the minimum on just one payment date.
- The collateral advance mechanism has been simplified, such that VW Leasing will advance one month of collections to the distribution amount if the monthly remittance condition is not satisfied. This is in line with our counterparty criteria and completely mitigates commingling risk, in our view (see "Related Criteria").
- The maximum term of eligible lease contracts has been extended to 72 months from 60 months.
- The concentration limit for contracts with a remaining term over 36 months has been increased to 40% from 30% during the revolving phase.

Rating Rationale

Operational risk

VW Leasing has underwritten auto leasing contracts in Germany since 1966. In our view, the company's track record of stable, strong quality asset origination is among the best of all European auto ABS issuers. Our ratings on the instruments reflect our assessment of the company's origination policies, as well as our evaluation of VW Leasing's ability to fulfill its role as servicer under the transaction documents. There is no backup servicer. For our analysis, we rely on the general availability of servicing in the German market and have also incorporated

assumptions in our cash flow analysis, to analyze any potential effects from servicer disruption risk.

The collateral in this pool comprises expectancy rights related to prime auto leases, excluding their residual value. Under our operational risk criteria, we therefore consider the severity risk to be moderate and portability risk as low. We assess the disruption risk of servicer as low. Therefore, the criteria do not impose any cap on the maximum achievable rating due to operational risks (see "Related Criteria").

Credit risk

We have kept our base-case gross loss assumptions unchanged at 1.85%. The net loss base case remains at 0.50%. The multiples remain unchanged at 4.9x for 'AAA' and 3.3x for 'A+'. The base recovery rate remains at 73% and the haircuts are unchanged at 50% for 'AAA' and 35.0% for 'A+'.

Table 1

Credit assumptions

Rating level	Net loss base-case	Recovery rate base-case	Gross loss base-case	Multiple	Recovery haircut	Stressed recovery rate	Applied net loss
AAA	0.5%	73.0%	1.9%	4.9x	50.0%	36.5%	5.8%
A+	0.5%	73.0%	1.9%	3.3x	35.0%	47.5%	3.2%

We have analyzed credit risk under our global auto ABS criteria, using historical loss data for VW Leasing's book and performance data from previous VCL leasing transactions (see "Related Criteria").

Cash flow analysis

We have assessed the transaction's documented payment structure, and assumed the notes will have the minimum required credit enhancement in our cash flow analysis. The issuer can extend the transaction's revolving period several times. Once the revolving period ends, the transaction amortizes sequentially until certain overcollateralization targets for the junior and senior instruments are reached. However, the amortization between the junior and senior instruments and the subordinated loan switches to pro rata amortization from sequential if certain conditions (for instance, the CEIC not being in effect) are fulfilled, or when class-specific target overcollateralization levels are reached. Our analysis indicates that the minimum available credit enhancement for the senior and junior instruments is sufficient to withstand the credit and cash flow stresses that we apply at the respective rating levels.

Our cash flow analysis indicates the available credit enhancement for the junior instruments is commensurate with a higher rating than that currently assigned. However, we have assigned our 'A+ (sf)' rating to the junior Schuldschein loans and affirmed our 'A+ (sf)' ratings on the series B notes on account of the transaction's revolving nature and the ongoing frequent issuance of new series.

Counterparty risk

Our ratings on the instruments also consider that the replacement mechanisms implemented in the transaction documents adequately mitigate the counterparty risks to which the transaction is exposed. We have analyzed these counterparty risks by applying our counterparty criteria (see "Related Criteria"). Our ratings on the instruments reflect that the swap agreements are in line with our counterparty criteria.

Legal risk

We consider the issuer to be bankruptcy remote, in line with our legal criteria (see "Related Criteria"). We have received a transaction legal opinion for this review, which provides assurance that the structure achieves a valid and effective sale of assets, and we believe that the sale of the assets would survive the seller's insolvency.

Previously, we considered that the transaction may be exposed to trade tax risk and sized the unmitigated exposure as an additional loss. In considering whether the risk that the issuer becomes liable for trade tax risk is sufficiently mitigated, we have considered legal advice received, along with other mitigants that are generally in place to minimize that risk. We no longer believe this risk applies to this transaction.

Sovereign risk

Under our structured finance sovereign risk criteria, the maximum differential between the rating on the security and the rating on the sovereign depends on the asset sensitivity to country risk and the sovereign rating. We view the asset sensitivity to the country risk as low, and our long-term unsolicited sovereign rating on Germany is 'AAA'. Consequently, our sovereign risk criteria do not cap our ratings on the rated notes.

