

Driver UK nine

Benchmark Securitisation
of UK Auto Financing Contracts

£[●]m Class A Asset Backed Floating Rate Notes due [April 2032]

£[●]m Class B Asset Backed Floating Rate Notes due [April 2032]

Originator / Seller: Volkswagen Financial Services UK Ltd ("VWFS")
Arranger: BofA Securities
Joint-Lead Managers: BNP Paribas, BofA Securities, RBC Capital Markets

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Arranger is BofA Securities (which is the trading name of Merrill Lynch International)

Joint Lead Managers are BNP Paribas, BofA Securities (which is the trading name of Merrill Lynch International), RBC Capital Markets

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The Transaction Team



VOLKSWAGEN FINANCIAL SERVICES

AKTIENGESELLSCHAFT

Lars Fischer	Head of ABS	+49 152 2998 9652	lars.fischer1@vwfs.com
Philipp Heyer	ABS Structuring	+49 531 212 84763	philipp.heyer@vwfs.com
Fabian Rendchen	ABS Structuring	+49 152 34682312	fabian.rendchen@vwfs.com
Mahalakshmi Subramanian	Structured Finance Accountant	+44 79 2011 8739	mahalakshmi.subramanian@vwfs.co.uk
Kudzi China	Lead Structured Finance Accountant	+44 77 7554 5271	kudzi.chinya@vwfs.co.uk

BofA SECURITIES



Manuel Weller	ABS Structuring	+49 69 5899 5735	manuel.weller@bofa.com
Andrei Gozia	ABS Structuring	+49 69 5899 5736	andrei.gozia@bofa.com
Tobias Bayerl	ABS Structuring	+49 69 5899 5737	tobias.bayerl@bofa.com
Sven Jauch	ABS Structuring	+49 69 5899 5731	sven.jauch@bofa.com
Tristan Cheesman	Syndicate	+44 20 7995 9844	tristan.cheesman@bofa.com
Jack Roberts	Syndicate	+44 20 7995 0496	jack.w.roberts@bofa.com



BNP PARIBAS

Ghanem Al-Araj	ABS Structuring	+44 20 7595 6393	ghanem.al-araj@uk.bnpparibas.com
Tijani Ben Samir	ABS Structuring	+33 763 00 80 05	tijani.bensamir@bnpparibas.com
Sahil Khanna	Syndicate	+44 20 7595 3770	sahil.khanna@uk.bnpparibas.com
Federico Paschetto	Syndicate	+44 20 7595 8280	federico.paschetto@uk.bnpparibas.com



Capital Markets

Christian Solbach	ABS Structuring	+44 20 7029 0386	christian.solbach@rbccm.com
Clement Guiollot	ABS Structuring	+33 1 8514 7493	clement.guiollot@rbccm.com
Sidonie Greig	ABS Structuring	+44 20 7429 8776	sidonie.greig@rbccm.com
James Solomon	Syndicate	+44 20 7029 7420	james.solomon@rbccm.com
Sarah Smith	Syndicate	+44 20 7029 7161	sarah.smith@rbccm.com

Agenda

1	Executive Summary	11	5	Historical Performance Data	56
2	Volkswagen Financial Services	16	6	Transaction Details and Structure	61
3	Volkswagen Financial Services in the UK	28			
4	Lending Policy, Customer Operations, Residual Value Management and Remarketing	37			

Section 1 Executive Summary



Key Transaction Characteristics

	Amount (£)	In %	Credit Enhancement ⁽²⁾	Ratings (Fitch (sf) / S&P (sf) / KBRA (sf))	WAL (yrs) ⁽³⁾	Expected Maturity ⁽³⁾	Legal Final Maturity	Coupon ⁽⁴⁾ : SONIA +	Status
Class A	[•]	[71.76]	[29.43]	[AAA / AAA / AAA]	[2.10]	[August 2028]	[April 2032]	[•]bps	Offered
Class B	[•]	[10.30]	[19.13]	[AA- / A+ / AA-]	[2.28]	[August 2028]	[April 2032]	[•]bps	Call Desk
Subordinated Loan	[•]	[11.94]	[7.19]	NR	NA	NA	NA	NA	NA
Overcollateralisation	[•]	[6.00]	n/a	NR	NA	NA	NA	NA	NA
Cash Collateral Amount	[•]	[1.45] ⁽¹⁾	n/a	NR	NA	NA	NA	NA	NA

SPV located in:	Luxembourg
Revolving period:	Yes – 6 months revolving period
Structure:	Senior / Mezzanine / Subordinated Loan
Fixed / Floating:	Floating
Credit Enhancement:	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 Switching back to sequential payments upon trigger breach
Assets	Prime UK auto financing receivables [50.65]% new vehicles and [49.35]% used vehicles [99.20]% retail and [0.80]% corporate customers [92.86]% PCP, [6.73]% HP, [0.41]% LP
Ratings	Expected from Fitch, S&P and KBRA
STS	Is intended to be STS, LCR, CRR eligible, verified by PCS, Cash Flow Model available on Bloomberg and Intex

(1) [1.19]% 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 at zero

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Comparison between Driver UK seven / eight / nine

	Driver UK seven		Driver UK eight		Driver UK nine ⁽³⁾	
Issue Date	25/10/2023		25/03/2024		[25/10/2024]	
Capital Structure (D/F/M/S/A/K)						
Class A ⁽¹⁾	AAA/AAA/-/-/AAA	£354.5m	-/AAA-/AAA-/AAA	£444.6m	-/[AAA]/-/AAA]/-/[AAA]	£[•]m
Class B ⁽¹⁾	A(high)/AA/-/-/AA	£54.0m	-/AA-/A+/-/AA-	£68.1m	-/[AA-]/-/A+]/-/[AA-]	£[•]m
Sub-loan	[NR]	£61.5m	NR	£74.8m	[NR]	£[•]m
OC ⁽²⁾	[NR]	£30.0m	NR	£37.6m	[NR]	£[•]m
Credit Enhancement (D/F/M/S/A/K)						
Class A ⁽¹⁾	AAA/AAA/-/-/AAA	30.4%	-/AAA-/AAA-/AAA	30.1%	-/[AAA]/-/AAA]/-/[AAA]	[29.4]%
Class B ⁽¹⁾	A(high)/AA/-/-/AA	19.6%	-/AA-/A+/-/AA-	19.2%	-/[AA-]/-/A+]/-/[AA-]	[19.1]%
Sub-loan	[NR]	7.3%	NR	7.2%	[NR]	[7.2]%
OC ⁽²⁾	[NR]	NA	NR	NA	[NR]	NA
Cash Collateral Account	At closing	1.6%	At closing	1.45%	At closing	[1.45]%
Specified General Cash Collateral Account Balance	Of current aggregate nominal amount of Class A and B Notes	1.6% (floor of 1.0% £4.1m)	Of current aggregate nominal amount of Class A and B Notes	1.45% (floor of 1.0% £5.1m)	Of current aggregate nominal amount of Class A and B Notes	[1.45] (floor of [1.0]%) £[•]m)
Collateral					Provisional Pool [30/06/2024] ⁽³⁾	
Country of Receivables	UK		UK		UK	
Portfolio Type	6 month revolving		6 month revolving		6 month revolving	
Principal Balance	£500,008,545.08		£625,007,501.52		£[500,009,011.80]	
No. of Contracts	23,400		30,032		[23,268]	
Avg. Financing Amount	£21,367.89		£20,811.38		£[21,489.13]	
New/Used ⁽⁴⁾⁽⁵⁾	52.21% / 47.79%		50.11% / 49.89%		[50.65] % / [49.35] %	
Corporate/Retail ⁽⁵⁾	0.76% / 99.24%		0.90% / 99.10%		[0.80] % / [99.20] %	
WA Seasoning (months)	8		10		[9]	

Source: Driver UK seven Prospectus, Driver UK eight Prospectus, Driver UK nine 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 30.06.2024

(4) New cars include new and demo

(5) As a percentage of Discounted Receivables Balance

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Pool Cut Data Driver UK seven / eight / nine

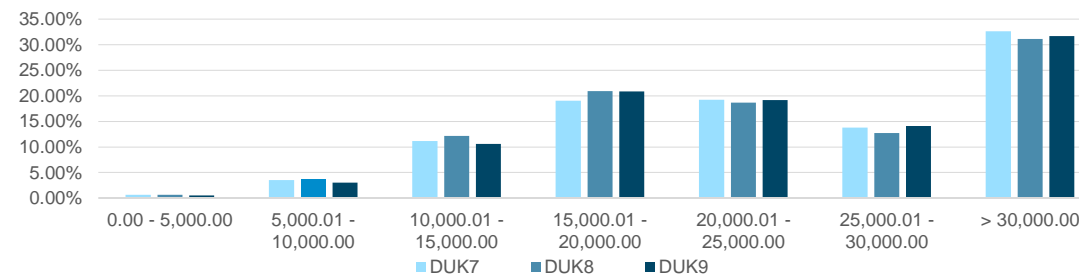
	DUK7 ⁽¹⁾	DUK8 ⁽¹⁾	DUK9 ⁽²⁾
Payment Type			
Direct Debit	99.82%	99.85%	99.90%
Others	0.18%	0.15%	0.10%
Type of Vehicles			
New Vehicles	52.21%	50.11%	50.65%
Used Vehicles	47.79%	49.89%	49.35%
Customer Type			
Retail	99.24%	99.10%	99.20%
Corporate	0.76%	0.90%	0.80%
Type of Credit			
Hire Purchase	7.95%	7.04%	6.73%
Lease Purchase	0.43%	0.48%	0.41%
PCP	91.62%	92.48%	92.86%
Fuel Type			
Battery Electric	6.80%	7.61%	7.00%
Diesel	17.76%	17.41%	14.97%
Hybrid	3.02%	3.38%	3.98%
Petrol	72.42%	71.60%	74.04%
Remaining Terms (months)			
Min	6	6	6
Max	60	60	60
WA	40.04	37.86	38.80
Seasoning (months)			
Min	0	0	1
Max	55	55	54
WA	7.74	9.58	8.59
Lessee			
Top 20 Largest Lessee	0.82%	0.71%	0.80%

Numbers may not add up due to rounding

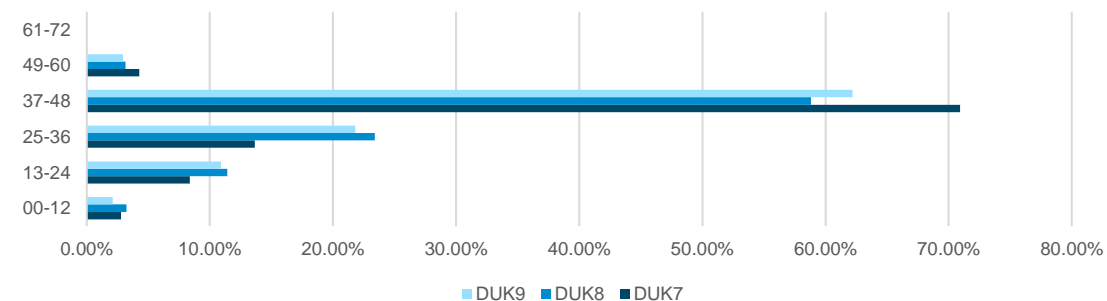
(1) Based on closing pool

(2) Based on a preliminary portfolio with a cut-off date as of 30.06.2024

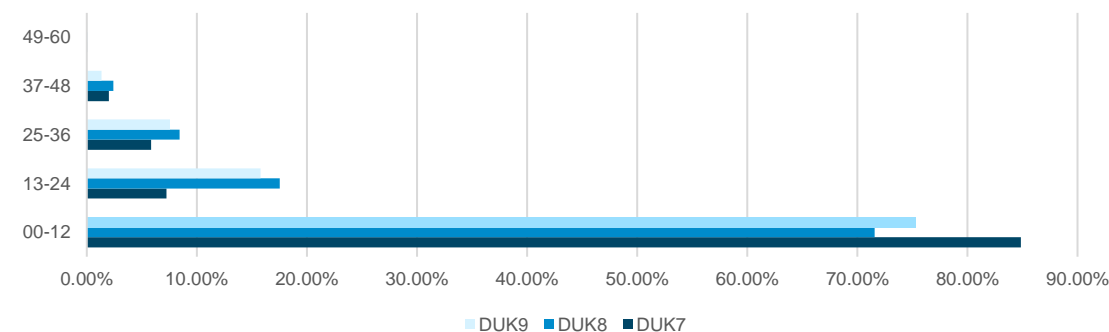
Distribution by Outstanding Discounted Balance



Distribution by Remaining Term (in months)



Distribution by Seasoning (in months)

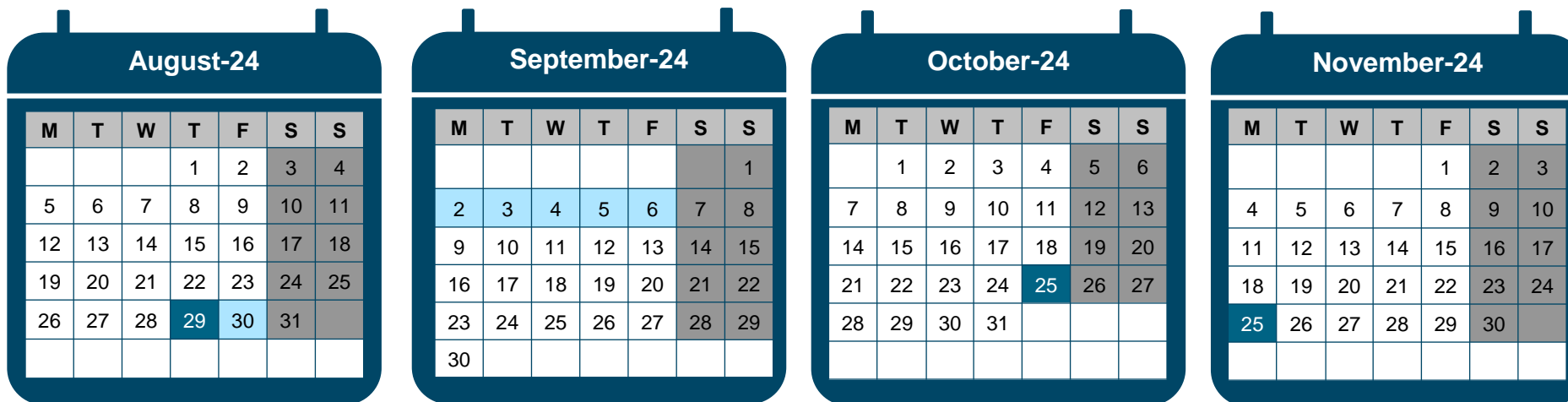


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Marketing Timeline

- Marketing & Pricing
- Key Transaction Dates
- Weekend



Key Marketing Dates

- | | |
|------------------------------|--|
| 29 August 2024 | <ul style="list-style-type: none"> ■ Announce Transaction ■ Release Deal Information |
| W/C 02 September 2024 | <ul style="list-style-type: none"> ■ Marketing & Pricing |
| 25 October 2024 | <ul style="list-style-type: none"> ■ Financial Closing |
| 25 November 2024 | <ul style="list-style-type: none"> ■ First Payment Date |

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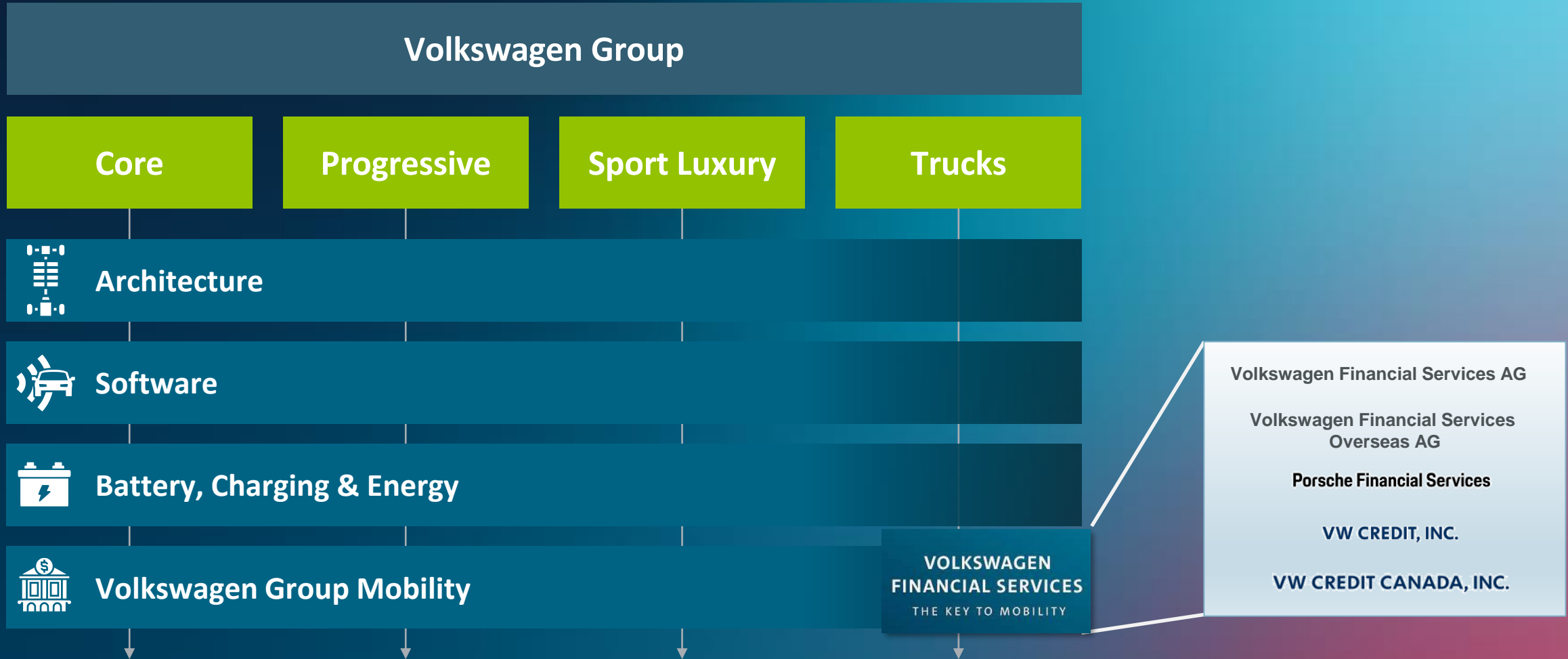
**VOLKSWAGEN
FINANCIAL SERVICES**
THE KEY TO MOBILITY

