



# Driver UK eleven

Benchmark Securitisation  
of UK Auto Financing Receivables

£[●]m Class A Asset Backed Floating Rate Notes due [●]  
£[●]m Class B Asset Backed Floating Rate Notes due [●]

Originator/Seller/Servicer: Volkswagen Financial Services UK Ltd ("VWFS")  
Arranger: Lloyds Bank  
Joint-Lead Managers: Lloyds Bank, Mizuho, Wells Fargo

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**Arranger** is Lloyds Bank Corporate Markets plc

**Joint Lead Managers** are Lloyds Bank Corporate Markets Wertpapierhandelsbank GmbH, Mizuho Bank Europe N.V. and Wells Fargo Securities International

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# Agenda

1	Executive Summary	11	5	Historical Performance Data	59
2	Volkswagen Group Mobility	16	6	Transaction Details and Structure	64
3	Volkswagen Financial Services in the UK	26			
4	Lending Policy, Customer Operations, Residual Value Management and Remarketing	34			



# Section 1

## Executive Summary

# Key Transaction Characteristics

	Amount (£m)	In %	Credit Enhancement In % <sup>(2)</sup>	Ratings Fitch (sf) / Moody's (sf) / KBRA (sf)	WAL (yrs) <sup>(3)</sup>	Expected Maturity <sup>(3)</sup>	Legal Final Maturity	Coupon <sup>(4)</sup> : SONIA +
Class A	[●]	[75.20]	[26.02]	[AAA / Aaa / AAA]	[2.07]	[December 2029]	[September 2033]	[●]bps
Class B	[●]	[8.80]	[17.22]	[AA- / Aa3 / AA]	[2.55]	[December 2029]	[September 2033]	[●]bps
Subordinated Loan	[●]	[10.00]	[7.22]	NR	NA	NA	NA	NA
Overcollateralisation	[●]	[6.00]	n/a	NR	NA	NA	NA	NA
Cash Collateral Amount	[●]	[1.45] <sup>(1)</sup>	n/a	NR	NA	NA	NA	NA
<b>SPV located in:</b>	Luxembourg							
<b>Revolving period:</b>	Yes – 6 months revolving period							
<b>Structure:</b>	Senior / Mezzanine / Subordinated Loan							
<b>Fixed / Floating:</b>	Floating							
<b>Credit Enhancement:</b>	Subordination of the Class B Notes to the Class A Notes							
	Subordinated Loan							
	Initial overcollateralisation and partially amortising cash reserve							
	Priority of payments							
	Sequential payments until target overcollateralisation (OC) levels are reached; thereafter pro-rata payments							
<b>Assets<sup>(5)</sup>:</b>	Switching back to sequential payments upon trigger breach							
	Prime UK auto financing receivables							
	[52.95]% new vehicles and [47.05]% used vehicles [89.81]% retail and [10.19]% corporate customers [91.09]% PCP, [8.35]% HP, [0.57]% LP							
<b>Ratings:</b>	Expected from Fitch, Moody's and KBRA for Classes A and B							
<b>STS:</b>	Intended to be UK STS, LCR, CRR eligible, verified by PCS, cash flow model available on Bloomberg and Intex							

(1) [1.22]% as % of pool balance; [1.45]% as % of Class A and B notes balance

(2) Includes CCA

(3) Assuming inter alia the exercise of the clean-up call at 10.00%, 0.00% CDR and [20.00]% p.a. prepayments (see also Preliminary Prospectus)

(4) Subject to a floor of zero

(5) Based on a preliminary portfolio with a cut-off date as of 30 Nov 2025

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# Structure Comparison - Driver UK

	Driver UK nine	Driver UK ten	Driver UK eleven <sup>(3)</sup>
<b>Issue Date</b>	25/10/2024	27/10/2025	[25/03/2026]
<b>Capital Structure</b>	<b>(Rating / £m) (F/S/K)<sup>(1)</sup></b>	<b>(Rating / £m) (D/S/K)<sup>(1)</sup></b>	<b>(Rating / £m) (F/M/K)<sup>(1)</sup></b>
<b>Class A</b>	AAA/AAA/AAA / £358.80m	AAA/AAA/AAA / £551.20m	[AAA]/[Aaa]/[AAA] / £[●]m
<b>Class B</b>	AA-/A+/AA- / £51.50m	AA/AA/A+ / £71.20m	[AA-]/[Aa3]/[AA] / £[●]m
<b>Sub-loan</b>	NR / £59.70m	NR / £82.50m	NR / £[●]m
<b>OC<sup>(2)</sup></b>	NR / £30.01m	NR / £45.10m	NR / £[●]m
<b>Credit Enhancement</b>			
<b>Class A</b>	29.40%	27.70%	[26.02]%
<b>Class B</b>	19.10%	18.20%	[17.22]%
<b>Sub-loan</b>	7.20%	7.20%	[7.22]%
<b>OC<sup>(2)</sup></b>	NA	NA	NA
<b>Cash Collateral Account (at closing)</b>	1.45%	1.45%	1.45%
<b>Specified General Cash Collateral Account Balance</b>	1.45% (floor of 1.0% £4.10m) of current aggregate nominal amount of Class A and B Notes	1.45% (floor of 1.0% £6.22m) of current aggregate nominal amount of Class A and B Notes	1.45% (floor of 1.0% £[●]m) of current aggregate nominal amount of Class A and B Notes
<b>Collateral</b>			<b>Provisional Pool<sup>(3)</sup></b>
<b>Country of Receivables</b>	UK	UK	UK
<b>Portfolio Type</b>	6 month revolving	6 month revolving	6 month revolving
<b>Principal Balance</b>	£500.01m	£750.00m	£[500.01]m
<b>No. of Contracts</b>	22,799	32,470	[20,602]
<b>Avg. Financing Amount</b>	£21,931	£23,098	£[24,270]
<b>New/Used<sup>(4)(5)</sup></b>	49.44% / 50.56%	50.26% / 49.74%	[52.95]% / [47.05]%
<b>Corporate/Retail<sup>(5)</sup></b>	1.01% / 98.99%	0.72% / 99.28%	[10.19]% / [89.81]%^ <sup>(6)</sup>
<b>WA Seasoning (months)</b>	8.96	6.91	[6.42]

Source: Driver UK nine Prospectus, Driver UK ten Prospectus, Driver UK eleven Preliminary Prospectus

(1) Structured Finance Rating applies; Credit Enhancement is the sum of the available subordination, overcollateralisation and initial cash collateral amount, excluding excess spread

(2) Overcollateralisation is the excess of discounted receivables balance over the aggregate of the Class A Notes, Class B Notes and Subordinated Loan

(3) Based on a preliminary portfolio with a cut-off date as of 30 Nov 2025

(4) New cars include new and demo

(5) As a percentage of Discounted Receivables Balance

(6) Adjustment of an internal DUK11 filter criterion has aligned the selected portfolio more closely with the mother portfolio, leading to a higher corporate share.

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# Pool Comparison – Driver UK

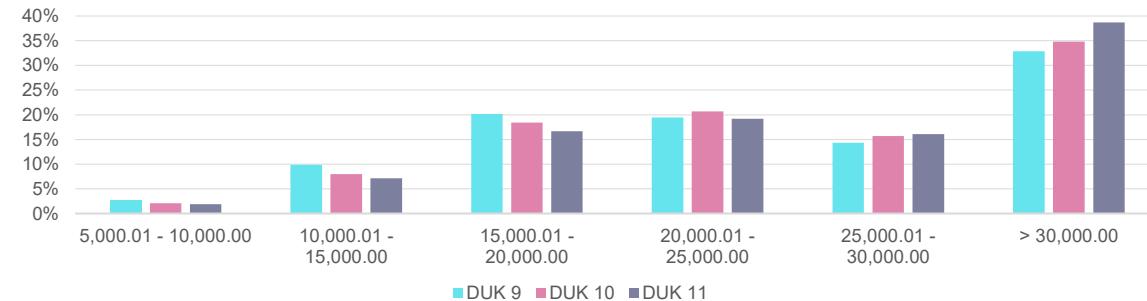
	DUK9 <sup>(1)</sup>	DUK10 <sup>(1)</sup>	DUK11 <sup>(2)</sup>
<b>Payment Type</b>			
Direct Debit	99.90%	99.84%	[99.93]%
Others	0.10%	0.16%	[0.07]%
<b>Type of Vehicles</b>			
New Vehicles	49.44%	50.26%	[52.95]%
Used Vehicles	50.56%	49.74%	[47.05]%
<b>Customer Type</b>			
Retail	98.99%	99.28%	[89.81]%
Corporate	1.01%	0.72%	[10.19]%
<b>Type of Credit</b>			
Hire Purchase	7.00%	6.25%	[8.35]%
Lease Purchase	0.64%	0.30%	[0.57]%
PCP	92.36%	93.45%	[91.09]%
<b>Fuel Type</b>			
Battery Electric	7.02%	10.76%	[14.48]%
Diesel	14.63%	11.29%	[12.26]%
Hybrid	4.06%	5.98%	[6.53]%
Petrol	74.29%	71.96%	[66.74]%
<b>Remaining Terms (months)</b>			
Min	6	6	[6]
Max	60	60	[60]
WA	38.57	40.43	[40.75]
<b>Seasoning (months)</b>			
Min	0	0	[0]
Max	55	54	[53]
WA	8.96	6.91	[6.42]
<b>Lessee</b>			
Top 20 Largest Lessees	0.80%	0.63%	[0.89]%

Numbers may not add up due to rounding

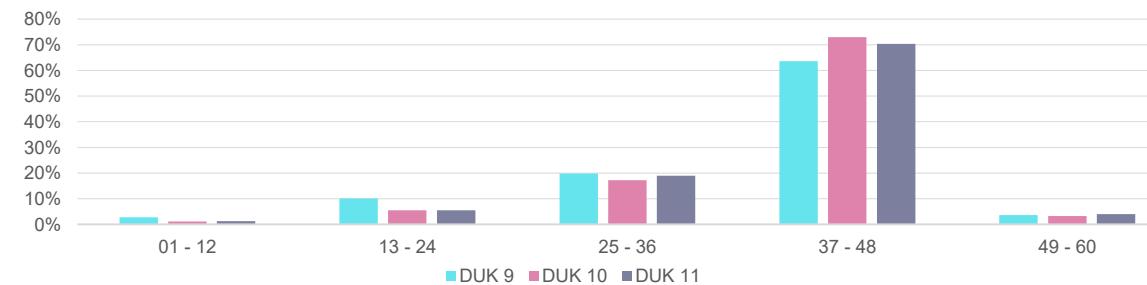
(1) Based on closing pool

(2) Based on a preliminary portfolio with a cut-off date as of 30 Nov 2025

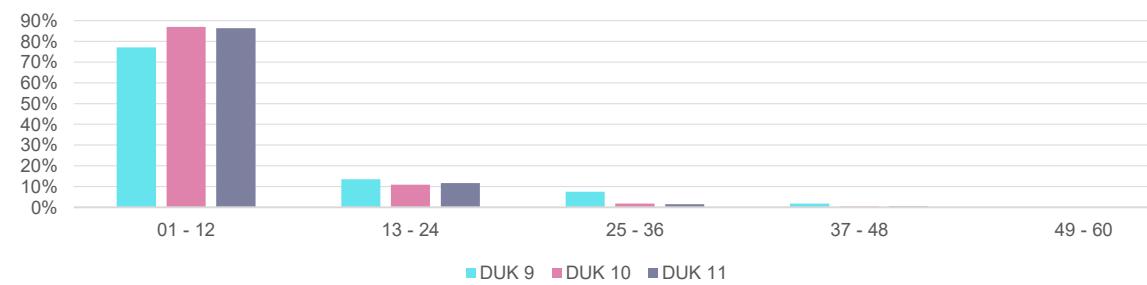
## Distribution by Outstanding Discounted Balance



## Distribution by Remaining Term (in months)

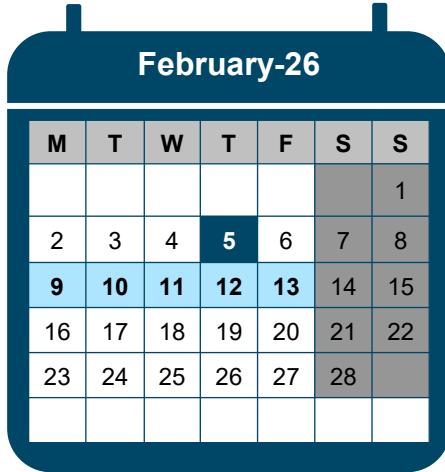


## Distribution by Seasoning (in months)



# Marketing Timeline

- Marketing & Pricing
- Key Transaction Dates
- Weekend



## Key Dates

**[5] February 2026**

- Announce Transaction
- Release Deal Information

**w/c [9] February 2026**

- Bookbuilding & Pricing

**25 March 2026**

- Financial Closing

**27 April 2026**

- First Payment Date

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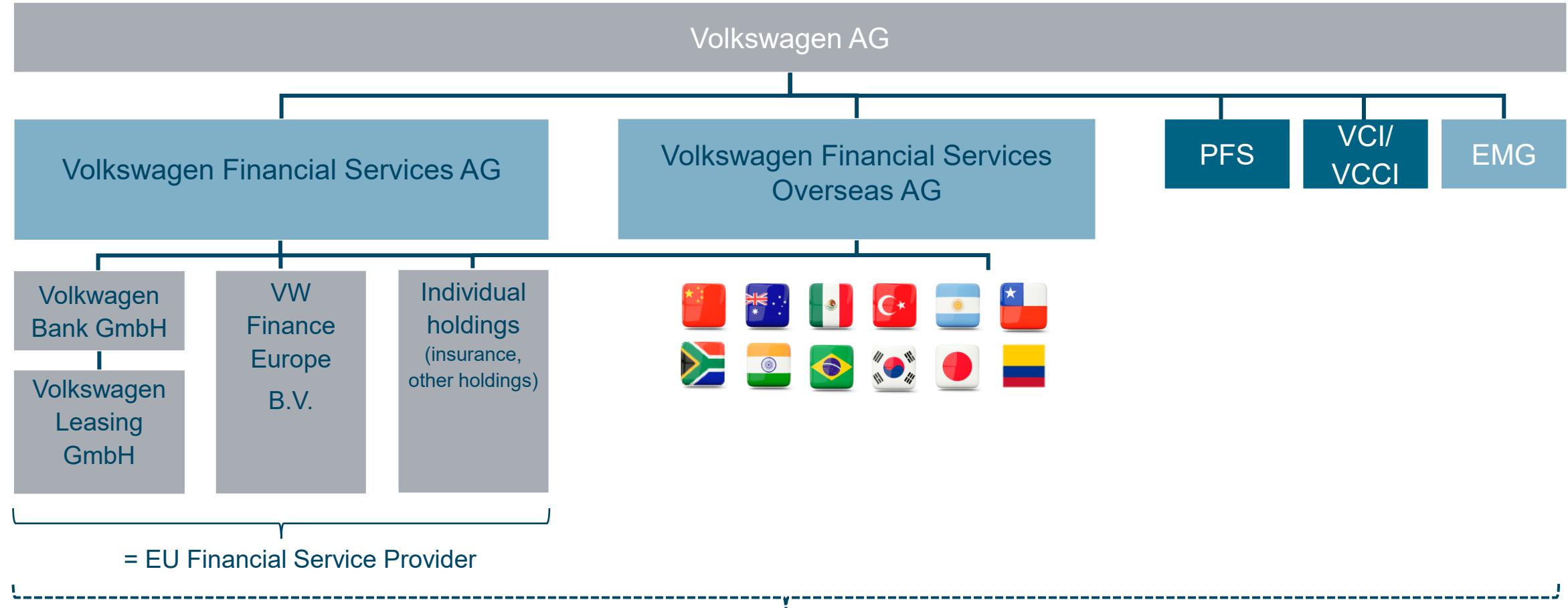
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## Section 2

# Volkswagen Group Mobility

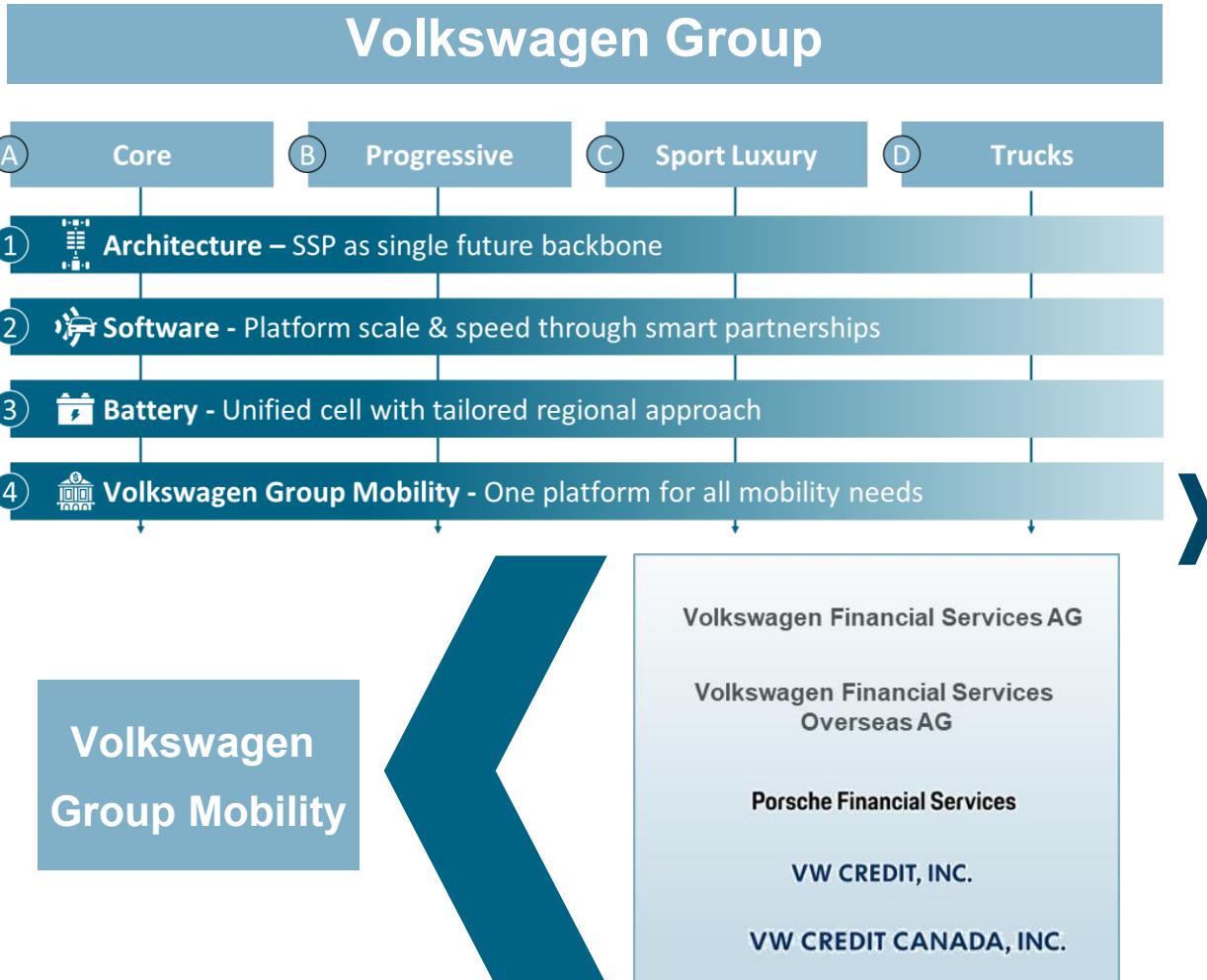
# Structure and Markets Volkswagen Group Mobility since July 1<sup>st</sup>, 2024



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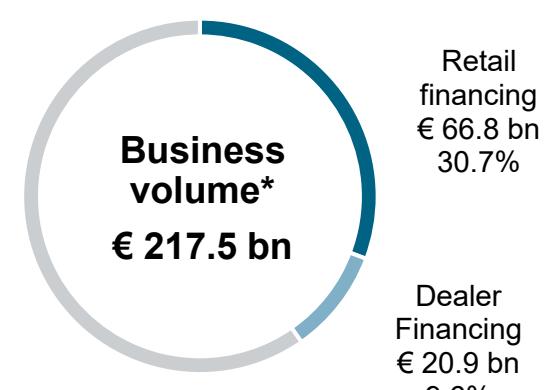
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# Volkswagen Group Mobility at a Glance (30/06/2025)