Forward-Looking View

In our analysis, we considered the following economic data and their baseline effect on collateral credit quality in determining our credit assumptions (see "Related Research").

Table 2

Economic factors

	2025f	2026f	2027f
Real GDP (y/y growth, %)	0.1	1.1	1.6
Unemployment rate (annual average, %)	3.6	3.4	3.2
CPI inflation (%)	2.1	1.8	2.1

Sources: National Statistics offices, Eurostat, S&P Global Ratings. f--Forecast. y/y--Year on year. CPI--Consumer price index.

We consider the transaction's resilience to additional stresses to some key variables, in particular defaults and recoveries, to determine our forward-looking view.

In our view, lessees' ability to pay their monthly instalments on auto leases will be highly correlated to macroeconomic conditions, particularly the unemployment rate and, to a lesser extent, consumer price inflation and interest rates. As of today, our forecast on unemployment rates for Germany is 3.6% in 2025, 3.4% in 2026, and 3.2% in 2027. Our forecast for inflation in Germany is 2.1% in 2025, which we expect to decline to 1.8% in 2026 and 2.1% in 2027.

Given our current macroeconomic forecast and forward-looking view of Germany's auto market, our sensitivity scenarios consider, all else being equal, the hypothetical effect on our credit ratings of:

- An increased gross default base case of up to 30%; and
- A maximum haircut of 30% to the recovery rate base case.

We therefore ran eight scenarios with increased gross defaults and/or reduced expected recoveries, as shown in table 3.

Table 3

Sensitivity analysis

(%)	Base run	1	2	3	4	5	6	7	8
Default rate base-case increase	-	10	30	-	-	10	30	10	30
Recovery rate base-case decrease	-	-	-	10	30	10	10	30	30
Increase in MVD	-	-	-	5	15	5	5	15	15
Gross default rate	1.85	2.04	2.41	1.85	1.85	2.04	2.41	2.04	2.41
Recovery rate	73.00	73.00	73.00	65.70	51.10	65.70	65.70	51.10	51.10
RV loss at 'AAA'	42.00	42.00	42.00	42.74	46.81	42.74	42.74	46.81	46.81

		Downgrade notches							
		No change	One		Two		Three or more		
Class of notes	Initial rating	1	2	3	4	5	6	7	8
Senior Instruments	AAA	AAA	AA+	AAA	AAA	AAA	AA+	AA+	AA
Junior Instruments	A+	A+	A	A+	A	A+	A	A	A-

MVD--Market value decline. RV--Residual value.

Source: S&P Global Ratings.
Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

The results of the above sensitivity analysis indicate a deterioration of no more than two notches on the instruments, which is in line with the credit stability considerations in our rating definitions. Transaction features such as initial subordination levels and a liquidity reserve enhance the stability of the ratings under each scenario.

Related Criteria

- [Criteria | Structured Finance | General: Counterparty Risk Methodology](#), July 25, 2025
- [Criteria | Structured Finance | Legal: Asset Isolation And Special-Purpose Entity Methodology](#), May 29, 2025
- [Criteria | Structured Finance | ABS: Global Auto ABS Methodology And Assumptions](#), July 26, 2024
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities](#), Dec. 22, 2020
- [Criteria | Structured Finance | General: Methodology To Derive Stressed Interest Rates In Structured Finance](#), Oct. 18, 2019
- [Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions](#), Jan. 30, 2019
- [Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions](#), Oct. 9, 2014

- [General Criteria: Methodology Applied To Bank Branch-Supported Transactions](#), Oct. 14, 2013
- [Criteria | Structured Finance | General: Global Derivative Agreement Criteria](#), June 24, 2013
- [General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts](#), May 31, 2012
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011
- [Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment](#), May 28, 2009

Related Research

- [European Auto ABS Index Report Q2 2025](#), Aug. 13, 2025
- [Germany 'AAA/A-1+' Ratings Affirmed; Outlook Stable](#), June 13, 2025
- [VCL Master S.A., Compartment 1 Series A And B 2025 Auto ABS Notes Assigned Ratings; Other Ratings Affirmed](#), April 25, 2025
- [S&P Global Ratings Definitions](#), Dec. 2, 2024
- [S&P Global Ratings' Approach To GloBE Or Pillar II Tax Liabilities In European Structured Finance Transactions](#), April 19, 2024
- [ESG Industry Report Card: Auto Asset-Backed Securities](#), March 31, 2021
- [2017 EMEA ABS Scenario And Sensitivity Analysis](#), July 6, 2017
- [Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors](#), Dec. 16, 2016
- [European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors](#), Dec. 16, 2016

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.