Section 2

Volkswagen Group Mobility



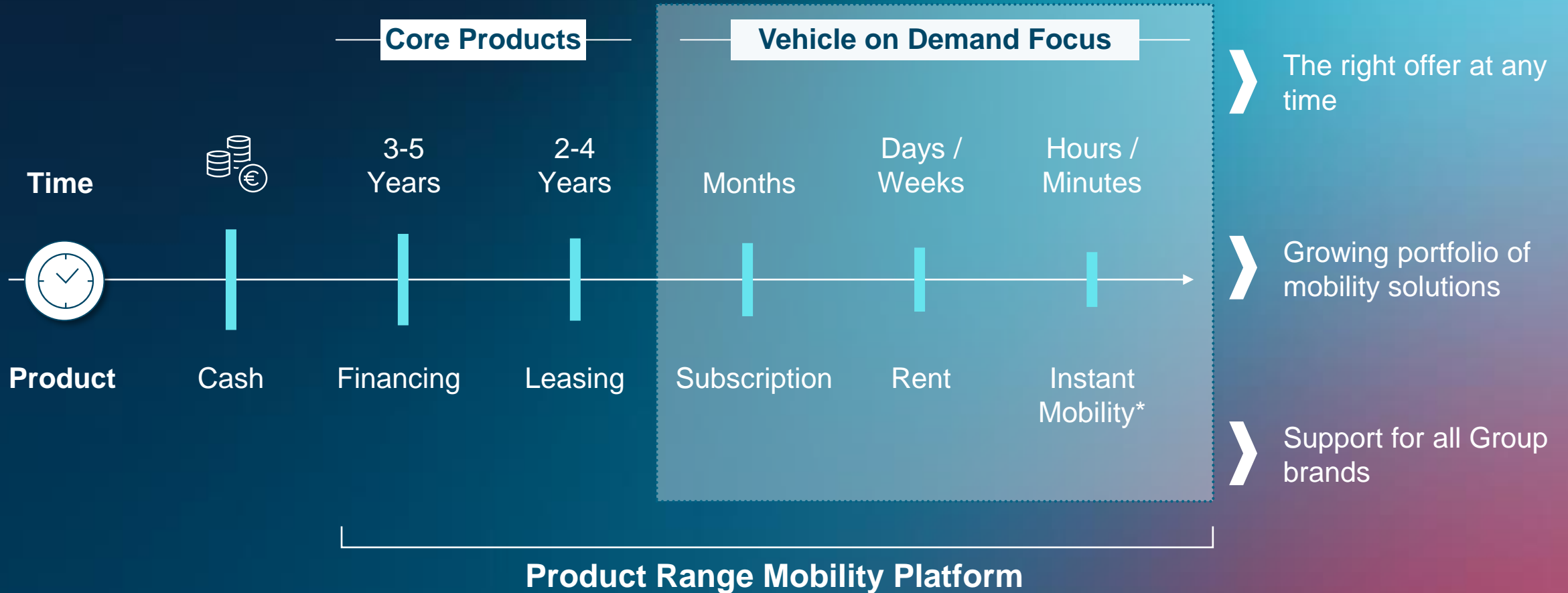
Volkswagen Group Mobility will offer the platform for mobility solutions based on Volkswagen Group's NEW AUTO strategy



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Volkswagen Group Mobility will in future be placing an additional focus on the Vehicle on Demand Business



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

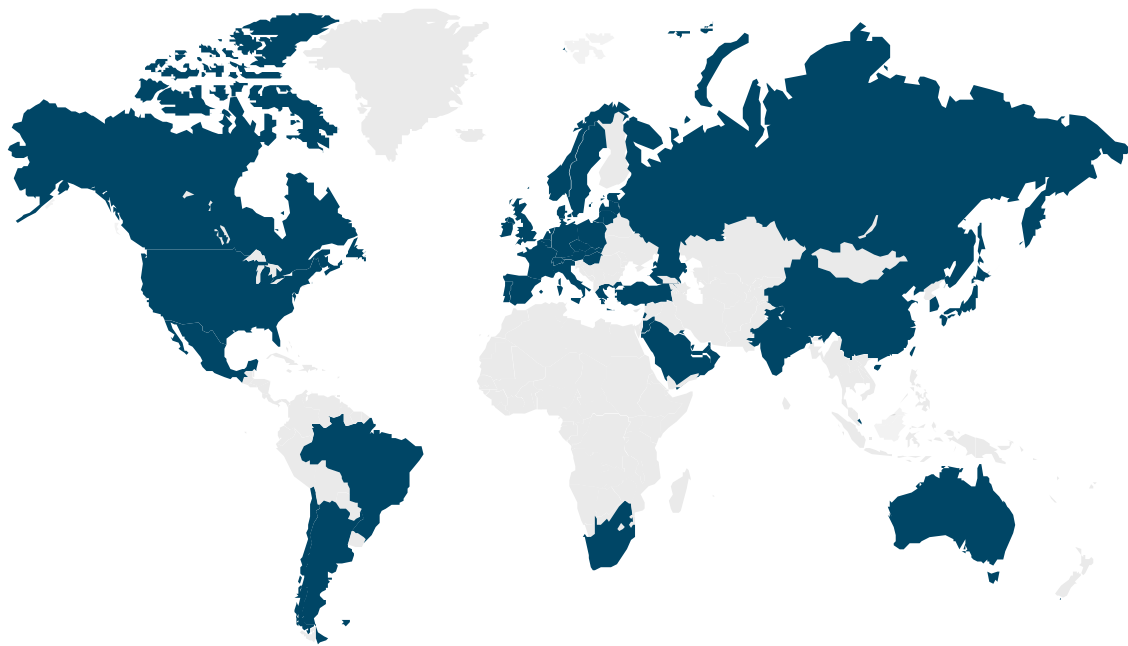
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Volkswagen Group Mobility at a glance (30.06.2024)

Volkswagen Group Mobility is present in

47 markets.



Key figures

Total assets	€ 285.3 bn
Equity	€ 40.7 bn
Customer deposits	€ 53.2 bn
Operating profit	€1.37 bn
Employees	14.568
Contracts (units)	25.9 mn

Leasing
€ 120.1 bn
57.0%



Retail financing
€ 69.3 bn
32.9%

Dealer Financing
€ 21.3 bn
10.1%

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* Receivables + leased assets

Volkswagen Group Mobility provides the mobility platform for the Volkswagen Group

Mobility platform offering...

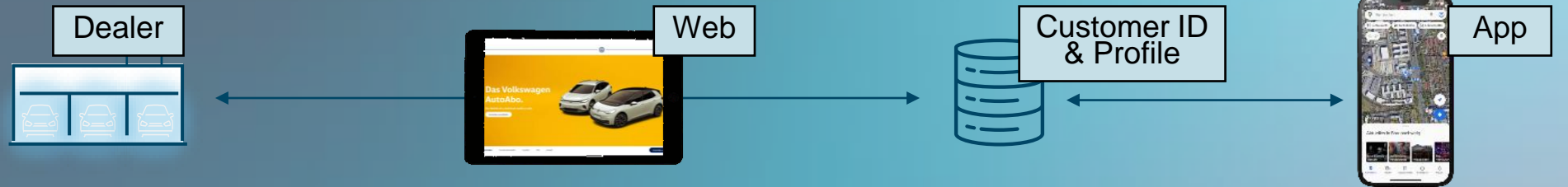


Brand Customers In Brand Design

Multi-Brand

Mobility Brand

... User interface (incl. brand integration), CRM & pricing



... Our core products...



... And vehicle lifetime management



¹ Long/short-term rental, subscription, extended rental

² Instant Mobility (mainly from third-party providers): sharing (eScooter, bicycle, car), hailing (incl. taxi), pooling, public transport

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Volkswagen Group Mobility Ratings

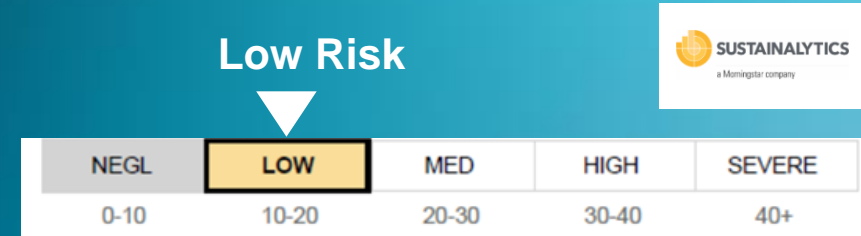
Corporate Ratings

Volkswagen Financial Services AG

Credit Rating*	S&P	Moody's	Fitch
VW FS AG	BBB+	A3	A-
VW Bank	BBB+	A1	A

* Senior Unsecured Rating

ESG Ratings



- First external ESG audit with an extraordinary result
- Analysis of 5 aspects: Product Governance, Corporate Governance, Data Privacy and Security, Business Ethics and Human Capital
- Ranked within the best 3 % of peer group in sector Consumer Finance

Volkswagen Financial Services Overseas AG

Credit Rating*	S&P	Moody's	Fitch
VW FS O AG	BBB+	A3	A-

* Senior Unsecured Rating

➔ **Stable Credit Ratings in the investment grade from S&P, Moody's and Fitch.**

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Annual new car sales and an increasing VW FS share of Volkswagen's car parc will increase VW Group Mobility's refinancing demand



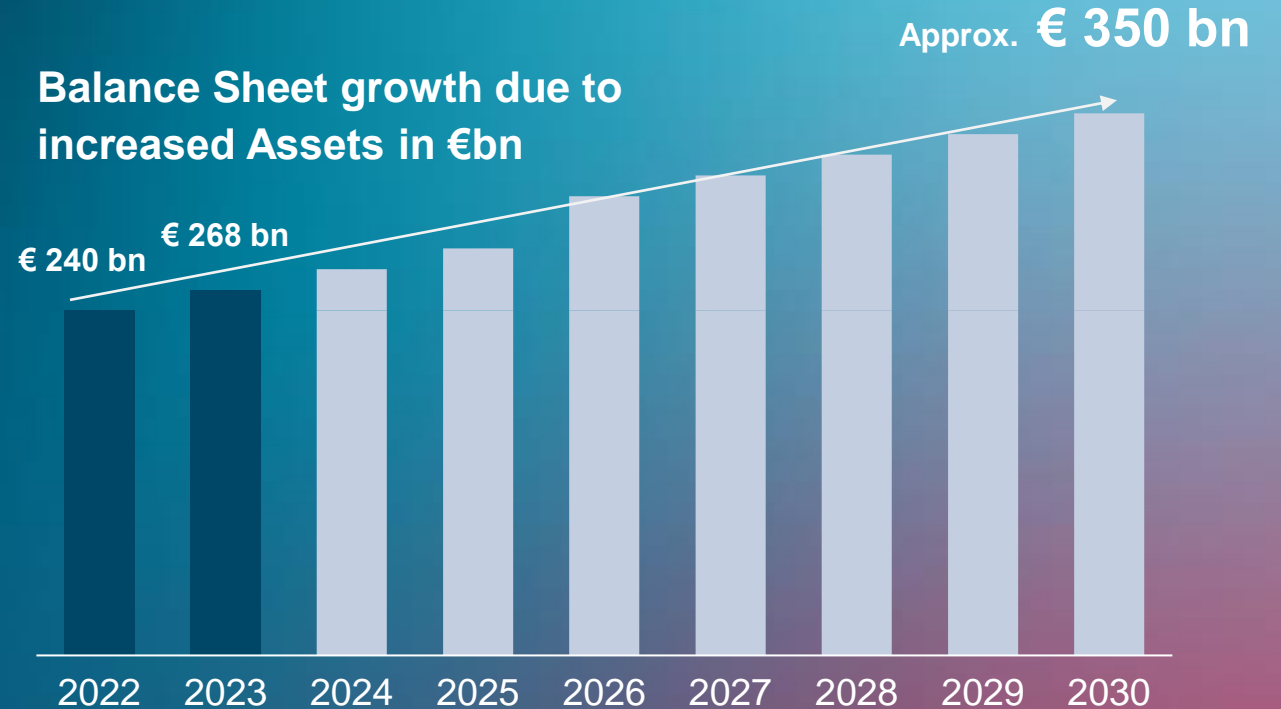
New Car
FS-Penetration
BEV: 80% ICE: 50%

MOBILITY
2030



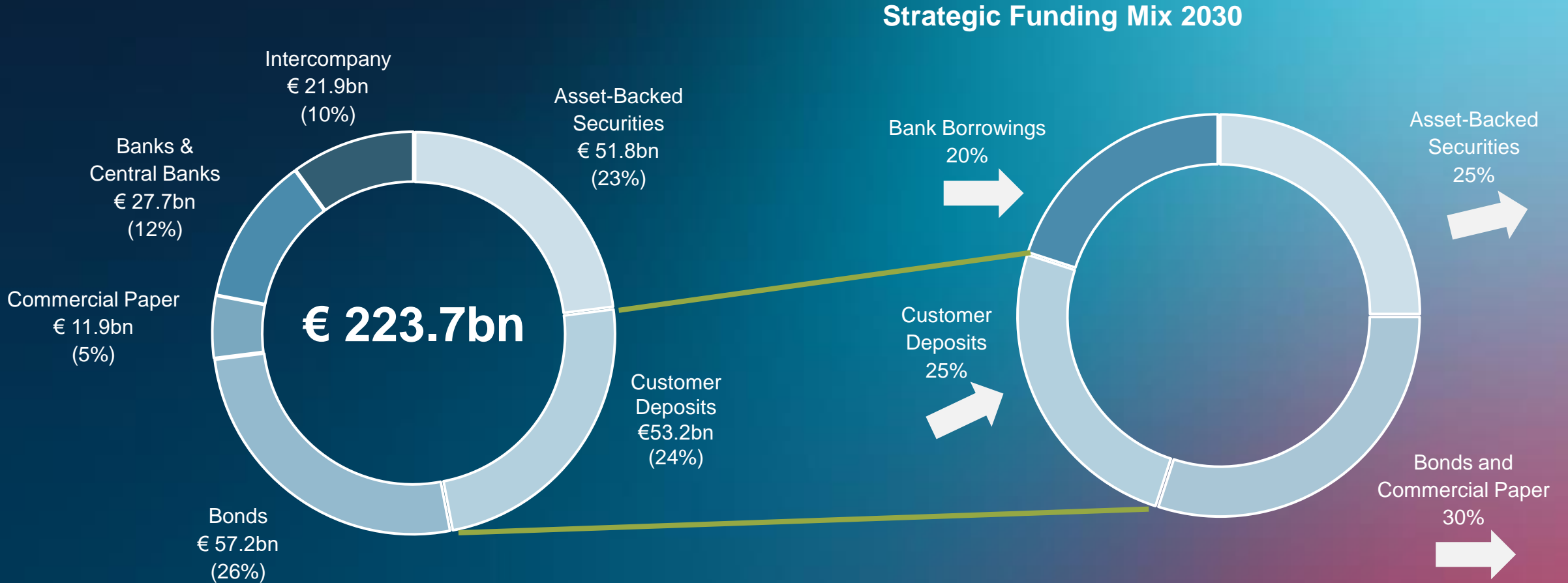
Share of
Car Parc
50%

Balance Sheet growth due to increased Assets in €bn



✓ Green in the sense of CO2-neutral use of the car, e.g., BEV

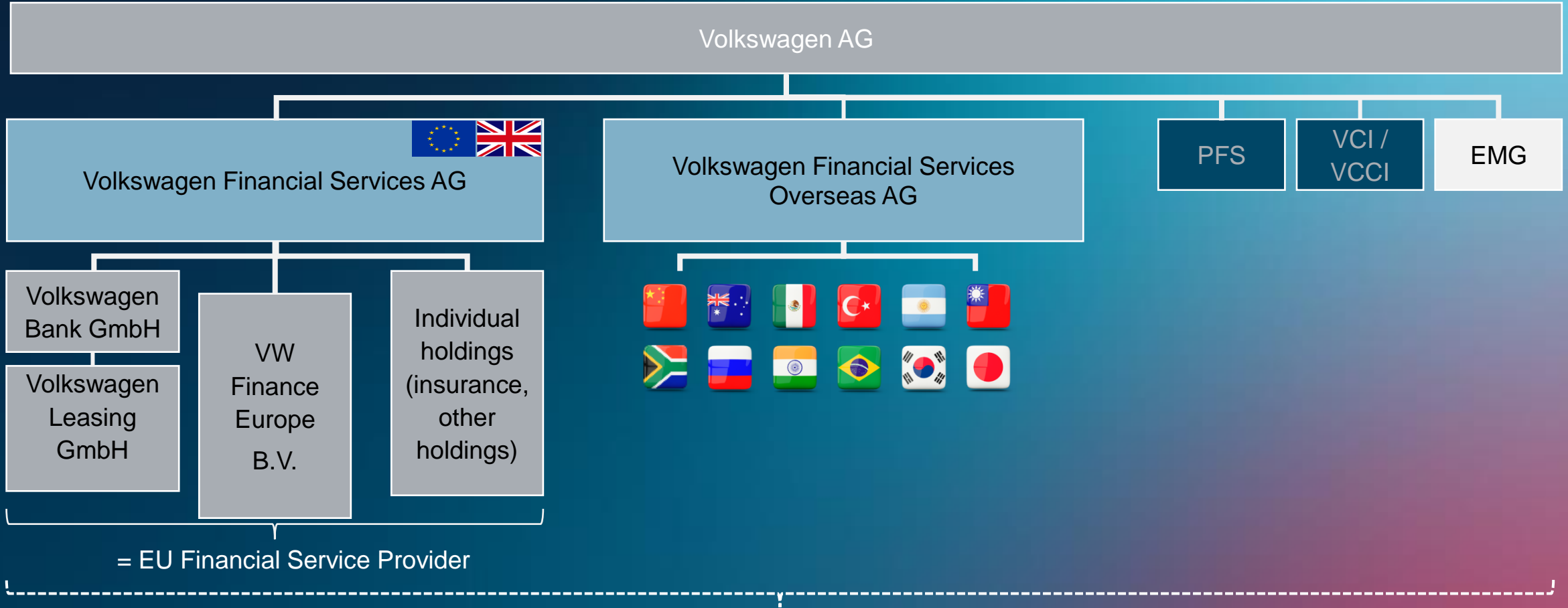
Funding allocation of segment Volkswagen Group Mobility as of 30.06.2024*