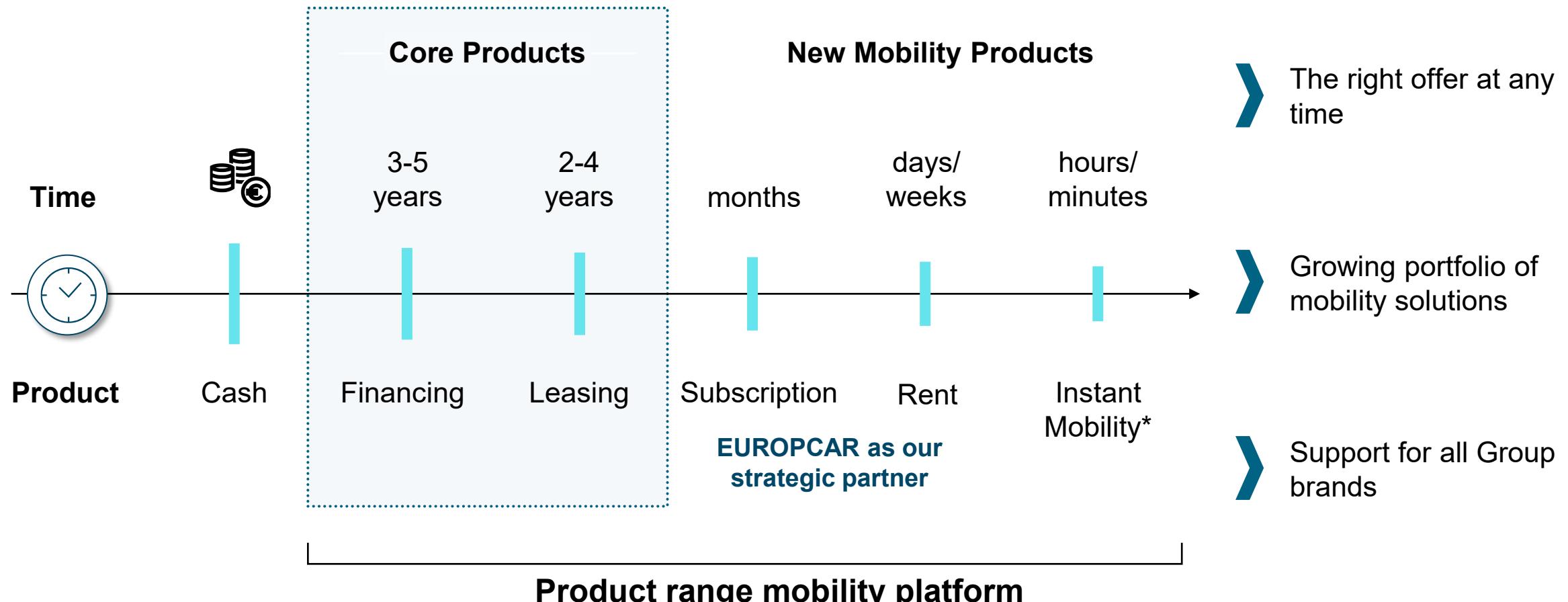
## Key figures Volkswagen Group Mobility

Total assets	€ 278.7 bn
Equity	€ 41.1 bn
Deposits	€ 62.0 bn
Operating profit	€ 1.8 bn
Employees	14,935
Contracts (units)	28.4 m



\* Receivables + Leased Assets

# New Mobility Products of Volkswagen Group Mobility

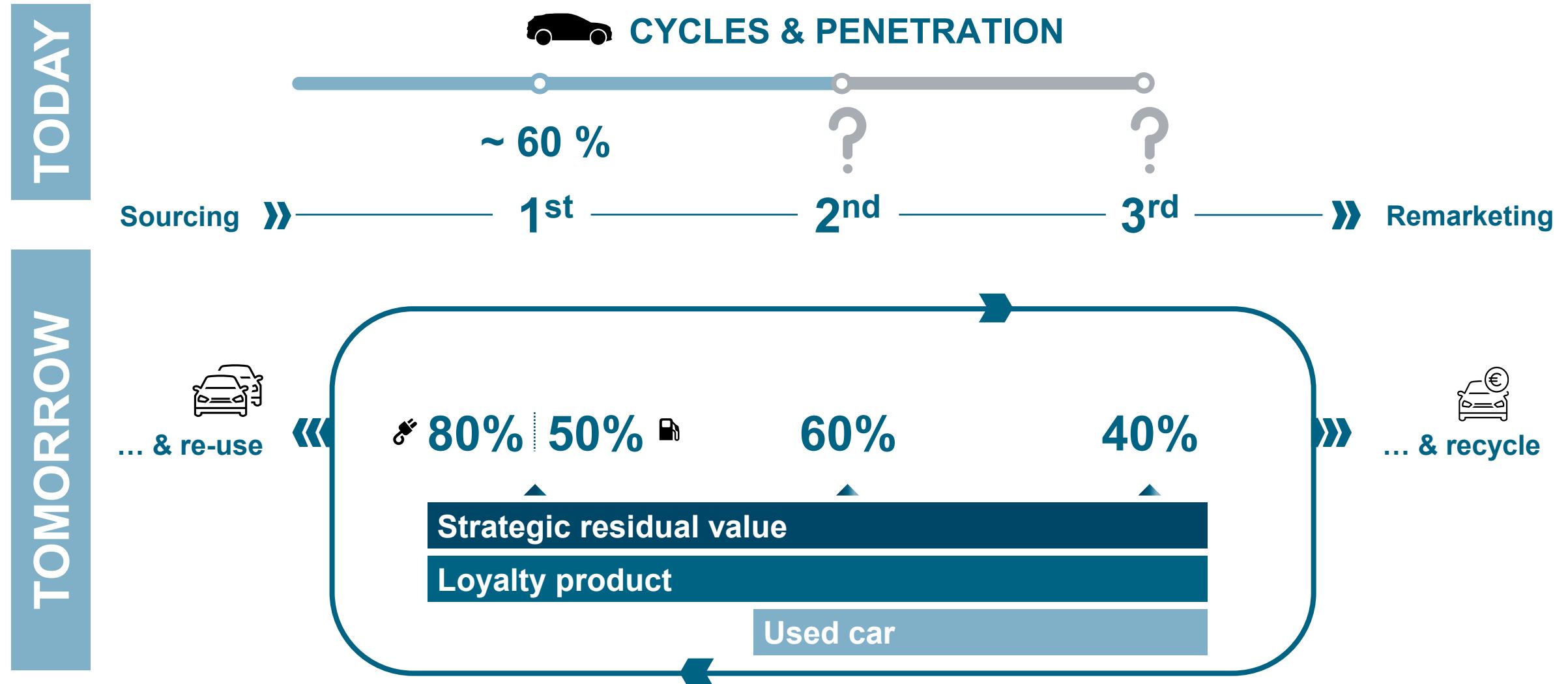


\* Instant Mobility (mainly from third-party providers): sharing (eScooter, bicycle, car), hailing (incl. taxi), pooling and public transport

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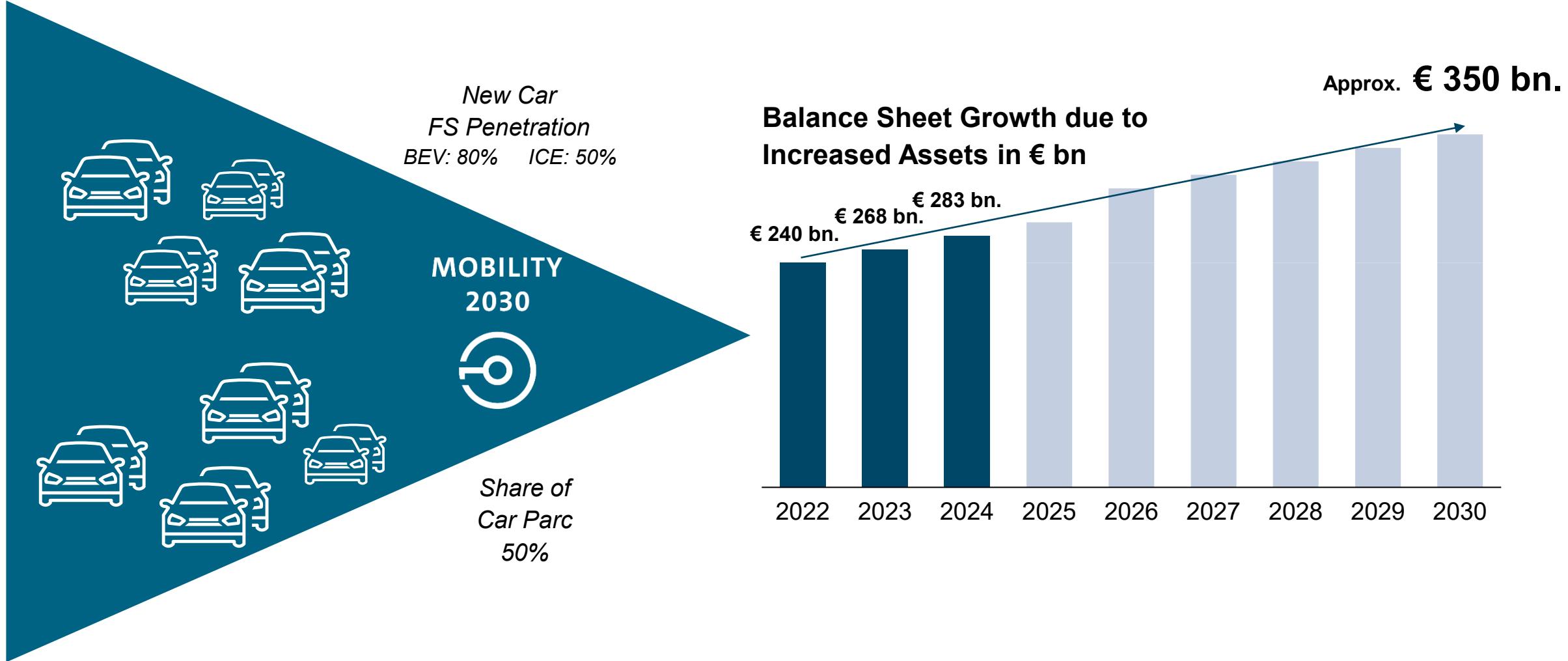
## With the Vehicle Lifetime Concept we will Utilise Untapped Opportunities Especially in 2<sup>nd</sup> & 3<sup>rd</sup> Lifecycle



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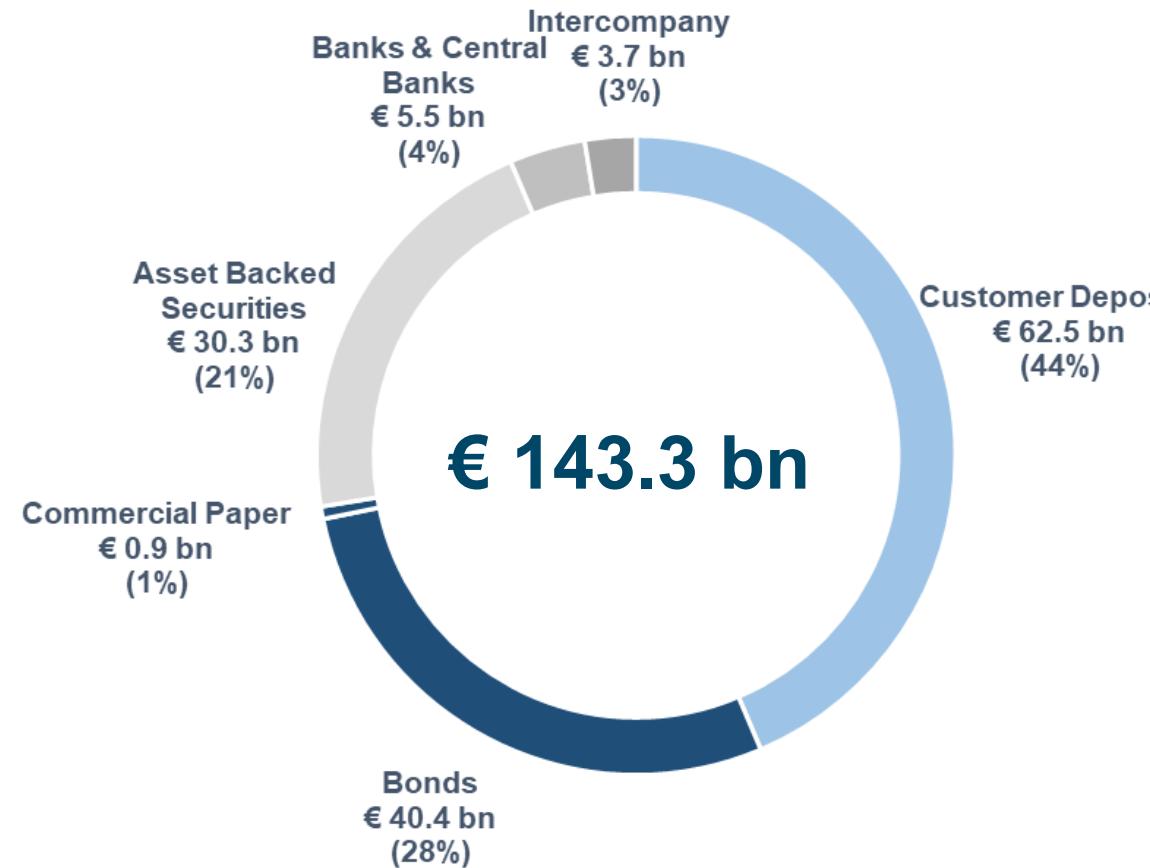
# Annual New Car Sales and an Increasing Volkswagen Group Mobility Share of Volkswagen's Car Parc Will Increase VW Group Mobility's Refinancing Demand



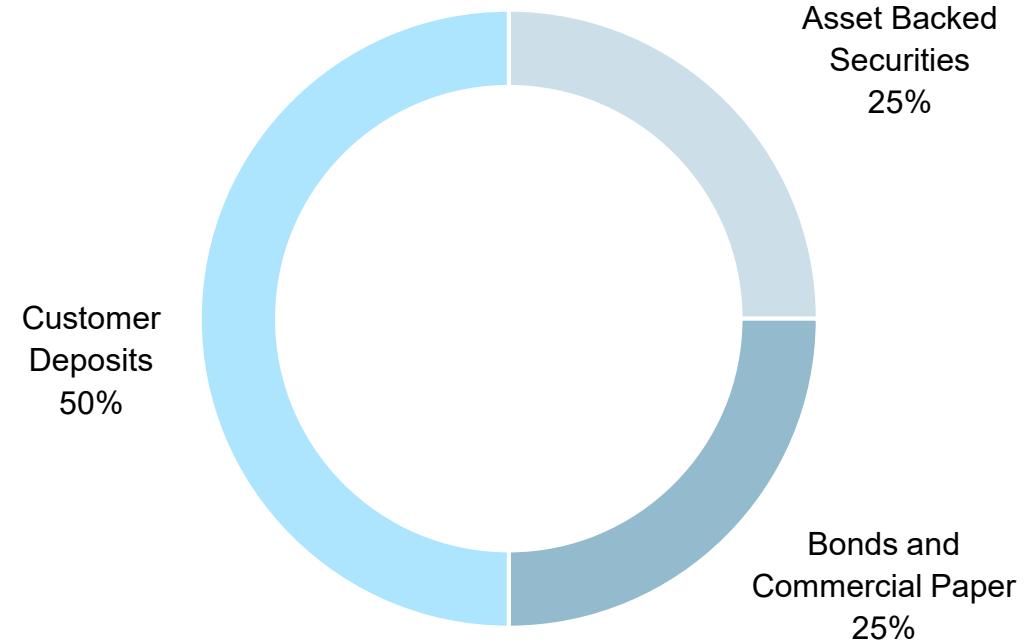
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# Funding Allocation of Segment Volkswagen Financial Services AG as of 30.06.2025



## Strategic Funding Mix 2030



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## Volkswagen Group Mobility Ratings

- Sound Corporate Credit Ratings in the investment grade from S&P, Moody's and Fitch
- ESG rating from Sustainable Fitch at the upper end of our peer group

### Volkswagen Financial Services AG

Credit Rating*	S&P	Moody's	Fitch
VW FS AG	BBB+	Baa1	A-
VW Bank	BBB+	A1	A

\* Senior Unsecured Rating

### Volkswagen Financial Services Overseas AG

Credit Rating*	S&P	Moody's	Fitch
VW FS O AG	BBB+	Baa1	A-

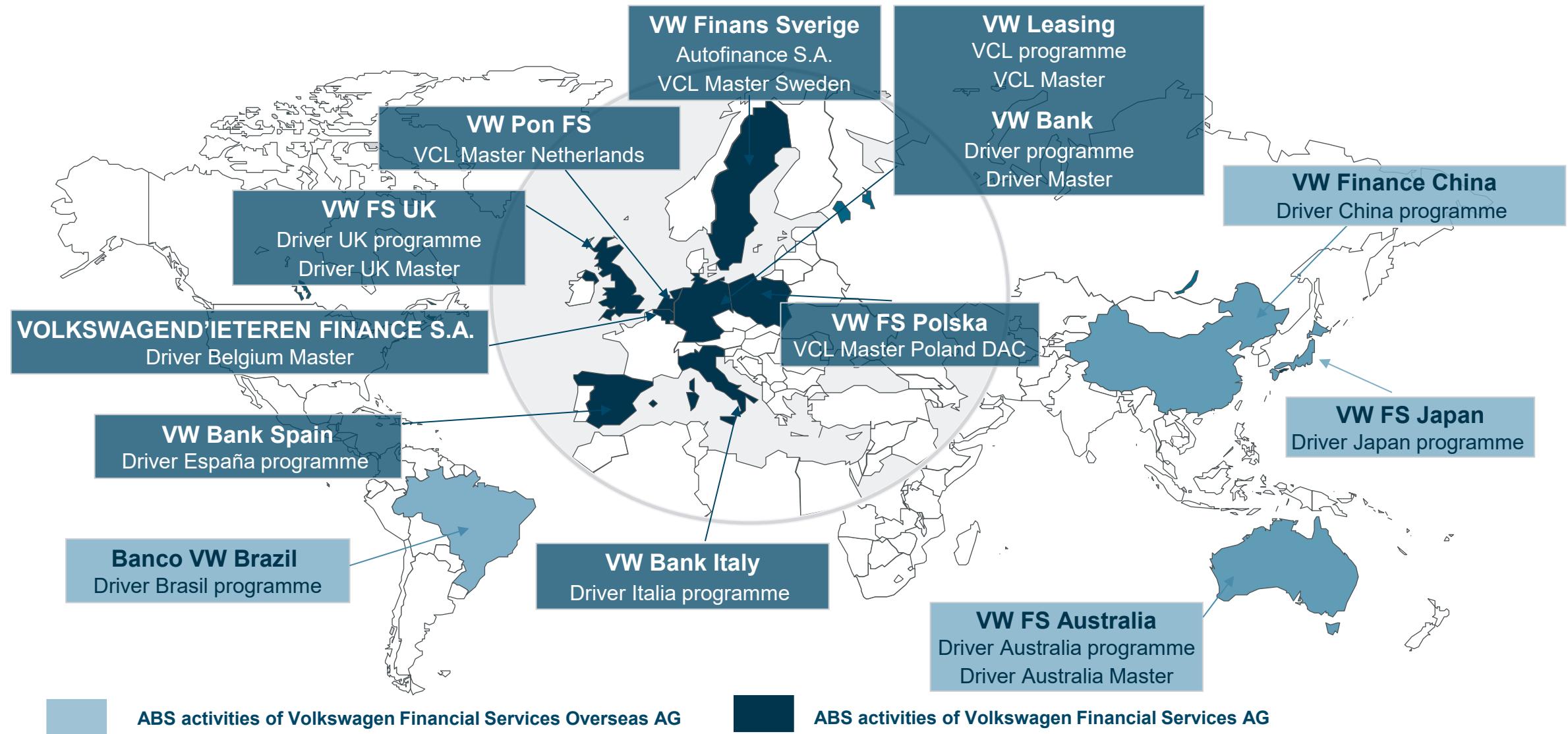
\* Senior Unsecured Rating

ESG Rating	Sustainable Fitch
VW FS AG	3 (Neutral)

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# Worldwide ABS Activities of VWFS AG and VWFS Overseas AG

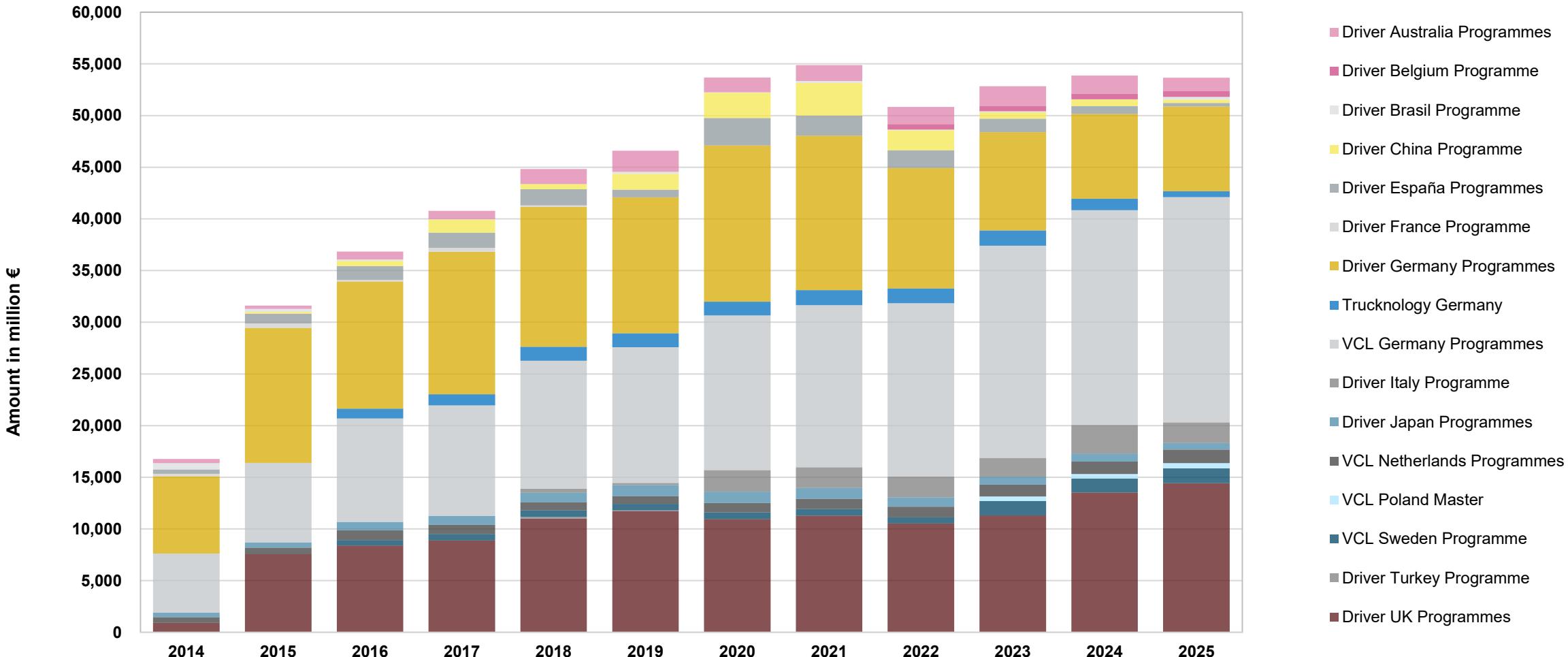


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# Worldwide ABS Activities of VWFS AG and VWFS Overseas AG

