
VCL Master Residual Value S.A.
Société Anonyme

AUDITED ANNUAL ACCOUNTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2020

Address:
22-24, Boulevard Royal
L-2449 Luxembourg

RCS Luxembourg : B 184 029

VCL Master Residual Value S.A.

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VCL Master Residual Value S.A.

DIRECTORS' REPORT

The Board of Directors (the "Board") of VCL Master Residual Value S.A. (the "Company") herewith submits its report for the year ending 31 December 2020.

General

The Company is a securitisation company within the meaning of the Luxembourg Law of March 22, 2004 on securitisation ("Securitisation Law") and has as its corporate purpose the securitisation of car lease receivables.

The Company may, in accordance with the terms of the Securitisation Law, and in particular its article 5, create one or more compartments. Each compartment shall, unless otherwise provided for in the resolution of the Board creating such compartment, correspond to a distinct part of the assets and liabilities in respect of the corresponding funding.

Summary of activities

Compartment 1

On 21 February 2014 the Company has created one compartment named Compartment 1 ("C1"). The C 1 has purchased a pool of expectancy rights (the "Expectancy Rights" or "Permitted Assets") resulting from Volkswagen Leasing GmbH transferring vehicles as security to VCL Master S.A. acting on behalf of its C1.

The purchase of the Expectancy Rights has been financed by the issue of Floating Rate Notes (the "Notes") and subordinated Loan.

On 25 September 2018 the Company transferred the assets and liabilities of C1 to Compartment 2 ("C2"). In 2020, C1 did not have any activities.

On 30 September 2020, C1 was liquidated.

Compartment 2

On 3 November 2015 the Company created one additional compartment aforementioned as C2. The C2 purchased a pool of expectancy rights (the "Expectancy Rights" or "Permitted Assets") from Volkswagen Leasing GmbH. The underlying vehicles were transferred as security to VCL Master S.A. acting on behalf of the C2.

Portfolio of Permitted Assets

During the year 2020, the Expectancy Rights principal amount held by the C2 increased by EUR 5,535,079,082.86 (EUR 3,392,211,814.84 in 2019) by way of additional issuances (Tap Up) or reinvestment of funds collected (Top Up). The Expectancy Rights principal amount was also decreased by EUR 3,400,368,625.92 (EUR 3,157,480,680.38 in 2019) by way of payments collected from Volkswagen Leasing GmbH and by EUR 6,732,580.28 (EUR 4,398,638.33 in 2019) of assets repurchased from Volkswagen Leasing GmbH.

The balance of Expectancy Rights as at 31 December 2020 is EUR 10,100,026,204.58 (2019: EUR 7,972,048,327.92).

The underlying car lease contracts are mainly for the leasing of vehicles originated by Volkswagen Leasing GmbH via the Volkswagen group dealership network (which, inter alia, comprises of Volkswagen, Audi, SEAT, Skoda and Volkswagen Nutzfahrzeuge) throughout Germany and are entered into with both private and business customers.

The purchase of the Expectancy Rights has been financed by the issue of Floating Rate Notes (the "Notes") and Subordinated Loan as follows:

Notes

As at 31 December 2020, the C2 has issued Notes for a total amount of EUR 1,339,700,000.00 (EUR 721,200,000.00 in 2019) and had EUR 218,100,000.00 redemption of Notes (EUR 721,200,000.00 in 2019). The Notes are listed in Luxembourg Stock Exchange.

Subordinated Loan

During the year 2020, the C2 has been granted an additional amount of EUR 475,702,527.15 (nil in 2019). Unpaid interest for the amount of EUR 38,824,823.42 (EUR 45,647,133.76 in 2019) was capitalised to the subordinated Loan nominal balance and EUR 80,853,998.15 (nil in 2019) was repaid.