*excl. USA and Canada, PFS, VCI/VCCI, EMG

➤ **Customer Deposits independent from corporate rating !**

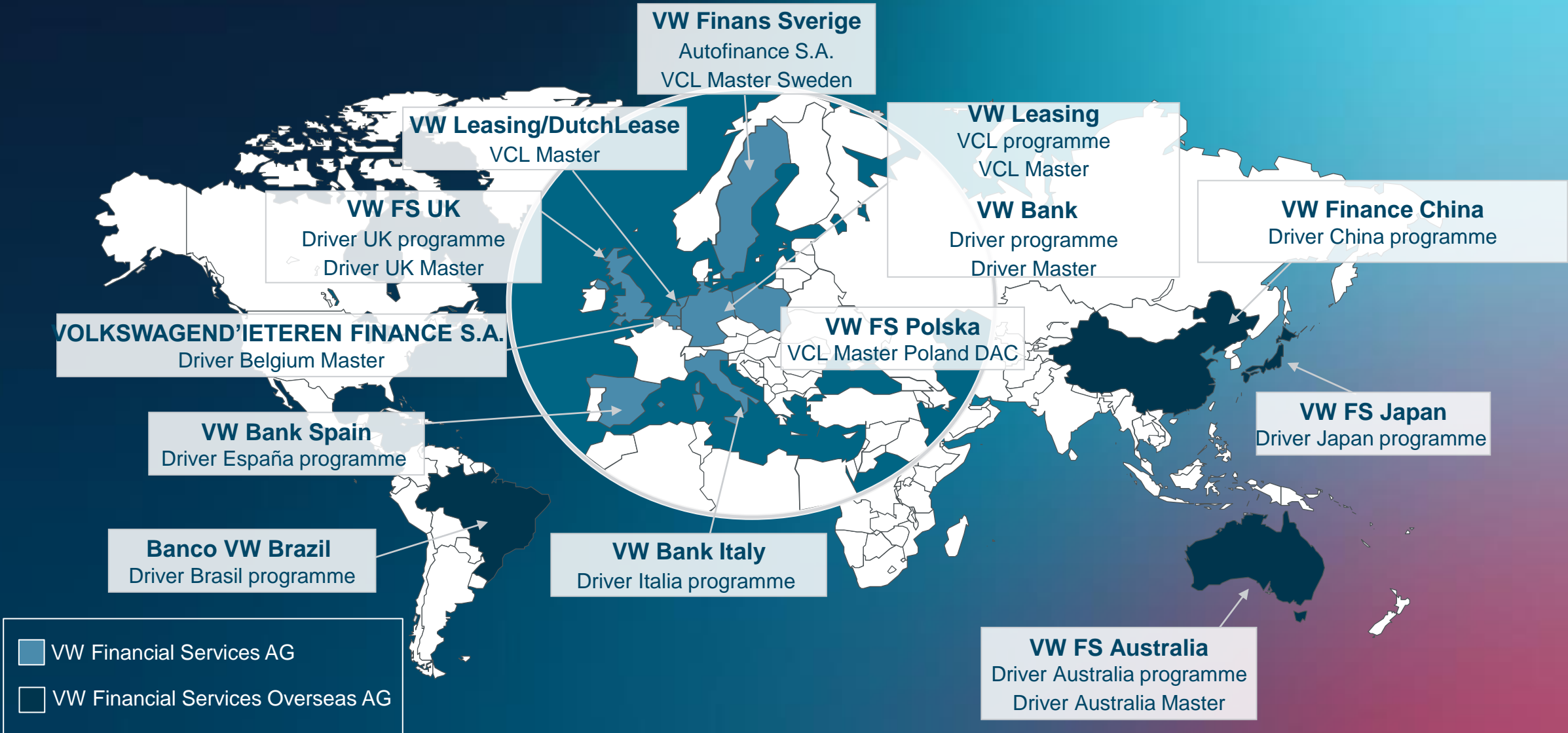
Structure Volkswagen Group Mobility since 01.07.2024



Volkswagen Group Mobility

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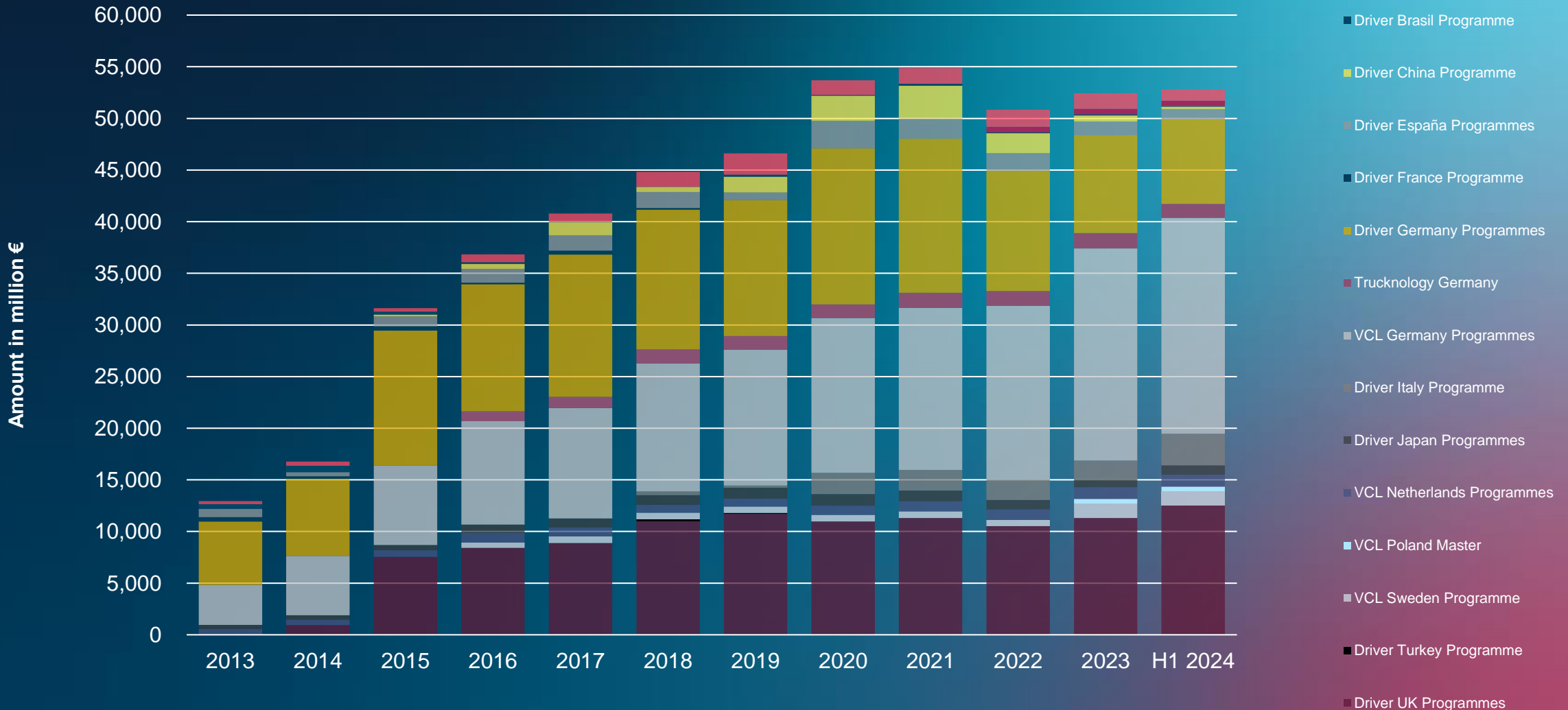
Worldwide VW Group Mobility ABS activities*



*excl. USA and Canada, PFS, VCI/VCCI, EMG

Transaction History VW Group Mobility*

Outstanding ABS volumes



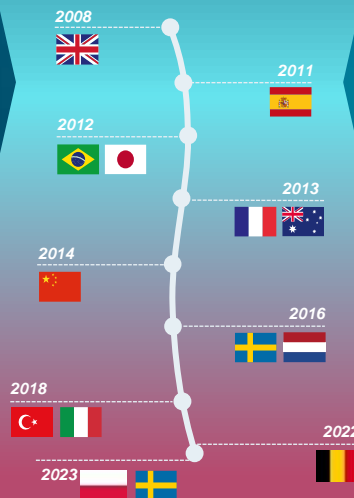
*excl. USA and Canada, PFS, VCI/VCCI, EMG

Two Strong Brands in the Automobile Securitisation Market*



- Securitisation Programme of Volkswagen Bank GmbH/ VW FS AG
- Portfolio of Auto Loans
- Programme Established in 2004
- 75 Public Transactions Placed in the Market so far
- Volume of Public Transactions: € 47.5 bn

- Highly Granular Risk Profile
- Stable & Diversified Investor Base
- International Roll Out



- Securitisation Programme of VW FS AG
- Portfolio of Auto Leases
- Programme Established in 1996
- 42 Public Transactions Placed in the Market so far
- Volume of Public Transactions: € 38.75 bn

*excl. USA and Canada, PFS, VCI/VCCI, EMG

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**VOLKSWAGEN
FINANCIAL SERVICES**

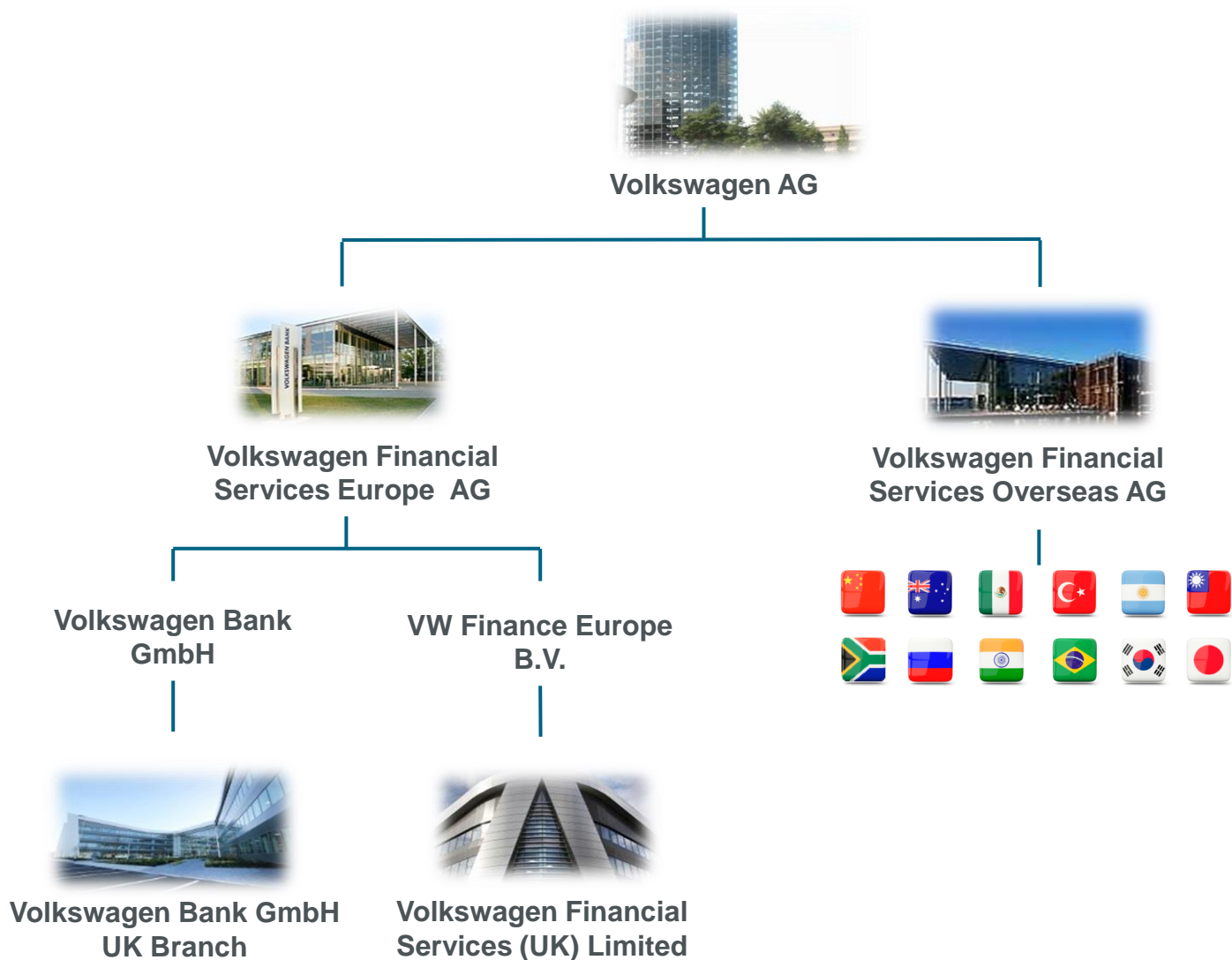
THE KEY TO MOBILITY

**Section 3
VWFS (UK) Ltd.**



Volkswagen Financial Services (UK) Limited – Market UK

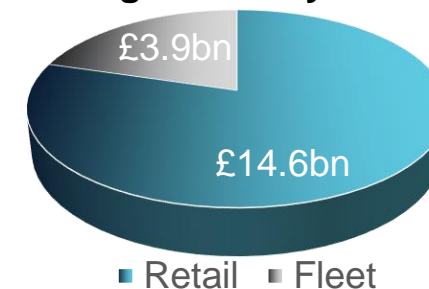
Group Structure



VWFS UK Key Figures - (31/12/2023)

Total Earning Assets	£18.5bn
Operative Income III	c. £350m
Employees (FTE)	1038
Retail Contracts	774k
Leasing Contracts	179k
Service	971k
Insurance	893k

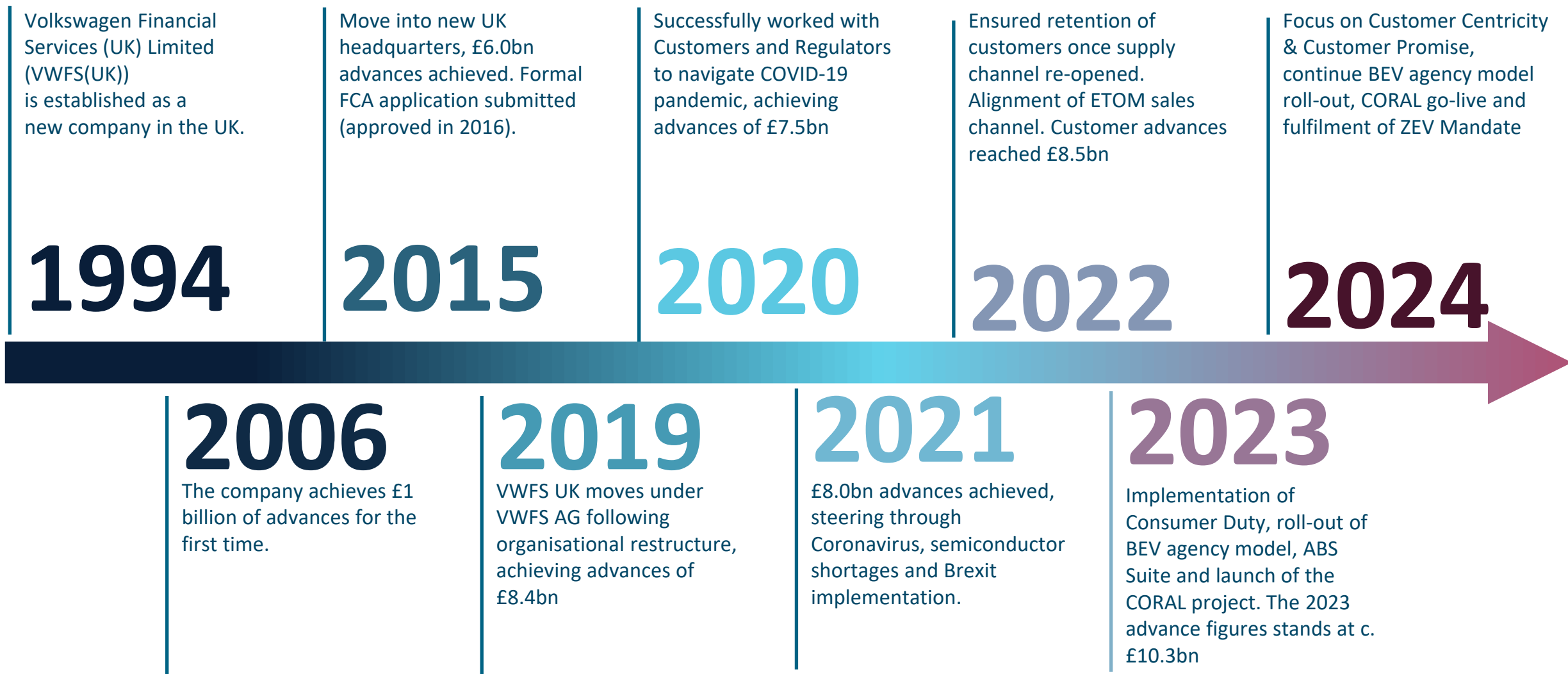
Earning Assets by Product



2023 UK Passenger Car Market

VWG UK Market Share	23.8%
Total new Registrations	1.90m

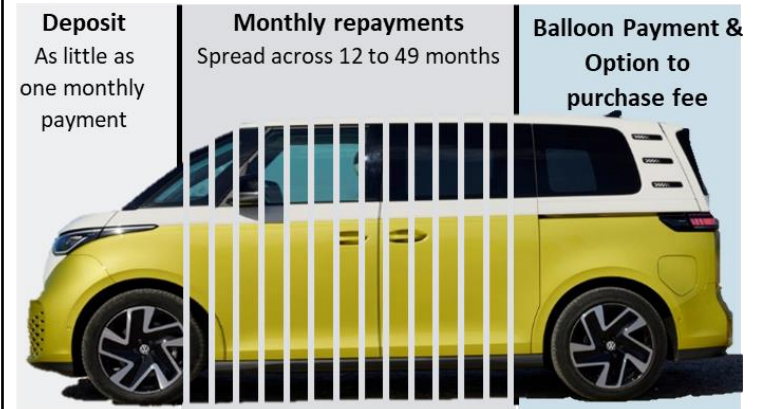
Volkswagen Financial Services (UK) Limited – Company Evolution



Volkswagen Financial Services (UK) Limited – Market UK

Retail Financing Products – Asset Based

	<u>Payment</u>	<u>Asset Ownership</u>	<u>Term</u>
<u>Standard Hire Purchase</u>	The customer pays for the cost of the product in equal monthly repayments	Asset ownership is retained by VWFS UK until after the payment of all outstanding monies due at the end of the agreement, which includes an option to purchase fee for the transfer of legal title	Term: 12 to 60* months.
<u>Solutions (Personal Contract Purchase)</u>	An equal monthly instalment profile followed by a final “ balloon ” at the end of the finance term with an option to pay the “balloon” and take ownership, refinance the “balloon” or return the vehicle.	Asset ownership is retained by VWFS UK until after the payment of all outstanding monies due at the end of the agreement and an additional option to purchase fee is paid in full as consideration for the transfer of legal title.	Term: 12 to 49 months
<u>Lease Purchase</u>	The customer pays for the cost of the product in equal monthly instalments followed by an option to pay or refinance the final “ balloon ” payment .		