## Outstanding ABS volumes



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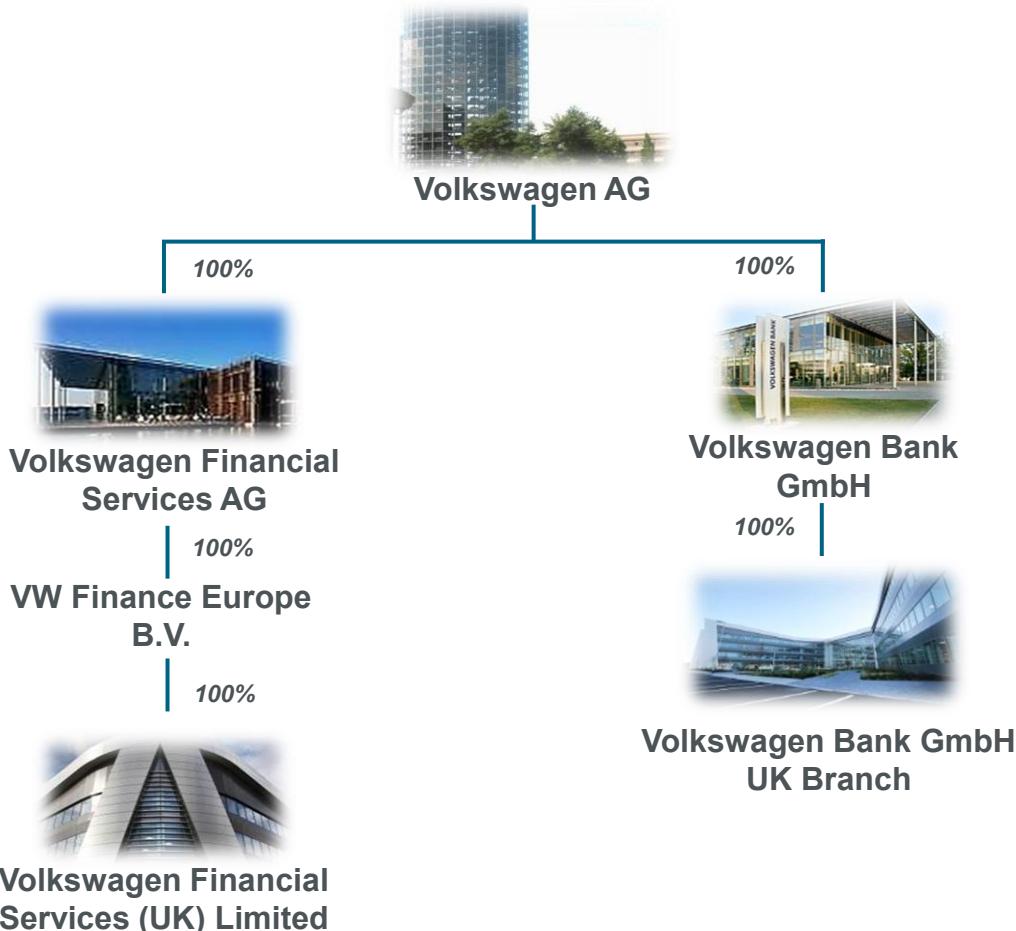


## Section 3

# Volkswagen Financial Services (UK) Ltd.

# Volkswagen Financial Services (UK) Limited – Market UK

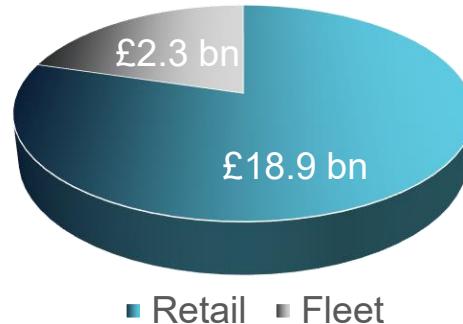
## Group Structure



## VWFS UK Key Figures - 30/06/2025

Total Earning Assets	£21.3bn
Operative Income III	£154.8m
Employees (FTE)	1034
Retail Contracts	921k
Leasing Contracts	102k
Service	1042k
Insurance	875k

## Earning Assets by Product



## 2025 UK Passenger Car Market

VWG UK Market Share	22.6%
Total new Registrations	2.02m

# Volkswagen Financial Services (UK) Limited – Company Evolution

Volkswagen Financial Services (UK) Limited (“VWFS (UK)”) is established as a new company in the UK.

**1994**

Move into new UK headquarters, £6.0 bn advances achieved. Formal FCA application submitted (approved in 2016).

**2015**

Implementation of Consumer Duty, roll-out of BEV agency model, ABS Suite and launch of the CORAL project. The advance figures reached £10.2 bn.

**2023**

Continued focus on Customer Centricity and embedding our data strategy, along with enhancing consumer offerings to increase BEV adoption inline with ZEV Mandates. Half year advance figures stands at £5 bn.

**2025**

**2006**

The company achieves £1 bn of advances for the first time.

**2020**

Successfully worked with Customers and Regulators to navigate COVID-19 pandemic, achieving advances of £7.5bn

**2024**

Establishment of our ‘Customer Promise’ and focus on fulfilment of ZEV mandates through enhancing BEV adoption. FSUK joins the ECB regulated banking group of VWFS AG through project CORAL.

**2026**

Continue to enhance customer experience and support VWG Brands transition to BEV. Enhancing and future proofing the organisations data strategy to support regulatory requirements and drive improved customer outcomes.

# Volkswagen Financial Services (UK) Limited – Market UK

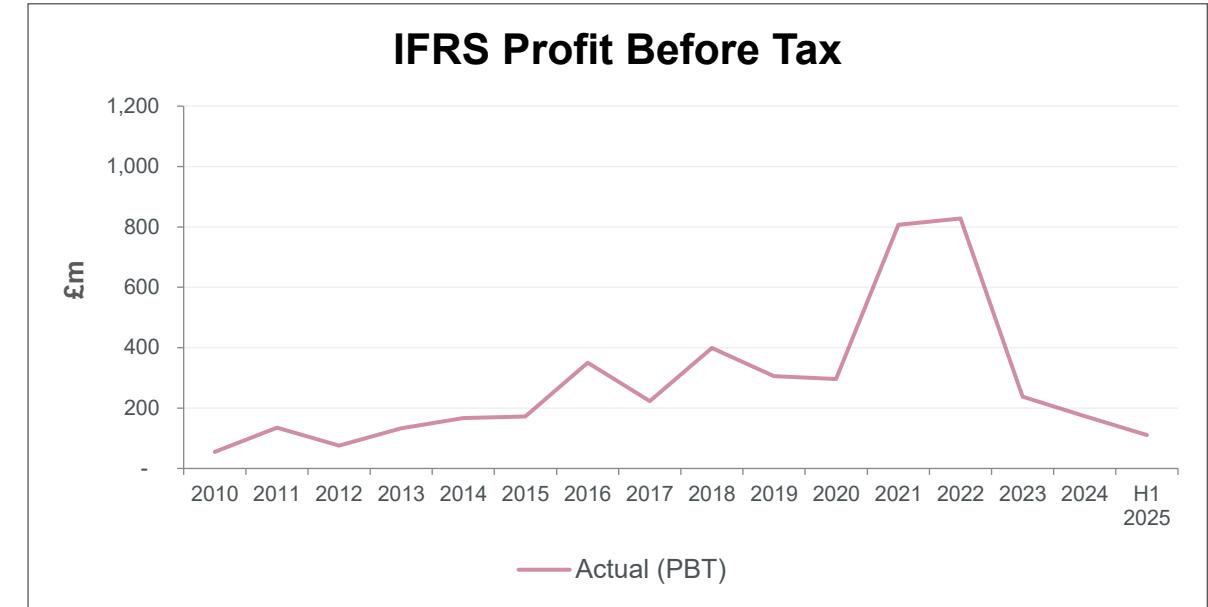
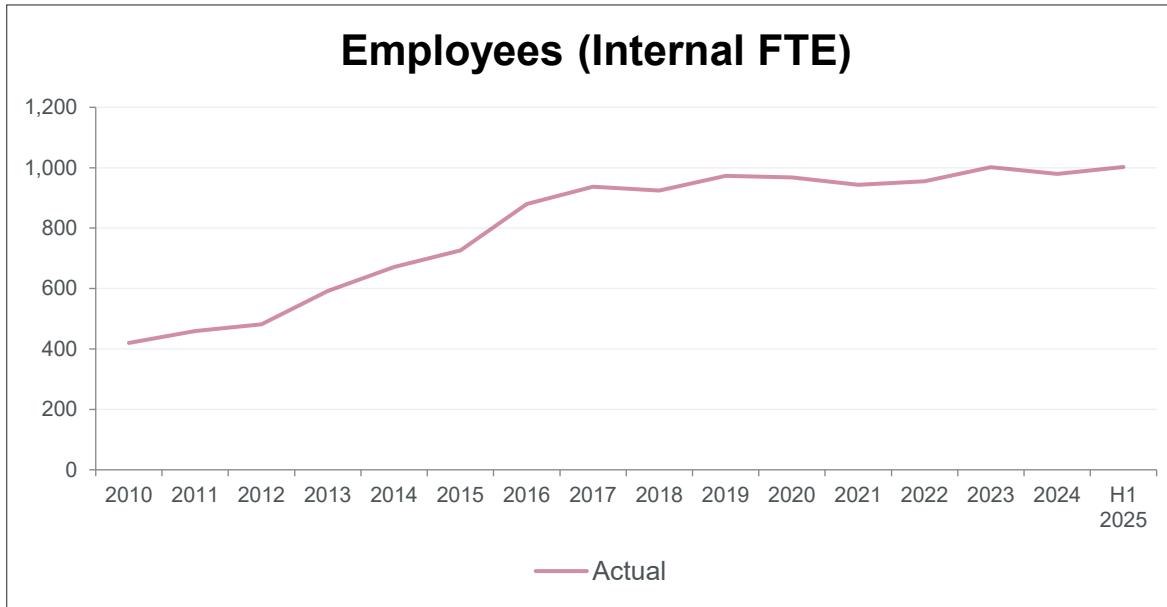
	Product	Payment	Asset Ownership	Term
Retail Financing Products – Asset Based	<b><i>Standard Hire Purchase</i></b>	The customer pays for the cost of the product in <b>equal monthly repayments</b> .	Asset ownership is <b>retained by VWFS UK</b> until after the payment of all outstanding monies due at the end of the agreement, <b>which includes an option to purchase fee for the transfer of legal title</b> .	<b>12 – 60 months*</b>
	<b><i>Solutions (Personal Contract Purchase)</i></b>	An <b>equal monthly instalment</b> profile followed by a final “ <b>balloon</b> ” at the end of the finance term with an option to pay the “ <b>balloon</b> ” and take ownership, refinance the “ <b>balloon</b> ” or return the vehicle.	Asset ownership is <b>retained by VWFS UK</b> until after the payment of all outstanding monies due at the end of the agreement and <b>an additional option to purchase fee is paid in full as consideration for the transfer of legal title</b> .	<b>18 – 49 months**</b>
	<b><i>Lease Purchase</i></b>	The customer pays for the cost of the product in <b>equal monthly instalments</b> followed by an option to pay or refinance the final “ <b>balloon</b> ” payment.		<b>18 – 49 months**</b>
Fleet Products	<b><i>Contract Hire</i></b>	The customer pays for the lease in equal monthly payments.	Title remains with VWFS as this is a lease agreement, so the customer does not take ownership.	12 – 48 months 12 – 60 months for commercial vehicles
	<b><i>Finance Lease Full Payout</i></b>	The customer pays for the lease in equal monthly payments.		12 – 60 months
	<b><i>Finance Lease Fixed Payout</i></b>	The customer pays for the lease in equal monthly payments, followed by a balloon payment.		12 – 48 months

\* Some campaigns for certain models allow for higher terms than 60 months, i.e. the “10 Year HP California” campaign or similar

\*\* For refinanced contracts term from 12 to 49 months

# Volkswagen Financial Services (UK) Limited – Market UK

## Key Portfolio Information

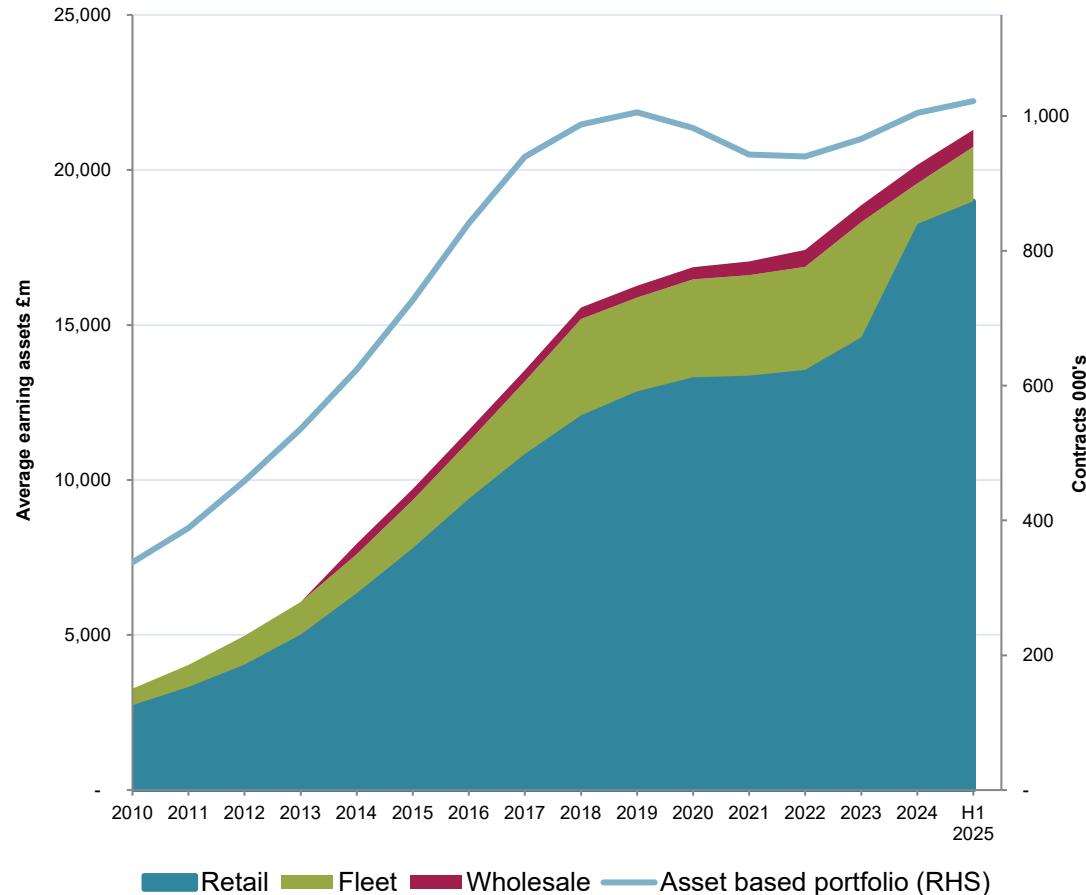


2021 and 2022 include exceptional disposal results arising from increases in residual values of vehicles. 2022 includes significant positive effects due to the mark to market valuation of swaps, which unwound through the adoption of hedge accounting in 2023, 2024 and 2025.

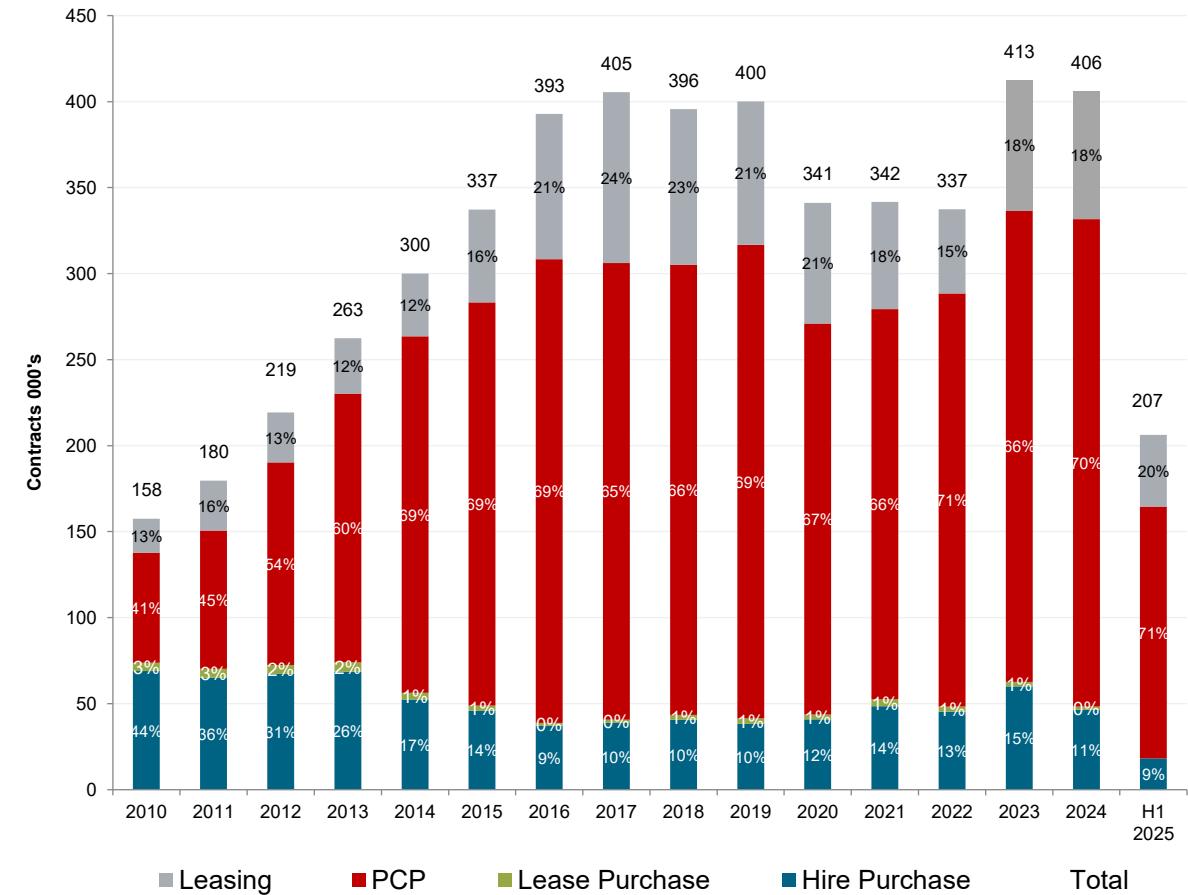
# Volkswagen Financial Services (UK) Limited – Market UK

## Key Portfolio Information

### Financial Strength – Portfolio Growth

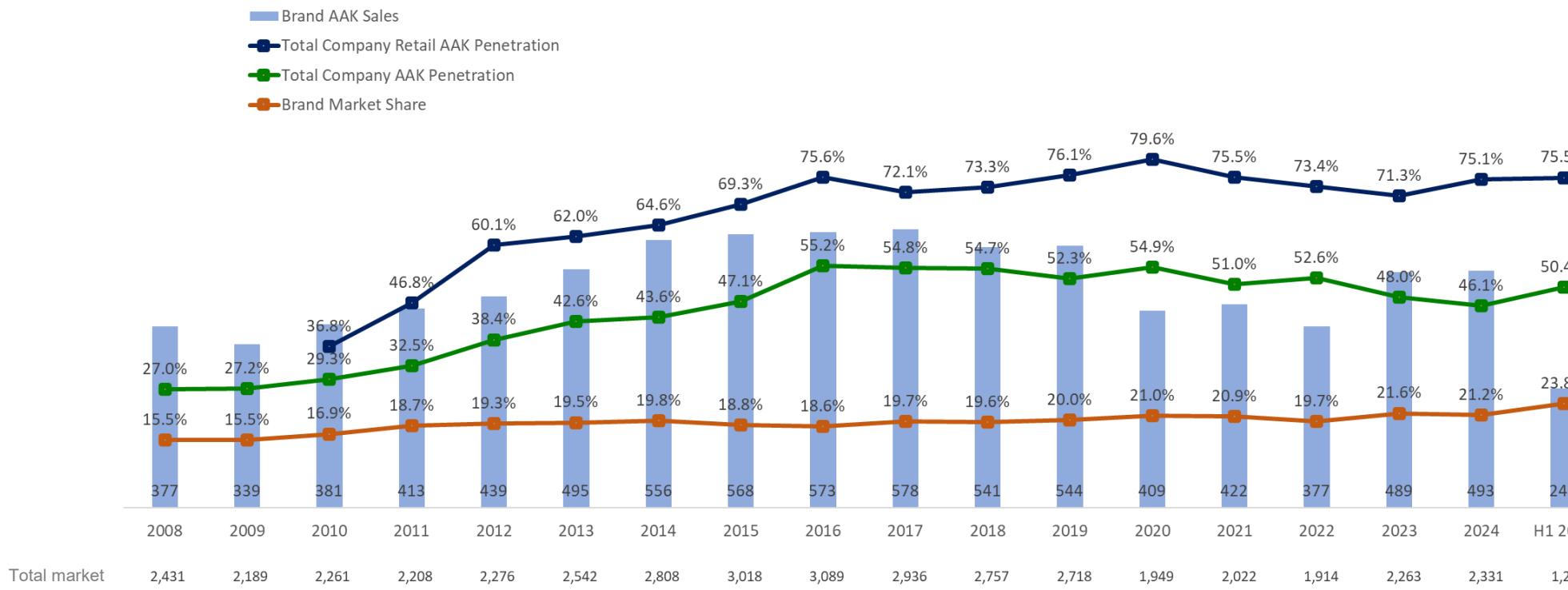


### New Business – Contract Advances



# VWFS UK finance penetration performance update

The UK business has grown significantly with penetration up 23% since 2008 and new car retail performance at 75.5% at HY in 2025