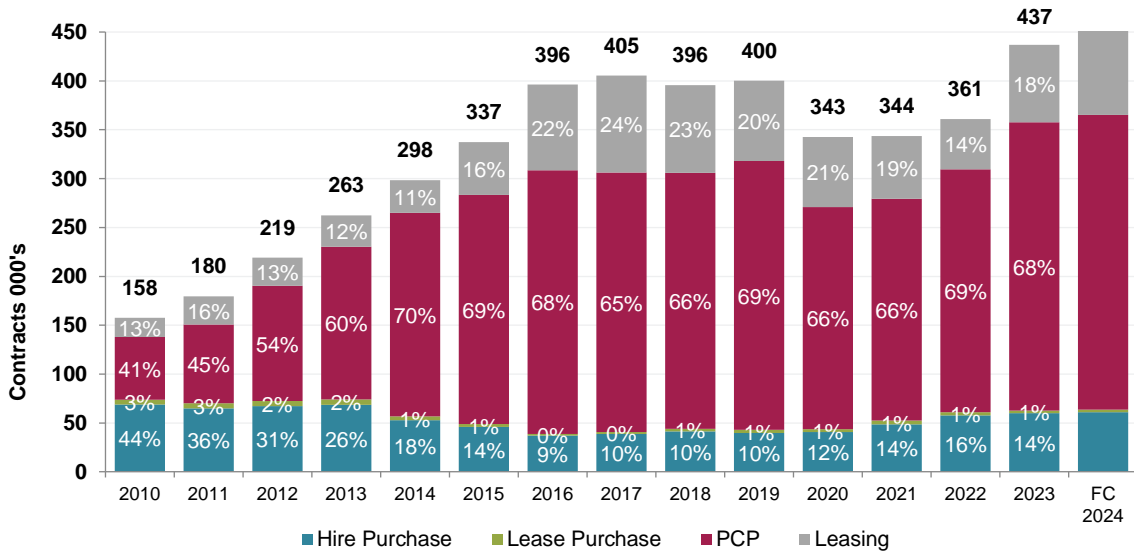
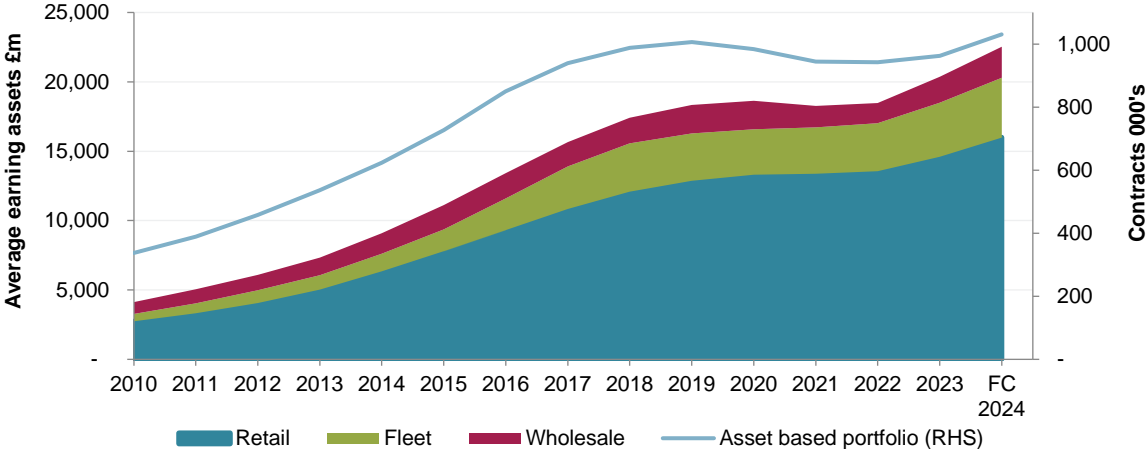
* Some campaigns for certain models allow for higher terms than 60 months, i.e. the “10 Year HP California” campaign or similar

All contracts take the legal form of a Hire Purchase agreement

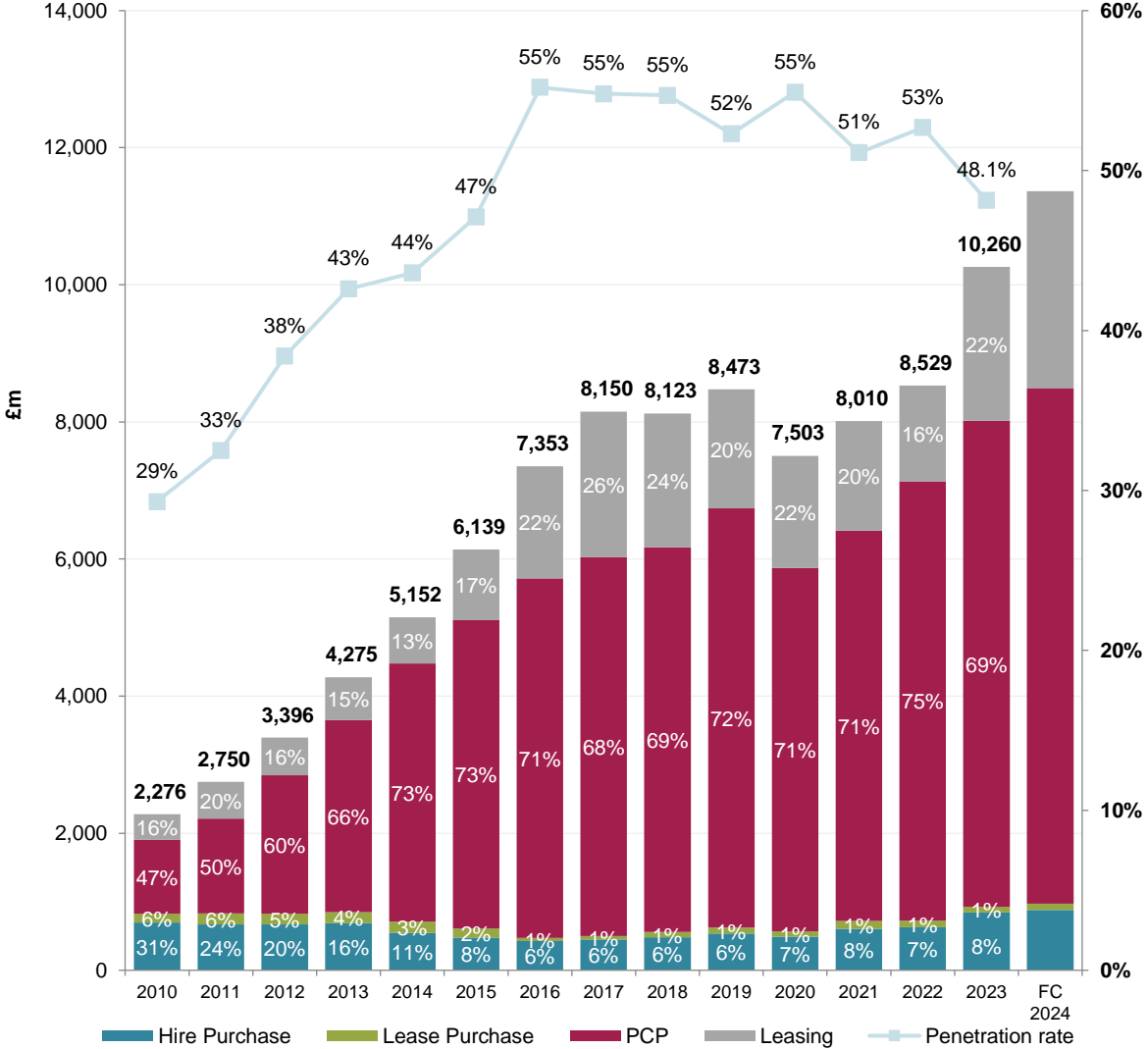
Volkswagen Financial Services (UK) Limited – Market UK

Key Portfolio Information

New Business – Contract Advances

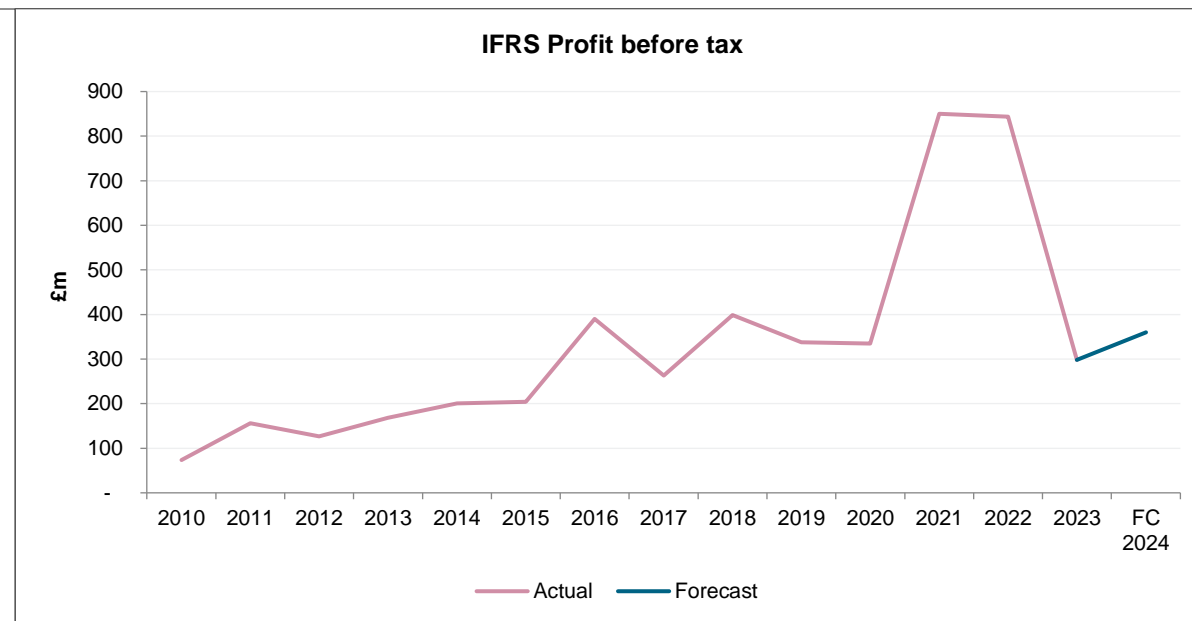
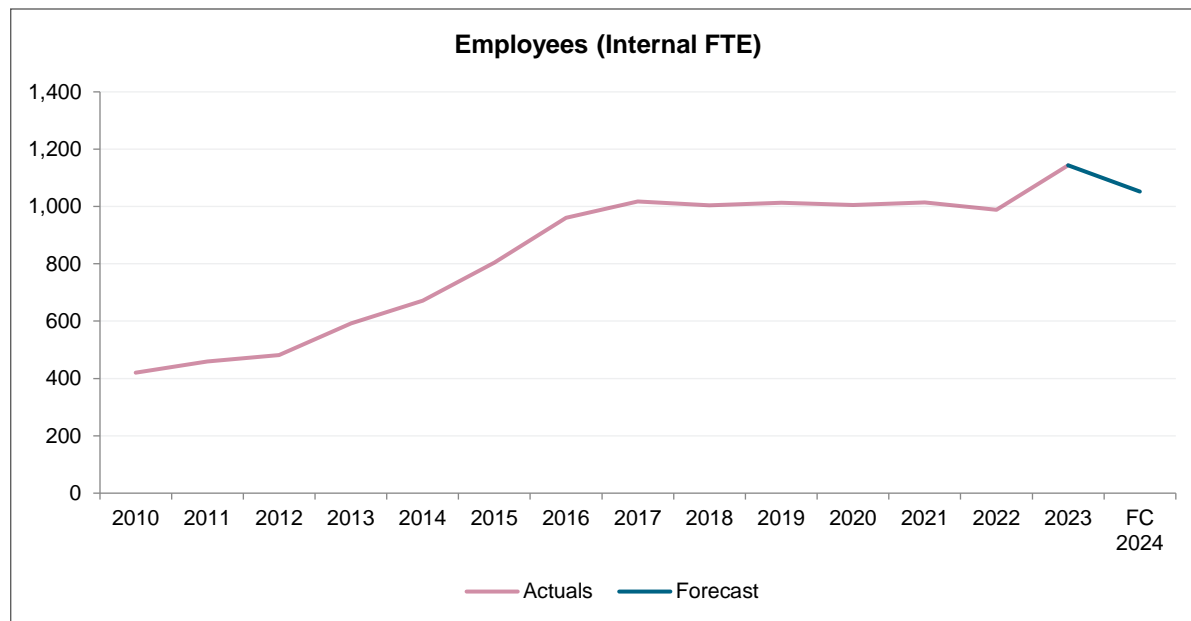


New Business – Contract Advances



Volkswagen Financial Services (UK) Limited – Market UK

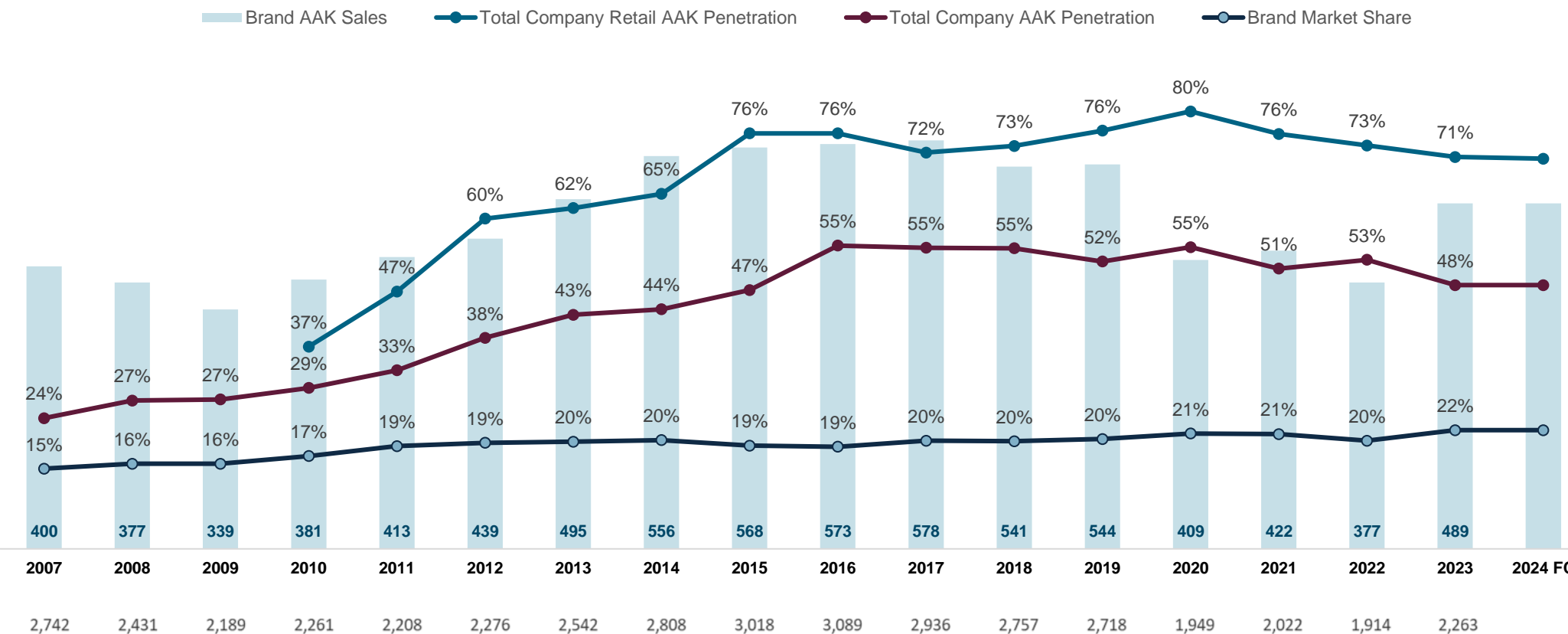
Key Portfolio Information



(2015 includes a £77m exceptional provision that was released in 2016. 2017 includes a change in the VT provision methodology to 'full life' as an embedded derivative resulting in an increased charge to the P&L of £52m. 2018-19 variation due to mark to market valuation of swaps. 2020 includes a provision as a result of Pandemic, a proportion of which was released in 2021. 2021 & 2022 includes exceptional disposal results arising from increases in RV's of vehicles. 2022 significant positive variation due to mark to market valuation of swaps. 2024 following unprecedented market conditions more typical performance is expected.

VWFS UK finance penetration performance update

The UK business has grown significantly, with penetration up 24.2% since 2007, and new car retail performance at 71.3% in 2023



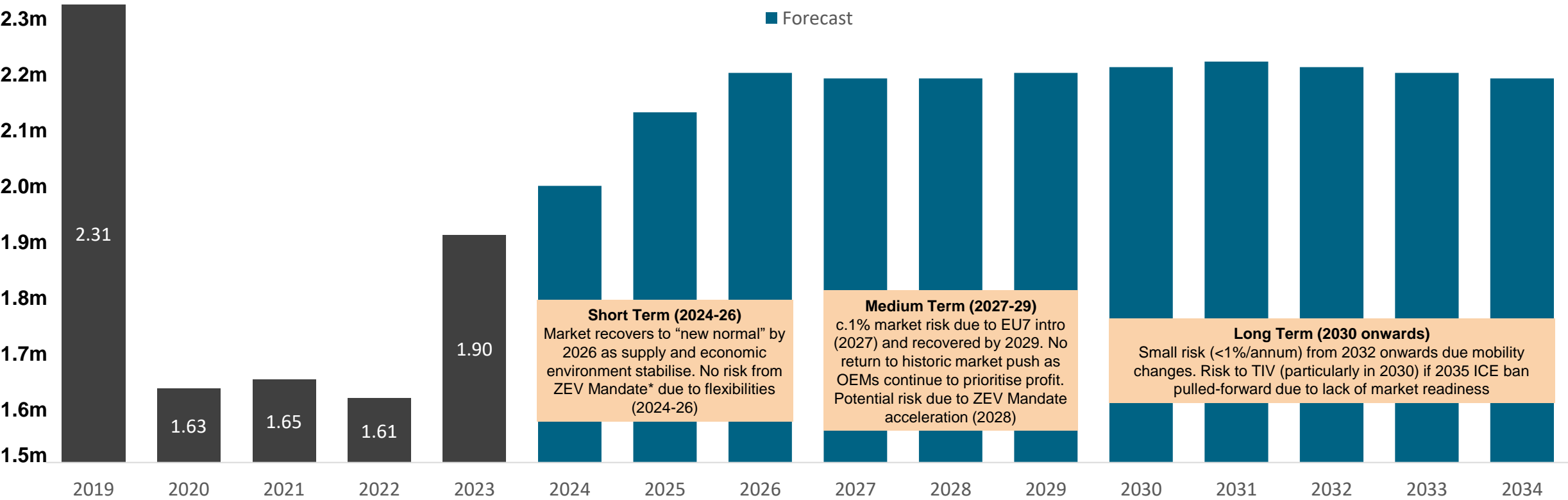
Notes

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

Long Term Total Market Outlook

Market forecast to continue to recover and saturate at “new normal” around 2.20m from 2026, albeit with EU7 introduction (2027) driving temporary market risk. Long term mobility changes driving softening from 2032 onwards

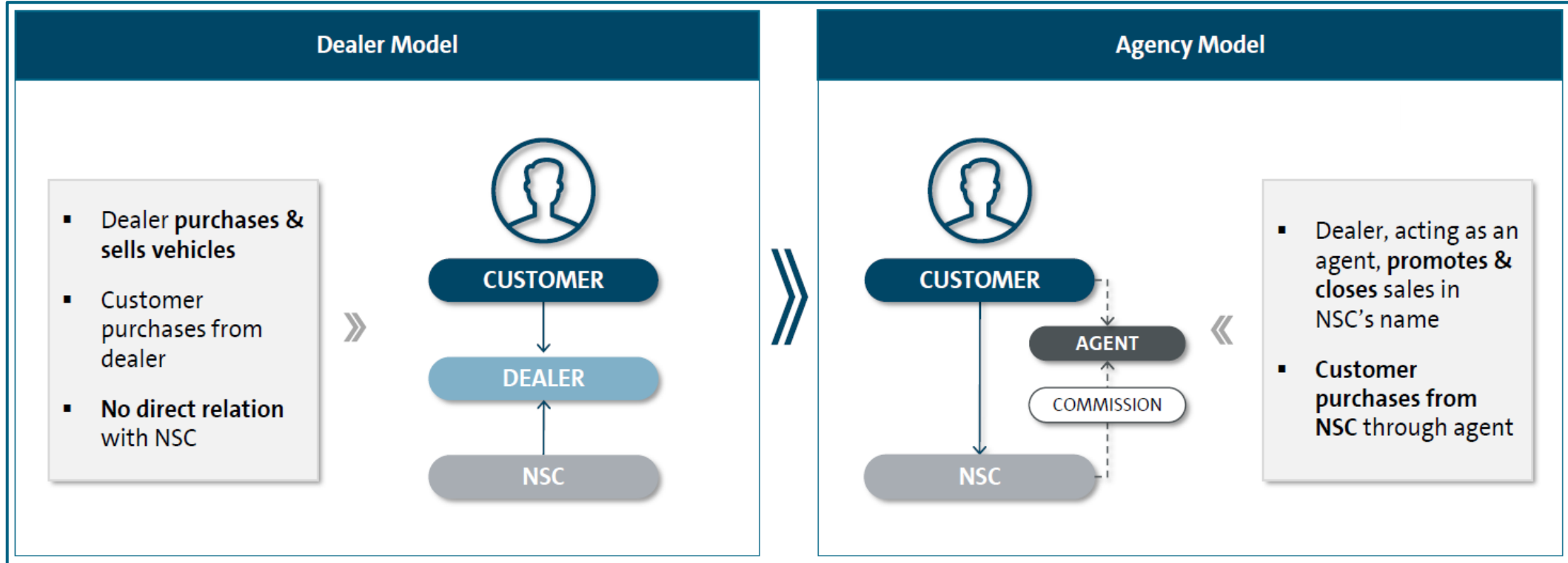


***ZEV Mandate: legal requirement for car manufacturers to meet targets for new EV sales in the UK for cars and vans**

2024: 22%/10%, 2025: 28%/16%, 2026: 33%/24%, 2027: 38%/34%, 2028: 52%/46%, 2029: 66%/58%, 2030: 80%/70%, 2035: 100%/100%

Business Model Transformation

VWFS UK and VWG are working together to revolutionise our business model – with a shift to an agency approach



The agency model shifts the risks and responsibilities in the current car buying model:



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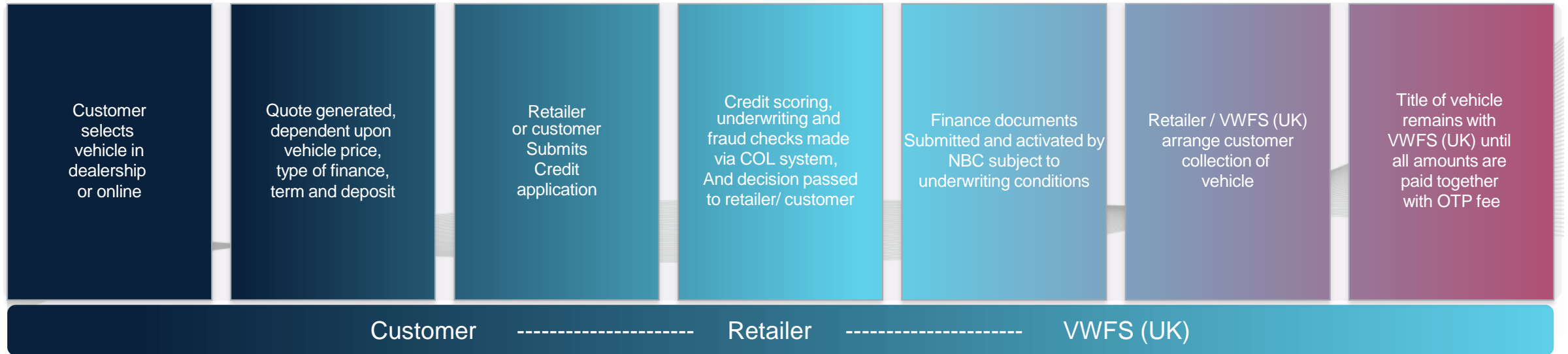
Section 4.1 VWFS (UK) Ltd.

Lending Policy



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 72% 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 Application Process

Rating & Scoring

- Multiple scorecards in use which are segmented by age of car and age of applicant.
- Dual CRA credit search in use (Experian [primary] & TransUnion).
- All consumer applicants are searched at Experian and processed through Scorecards. Secondary search at TransUnion is conditional based on primary score and the level of information returned.
- Applicants will be assigned a final risk band based on their score.
- Stability and performance of the scorecards is closely monitored and amended if necessary!

Affordability Check

- Assessment of customer affordability at point of application.
- Income data obtained from Experian.
- Customer asked to declare affordability and specifically if they are aware of any changes to income and expenditure that might challenge future affordability during the course of the loan agreement.
- Additional underwriter due diligence for all customers who have referred on affordability rules.
- Current rules have been tightened due to cost of living crisis. This has led to additional referrals for manual affordability checks.
- Upgrade to Experian's "Affordability IQ" tool in Q4 2024.
- New strategy will make use of Current Account Turnover data.

Credit Strategy & Credit Granting Rules

- Risk strategy guidelines set centrally at VWFS AG HQ.
- Local business policy and risk rules are hosted in the Decision Strategy solution and are managed by the Risk Team.
- If all credit rules are satisfied, application will auto approve.
- If auto approval is not possible, application will either ask the retailer for more information, refer out to a bespoke machine learning developed referral model or be referred to a manual underwriter.
- There are a comprehensive set of rules in place, including but not limited to:
 - Absolute & Proposal, Responsible Lending, Z Band, Borrower Units, Risk Rules, Affordability

Adv. Analytical Techniques and Machine Learning

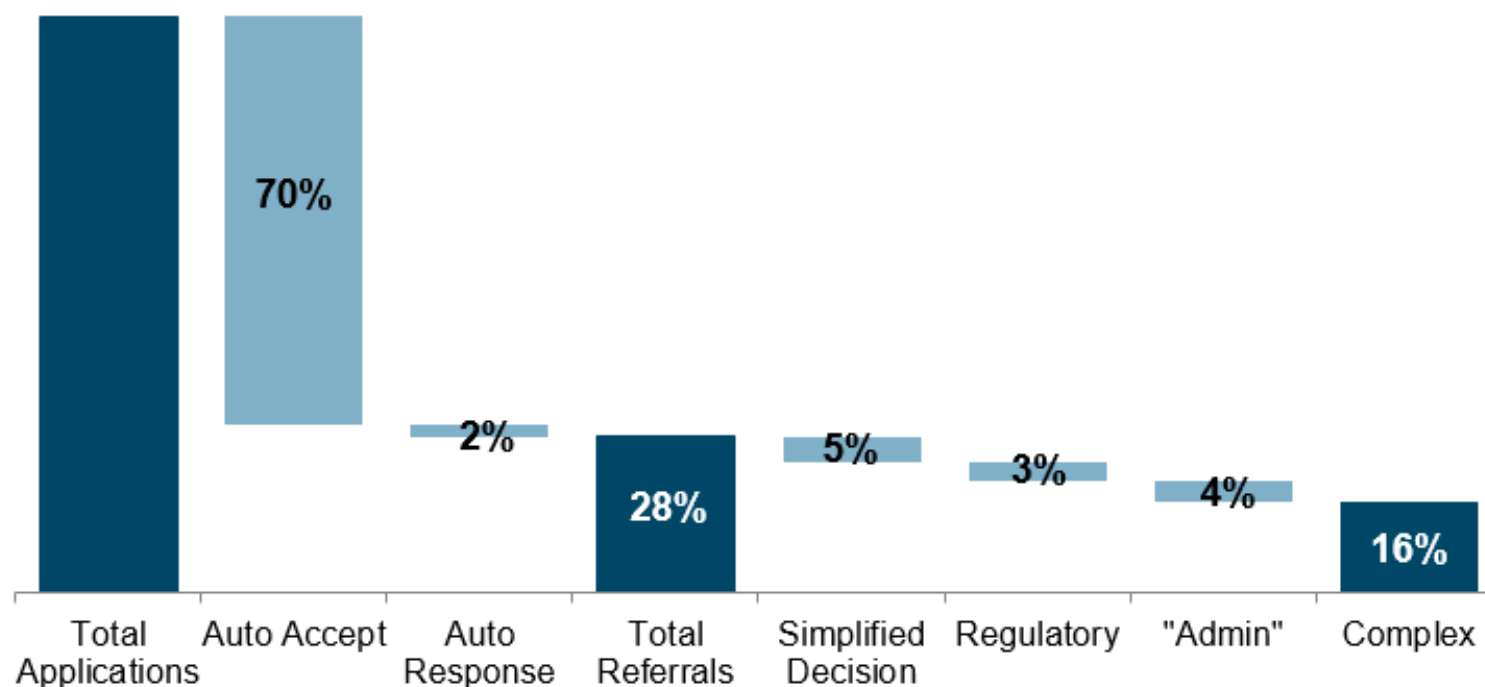
- VWFS credit risk strategy incorporates the use of models which have been developed using Machine Learning (ML) techniques
- These were introduced in July 2021; these are constrained models and have only been developed using ML techniques
- VWFS have worked with a market leading consultancy specialising in credit risk to develop strategies which will:
 - Increase automation of the underwriting process
 - Adopt a more data oriented approach to decisioning
 - Ensure more consistent customer outcomes
- **Benefits:** Optimised underwriter effort, Performance, Improved customer and dealer experience, regulatory compliance



Volkswagen Financial Services (UK) Limited – Underwriting

Performance of Strategy

- The credit risk strategy automates or simplifies the system response for over 80% of credit applications.
- 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 retailer and customer.



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

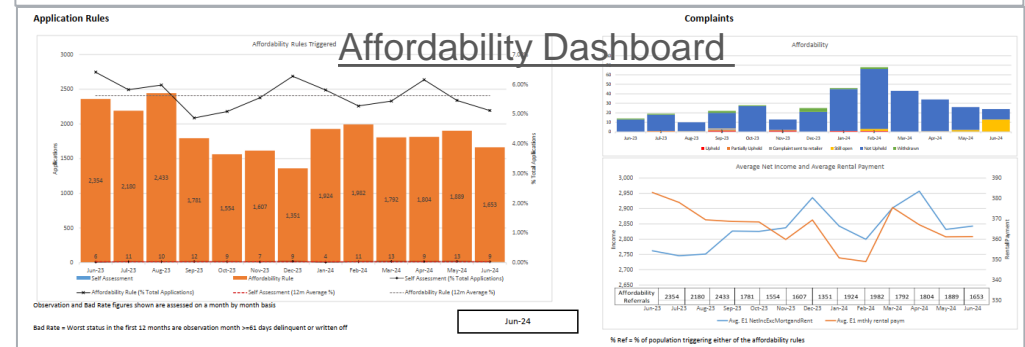
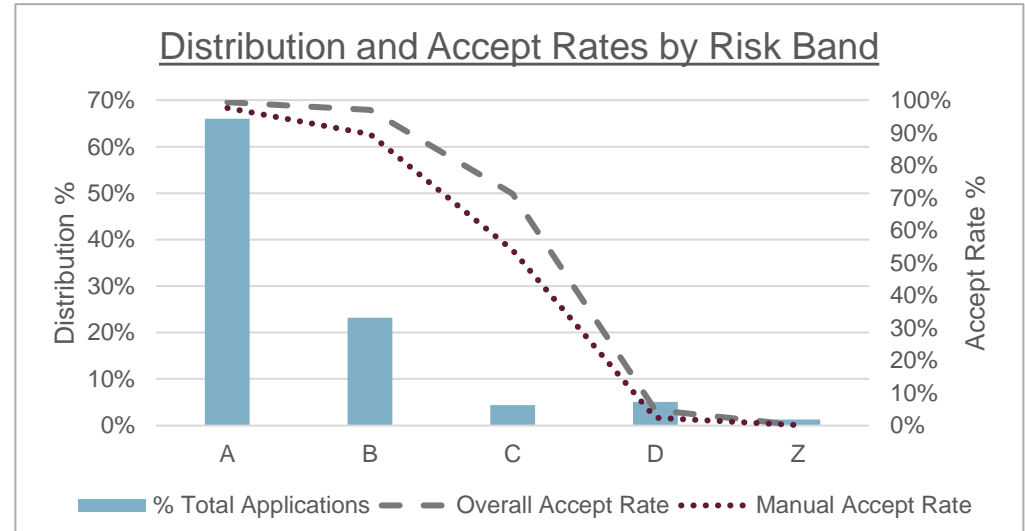
Regulatory = regulatory referrals, e.g. fraud, PEPS/Sanctions checks

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

“Admin” = Accept subject to manual checks of proof of identity and/or ability to pay

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 thresholds 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.



Observation and Bad Rate figures shown are assessed on a monthly by month basis

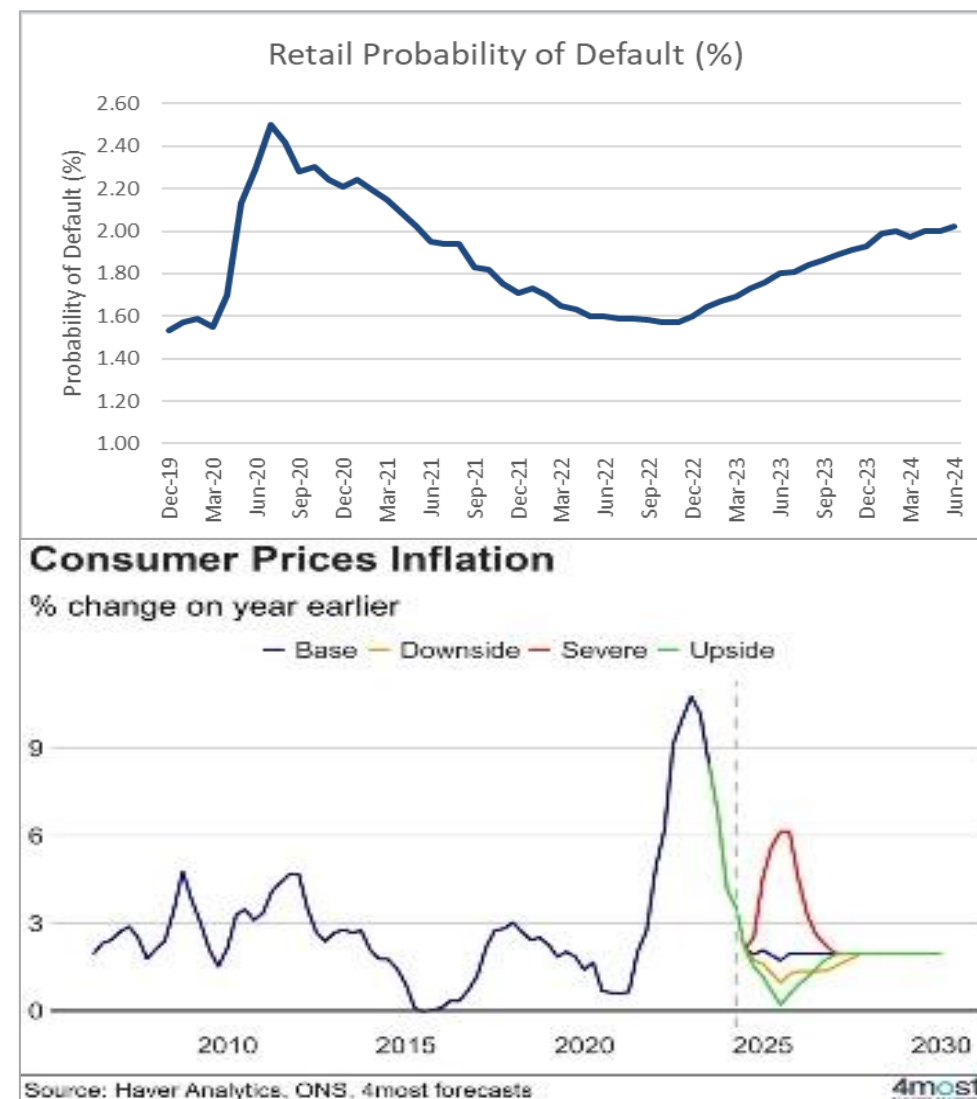
Bad Rate = Worst status in the first 12 months are observation month >=61 days delinquent or written off

Observation Month	Total Applications (Distribution)	Affordability Rules Hit	Retired	Student	Unemployed	Living with Parents/Relatives	Affordability Rules (% Total Apps)	Affordability Rules Accept Rate (%)	% Total Apps	% Ref	% Total Apps	% Ref	% Total Apps	% Ref	% Total Apps	% Ref	% Total Apps	% Ref	% Total Apps	% Ref
Jun-23	56,742	3,354	3,879	80	87	5,607	4.41%	82.18%	10.21%	6.88%	0.27%	1.82%	0.06%	0.12%	0.12%	0.00%	0.00%	0.00%	0.00%	0.00%
Jul-23	37,485	2,180	3,241	104	81	5,667	5.82%	79.72%	8.99%	4.78%	0.28%	0.89%	0.22%	0.30%	0.13%	0.13%	0.00%	0.00%	0.00%	1.23%
Aug-23	40,778	2,479	4,147	109	89	6,111	5.87%	86.91%	10.20%	6.06%	0.29%	1.41%	0.11%	0.09%	0.11%	0.00%	0.00%	0.00%	0.00%	1.11%
Sep-23	36,959	2,781	3,874	63	69	5,453	4.87%	77.99%	9.95%	3.76%	0.23%	0.54%	0.07%	0.05%	0.05%	0.00%	0.00%	0.00%	0.00%	1.91%
Oct-23	30,358	3,354	2,881	88	75	4,814	5.09%	79.15%	8.69%	4.18%	0.22%	0.68%	0.25%	0.40%	0.08%	0.13%	0.00%	0.00%	0.00%	0.62%
Nov-23	28,885	3,007	2,879	72	51	4,562	5.54%	79.87%	9.91%	4.52%	0.25%	0.56%	0.16%	0.32%	0.12%	0.00%	0.00%	0.00%	0.00%	0.43%
Dec-23	21,957	3,351	1,824	87	42	3,565	6.27%	75.93%	8.66%	3.37%	0.40%	4.90%	0.19%	1.24%	0.62%	0.00%	0.00%	0.00%	0.00%	0.51%
Jan-24	13,122	3,324	1,139	101	71	3,960	5.91%	73.69%	8.67%	3.00%	0.21%	0.75%	0.21%	0.27%	0.09%	0.00%	0.00%	0.00%	0.00%	0.11%
Feb-24	37,611	3,682	4,481	109	79	5,424	5.27%	78.91%	11.84%	4.98%	0.29%	0.59%	0.20%	0.33%	0.14%	0.07%	0.00%	0.00%	0.00%	1.44%
Mar-24	32,892	3,792	3,680	70	83	4,714	5.83%	78.73%	10.49%	4.38%	0.21%	0.71%	0.29%	1.22%	0.24%	0.00%	0.00%	0.00%	0.00%	0.00%
Apr-24	29,314	3,804	3,021	69	64	4,344	6.13%	78.77%	10.27%	5.18%	0.23%	0.51%	0.23%	1.01%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%
May-24	34,850	3,889	3,874	71	71	5,234	5.85%	73.28%	11.29%	4.67%	0.21%	1.01%	0.21%	0.11%	0.11%	0.00%	0.00%	0.00%	0.00%	0.00%
Jun-24	33,307	3,653	3,529	88	74	4,810	5.17%	89.21%	10.92%	4.18%	0.29%	1.43%	0.21%	0.46%	0.14%	0.00%	0.00%	0.00%	0.00%	0.00%
Grand Total	432,603	26,304	46,426	1,149	900	65,969	5.82%	77.40%	10.27%	3.84%	0.27%	1.33%	0.21%	1.22%	0.25%	0.49%	0.05%	0.14%	0.97%	1.49%

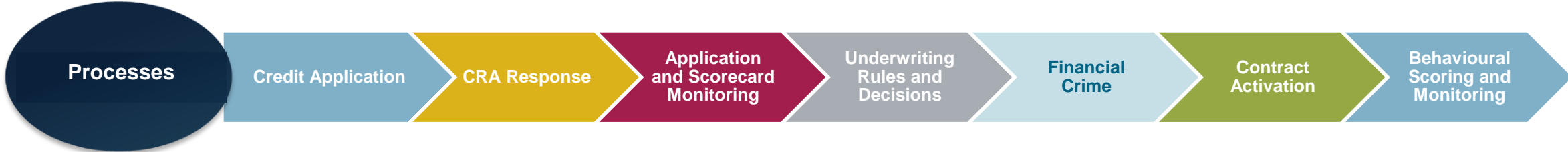
Volkswagen Financial Services (UK) Limited – Underwriting

Credit Outlook – Cost of Living and Impact on Portfolio

- The impact of the cost of living crisis is monitored closely through regular analysis of the live portfolio and the credit profile of new applicants.
- The portfolio Probability of Default (PD) had returned to pre pandemic levels, however a deterioration in 2023/2024 has been observed.
- The PD shown includes default cases with 100% PD.
- The default ratio has grown due to regulatory advice around supporting customers through financial difficulty. The expectation is for this to improve overtime.
- The economic outlook should also support this, with overall inflation back at the government’s target rate but acknowledging that core inflation is still elevated.
- The overall credit profile of new applicants has deteriorated slightly due to the impact of the cost of living crisis and higher used vehicle volumes, resulting in a reduction in the overall accept rate.