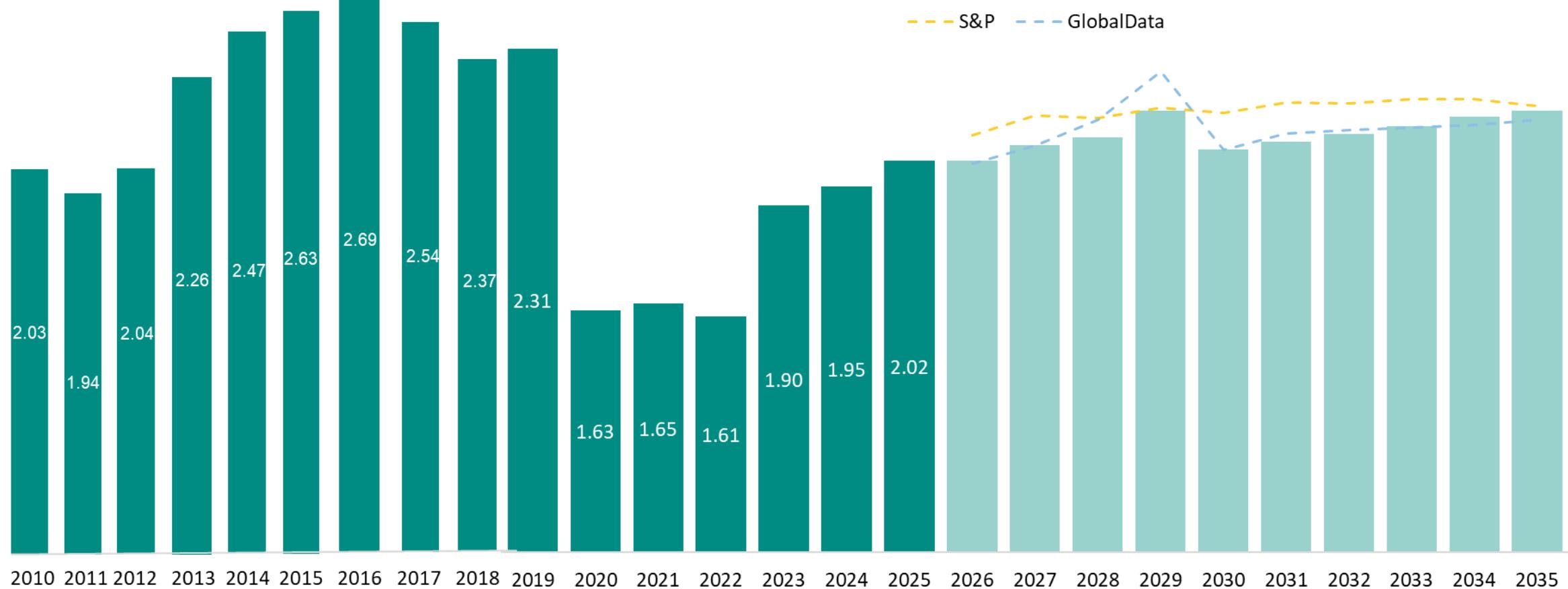


## Notes

1. PC & CV Market represented alongside VWFS brands
2. Market Share and AAK exclude MFS
3. Total Company and Retail Penetration rate includes all brands
4. Total market includes passenger cars and commercial vehicles

## UK Auto Market Update – Passenger Cars

Market recovery is forecasted to continue, albeit at a subdued pace due to economic conditions and ZEV Mandate (particularly in 2027 due to end of flexibilities). Market cliff-edge and risk from 2030-34 due to ICE ban.



Global Data revised in September 2025, S&P revised in November 2025

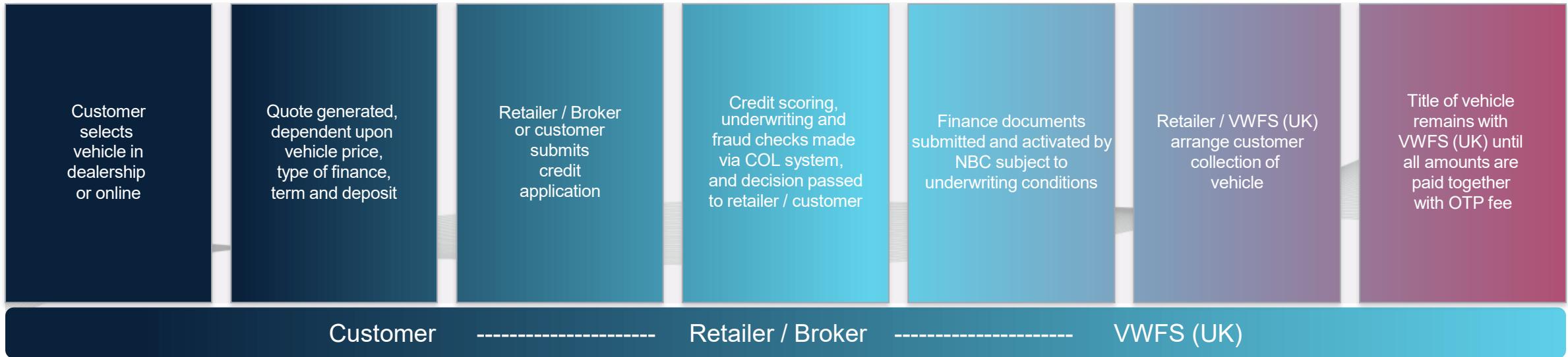


## Section 4.1

# Volkswagen Financial Services (UK) Ltd.

# Volkswagen Financial Services (UK) Limited – Underwriting

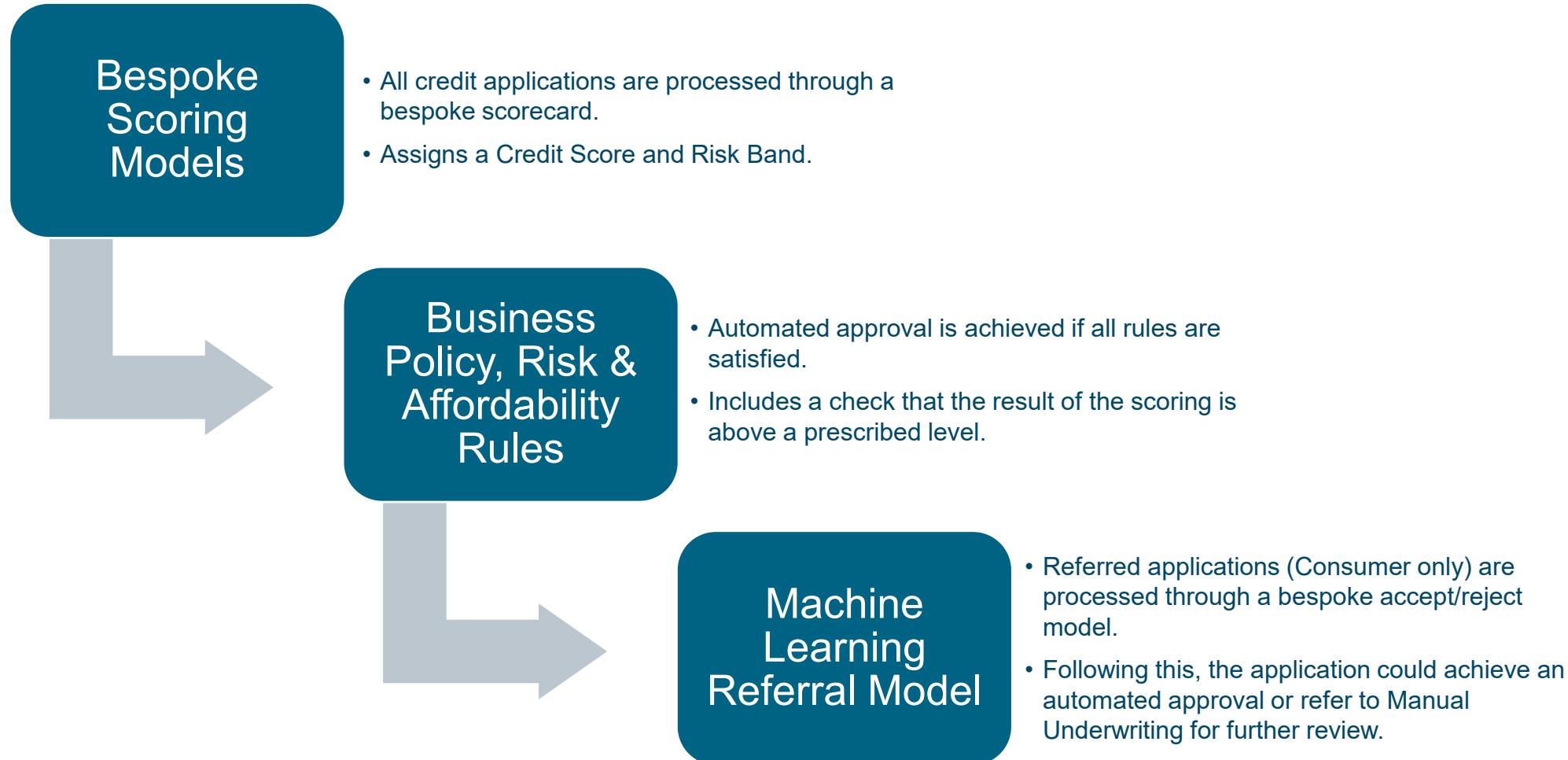
## Credit Application Process and Background



- A creditworthiness and affordability assessment is conducted for all applicants.
- External credit reference agency (CRA) information combined with VWFS (UK) Risk strategy determine the creditworthiness of the applicant.
- Dependent on the credit score and business policy rules the application may be flagged for additional manual assessment by an underwriter.
- Approximately 68% of all consumer applications are auto accepted without needing further assessment.
- Know Your Customer – the identity of every applicant is verified at point of application. Approximately 90% are authenticated electronically using CRA data, otherwise applicants are verified using proof of address & photo ID.

# Volkswagen Financial Services (UK) Limited – Underwriting

## Credit Risk Strategy



# Volkswagen Financial Services (UK) Limited – Underwriting

## Affordability and Responsible Lending

- Central to responsible lending is an assessment of customer affordability, with all customers assessed at point of application to determine whether the customer can afford and sustain the proposed credit payment over the lifetime of the agreement.
- In July 2025 VWFS (UK) upgraded the affordability strategy to incorporate Experian's latest product offering - **Affordability IQ**.
  - With increasing regulatory focus, this will ensure VWFS (UK) continues to maintain regulatory compliance whilst also protecting the portfolio by minimising bad debt.
  - The new strategy incorporates various components and the key to this is the use of **Current Account Turnover (CATO) data**, which is used to assess whether the applicant's discretionary income is sufficient to support the loan requested.

### Affordability IQ

**Income Estimation** – Individual or household level income derived using CATO data where available.

**Income Shock & Stability Metrics** – These look at where current account turnover has increased or decreased. Particularly relevant where an individual's employment results in monthly fluctuations to their income such as seasonal contract work or during periods of economic instability.

**Effective Disposable Income (EDI)** – Monthly estimates of a consumer or household's disposable income.

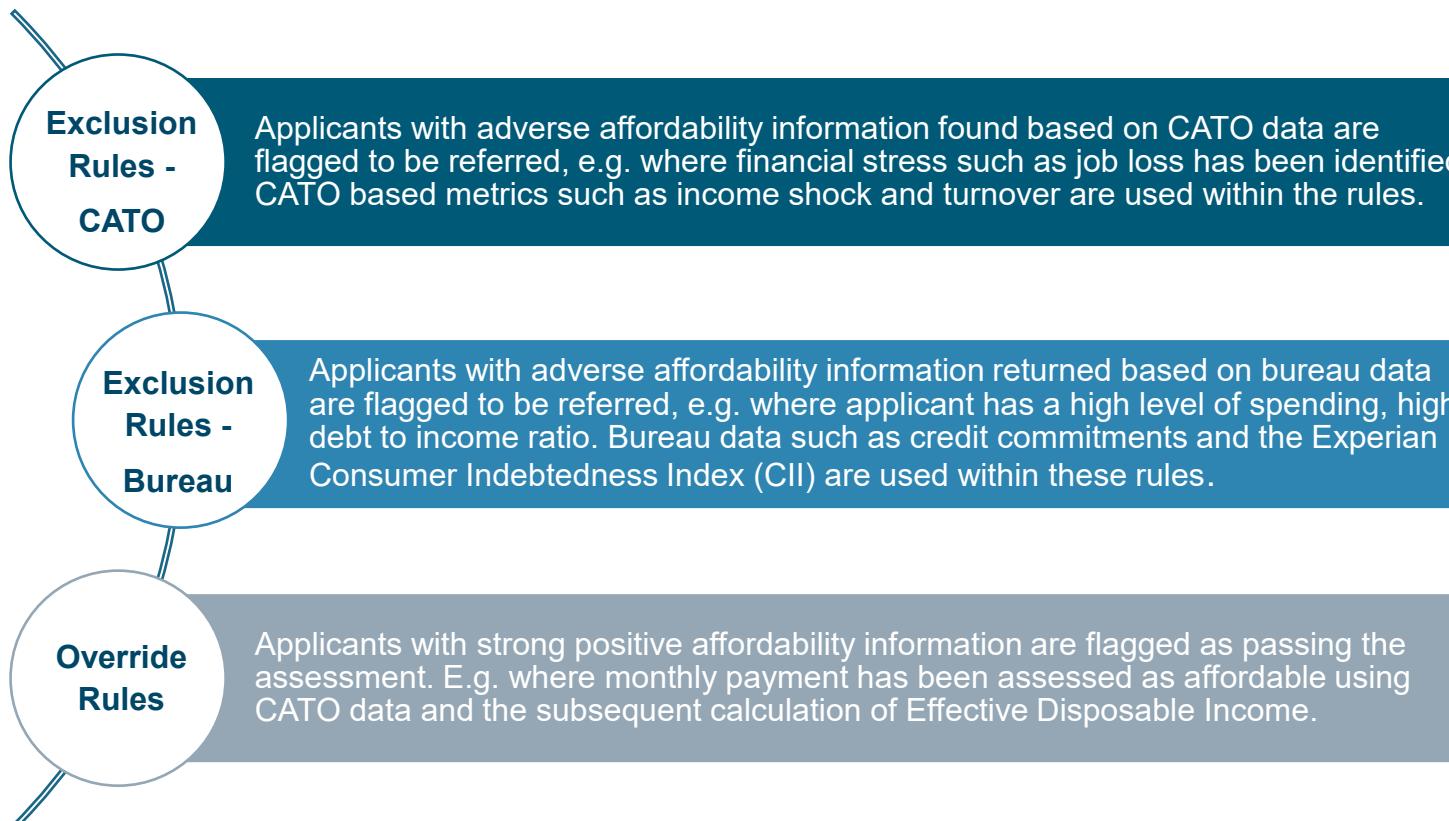
**EDI RAG** – A series of red, amber or green flags based on CATO data that highlight if the customer's EDI is enough to support the proposed monthly rental.

**Debt to Income Ratios** – A measure of an individual's outstanding debt compared against their income

# Volkswagen Financial Services (UK) Limited – Underwriting

## Affordability Assessment – Bespoke Strategy

Affordability IQ has been configured to VWFS (UK) enabling us to provide the best outcomes for our customers. The bespoke strategy comprises 3 types of assessment with CATO data incorporated into the rules where applicable;



## Bespoke Affordability AIQ Strategy

		Risk Band					Total	
		A	B	C	D	Z		
Exclusion Rules - CATO based	Income Shock Last Month	Exclusion Rule 01	540	227	71	64	24	820
		Exclusion Rule 02	620	610	610	610	610	830
	Income Shock Two months Ago	Exclusion Rule 03	640	200	73	67	22	830
	Low turnover in last three months	Exclusion Rule 04	610	610	610	610	610	830
	Significant turnover decrease in last 3 months	Exclusion Rule 05	570	182	2	314	610	1,280
Exclusions Rules - Bureau based	Significant turnover decrease in last month	Exclusion Rule 06	600	163	216	670	126	800
	Mortgage payment as a % of NMI	Exclusion Rule 07	620	17	110	14	122	840
	Mortgage payment as a % of NMI and applicant is 60+ years old and 1	Exclusion Rule 08	600	212	67	21	2	800
	Ratio of credit commitments to Individual income	Exclusion Rule 09	620	610	610	610	610	830
	Ratio of credit commitments to Individual income and applicant is	Exclusion Rule 10	630	217	14,63	26,26	1,06	840
	Consumer Indebtedness Index	Exclusion Rule 11	610	610	610	610	610	800
	Recent short term loans	Exclusion Rule 12	610	610	610	610	610	800
	EDI RAG - Red (Relevant Payment - Non CATO)	Exclusion Rule 13	600	217	61	22	16	816
	Students with insufficient income to cover VWFS payment	Exclusion Rule 14	687	67	11	18	2	800
	No Trace	Exclusion Rule 15	636	637	637	637	637	840
	EDI RAG - Green (Relevant Payment - CATO)	Override Rule 01	12,764	4,687	8,677	7,947	1,61	24,938
	Relevant Payment from verified EDI (92% adj and VF Payments 6M)	Override Rule 02	10,000	4,000	8,000	8,000	1,000	20,000
	EDI RAG (Non CATO) >15* Payment and £200 buffer	Override Rule 03	20,000	8,000	16,000	16,000	2,000	38,000

# Volkswagen Financial Services (UK) Limited – Underwriting

## Affordability Referrals and Open Banking

- Approximately 11% of **consumer** applicants do not pass the automated affordability assessment.
  - 50% of these customers are declined following a manual assessment, demonstrating that the strategy is effectively flagging higher risk customers.
  - To support the manual affordability review, underwriting can utilise **Affordability Passport** which is an Experian Open Banking product. Affordability Passport allows an underwriter to obtain a view of a customer's affordability using electronic bank statements.
  - Customer adoption of Open Banking has been strong with 98% of customers providing consent and 86.5% of consented applications fully completed.

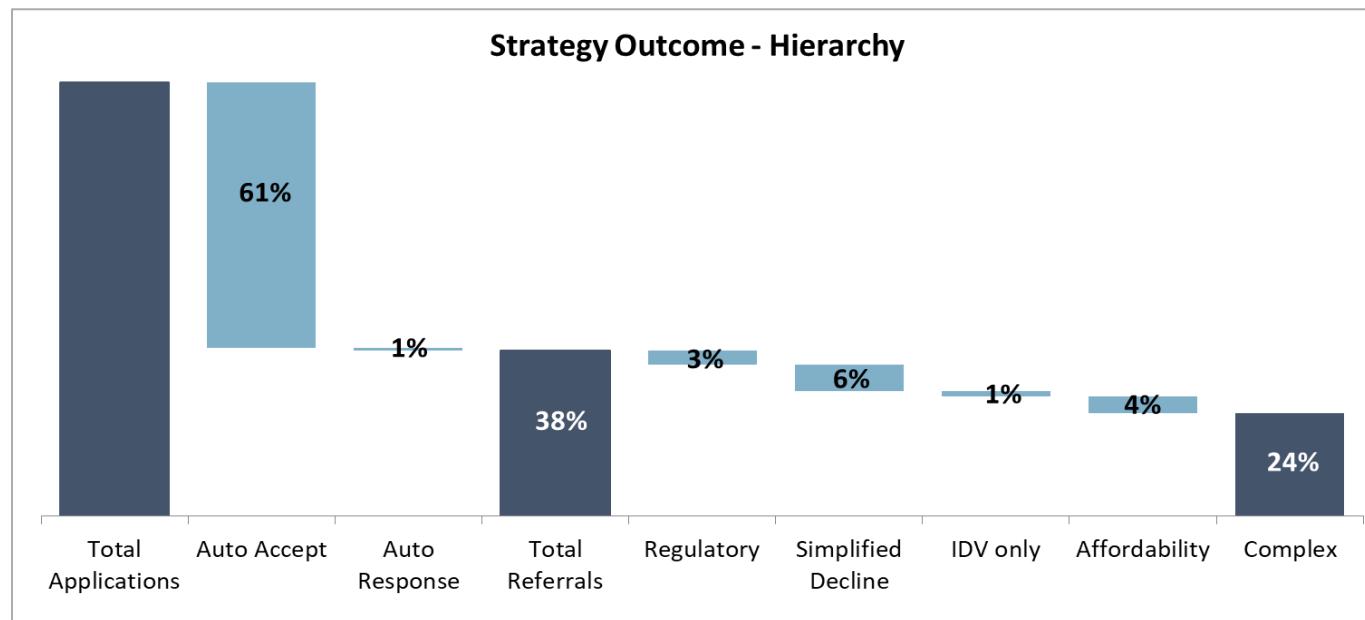
### Open Banking

- ✓ Provides a view of income and expenditure using customer consented Open Banking data.
- ✓ Underwriter can access up to 12 months worth of bank statements.
- ✓ Regular vs. Irregular income easily identifiable.
- ✓ Expenditure is categorised into FCA categories, providing the underwriter with a clear and concise view of discretionary vs. non-discretionary expenditure.
- ✓ Identify customers who are potentially financially vulnerable.

# Volkswagen Financial Services (UK) Limited – Underwriting

## Performance of Strategy

- The credit risk strategy automates or simplifies the system response for c.76% of credit applications. This includes both consumer and corporate customers, with automation rates higher for consumer customers.
- Manual referrals are returned to the relevant underwriter queue based on the level of complexity and manual effort required.
- This creates an efficient process resulting in a better customer experience with quicker turnaround times for both the customer and retailer.