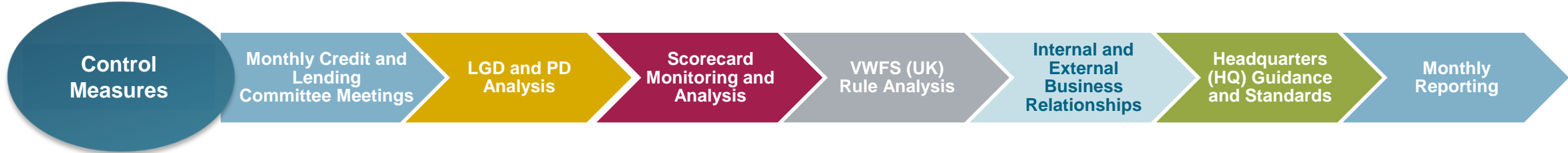


Volkswagen Financial Services (UK) Limited – Underwriting Summary



Sales > Controlling > Finance > Development > IT > HQ > Experian > TransUnion > External Consultants

Risk Management Governance



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Section 4.2 VWFS (UK) Ltd.

Customer Operations



Future Customer Experience

Our newly formed programme is designed to align and focus work across the organisation for those moments where customers interact with our employees, systems, channels and products; further driving positive outcomes

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



Process Simplification and Automation – automation of processes 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.

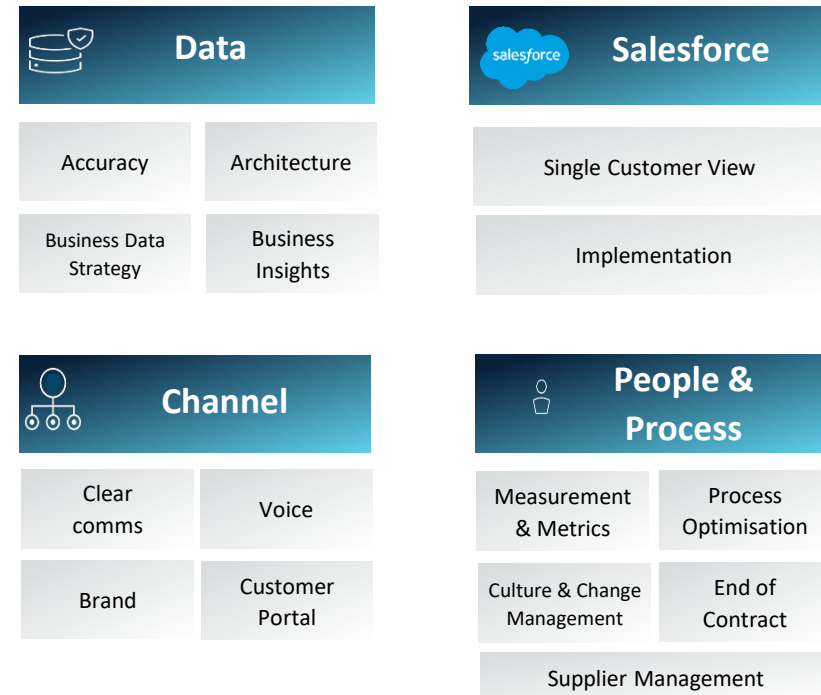


Skilled Teams – support all of our customer facing teams with the information that they need to provide an enhanced, integrated and aligned omni-channel customer experience.



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

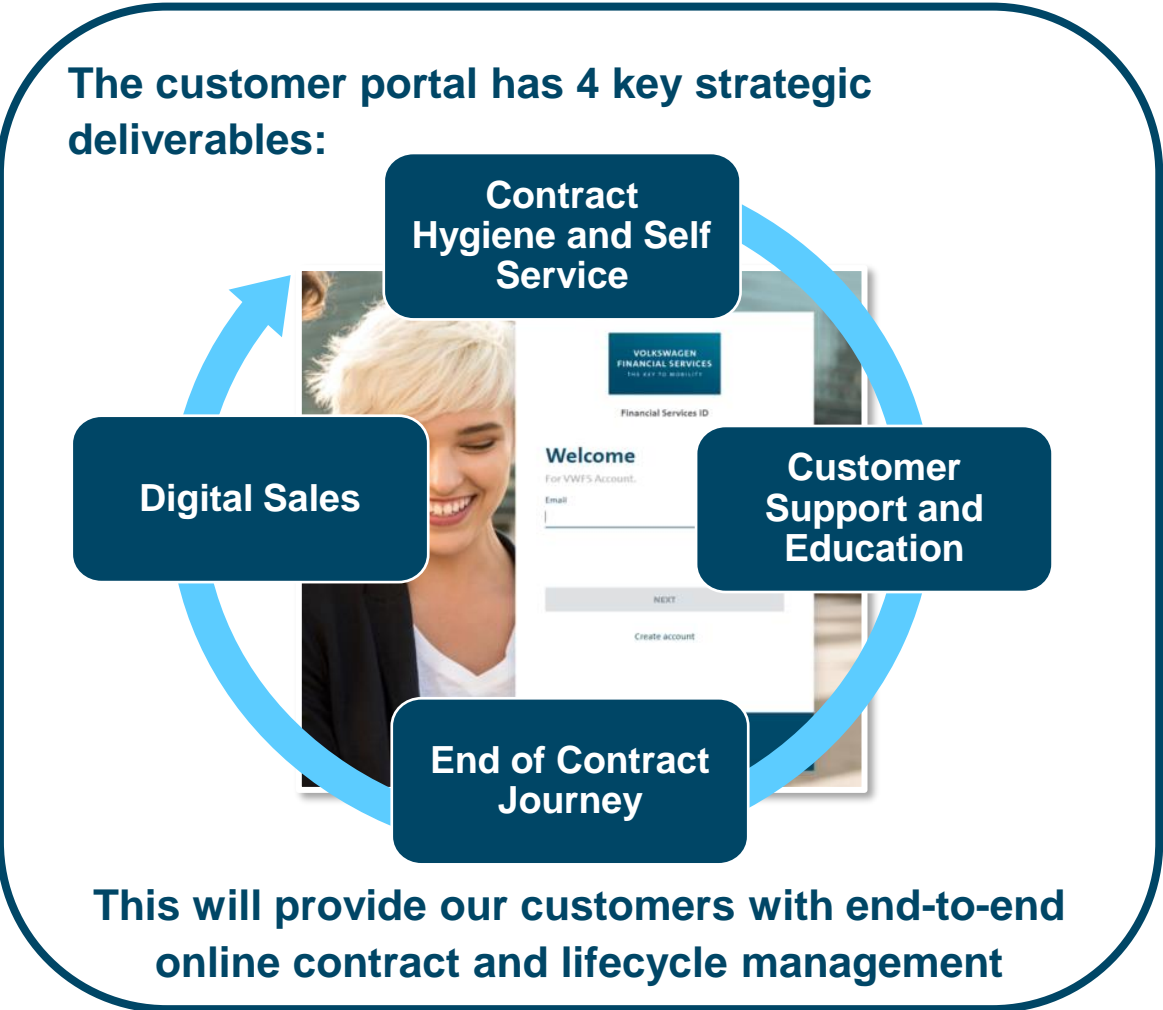
We have 15 work packages defined:



The programme is aligned to deliver against the 'customer and loyalty' pillar in Mobility 2030

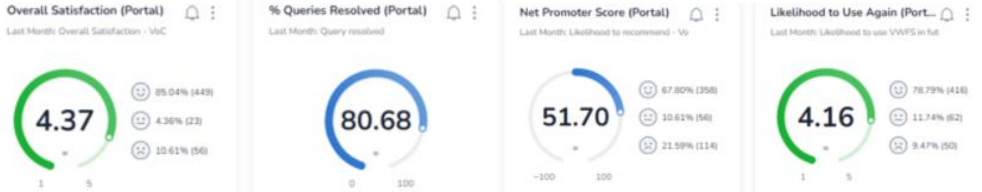
Customers in control

Our online portal provides our customers contact choice with the ability to self-serve and access information proactively; generating more valuable human interactions



And we are already seeing value from all 4:

- Since launch at the end of 2019, over **1.1m** customers have signed up. In 2023, we exceeded 1 million online actions and interactions from our Customers in a single year for the first time.
- Customer satisfaction is improving with over **80%** of Portal customers surveyed resolving their query first time



- Since 2022 over **260k** customers have visited the end of contract journey pages with **13k** Online refinance requests and **30k** leasing extensions being completed
- Our Renewals Matchmaker tool launched in mid 2023 and have seen over **3k** Leads generated to our Network with approaching **700** Renewals activated so far

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 quality and regulatory assurance

Regulatory assurance and delivering good customer outcomes



Confidently in control

- Rigor and controls throughout structure including quality and assurance checks through the customer journey
- Regulated training, including monitoring
- Strong customer centric approach to complaint management and collaboration with regulators



Regulatory compliance

- Continuous development of policies, processes and behaviors, including colleague comms of responsibilities
- Adherence to FCA regulation, whilst maintaining governance of high risk items
- 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
- Continuous development of our channel and service proposition



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 maximize efficiency
- Multi-channel contact methods
- Supplier management governance



Treating all customers fairly

- Continuous assessment and review of all processes, governance, training material and procedures
- Our website and customer comms review is underway for accessibility
- Continue to engage with FCA on the fair treatment of vulnerable customers

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Section 4.3 VWFS (UK) Ltd.

Residual Value Management and Remarketing



Volkswagen Financial Services (UK) Limited – Residual Values

Residual Value Committee

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

- The VWFS (UK) Residual Value Committee consists of stakeholders from across the business
- The Committee 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
- Standalone RV Committee meetings for Non-VW Group (Multi-marque) Reviews (Quarterly)
- Asset Risk Management provides the analysis for review and ratification
- Standing items are discussed and included in RV Committee minutes, these include emerging risks and market updates

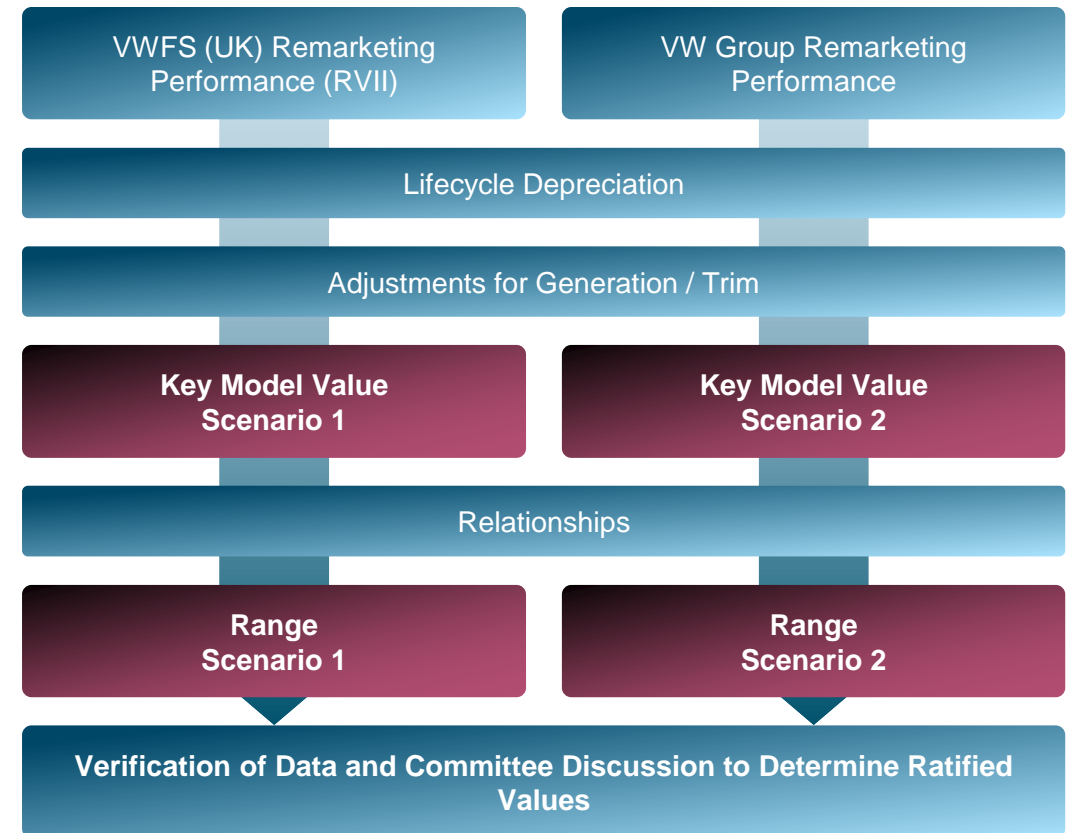


Volkswagen Financial Services (UK) Limited – Residual Values

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 Committee then discusses the data, using additional data to verify the decision.



Volkswagen Financial Services (UK) Limited – Residual Values

Residual Value Monitoring

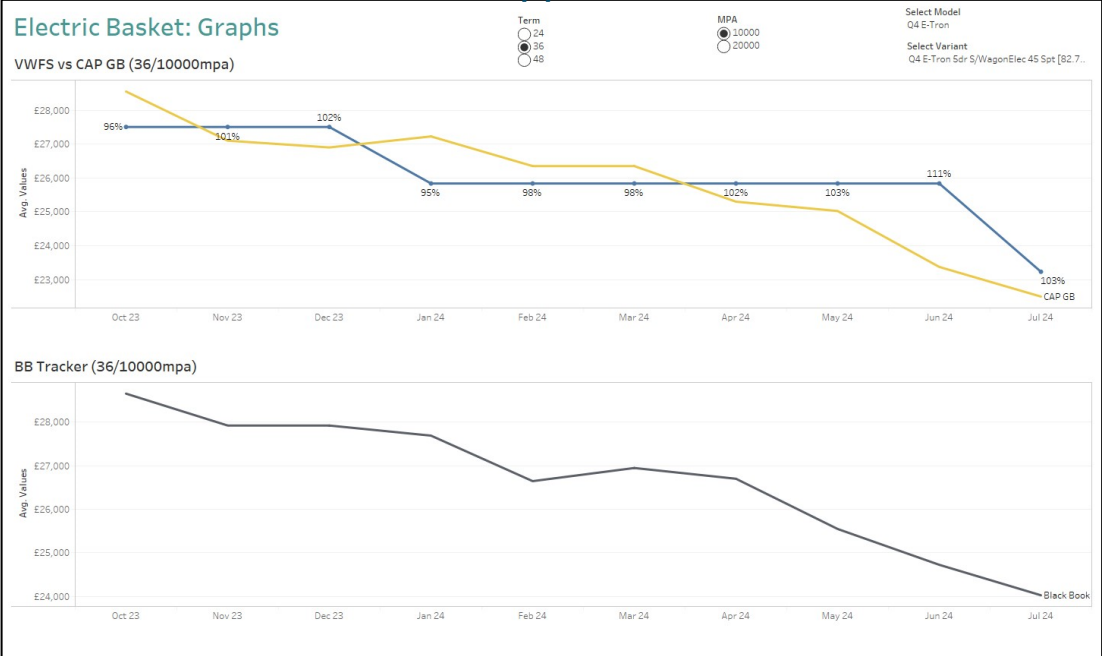
“A robust monitoring process constantly ensures that our residual values reflect our risk appetite whilst protecting the future profitability of returning used vehicle stock.”

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.



CAP	Q4 - Using 100% Q4 1link	Proposed	Current	Chanc	List	% Lis	CAP GB May	Prop % CAP	Current RV % CAP
C103524	Q4 E-Tron Sdr S/WagonElec 40 Spt [82.77kWh] [Lthr] [T PK] Auto 204ps (2021-)	£22,002	£24,607	£2,605	£51,410	44%	£22,805	95%	108%
C103525	Q4 E-Tron Sdr S/WagonElec 40 Spt [82.77kWh] [Lthr] [T PK] Auto 204ps (2021-)	£22,653	£25,257	£2,604	£51,410	44%	£23,325	97%	108%
C103829	Q4 E-Tron Sdr S/WagonElec 45 Spt [82.77kWh] [Lthr] Auto 286ps (2021-)	£23,233	£25,837	£2,604	£50,440	46%	£25,025	93%	103%
C102844	Q4 E-Tron Sdr S/WagonElec 40 S-Line [82.77kWh] [Lthr] [T PK] Auto 204ps (2021-)	£23,516	£26,119	£2,603	£50,440	46%	£24,260	97%	108%
C103830	Q4 E-Tron Sdr S/WagonElec 45 Spt [82.77kWh] [Lthr] [T PK] Auto 286ps (2021-)	£23,883	£26,487	£2,604	£51,935	46%	£25,525	94%	104%
C103838	Q4 E-Tron Sdr S/WagonElec 45 Quattro Spt [82.77kWh] [Lthr] Auto 286ps (2021-)	£24,106	£26,710	£2,604	£51,870	46%	£25,800	93%	104%
C102845	Q4 E-Tron Sdr S/WagonElec 40 S-Line [82.77kWh] [Lthr] [T PK] Auto 204ps (2021-)	£24,165	£26,769	£2,604	£53,960	45%	£24,750	98%	108%
C103526	Q4 E-Tron Sdr S/WagonElec 40 Spt [82.77kWh] [Lthr] [T PK] Auto 204ps (2021-)	£24,553	£27,157	£2,604	£54,210	45%	£24,950	98%	108%
C103832	Q4 E-Tron Sdr S/WagonElec 45 S-Line [82.77kWh] [Lthr] Auto 286ps (2021-)	£24,745	£27,349	£2,604	£52,990	47%	£26,450	94%	103%
C103839	Q4 E-Tron Sdr S/WagonElec 45 Quattro Spt [82.77kWh] [Lthr] [T PK] Auto 286ps (2021-)	£24,756	£27,360	£2,604	£53,365	46%	£26,300	94%	104%
C103527	Q4 E-Tron Sdr S/WagonElec 50 Quattro Spt [82.77kWh] [Lthr] Auto 299ps (2021-)	£24,840	£27,444	£2,604	£56,295	44%	£26,150	95%	105%
C102850	Q4 E-Tron Sdr S/WagonElec 40 Black Edtn [82.77kWh] Auto 204ps (2021-)	£25,015	£27,619	£2,604	£54,715	46%	£25,200	99%	110%

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

Residual Values

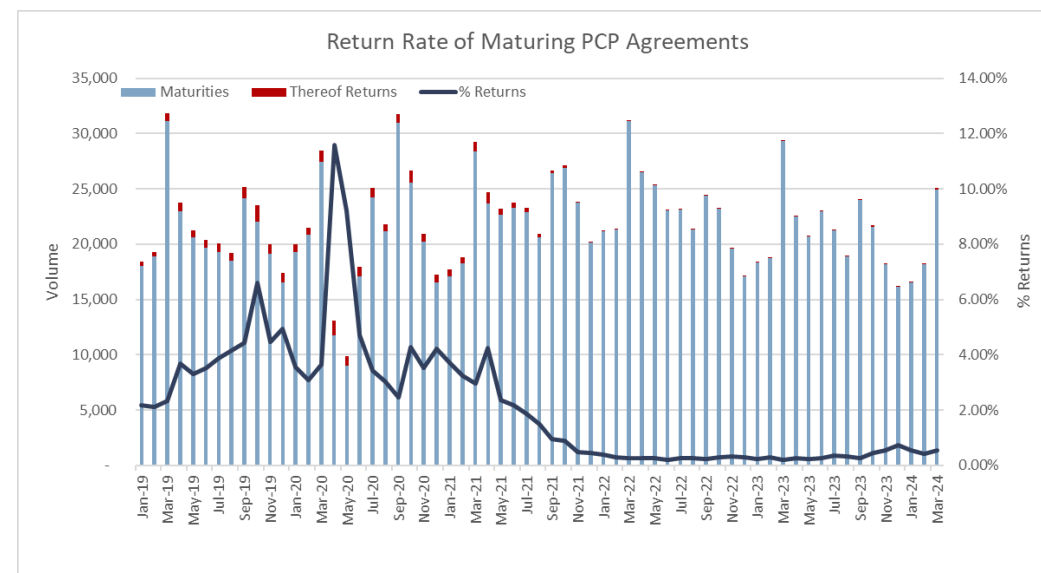
“The performance of live agreements and the market in general is monitored on a continual basis to ensure that any developing risks are identified early and appropriate action taken.”

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 very low levels over the last few years as the used car market has retained its strength due to historic supply constraints.

As some form of normality returns, it is expected that used values will erode, along with overall equity positions, which should mean that both VT and PCP volumes will increase. There is no current expectation for a sudden, dramatic increase but instead a gradual increase as used vehicle supply works its way back into the industry.



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”

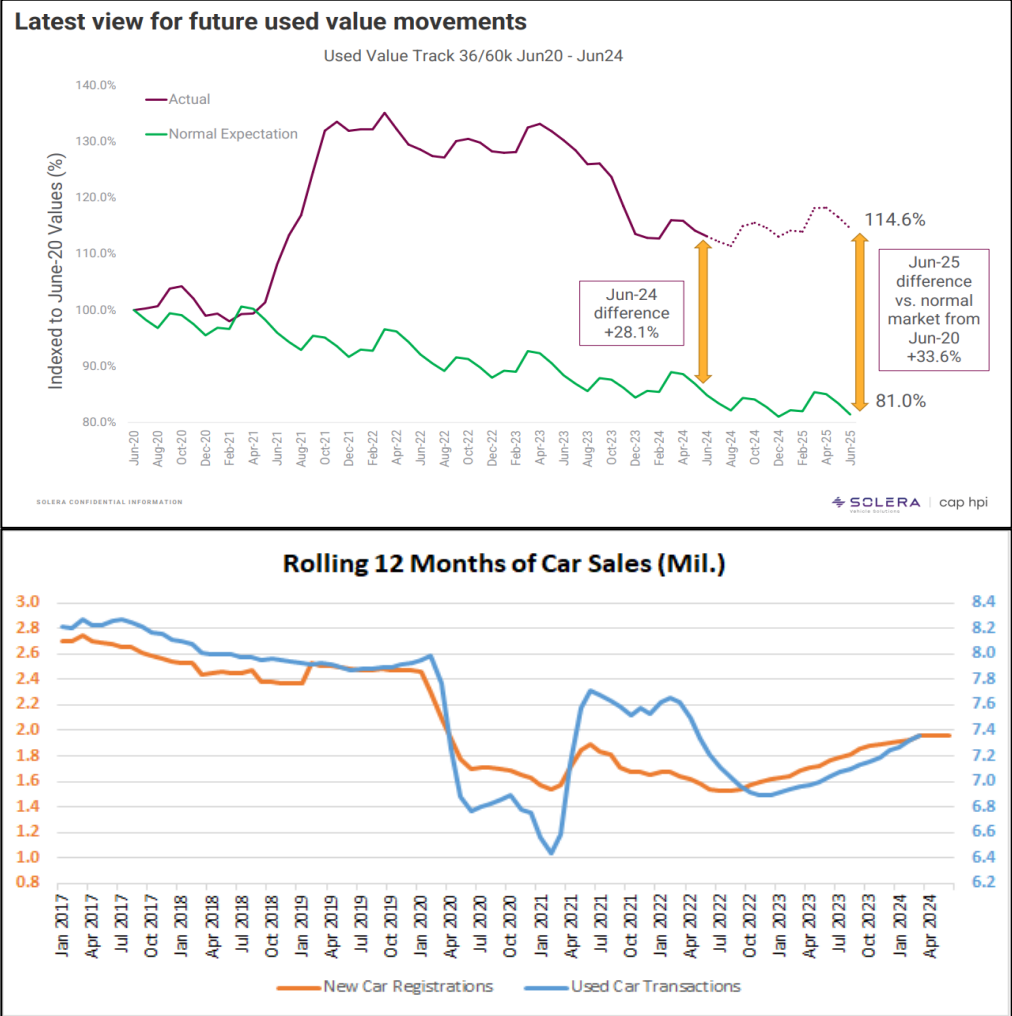
The graph to the right is a representation of the strength in the used car market over recent years. It shows the above trend performance seen across the industry and is not limited to certain brands or model lines.

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 £18,292 in July 2024 (mix is a factor here but illustrates the changes observed).

Supply has recovered from the shortages seen in recent times, however the addition of ZEV mandate complexity with regards to overall volume and mix are yet to be manifested in the used market. Despite these new factors, the used market has shown consistent signs of returning to a ‘new normal’, VWFS has returned our RV setting approach to reflect the entirety of used market movements going forwards in our range proposals. This limits our exposure to a reducing market.



Volkswagen Financial Services (UK) Limited – Remarketing

Remarketing Strategy

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

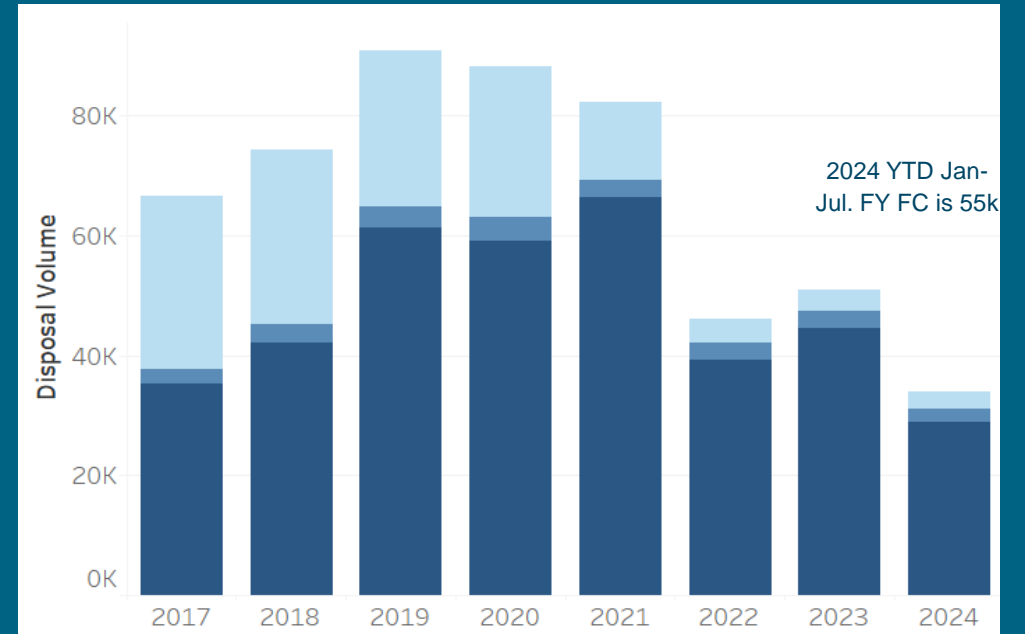
The protection of Residual Values for both new contracts and the existing PCP portfolio is paramount to the Remarketing strategy and our main objective is to achieve the best possible selling price for every vehicle.

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 it's 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 minimising movements of vehicles and the associated costs including environmental impact.

Remarketing are using Heycar to advertise VWFS stock directly to the consumer and investing in alternative e-commerce channels with the aim of increasing our presence in the direct to consumer marketplace.



As the used car market has normalised following the pandemic, average values per unit have reduced from a high of £19.4k in 2022 to £18.2 in 2024

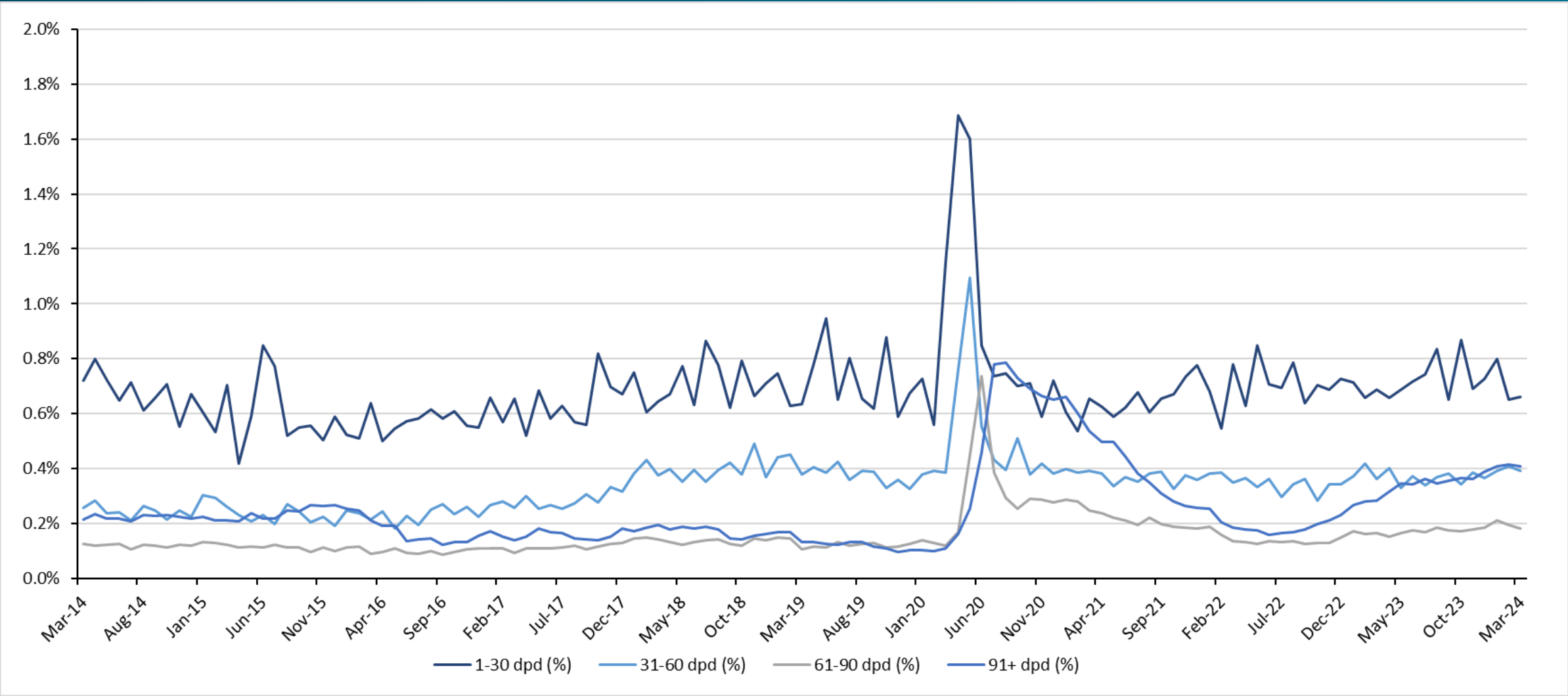
The profile of Remarketing disposals has shifted as the first generation BEV's have started to return to the used car market in volume. YTD 2024 has seen a 4-fold increase in Battery Electric Vehicle (BEV) disposals since 2022 and will continue to grow as VWG work towards reaching ZEV mandate targets.



Section 5
VWFS (UK) Ltd.
Historical Performance Data

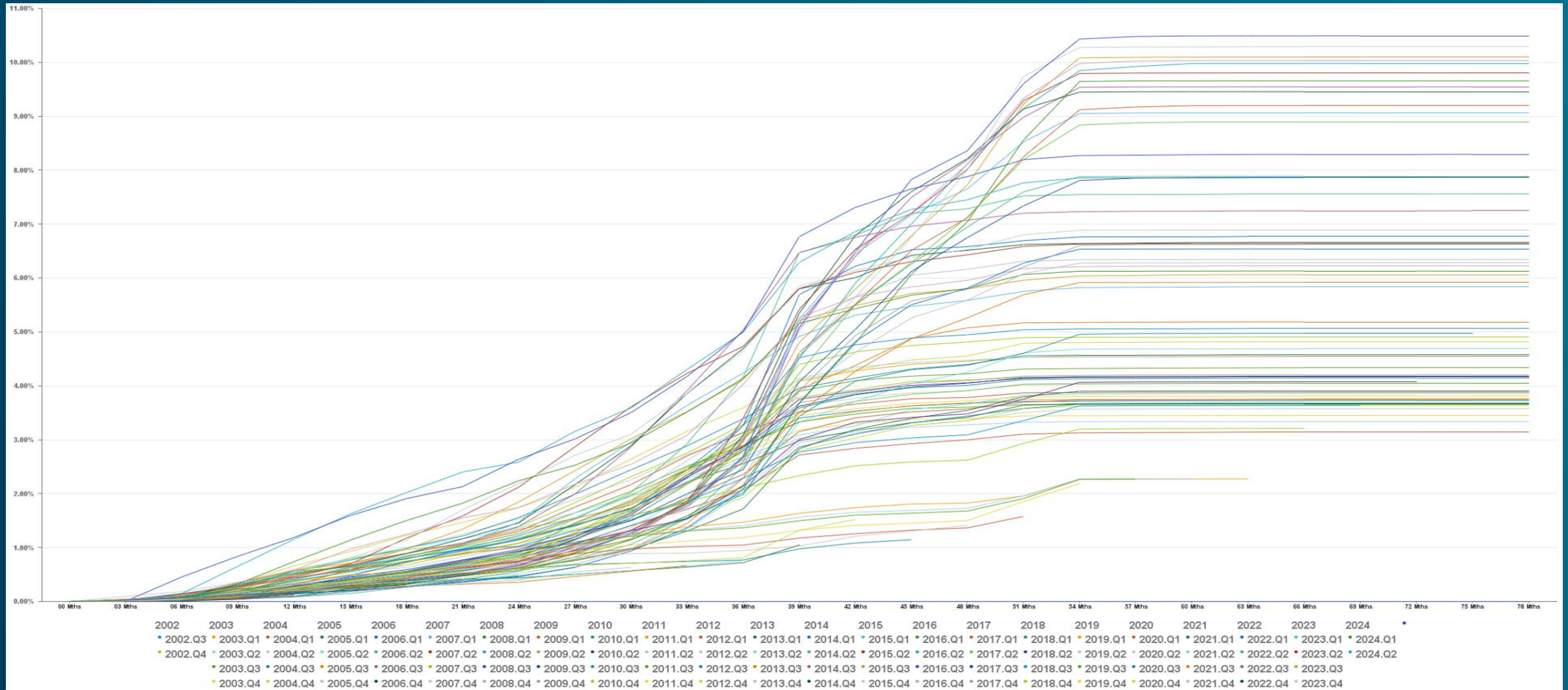
Dynamic Delinquencies – 03.2014 – 03.2024

HP, PCP, LP



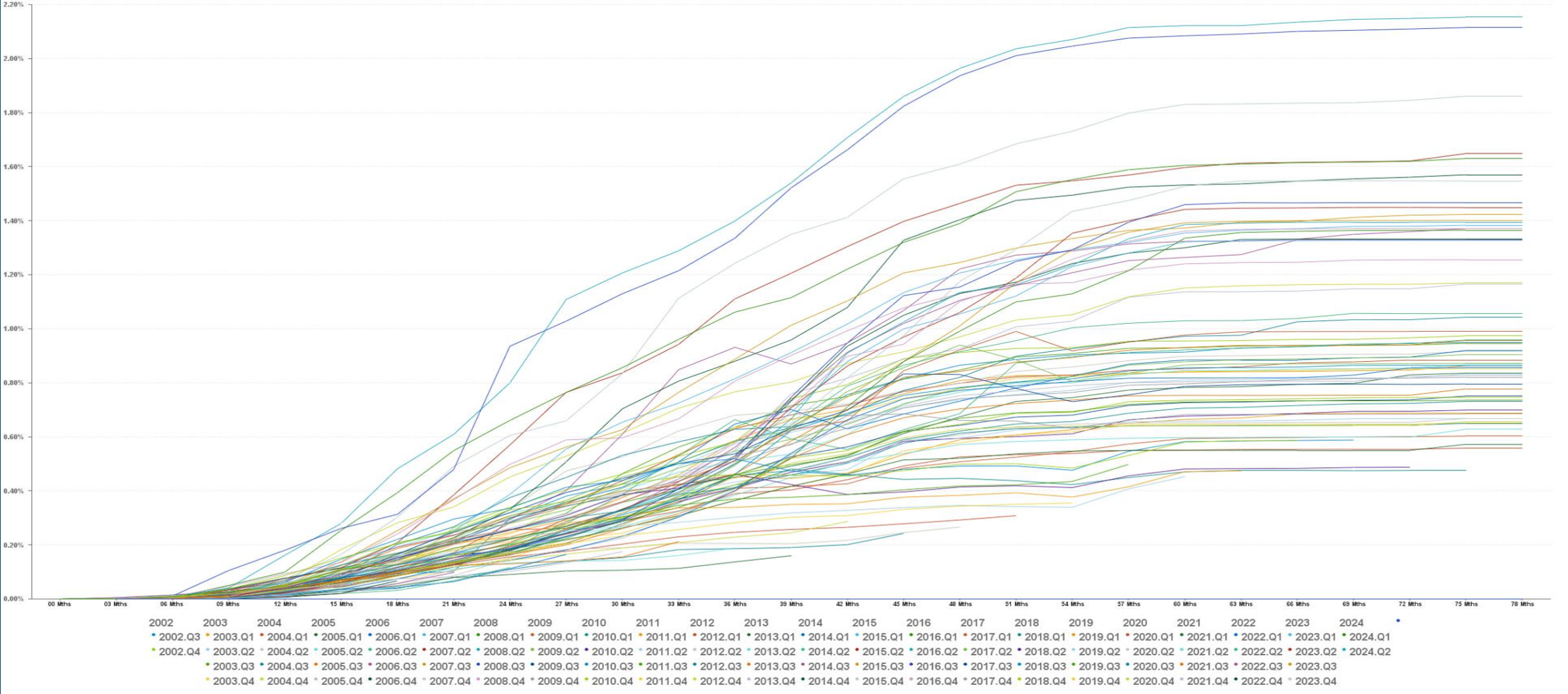
Vintage Loss Curves – Gross Loss – Q3.2002 – Q2.2024