**Auto response** = Application is returned to the dealer for review/correction of input data (e.g. incorrect Date of Birth) and after resubmission approves automatically

**Regulatory** = regulatory referrals, e.g. fraud, PEPs/Sanctions checks

**Simplified decline** = A system recommended “decline” decision is returned to an underwriter

**“Affordability”** = Manual affordability assessment required and “complex” criteria not met (see below).

Note: if other rules are also triggered the application will be flagged elsewhere in the hierarchy hence why this figure does not agree to total affordability referrals.

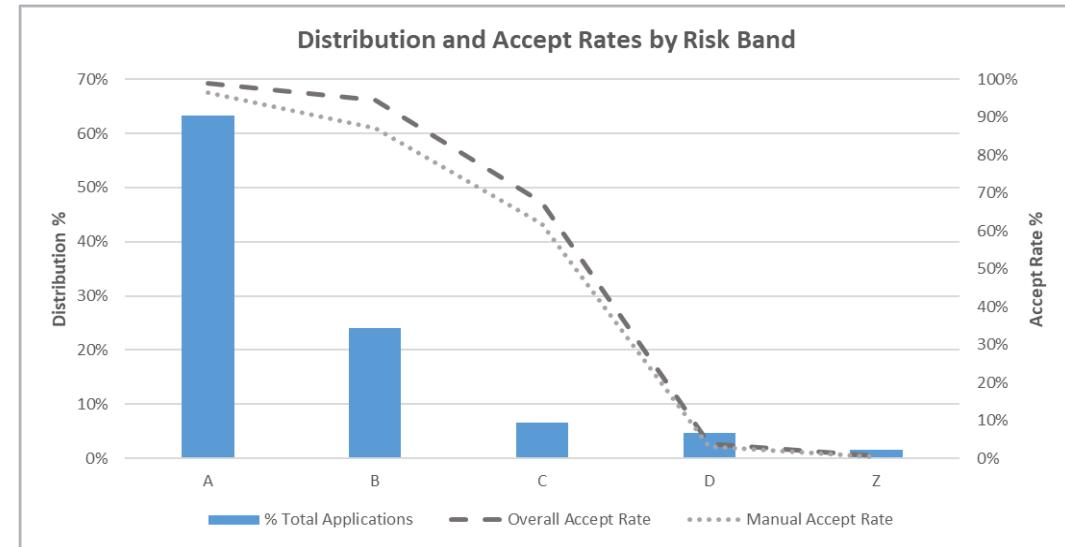
**“IDV only”** = Accept subject to manual check of proof of identity

**“Complex”** = Other referral reasons triggered such as risk and product based rules

# Volkswagen Financial Services (UK) Limited – Underwriting

## Decision Monitoring

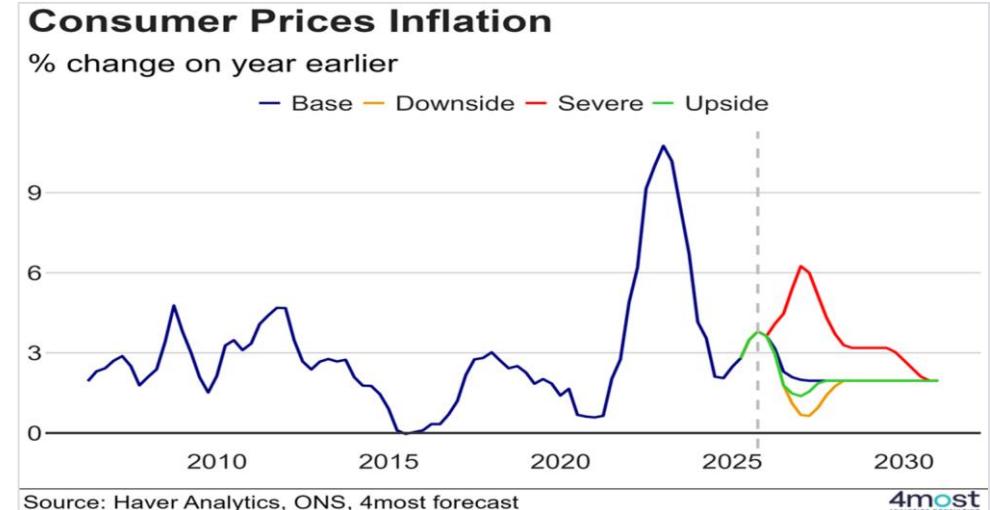
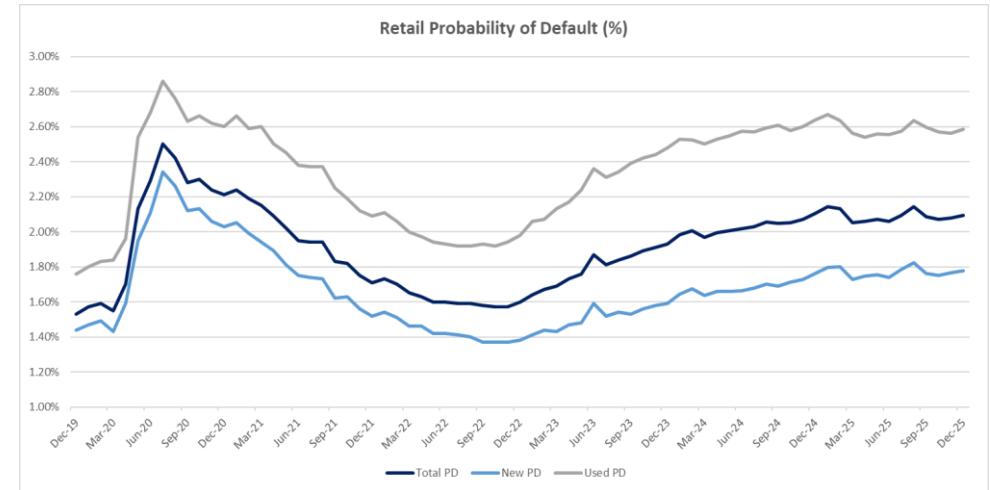
- The Risk department monitor that the portfolio distribution and overall volume of approvals are in line with the proposed decision strategy.
- Manual approvals are also monitored against risk targets to ensure underwriter decisioning is compliant with score.
- Underwriting rules are analysed including volume of rules hit and subsequent underwriter action. Performance of rules and bad rates is also monitored closely.
- Affordability strategy and performance is monitored by the Risk department who produce a monthly affordability dashboard.



# Volkswagen Financial Services (UK) Limited – Underwriting

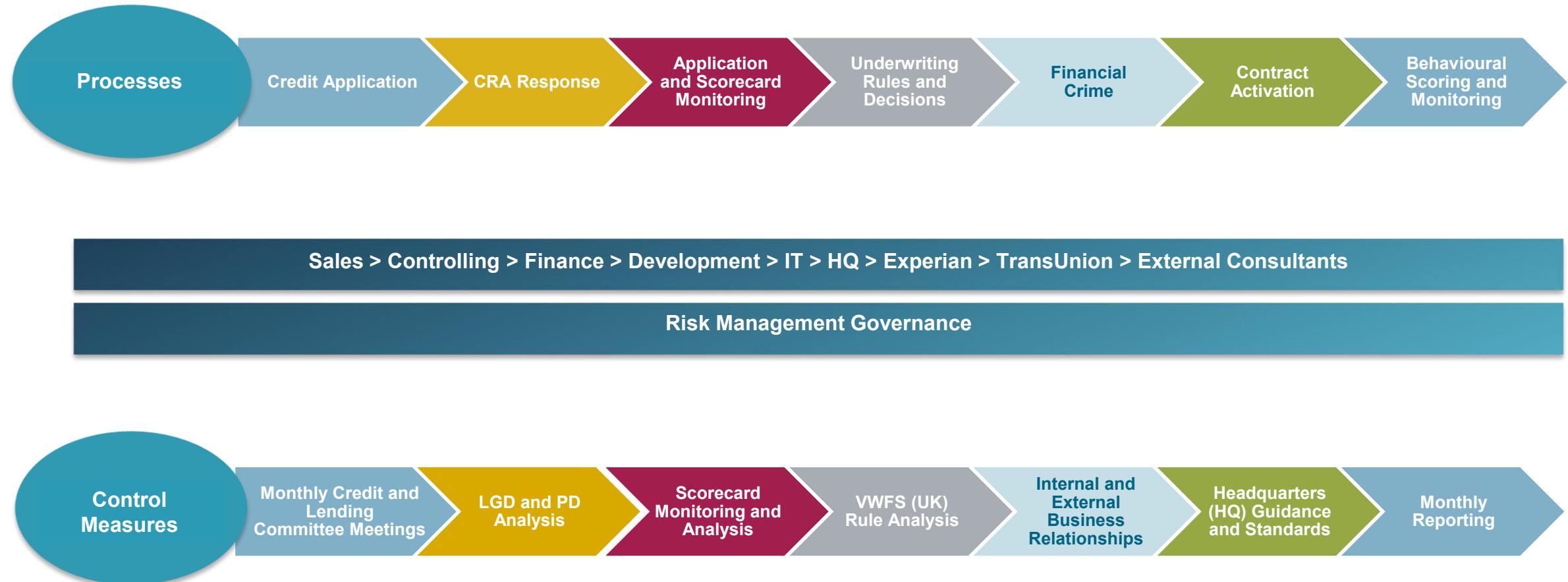
## Credit Outlook – Cost of Living and Impact on Portfolio

- The portfolio Probability of Default (PD) has been increasing due to credit deterioration caused by the macroeconomics cited below, changes in the hostile terminations process which see more forbearance cases on the portfolio and changes in portfolio composition.
- ❖ **Macroeconomics** – As macroeconomics weaken, the performing portion of the portfolio receives a weaker PD, along with a higher level of default cases. Historically, the portfolio has exhibited resilience to adverse macroeconomic conditions. In response, the overall accept rate has reduced accordingly.
- ❖ **Hostile Terminations** – Based on regulatory advice, VWFS (UK) Ltd have developed a robust process/assessment for offering successful and affordable repayment plans, rather than writing cases off, where there is potential to reach contract maturity/repayment.
- ❖ **Portfolio Composition** – Targeting more Used Vehicle business and non core business also changes the historic comparatives for the PD.
- ❖ **Borrowers In Financial Difficulty** – VWFS (UK) Ltd obtain external bureau data and specific flags to help identify customers who are potentially falling into financial difficulty. This information is used to proactively contact customers and offer support. Through monitoring of the VWFS (UK) portfolio, the Financial Difficulty and Income Shock flags have stabilised and remained at a consistent level throughout 2025.



# Volkswagen Financial Services (UK) Limited – Underwriting

## Summary





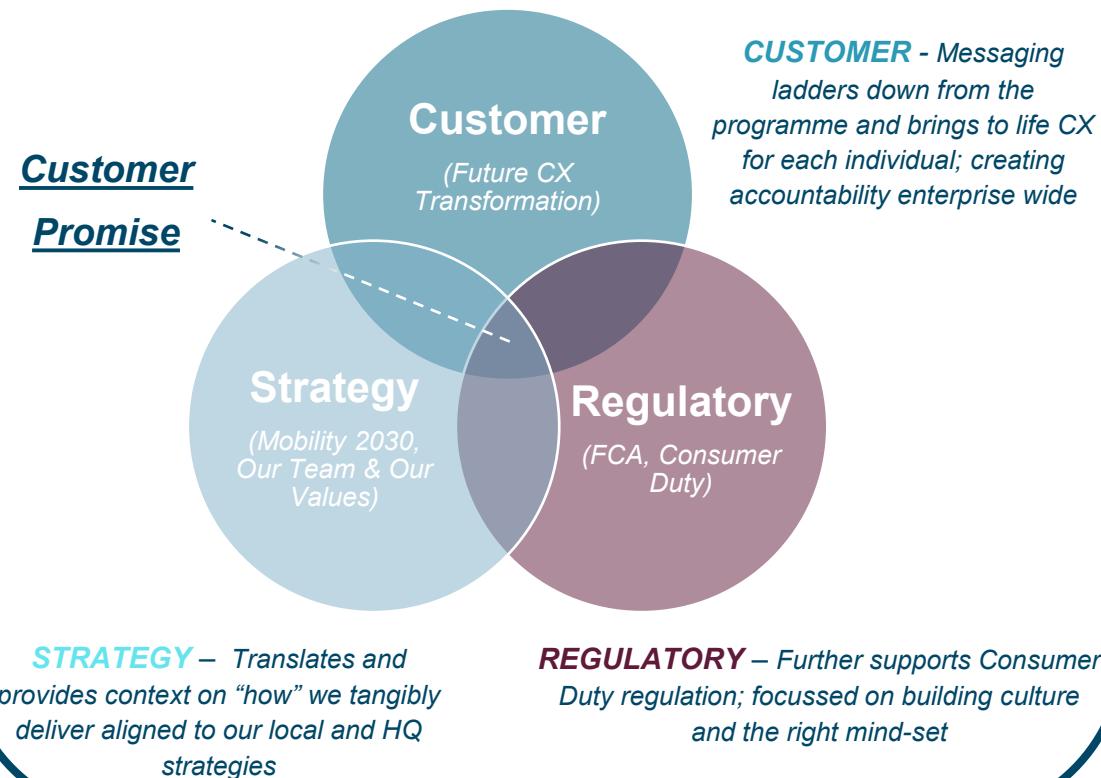
## Section 4.2

# Volkswagen Financial Services (UK) Ltd.

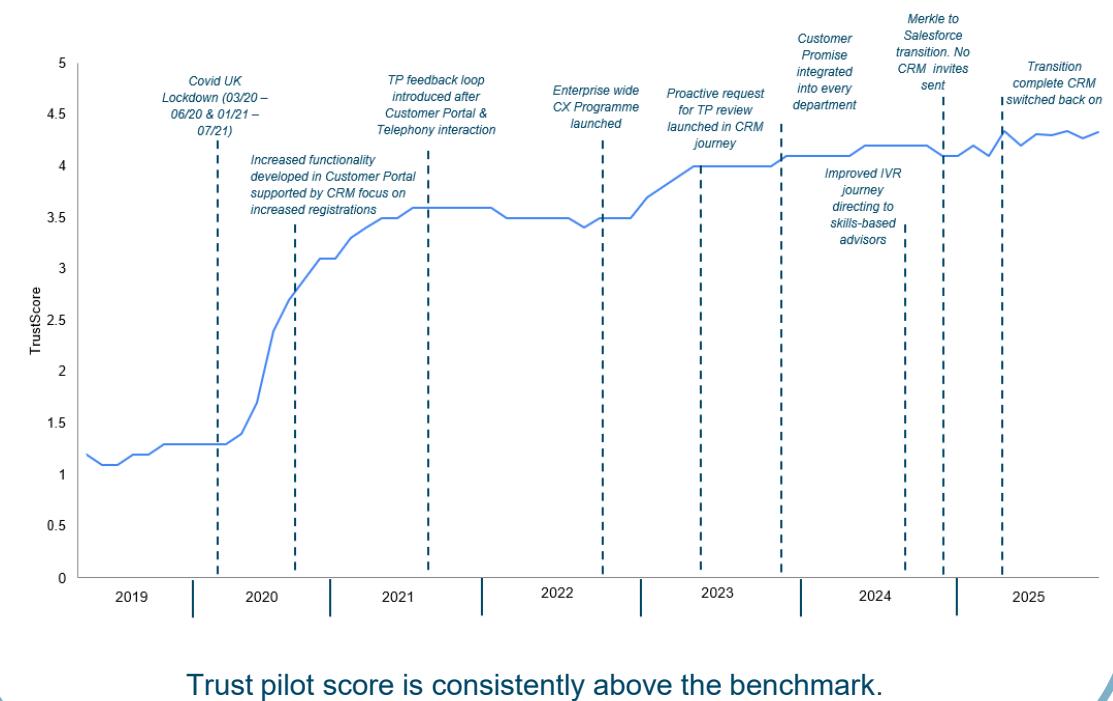
# Customer Experience

Knowing our customers and using their feedback to prioritise change, along with improving products and processes is key to transforming our future customer experience; creating advocates which in turn influences loyalty.

## The Customer Promise is the centre of our strategic and regulatory focuses



## Customer Experience focus has positively improved Trust Pilot scores over time



# A focus on delivering good Customer Outcomes

The Customer & Regulatory Programme has transitioned into BAU, where good customer outcomes remain a key area of focus, along with ensuring alignment to our regulatory expectations and providing customers with contact choice.

## The Customer & Regulatory Programme has delivered the following benefit to our customers



### Product and Services

- New flexible payment plan solution created
- Removed fees relating to customer vehicle repossession
- Implemented credit card masking software to ensure security of customer information
- Added questions at point of sale to support affordability assessments



### Customer Communications

- Increased opening hours
- Simplified call flows
- Enhanced letter communications
- Proactive outbound call dialler implemented
- Annual Statement enhancements
- Created a Wellbeing Centre on our Customer Portal



### Process and Training

- Reporting improvements to credit reference agencies
- Dashboard creation for process error reporting
- Advisor customer handling training refresh
- Customer outcomes testing team to ensure high standards
- Refreshed QA framework

## Self-serving on the customer portal



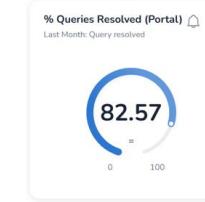
Since launch at the end of 2019, over **1.4m** customers have signed up. In 2025, we exceeded **1 million** online actions and interactions within the year.



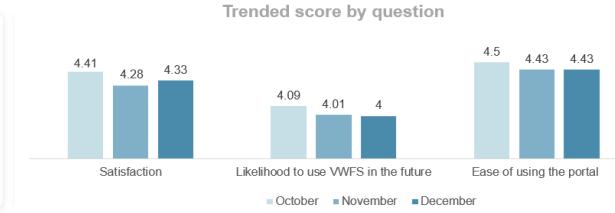
In 2025, **300k+** Customers requested a Settlement quote online, Customers downloaded more than **240k** documents and **100k+** made payments, changed their personal and financial details all online.



Customer satisfaction is improving with over **80%** of Portal customers surveyed resolving their query first time and satisfaction and experience scores regularly trending over **4 out 5** month by month.



Trended score by question



In 2025 our Renewals Matchmaker and Online Refinance request supported keeping our Customers with us with **2051** new contract activations. We had a further **5,500** requests from customers for Leasing contract extensions.

# Operating Model in Customer Operations

Our model focuses on creating great employee experience; where all colleagues are engaged, skilled, rewarded and deliver great customer outcomes through the promises we make.

## 5 key principles to improve our customer interactions, remain relevant and promote loyalty:



**Process Simplification and Automation** – automation of process wherever possible, increasing efficiency, reducing costs and eliminating the opportunity for errors.



**Digital First** – Putting control in the hands of the customer by providing digital tools for them to purchase and manage their products and services in a way that is convenient to them.



**Building Loyalty** – reduced frictions throughout every aspect of the customer journey to deliver an experience that promotes loyalty.



**Skilled Teams** – support all of our customer facing teams with the information that they need to provide an enhanced, integrated and aligned omni-channel customer experience.



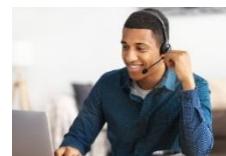
**Optimised structure** – an operating model that is focused on delivering good customer outcomes with true design thinking at the heart of all development activity.

## Our employee experience is key to our success. We are focused on engagement and tools to support colleagues



### Build Engagement & Career Development

Providing opportunity for career progression based on individuals' skills; rewarding and recognising efforts. This has improved the customer experience and helped reduce attrition.



### Our QA Model and Measures

We have evolved our QA model to focus on Customer Outcomes and have created a dedicated Customer Outcomes Testing Team to review end to end Customer Journeys.



### Speech analytics

Providing a better base level for Quality Assurance (QA) by 'listening' to all customer interactions; generating a more valuable QA output.



### Real Time Analysis

Monitor in moment agent performance, that will inform training focuses and create more multi-skilled people for future flexible teams.

# Customer Operations, Collections and Recoveries

Our teams provide our customers support throughout their period of financial difficulty ensuring the right outcome for their individual circumstance. In parallel we are continually reviewing our partners to ensure we are delivering good customer outcomes.



# Customer Centricity and Regulatory Compliance

Regulatory assurance and delivering good customer outcomes



## Confidently in control

- Implementation of internal quality controls to detect and prevent customer harm
- Mandatory regulated training, including monitoring
- Strong customer centric approach to complaint management and robust root cause analysis of complaint drivers



## Regulatory compliance

- Continuous development of policies, processes, training and behaviours, including colleague comms of responsibilities
- Proactive horizon scanning to pre-empt regulatory change
- Gap analyses completed as routine to transfer learnings and drive actions to close any gaps
- Dedicated resource for identification and resolution of risks and issues



## Best Practice

- Clear strategy embedded into teams through objectives; focusing on driving good outcomes, compliance and rigor
- Proactive review of customer satisfaction
- Creation of Centres of Excellence- an operating model that is focused on delivering good customer outcomes by providing specialist, trained support



## Driving good customer outcomes whilst protecting the business

- Robust & proactive processes (i.e. pre-arrears, affordability assessments etc.) with strict adherence to regulation
- Planning discipline to maximise efficiency
- Multi-channel contact methods
- Supplier management governance



## Treating all customers fairly

- Introduction of enterprise-wide end to end Customer Journey reviews to find and fix pain points within our processes
- Enhanced procedures to support Vulnerable Customers followed by refresher training and embedment activities
- Customer Outcomes focussed QA model is now embedded and results have significantly improved



## Section 4.3

# Volkswagen Financial Services (UK) Ltd.

# Volkswagen Financial Services (UK) Limited – Residual Values

## Residual Value Setting Forum

*“Our Residual Value Setting Forum brings together expertise from across the business to ensure values are robust and appropriate.”*

- The VWFS (UK) Residual Value Setting Forum consists of stakeholders from across the business
- The Forum sits once per month to ratify a rotating cycle of RV reviews and discuss the current state of the market
- Includes brand involvement from key Audi, Bentley, Lamborghini, Porsche, CUPRA, SEAT, Skoda, and VW personnel
- Quarterly standalone RV Setting Forum meetings for Non-VW Group reviews
- Asset Risk Management provides the analysis for review and ratification
- Standing items are discussed and included in RV Setting Forum minutes, these include emerging risks and market updates

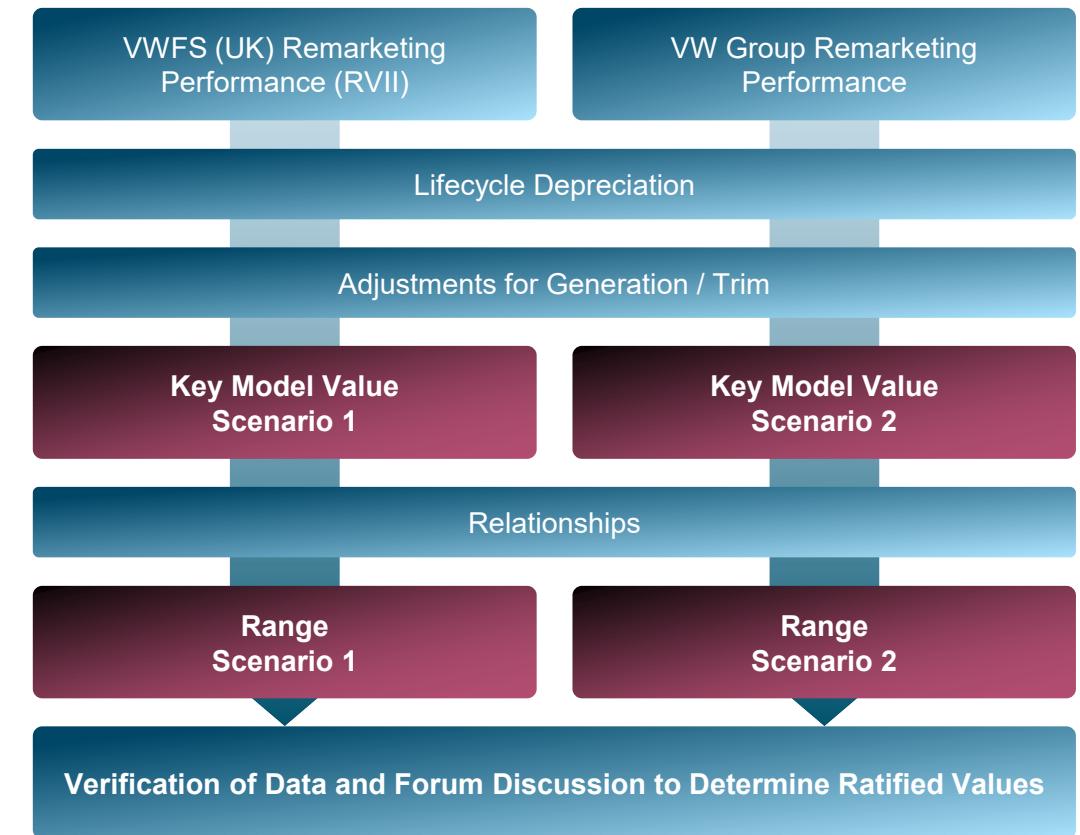


# Volkswagen Financial Services (UK) Limited - Residual Values

## Residual Value Setting Methodology

*“The VWFS (UK) residual value setting process utilises a core method based on real trade data, combined with multiple methods of verification.”*

- The VWFS (UK) RV setting process is an analytical, data driven process.
- Remarketing performance data from both VWFS (UK) and VW Group are used to develop ‘starting point’ values for a key model.
- Lifecycle depreciation based on historic experience is then added alongside other necessary adjustments for trim changes or generation.
- ‘Relationships’ based on historical data are then used to build from the key model across the range, using experience-based opinion where no data is available.
- The RV Setting Forum then discusses the data, using additional data to verify the decision.



# Volkswagen Financial Services (UK) Limited - Residual Values

## Residual Value Monitoring

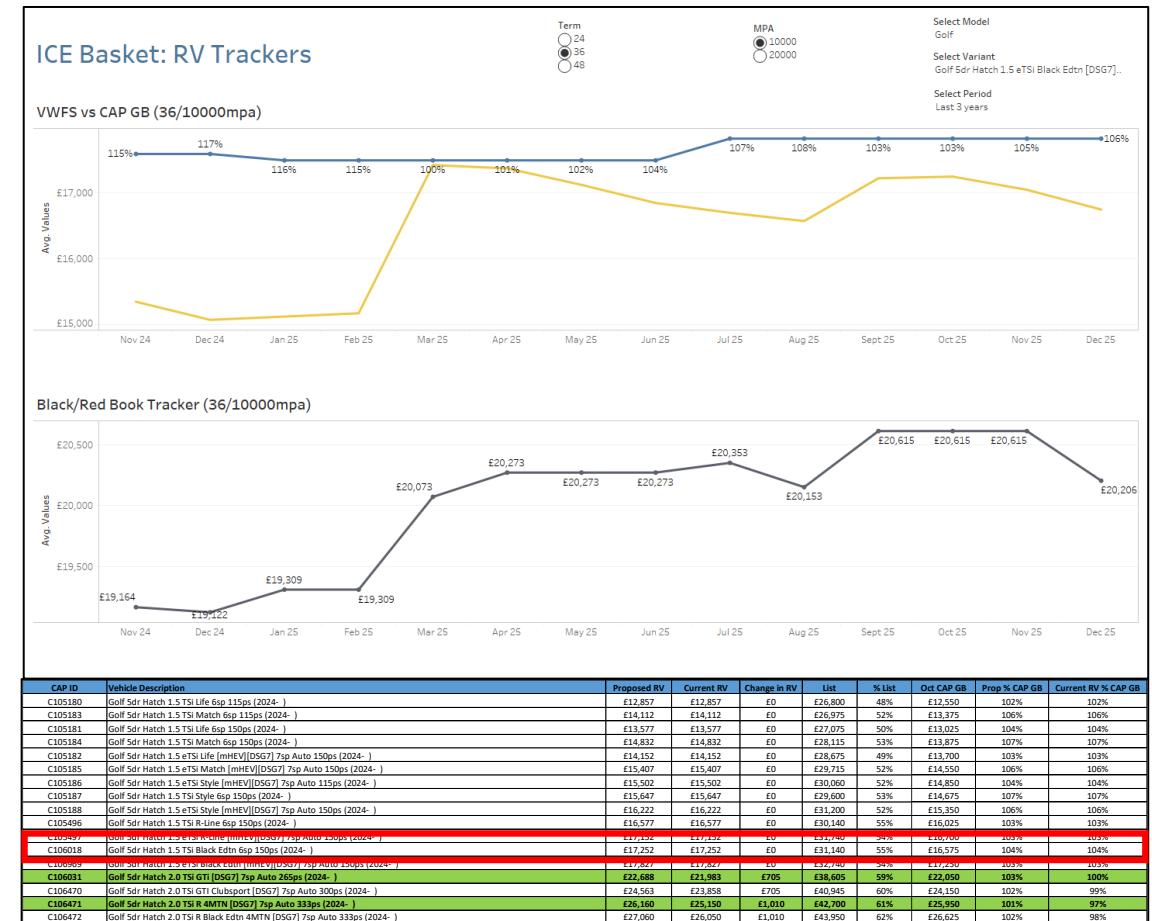
*“A robust monitoring process constantly ensures that our residual values reflect our risk appetite whilst protecting the future profitability of returning used vehicle stock.”*

VWFS (UK) RVs are monitored using a basket of key vehicles covering all VW Group model ranges and including data on CAP trade and forecast valuations (Black and Gold Book) as shown in the chart on the right.

Newly proposed RV positions are trended and compared to CAP Gold Book forecasts, and the previously ratified RV as well as CAP Black Book market values for preceding model year variants.

Electric Vehicle ranges are reviewed at 10kpa miles and are subject to more frequent review cycles as a growing technology within our portfolio. The methodology used for EV's is based on market value data which exists in sufficient quantity to determine a risk based residual value.

For all vehicle types, the start point of the RV setting process is the current market value position of a key vehicle within the range, with our remarketing performance reflecting the range's experience in the market. Lifecycle calculations and new model premiums adjust the current value to provide a forecast RV, which is based on real-world data driven experience.



# Volkswagen Financial Services (UK) Limited – Portfolio and Market Monitoring

## Residual Values

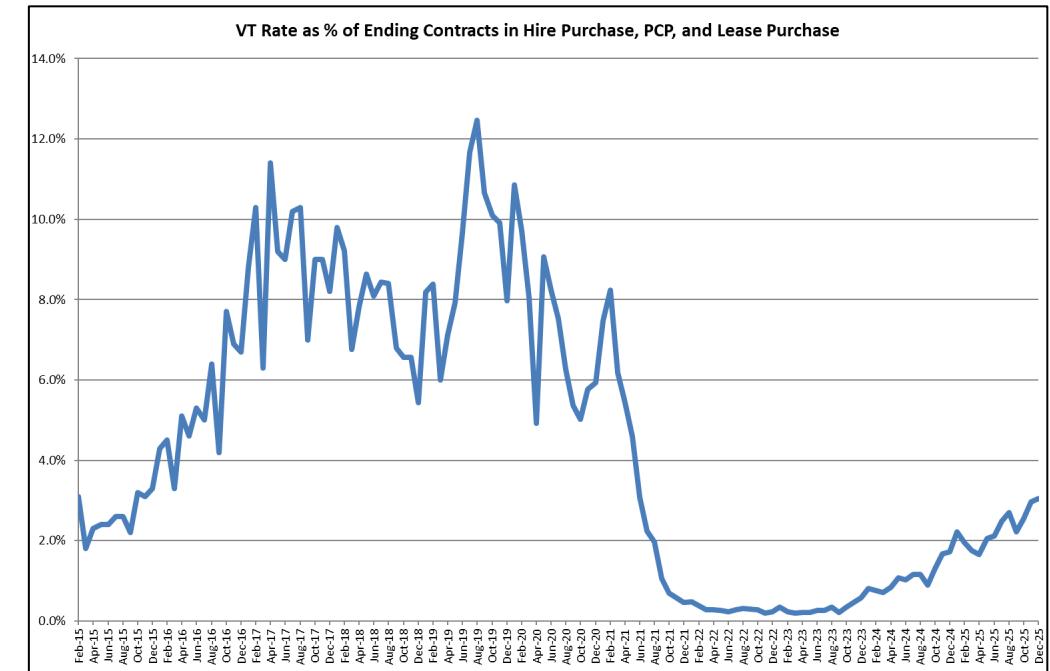
*“The performance of live agreements and the market in general is monitored on a continual basis to ensure that any developing risks are identified early and appropriate action taken.”*

Various areas of portfolio and market performance are monitored on an ongoing basis. Some major focus areas are:

- The return rates and forecast equity of vehicles on PCP agreements.
- Remarketing performance is reviewed daily and we adjust our prices based on current demand and incoming supply.
- The volume of Voluntary Terminations (VTs) on our portfolio.
- Battery Electric Vehicles used market values are monitored both from an RV setting and Provision requirement perspective. BEV ranges are on quarterly review cycles due to their nascent nature in the market.

Both PCP and VT returns have remained at low levels over the last few years as the used car market has retained its strength due to historic supply constraints.

With a return to a more normal set of market metrics with regards to registrations, used vehicle values have moved to a longer-term trend position, which means that both VT and PCP volumes have increased. There is no current expectation for further dramatic increases, but instead a gradual increase as used vehicle supply works its way back into the industry. Currently the rate is still very low in comparison to pre-COVID times, at just over 3%.



# Volkswagen Financial Services (UK) Limited – Portfolio and Market Monitoring

## Used Car Market

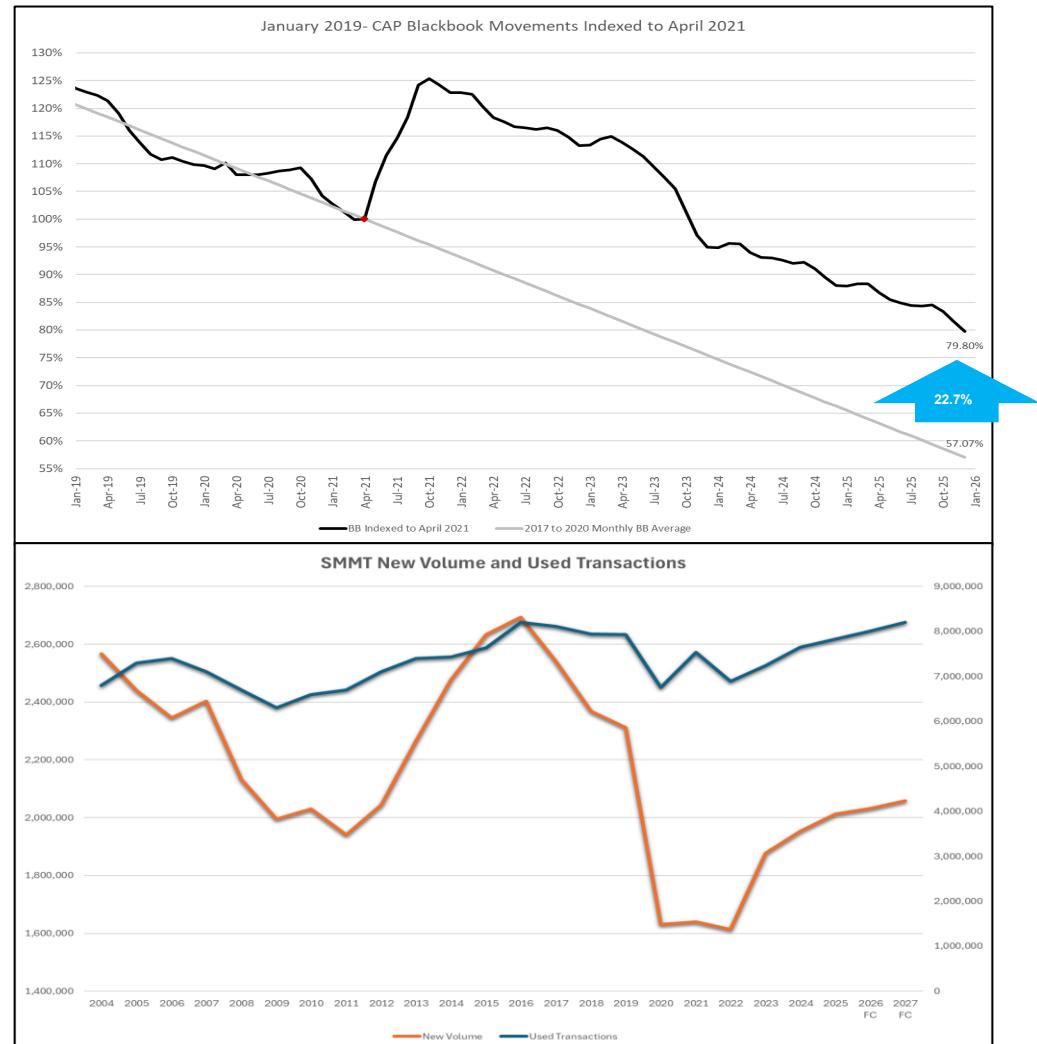
*“The Used Car Market has seen continued significant strength in response to the New Car Market’s contraction”*

The graph to the right is a representation of the strength in the used car market over recent years. It shows the above trend performance seen across the industry and is not limited to certain brands or model lines.

Many factors have contributed to this strength, among which are:

- COVID disruption at factories since 2020 creating a backlog of new car orders
- Semi-conductor shortages worldwide mean new car production could not be scaled up to cover excess demand
- Corporate fleets and retail customers chose to extend their contracts due to increased uncertainty in the economy and short supply of new vehicles, increasing the scarcity of used vehicles further

Due to the above, nearly new cars became more attractive to customers who couldn't obtain a new car immediately, VWFS average remarketing values have risen from £14,588 in January 2021 to £18,664 in December 2025 (mix is a factor here but illustrates the changes observed).

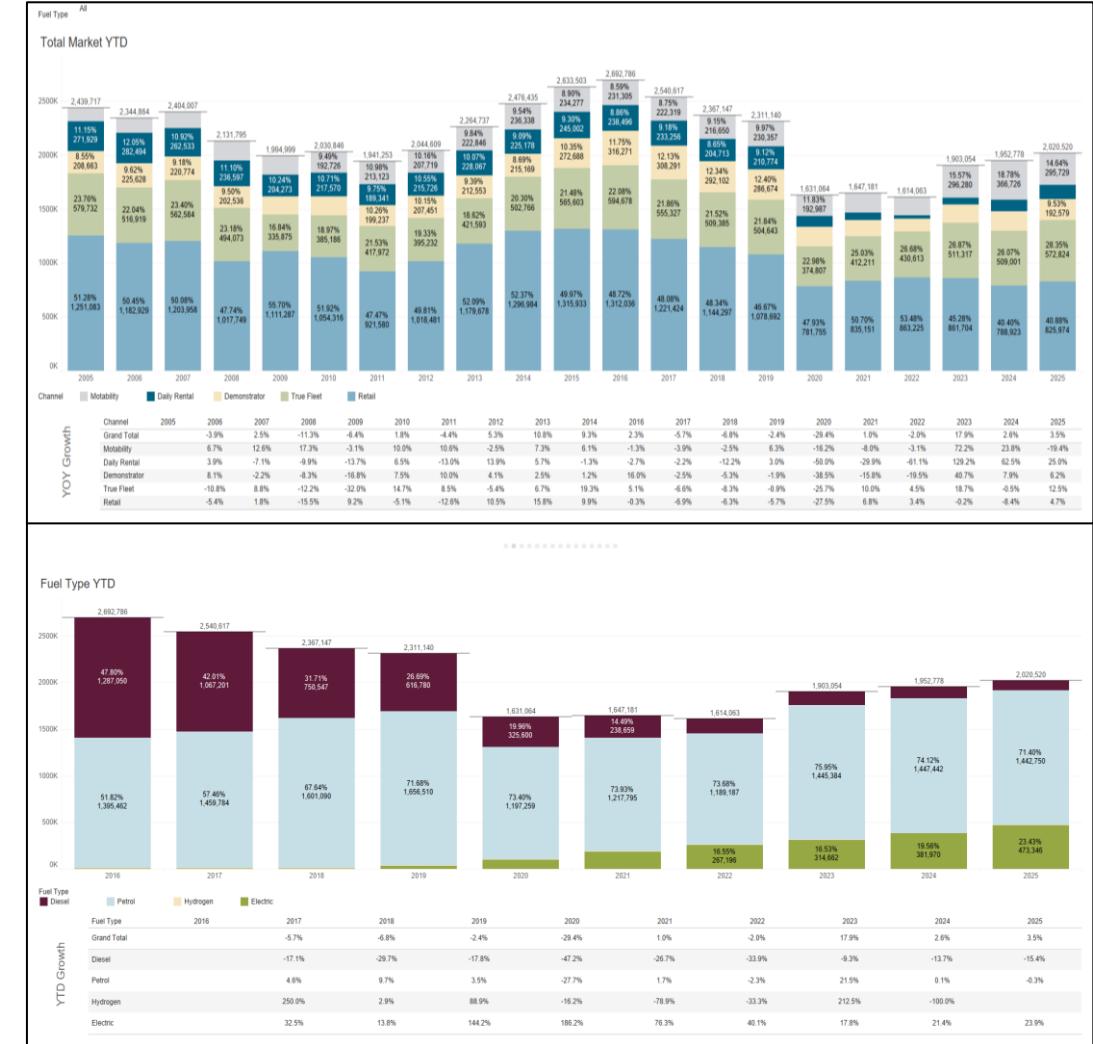


# Volkswagen Financial Services (UK) Limited – Portfolio and Market Monitoring

## Future Outlook

*“Emerging technologies and mobility solutions considered to ensure our approach is fit for future and aligned to Mobility2030.”*

- The rate of change within the automotive industry has never been as fundamental and far-reaching as now.
- The emergence of BEV technology and its transition to ubiquity is the biggest single shift in vehicle usage since the invention of the internal combustion engine.
- BEV values have continued to soften as volume increases in the market, this is understood and expected as the normalisation of BEV technology grows.
- This creates both opportunity and risk. VWFS is well placed to ensure that we take advantage of the opportunity yet manage and mitigate any risk.
- The decline in Diesel volume sold new has already created increased values in the used market where demand remains high even with fuel pricing favouring Petrol as a cost per litre. This is likely to continue and as we move closer to 2030, it is expected that used Diesel values will increase more relative to Petrol as buyers snap up the last of the Diesels available. Petrol vehicle values are also expected to remain strong as we move closer to 2030.
- Both the EU and UK appear to be considering a delay to the mandated cessation of Petrol and Diesel cars sold new. VW Group are also developing hybrid technologies which will assist in the transition to BEV only in the future, bridging the gap for those unsure about the shift.
- As VWFS takes its place as providing the key to mobility for the whole VW Group as part of Mobility2030, our inherent risk management methodologies and expertise within the business provides a firm foundation for continued success.