HP, PCP, LP

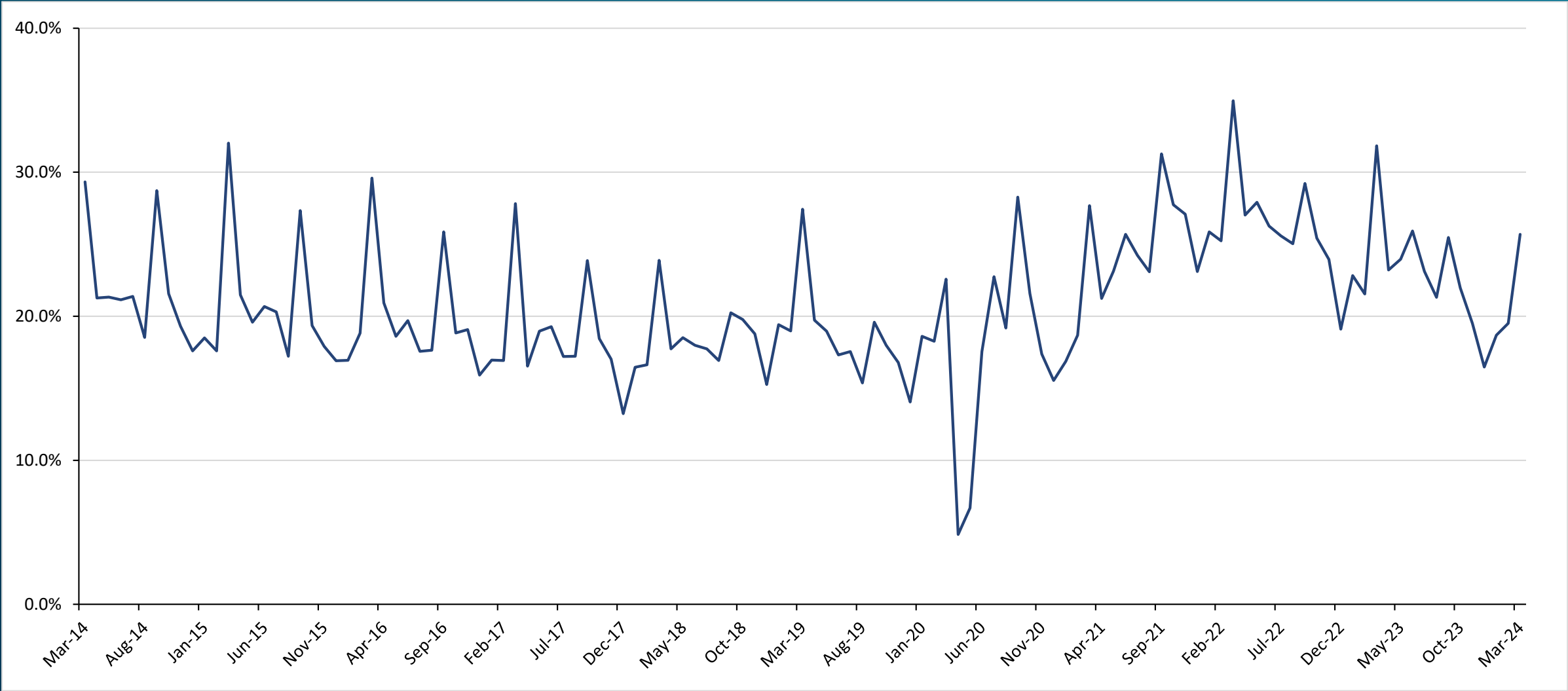


Vintage Loss Curves – Net Loss – Q3.2002 – Q2 2024

HP, PCP, LP



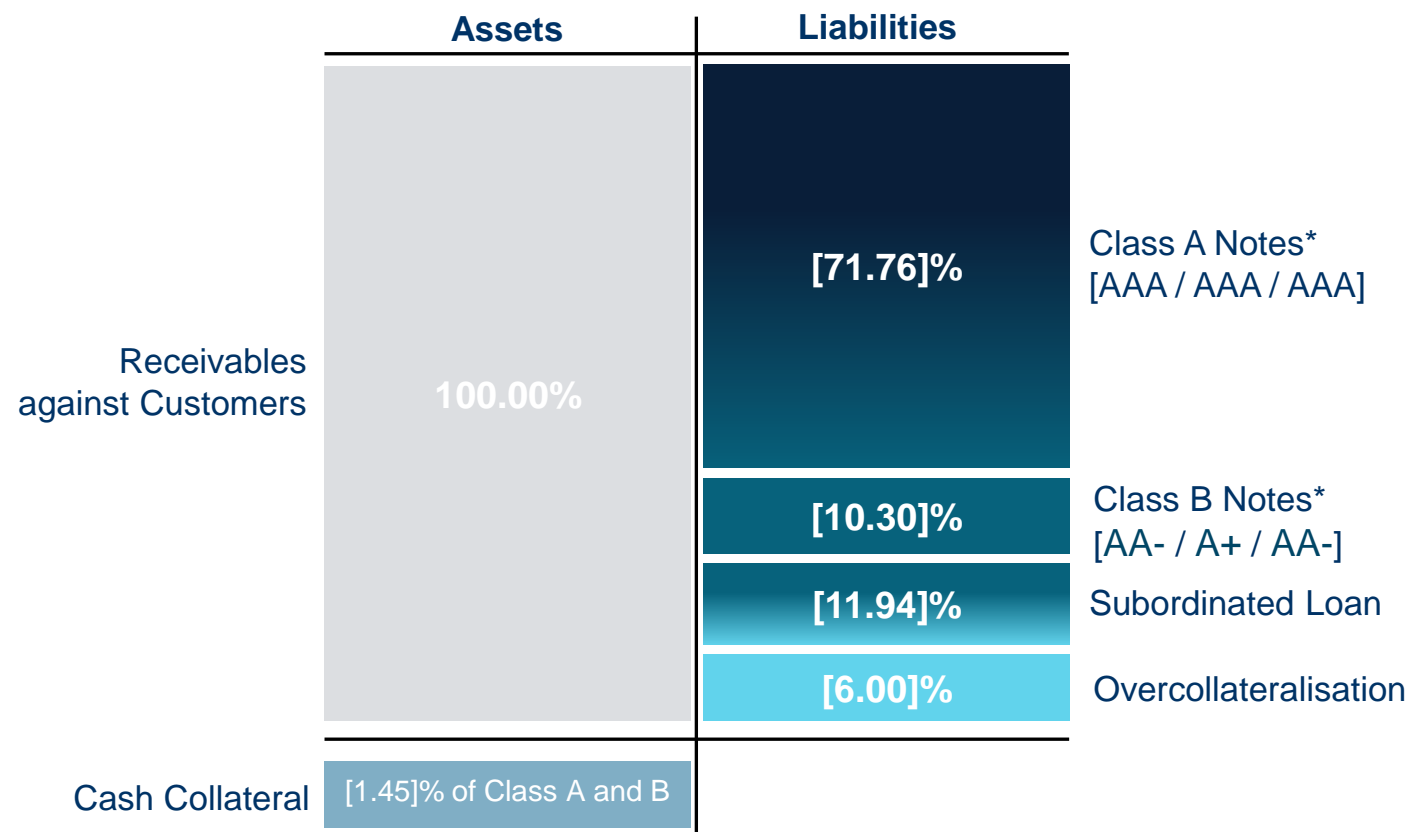
Annualised Prepayment Rates – 03.2014 – 03.2024



Section 6 Transaction Details and Structure



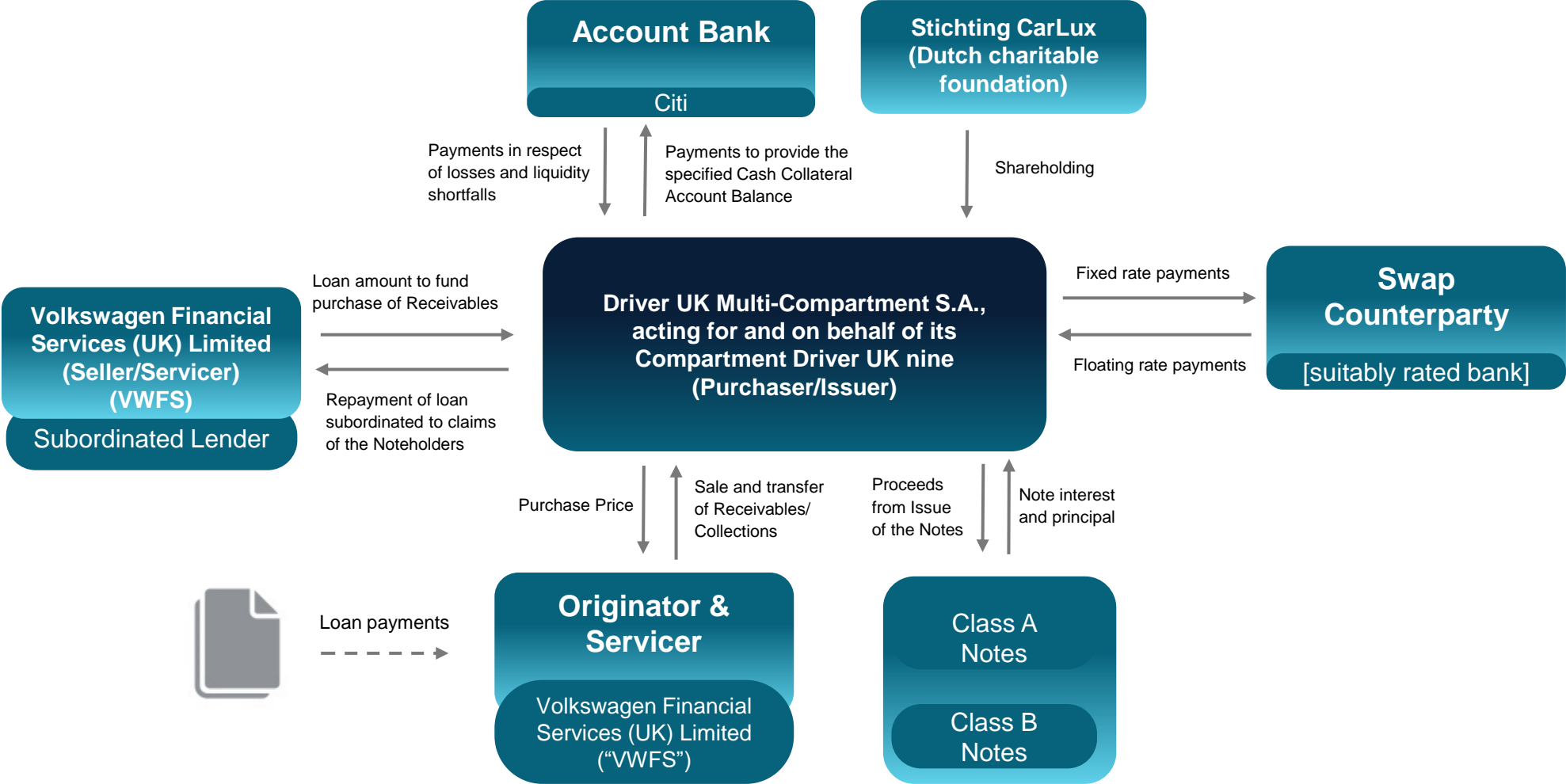
Summary of the Driver UK Nine Transaction



Underlying contractual portfolio size: GBP[500,009,011.80] of Discounted Receivables Balance
 Notes issued:
 Class A: GBP [●]
 Class B: GBP [●]

* Structured finance rating -(sf)- applied by Fitch / S&P / KBRA
 Source: Driver UK nine Preliminary Prospectus

Structure Overview



Source: Driver UK nine Preliminary Prospectus

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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 [3] consecutive Payment Dates, the Class A Actual Overcollateralisation Percentage is lower than [28.00]%
- VWFS ceases to be an affiliate of Volkswagen Financial Services AG 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 66)

- **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]%

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 previous 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 nine 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
Dynamic Net Loss Ratio	WA Seasoning <=12 months	[0.30]%
	12m < WA Seasoning <= 22m	[0.75]%
	22m < WA Seasoning <= 34m	[2.00]%
Cumulative Net Loss	Months 1-5 (inclusive)	[0.8]%
	Months 6-11 (inclusive)	[1.8]%
	Month 12 onwards	[4.0]%
Late Delinquency (180 DPD)	On any Payment Date until October 2025	[1.3]%

- If the Credit Enhancement Increase Condition is in effect, the following target OCs apply with the effect that amortisation is on a sequential basis:
 - Class A Target OC of 100%; and
 - Class B Target OC of 100%.

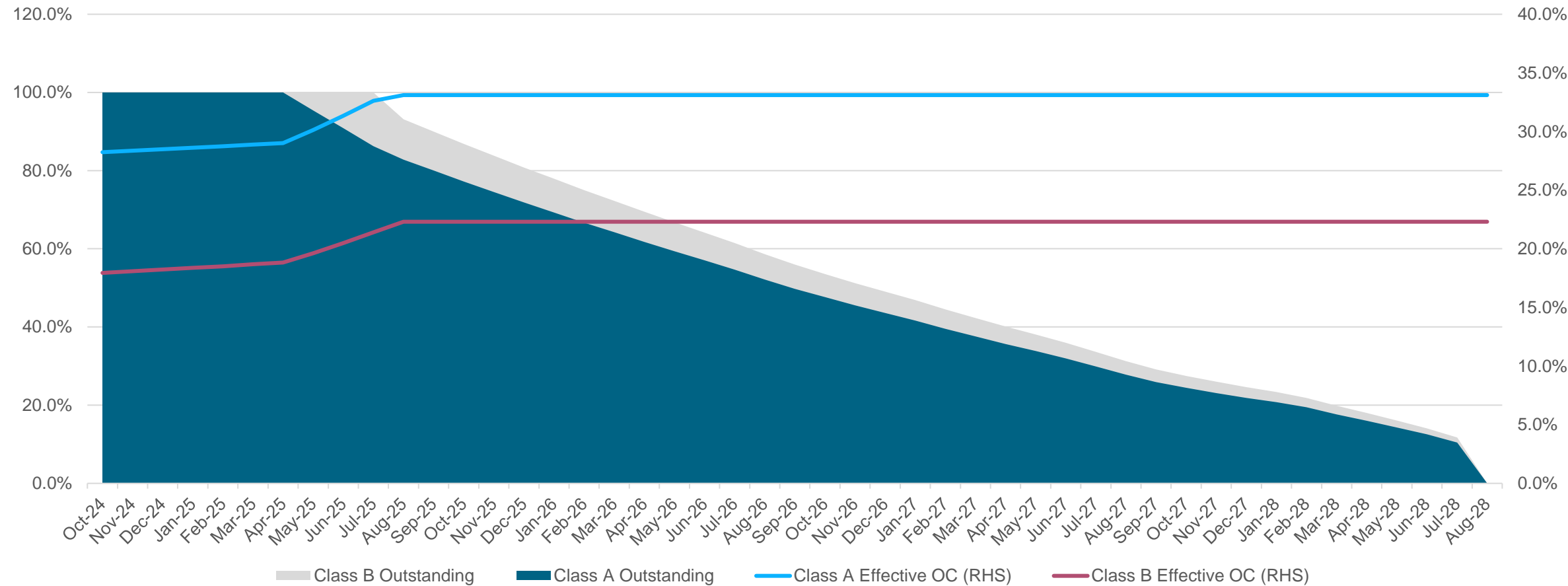
Source: Driver UK nine Preliminary Prospectus

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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 nine Preliminary Prospectus)

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Waterfall (simplified)

Source of Proceeds
Available Distribution Amount
Collections for the calendar month immediately prior to each Payment Date
Payments from the Cash Collateral Account ⁽¹⁾
Net Swap Receipts under the Swap Agreements
Transfers from the Accumulation Account to the Distribution Account
Interest earned on the Distribution Account and the Accumulation Account
Interest Compensation Shortfall Redemption Amount plus Interest Compensation Ledger Release Amount (subject to a CE Increase Condition)
Buffer Top-Up Amount less
Buffer Release Amount to be paid to VWFS, provided that no Credit Enhancement Increase Condition is in effect

Use of Proceeds
1) Taxes, Security Trustee Fees, Administration Fees, Data Protection Trustee Fees, Rating Agency Fees, Servicer Fees
2) Net Swap Payments
3) Interest and overdue interest on the Class A Notes
4) Interest and overdue interest on the Class B Notes
5) Cash Collateral Account until it has reached its Specified Balance
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
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
8) Swap Subordinated Amounts
9) Interest and overdue interest on the Subordinated Loan
10) Interest and overdue interest 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 nine Preliminary Prospectus

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Legal Structure

- Driver UK Multi-Compartment S.A., acting on behalf of its Compartment Driver UK nine, 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 ninth securitisation transaction of the Issuer.
- Compartment Driver UK nine 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 nine. No third party guarantees the fulfilment of the obligations of the Issuer acting for and on behalf of its Compartment Driver UK nine 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 nine 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 two-week collections in advance (every two weeks) if the Monthly Remittance Condition is no longer satisfied. The Monthly Remittance Condition will not be satisfied if:
 - a) Either 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) (A) (i) no longer has a short-term rating for unsecured and un-guaranteed debt of at least "A-2" from S&P or a long-term rating for unsecured and unguaranteed debt of at least "BBB" from S&P, or (ii) where 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), is not the subject of an S&P short-term rating, a long-term rating for unsecured and unguaranteed debt of at least "BBB+" from S&P, or (iii) S&P notifies the Issuer and/or the Servicer that VWFS is no longer deemed eligible under the applicable rating criteria by S&P or (B) 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), ceases to be in effect; 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 (b) below shall continue to apply
 - 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 Seller 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.

Source: Driver UK nine Preliminary Prospectus

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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) [1.0]% of the 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 [0.9]% 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 nine Preliminary Prospectus

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Swap Agreement

Swap Procedure

- At closing, two interest rate swaps will be in place between Driver UK nine 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 / 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 risks 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 nine 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
 - [0.9]% for the Interest Compensation Rate.

Source: Driver UK nine Preliminary Prospectus

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

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	May-2025	Sep-2028	2.83	Nov-2025	Sep-2028
10%	2.34	May-2025	Sep-2028	2.55	Sep-2025	Sep-2028
20%	2.10	May-2025	Aug-2028	2.28	Aug-2025	Aug-2028
30%	1.87	May-2025	Jun-2028	2.03	Jul-2025	Jun-2028
40%	1.66	May-2025	Feb-2028	1.79	Jul-2025	Feb-2028

Source: Driver UK nine Preliminary Prospectus

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

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**VOLKSWAGEN
FINANCIAL SERVICES**

THE KEY TO MOBILITY

Thank you!

Volkswagen Financial Services AG
Gifhorner Str. 57
38112 Braunschweig
Germany

Volkswagen Financial Services UK Ltd
1 Delaware Drive, Tongwell,
Blakelands
Milton Keynes MK15 8HG