# Volkswagen Financial Services (UK) Limited – Remarketing

## Remarketing Strategy

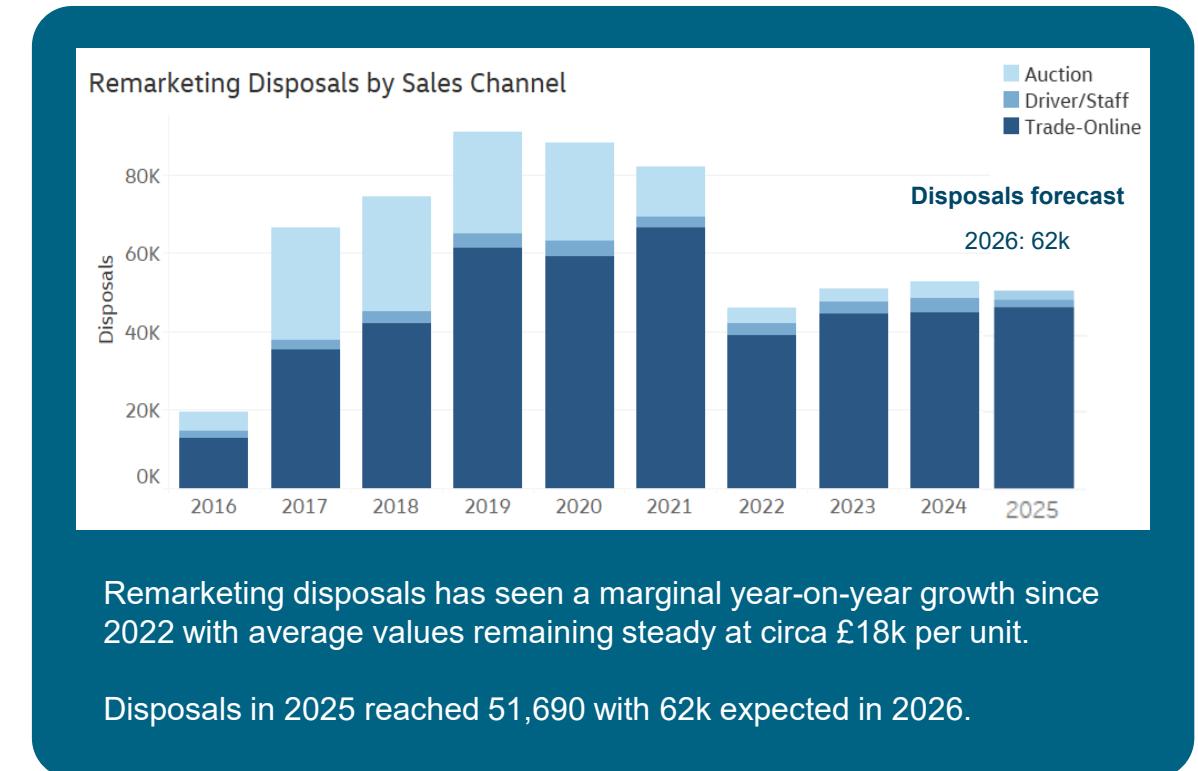
*“A successful new business strategy requires an equally sophisticated remarketing programme to handle the maturing portfolio.”*

The protection of Residual Values for both new contracts and the existing PCP portfolio is paramount to the Remarketing strategy and our main objective is to achieve the best possible selling price for every vehicle.

We achieve this by having a large active buyer base, dynamic pricing model and multiple online and auction suppliers that can handle a diverse product mix and fluctuating volumes.

All VWFS stock is centrally de-fleeted and tactically refurbished where possible to maximise values and desirability. Since the introduction of the Tactical Refurbishment Programme in 2018/19 and its gradual refinement/upscaling. Remarketing have reported a positive impact of values achieved and the quality of stock being offered.

We aim for 90% of our stock to be sold online reducing vehicle movements and associated costs including environmental impact. In 2025 we exceeded this target with 91% of all remarketing stock sold online.



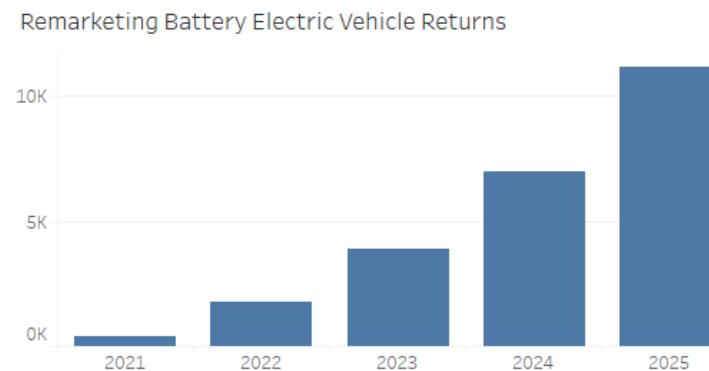
# Volkswagen Financial Services (UK) Limited – Remarketing

## Remarketing Strategy

*“A successful new business strategy requires an equally sophisticated remarketing programme to handle the maturing portfolio.”*

### Battery Electric Vehicle Performance

Battery Electric Vehicles have been returning to Remarketing in low volumes since 2021, however, it wasn't until 2024 that BEV volumes exceeded 7k units and accounted for 13% of all VWFS Remarketing disposals. In 2025 this has increased to 22%.



As more used BEV's returned to the market in 2024 we started to see BEV values normalise and demand for our BEV stock improve. In 2024 the VWG network purchased 73% of all BEV vehicles vs 56% for Petrol/Diesel. Despite an increase in BEV returns, this level of engagement was maintained in 2025.

### Transition to BEV

Over the past 4 years VWFS Remarketing and our suppliers have focused on ensuring that our de-fleet and Remarketing operation is fit for the future and able to accommodate high volume BEV returns.

#### **Existing activity:**

- BEV charging capabilities expanded at our de-fleet facility.
- BEV's included in the tactical refurbishment programme.
- BEV specific tactical UC campaigns built to include vehicles purchased on the Priority Purchase platform.
- Battery capacity testing trial undertaken.

#### **Ongoing/planned activity:**

- Recruitment of master technicians trained to maintain and repair BEV's.
- Explore alternative large scale charging solutions.
- Focus on engaging with BEV buyers outside of the VWG network
- Optimising AI technology for battery inspections.
- Battery Competency Centre approved (or partnership with) to handle BEV aftercare.



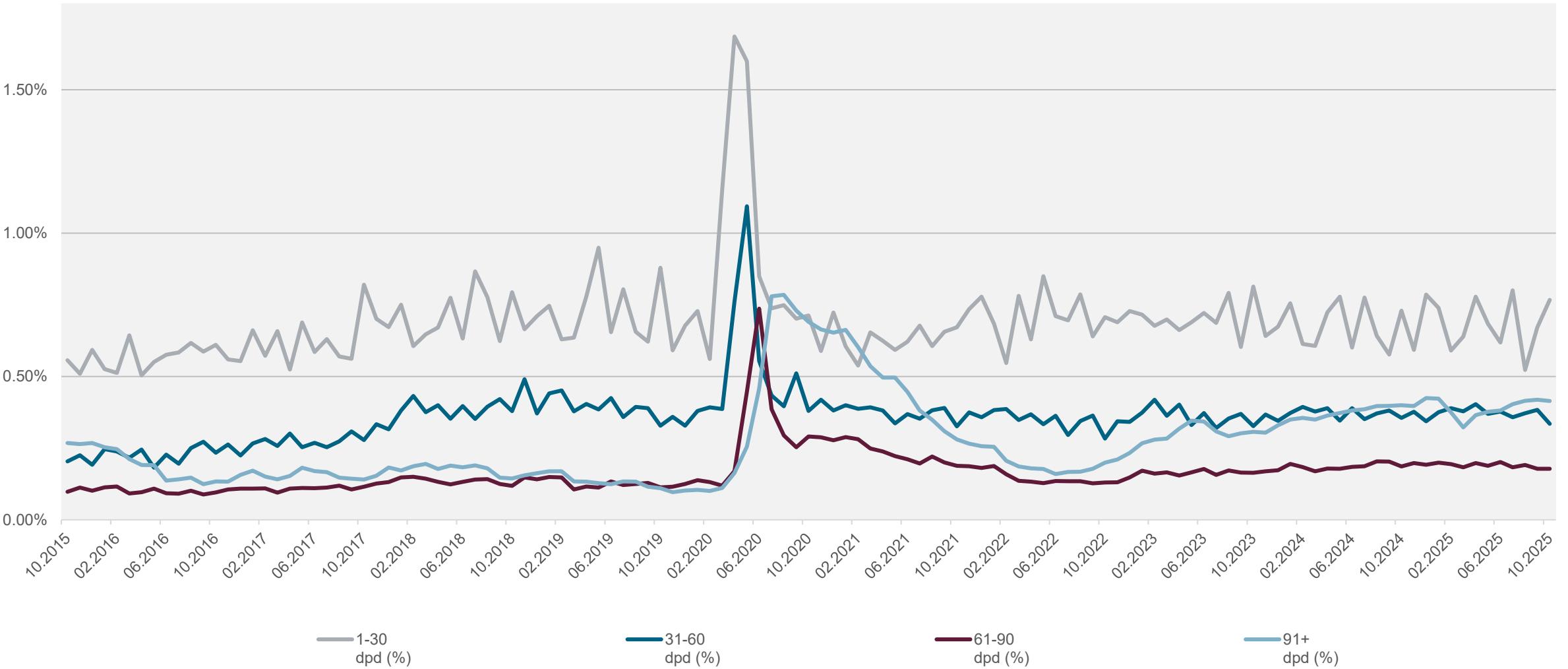
## Section 5

# Volkswagen Financial Services (UK) Ltd.

Historical Performance Data

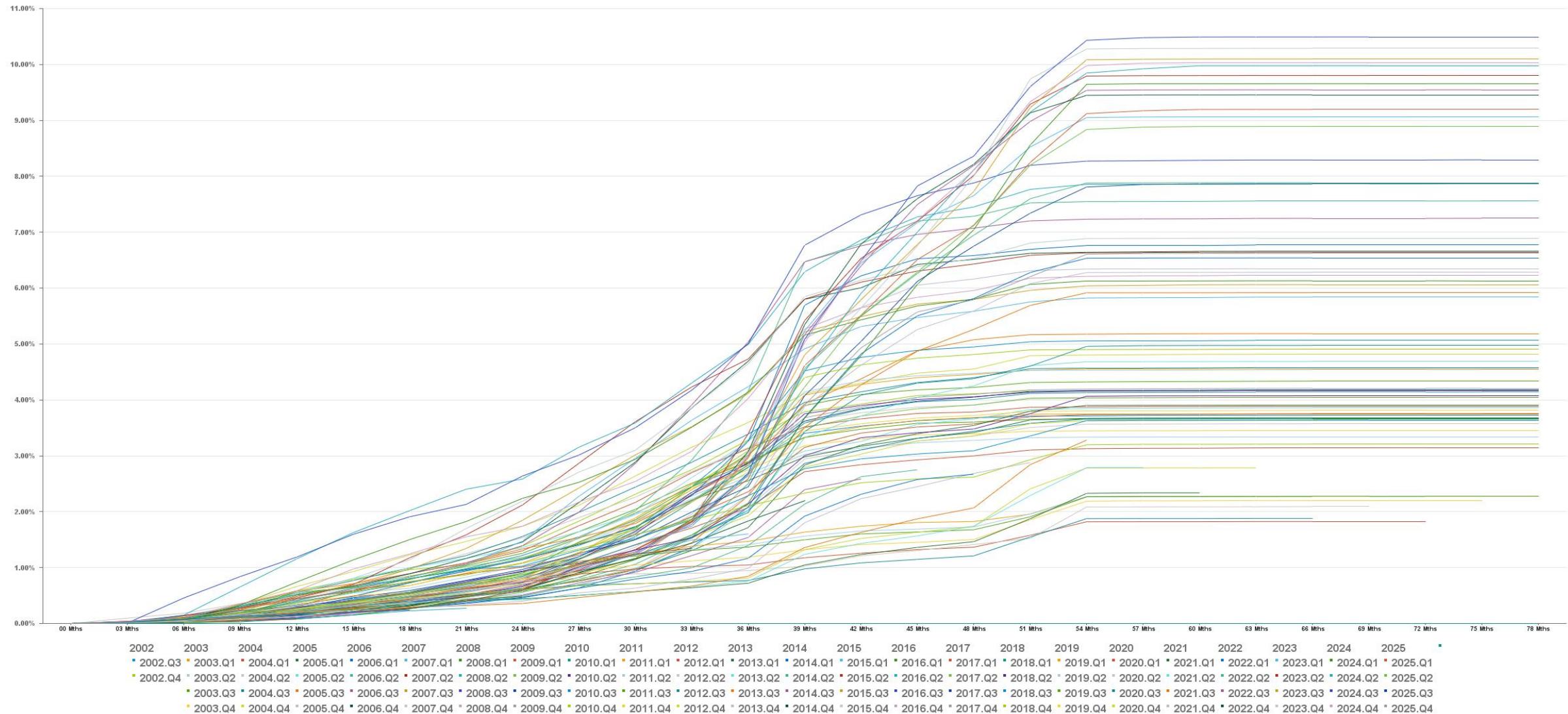
# Dynamic Delinquencies – 10.2015 – 10.2025

HP, PCP, LP



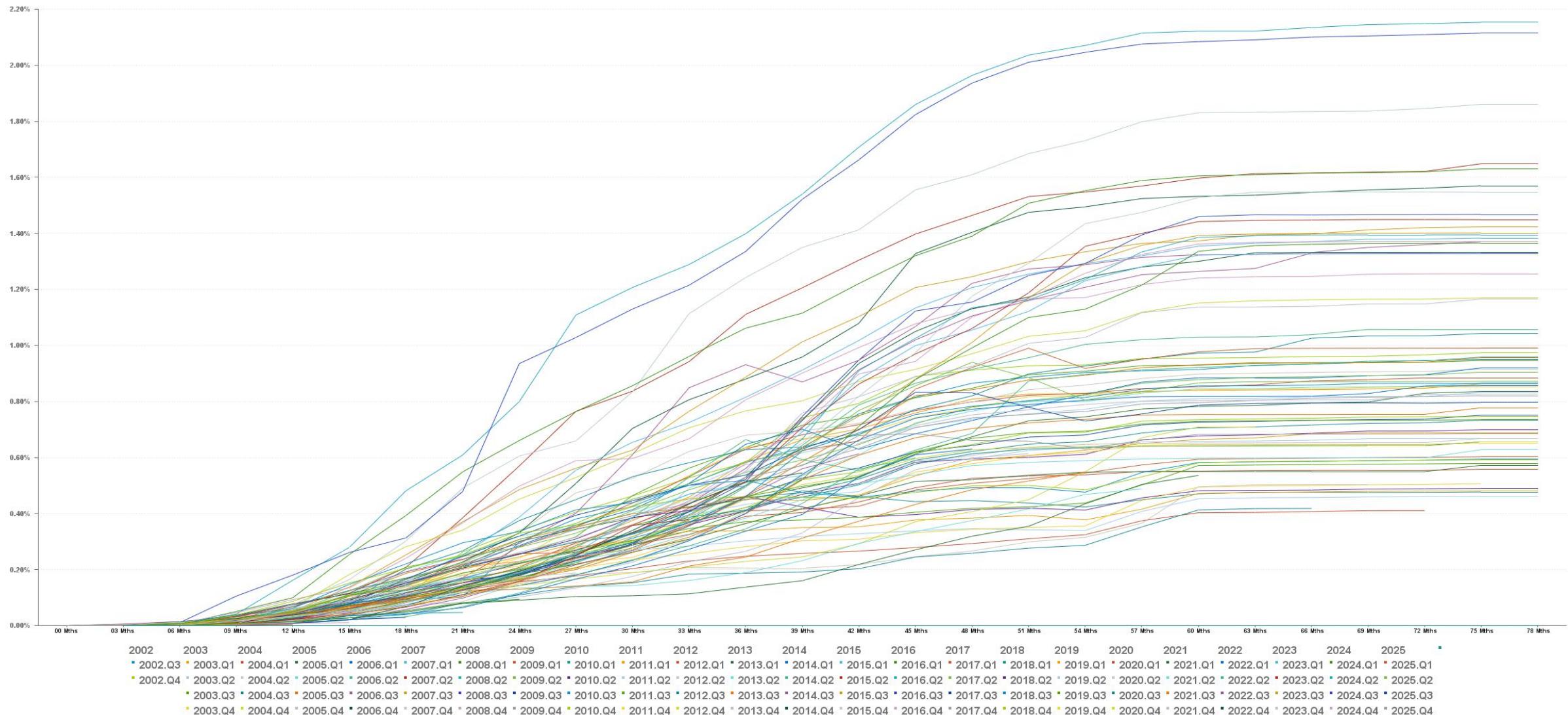
# Vintage Loss Curves – Gross Loss – Q3.2002 – Q4.2025

HP, PCP, LP

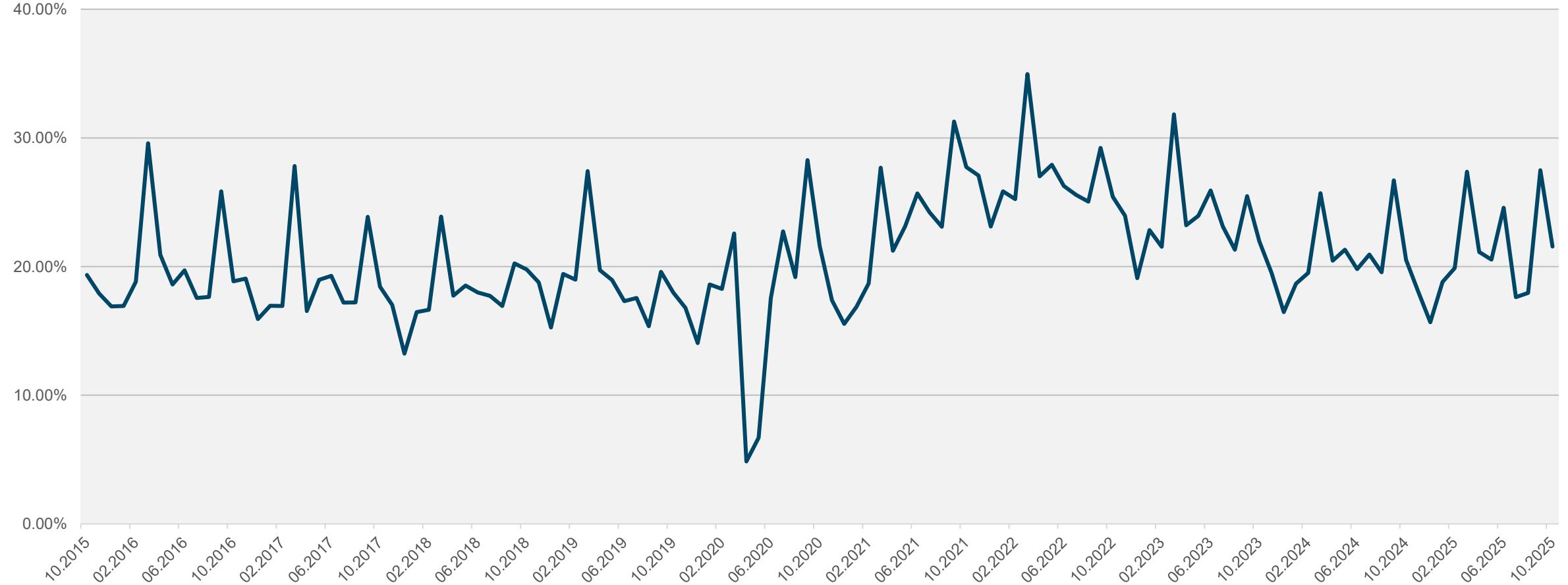


# Vintage Loss Curves – Net Loss – Q3.2002 – Q4.2025

HP, PCP, LP



## Annualised Prepayment Rates – 10.2015 – 10.2025

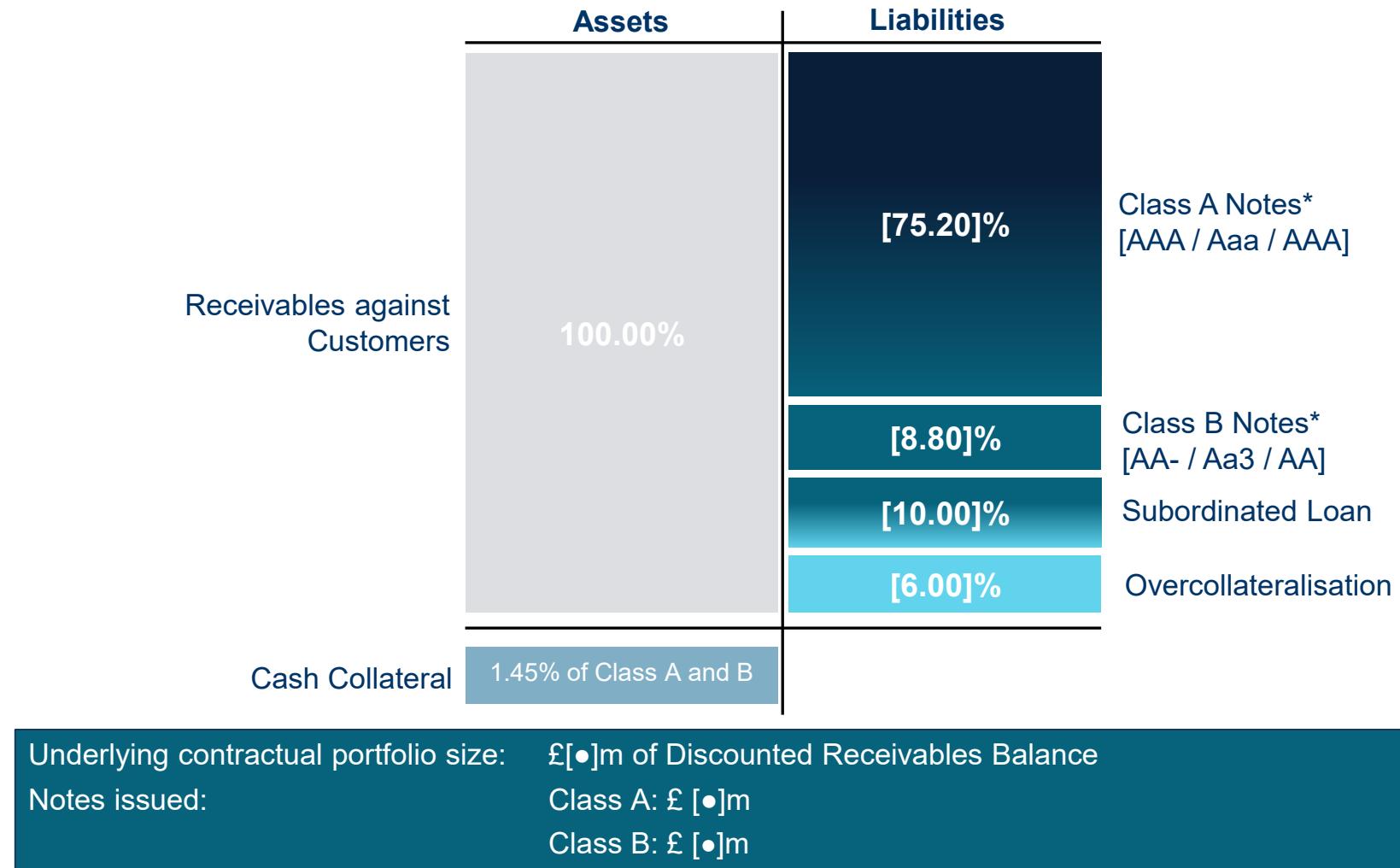




## Section 6

# Transaction Details and Structure

# Summary of the Driver UK eleven Transaction



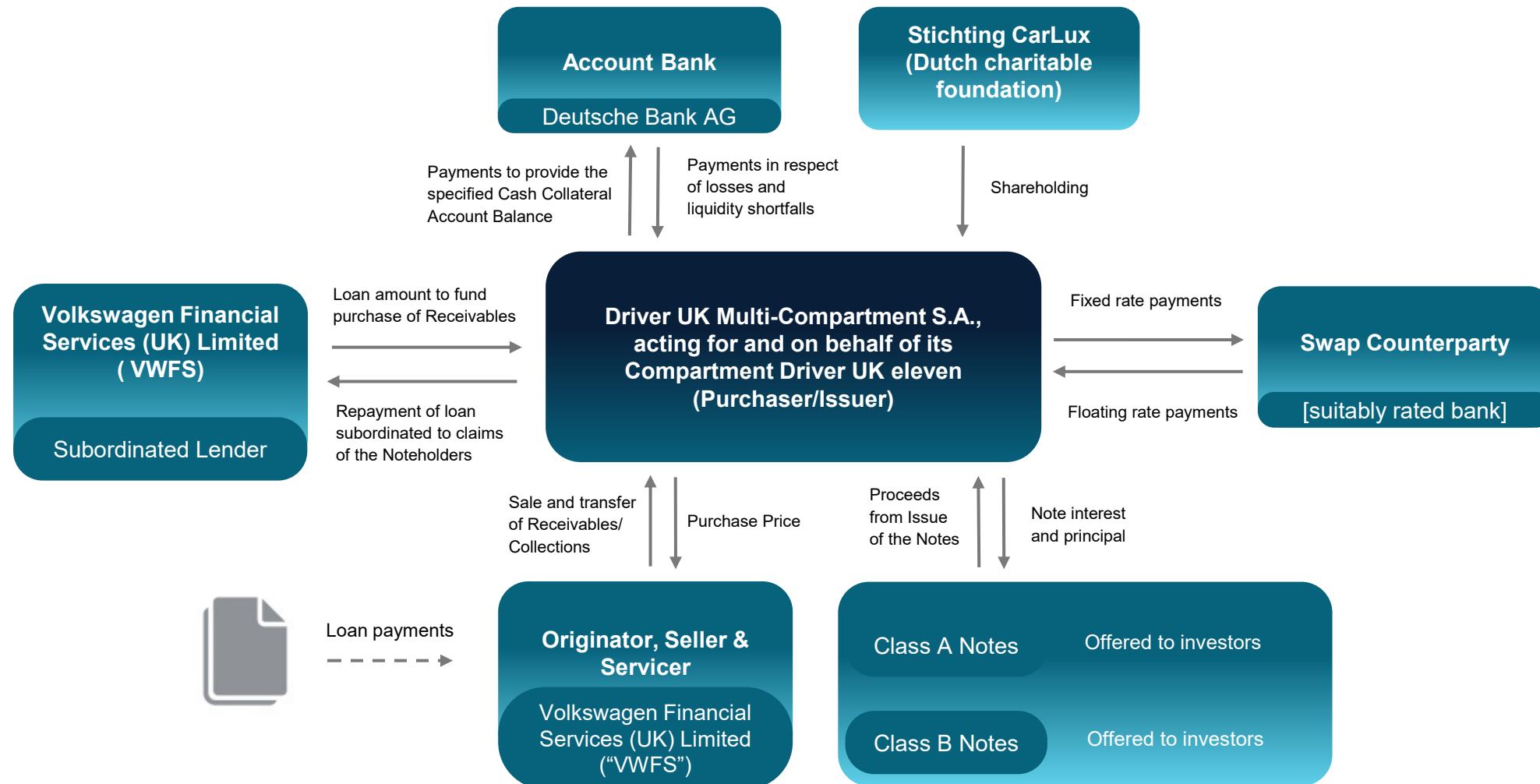
\* Structured finance rating -(sf)- applied by Fitch / Moody's / KBRA

Source: Driver UK eleven Preliminary Prospectus

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# Structure Overview



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# Revolving Period

**The transaction will have a revolving period of 6 months, subject to no Early Amortisation Event occurring**

- **Early Amortisation Event means either:**
  - Servicer Replacement or Foreclosure Event
  - The Accumulation Balance on two consecutive Payment Dates exceeds [15]% of the Discounted Receivables Balance
  - On the Payment Date following three consecutive Payment Dates, the Class A Actual Overcollateralisation Percentage is lower than [24.55]%
  - VWFS ceases to be an affiliate of the Parent or any successor
  - The Seller fails to perform its obligations of Repurchase and Payment for Non-existent Receivables defined under Receivable Purchase Agreement
  - the Issuer fails to enter into a replacement Swap Agreement within 30 calendar days following the termination of a Swap Agreement or the respective Swap Counterparty fails to post collateral under the Swap Agreement
  - Any Credit Enhancement Increase Condition is in effect (see slide 69)
- **Key concentration limits during the Revolving Period**
  - Used vehicles – [60]%
  - PCP used – [55]%
  - Non-VW group brand vehicles – [10]%
  - Single obligor – [0.5]%
- **Prior to the effect of a Credit Enhancement Increase Condition**
  - During the Revolving Period the Class A Targeted Overcollateralisation Percentage shall be [31.10]% and the Class B Targeted Overcollateralisation Percentage shall be [20.30]%
  - After the Revolving Period the Class A Targeted Overcollateralisation Percentage shall be [33.10]% and the Class B Targeted Overcollateralisation Percentage shall be [22.30]%

Source: Driver UK eleven Preliminary Prospectus

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# Amortisation Mechanism

## **The transaction will first amortise sequentially by redeeming Class A Notes exclusively**

- After the Class A target OC of [33.10]% is reached (after the revolving period), the OC will be kept constant and amortisation of the Class B Notes begins
- Once the Class B target OC of [22.30]% is reached (after the revolving period), the OC will be kept constant and the Class A Notes and the Class B Notes will amortise on a pro-rata basis
- When both target OCs are reached, any excess will be paid to a) the subordinated lender and b) to VWFS in accordance with the waterfall
- To protect investors in case the performance of the pool deteriorates, dynamic net loss / cumulative net loss / late delinquency triggers are in place. If these are breached, pro-rata amortisation ceases and the transaction reverts to sequential amortisation (the trigger events are detailed on the following page “Credit Enhancement Events”)

## **Enforcement Event**

- To protect investors should an Enforcement Event occur, the post-enforcement waterfall is in place and the Notes amortise sequentially
- Interest and Principal is paid on Class A Notes until the Class A Notes fully amortise, followed by Interest and Principal on Class B Notes

Source: Driver UK eleven Preliminary Prospectus

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# Credit Enhancement Events

**The following triggers protect the investors, by modifying the repayment of the Class A Notes and the Class B Notes**

**Credit Enhancement Increase Condition is in effect if:**

Trigger	Condition	Trigger level
<b>Dynamic Net Loss Ratio</b>	WA Seasoning <=12 months	[0.30]%
	12m < WA Seasoning <= 22m	[0.75]%
	22m < WA Seasoning <= 34m	[2.00]%
<b>Cumulative Net Loss</b>	Months 1-5 (inclusive)	[0.80]%
	Months 6-11 (inclusive)	[1.80]%
	Month 12 onwards	[4.00]%
<b>Late Delinquency (180 DPD)</b>	On any Payment Date until March 2027	[1.30]%

If the Credit Enhancement Increase Condition is in effect, the following target OCs apply with the effect that amortisation is on a sequential basis:

- I. Class A Target OC of 100%; and
- II. Class B Target OC of 100%.

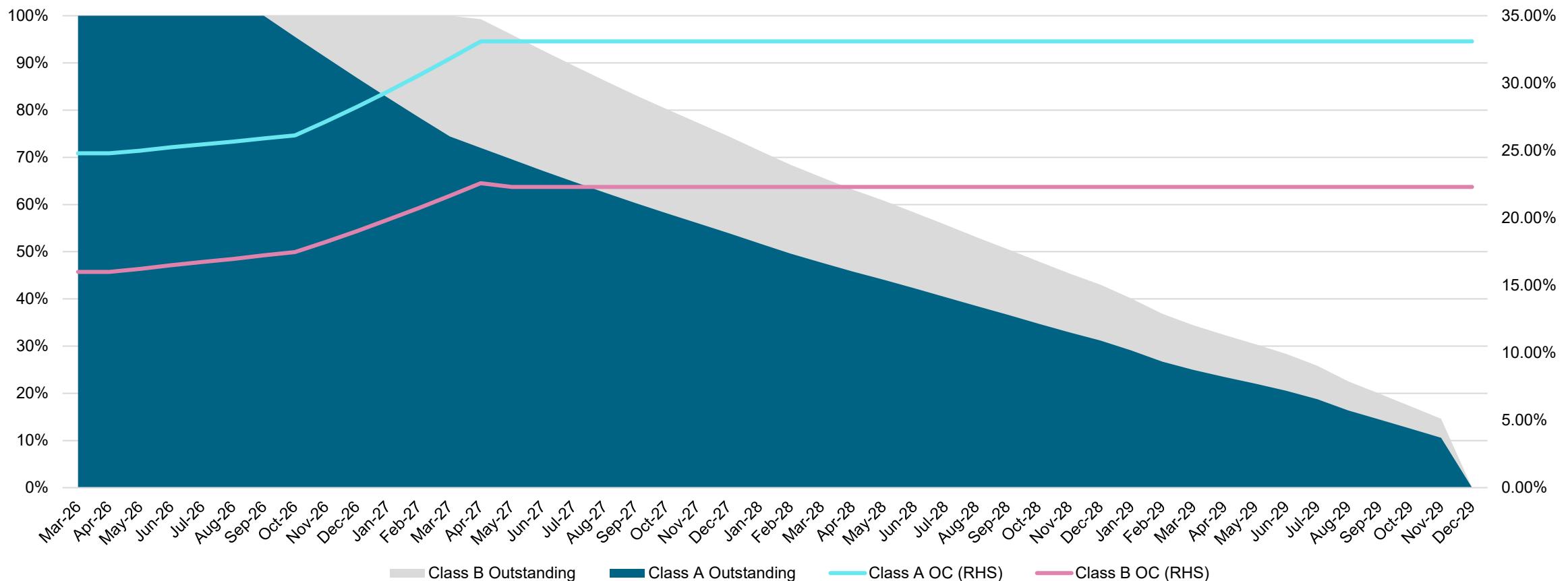
Source: Driver UK eleven Preliminary Prospectus

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# Transaction Structure

## Expected Overcollateralisation of the Notes (\*)



\* No Losses; [20.00]% CPR; Clean-Up Call at 10.00% (for further assumptions, please refer to the Driver UK eleven Preliminary Prospectus)

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# Waterfall (simplified)

Source of Proceeds	Use of Proceeds
<b>Available Distribution Amount</b>	
Collections for the calendar month immediately prior to each Payment Date	1) Taxes, Security Trustee Fees, Administration Fees, Data Protection Trustee Fees, Rating Agency Fees, Servicer Fees
Payments from the Cash Collateral Account <sup>(1)</sup>	2) Net Swap Payments
Net Swap Receipts under the Swap Agreements	3) Interest and overdue interest on the Class A Notes
Transfers from the Accumulation Account to the Distribution Account	4) Interest and overdue interest on the Class B Notes
Interest earned on the Distribution Account and the Accumulation Account	5) Cash Collateral Account until it has reached its Specified Balance
Interest Compensation Shortfall Redemption Amount <b>plus</b> Interest Compensation Ledger Release Amount (subject to a CE Increase Condition)	6) During the Revolving Period to the Accumulation Account Thereafter Principal on the Class A Notes until Class A Notes reach Targeted Class A Note Balance
Buffer Top-Up Amount <b>less</b>	7) During the Revolving Period to the Accumulation Account Thereafter Principal on the Class B Notes until Class B Notes reach Targeted Class B Note Balance
Buffer Release Amount to be paid to VWFS, provided that no Credit Enhancement Increase Condition is in effect	8) Swap Subordinated Amounts
	9) Interest and overdue interest on the Subordinated Loan
	10) Principal on the Subordinated Loan
	11) Excess Balance to VWFS

(1) On each Payment Date following the occurrence of a Foreclosure Event, the General Cash Collateral Amount shall be applied in accordance with clause 21.5 (Order of Priority) of the Trust Agreement.

Source: Driver UK eleven Preliminary Prospectus

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## Legal Structure

- Driver UK Multi-Compartment S.A., acting on behalf of its Compartment Driver UK eleven, is a securitisation company within the meaning of the Luxembourg law of 22 March 2004 on securitisation (“Luxembourg Securitisation Law”), incorporated under the form of a public limited liability company.
- The exclusive purpose of the Driver UK Multi-Compartment S.A is to enter into one or more securitisation transactions, each via a separate compartment within the meaning of the Luxembourg Securitisation Law. The Notes will be funding the eleventh securitisation transaction of the Issuer.
- Compartment Driver UK eleven of the Driver UK Multi-Compartment S.A relating to the Transaction and the issue of the Notes will be created by a decision of the board of directors of Driver UK Multi-Compartment S.A.
- The Notes will be contractual obligations of the Issuer solely in respect of its Compartment Driver UK eleven. No third party guarantees the fulfilment of the obligations of the Issuer acting for and on behalf of its Compartment Driver UK eleven under the Notes. Consequently, the Noteholders have no rights of recourse against such third parties.
- The Issuer will purchase eligible loan receivables from VWFS.
- Stichting CarLux, a foundation duly incorporated and validly existing under the Dutch Law, owns all of the issued shares of the issuer. The Foundation does not have shareholders and would distribute any profits received from the Issuer to charitable organisations.

Source: Driver UK eleven Preliminary Prospectus

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# Risk Mitigation Mechanisms

## Commingling Risk

- As long as VWFS remains the Servicer of the transaction and the Monthly Remittance Condition is satisfied, VWFS is required to transfer the monthly collections to the SPV account in a single payment to be made on the following Payment Date
- VWFS will fund the expected monthly collections in advance if the Monthly Remittance Condition is no longer satisfied. The Monthly Remittance Condition will not be satisfied if:
  - a) Volkswagen Financial Services AG no longer has a long-term rating for unsecured and unguaranteed debt of at least "Baa1" from Moody's; or
  - b) For so long as the Class A Notes or the Class B Notes are rated by KBRA (irrespective of whether they are rated by Fitch at such time), the Fitch required ratings set out in paragraph (c) below are not satisfied; or
  - c) (i) Either (A) Volkswagen AG no longer has a short-term rating for unsecured and unguaranteed debt of at least "F2" by Fitch or (B) Volkswagen AG no longer has a long-term rating for unsecured and unguaranteed debt of at least "BBB" by Fitch; or (ii) in the chain of holdings between Volkswagen AG and the Servicer either (1) the profit and loss sharing agreement (Gewinnabführungsvertrag) between Volkswagen AG and the parent of VW Finance Europe B.V., such company being in turn the parent of the Servicer (or any of its successors within the VW Group as parent of the Servicer), or the letter of comfort between the parent of VW Finance Europe B.V. and VW Finance Europe B.V. ceases to be in effect, or (2) any company in such chain is not a branded "Volkswagen", or (iii) Volkswagen AG directly or indirectly holds less than 75 per cent of the shares of the Servicer.

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# Cash Collateral Account

- **General Cash Collateral Account [1.45]% of the Notes balance**

- The initial General Cash Collateral Account will be £[●] and will be funded on the Issue Date
- After the Issue Date, the General Cash Collateral Account will be replenished up to the Specified General Cash Collateral Account Balance, which is equal to the greater of (a) [1.45]% of the aggregate nominal amount of the Notes outstanding as at the end of the Monthly Period and, (b) the lesser of (i) [1]% of the initial nominal amount of the Notes, and (ii) the aggregate nominal amount of the Notes outstanding as of the end of the Monthly Period
- The General Cash Collateral Amount provides liquidity enhancement to ensure timely payment of interest and senior expenses, and credit enhancement by covering losses at the earlier of (i) the legal final maturity, and (ii) when the aggregate discounted receivables balance is zero
- On each Payment Date following the occurrence of an Enforcement Event, the General Cash Collateral Amount and the balance standing to the credit of the Interest Compensation Ledger and the Retained Profit Ledger shall be applied in accordance with the Trust Agreement

- **Interest Compensation Available Amount**

- The Issuer will be compensated for interest shortfalls suffered as a result of Early Settlement of Purchased Receivables (in particular for Purchased Receivables purchased above par). Any such interest shortfall is calculated on each Payment Date (the "Interest Compensation Required Amount")
- On each Payment Date, an amount (the "Interest Compensation Required Amount") will be transferred to the Available Distribution Amount
- Such Interest Compensation Required Amount will be funded (a) first via an amount equal to [1.40]% divided by 12 (a portion of the Discount Rate) of the Future Discounted Receivables Balance (the "Interest Compensation Available Amount") and (b) second to the extent the calculated Interest Compensation Available Amount is insufficient to cover any Interest Compensation Required Amount ("Interest Compensation Interim Amount"), then an amount equal to the negative difference shall be classified as the "Interest Compensation Shortfall Amount". If the Interest Compensation Interim Amount is positive then such positive amount shall be classified as "Interest Compensation Surplus Amount" which may be released to VWFS or the Issuer
- If an Interest Compensation Shortfall Amount exists, a drawing from the Interest Compensation Ledger shall be made to clear this, until the balance of the Interest Compensation Ledger is equal to zero and such amount shall be classified as "Interest Compensation Shortfall Redemption Amount"
- VWFS shall initially fund the Interest Compensation Ledger with an amount of £[4.0]m. The Interest Compensation Ledger will be available to pay the Interest Compensation Shortfall Redemption Amount on any Payment Date
- If there is an Interest Compensation Surplus Amount, it could be used towards meeting the Buffer Top-Up Shortfall Amount as Buffer Top-Up Amount

Source: Driver UK eleven Preliminary Prospectus

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# Swap Agreement

## Swap Procedure

- At closing, two interest rate swaps will be in place between Driver UK eleven and a suitably rated bank as Swap Counterparty, switching the fixed rate from the loan receivables into floating rate payments
- The swaps cover the interest payments due on the Class A Notes and Class B Notes through two separate fixed-to-floating interest rate swaps, thus hedging the floating interest rate risk on the applicable Class of Notes
- Both swaps are fully balance guaranteed and therefore cover interest rate risk due to prepayments
- In case the Swap Counterparty's ratings would be downgraded below the minimum required ratings (standard downgrade language), the Swap Counterparty will either:
  - have its obligations guaranteed by a suitably rated party;
  - be required to provide collateral; or
  - be replaced.

Source: Driver UK eleven Preliminary Prospectus

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# Discount Rate

## Discount Rate

- Any Loan Receivable is discounted by applying the same discount rate at closing, which equals:
  - Estimated weighted average fixed rate\* under the Swap Agreements (assuming a theoretical swap agreement for the Subordinated Loan); plus
  - [1.00]% Servicing Fee; plus
  - [0.03]% for Senior Expenses; plus
  - [1.40]% for the Interest Compensation Rate.

Source: Driver UK eleven Preliminary Prospectus

\*The fixed swap rate includes the margin of the notes over SONIA, to be determined on pricing date

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# Weighted Average Life of the Notes (\*)

## Scenarios

Prepayment Rate	Class A Notes			Class B Notes		
	Weighted Average Life (in years)	First Principal Payment in Month	Expected Maturity	Weighted Average Life (in years)	First Principal Payment in Month	Expected Maturity
0%	[2.60] years	[Oct-26]	[Feb-30]	[3.17] years	[Nov-27]	[Feb-30]
10%	[2.33] years	[Oct-26]	[Feb-30]	[2.86] years	[Jul-27]	[Feb-30]
20%	[2.07] years	[Oct-26]	[Dec-29]	[2.55] years	[Apr-27]	[Dec-29]
30%	[1.85] years	[Oct-26]	[Oct-29]	[2.27] years	[Mar-27]	[Oct-29]
40%	[1.65] years	[Oct-26]	[Jul-29]	[2.00] years	[Feb-27]	[Jul-29]

Source: Driver UK eleven Preliminary Prospectus

\* No Losses; Clean-up Call at 10.00% (for further assumptions refer to Preliminary Prospectus)

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**VOLKSWAGEN  
FINANCIAL SERVICES**

THE KEY TO MOBILITY

# Thank you!

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