As at 31 December 2020, the balance of the Notes and Subordinated Loan are as follows:

Instrument	CCY	Outstanding amount	Initial maturity
Notes	EUR	6,280,600,000.00	September 2027
Subordinated Loan	EUR	2,776,278,431.07	September 2027

The Notes are backed by substantially all of the assets allocated to C2 consisting primarily of the Company's right, title and interest in the Expectancy Rights and in the Final repayment Receivables which have been transferred to the Company.

The subordinated Loan has been granted to the Company by Volkswagen Bank GmbH for the purpose of credit enhancement and it ranks junior to the Notes.

VCL Master Residual Value S.A.

DIRECTORS' REPORT (CONTINUED)

Summary of activities (continued)

The Company has entered into swap agreements for each class of Notes to hedge the interest rate risk deriving from the scheduled periodic payments payable by the Lessees of the vehicles to the Company and the floating rate interest payments owed by the company under the Notes.

Both the Notes and the subordinated Loan are limited recourse obligations of the Issuer to pay only those amounts which are actually available to it, being essentially the amounts received under the Expectancy Rights.

Corporate Governance

The Board duly notes that, based on Article 52 of the law of 23 July 2016 concerning the audit profession (the "Audit Law"), the Company is classified as a public-interest entity and is required to establish an audit committee.

However, the Company's sole business is to act as issuer of asset-backed securities as defined in point (5) of Article 2 of Commission regulation (EC) N° 809/2004. Therefore, it is exempted from the audit committee obligation based on Article 52 (5) c).

The Company has concluded that the establishment of a dedicated audit committee or an administrative or supervisory body entrusted to carry out the function of an audit committee is not appropriate for the nature and extent of the Company's business which consists merely of an interest in assets to which the limited recourse Notes issued are linked. Furthermore, the Company operates in a strictly defined regulatory environment (e.g. Securitisation Law, CSSF supervision, listing on EU-regulated market) and is subject to respective governance mechanisms.

Corporate Governance - Internal control and risk management procedures

The Board is responsible for managing the Company and carefully managing the Company's system of internal control and risk management. Its members are jointly accountable for the management of the Company and ensure that the statutory and legal requirements and obligations of the Company are met and complied with.

Voting rights

Each issued share holds one vote in a Meeting of Shareholders. No special voting rights exist, nor does the Sole Shareholder has any special right of control.

Acquisition of own shares

The Company may, to the extent and under the terms permitted by law, purchase its own shares. During the year ended 31 December 2020 the Company has not purchased any of its own shares.

Research and development activities

The Company was neither involved nor participated in any kind of research or development activities in the year ended 31 December 2020.

Branches and participations of the Company

The Company does not have any branches or participations.

Board

The Company is managed by a Board comprising at least three members. The Directors, whether shareholders or not, are appointed for a period not exceeding six years by the sole Shareholder, who may at any time remove them.

The Board is vested with the powers to perform all acts of administration and disposition in compliance with the corporate objects of the Company. The Company will be bound in any circumstances by the joint signatures of two members of the Board unless special decisions have been reached concerning the authorised signature in case of delegation of powers or proxies.

On 1st January 2020, Mrs Z.H. Cammans, Mrs Sheena E. Gill and Mrs Mussai-Ramassur were Directors of the Company.

VCL Master Residual Value S.A.

DIRECTORS' REPORT (CONTINUED)

Related business risks

Credit risk:

The Company may be exposed to a credit risk with third parties with whom it trades and may also bear the risk of settlement default.

Counterparty risk:

Some of the assets and derivatives will expose the Company to the risk of Counterparty default.

Interest rate risk:

The Receivables bear interest at fixed rates while the Notes and the Subordinated Loan will bear interest at floating rates based on 1-month EURIBOR. The Company will hedge afore-described interest rate risk related to the Notes and will use payments made by the SWAP counterparties to make payments on the Notes on each Payment date. The Subordinated Loan is not covered by such Swap transactions. The Board considers however that the Excess spread of the Structure would cover any movements in 1-month EURIBOR.

The liquidity risk, market risk, currency risk and the price risk are not defined as the Directors of the Company believe that these risks are not applicable for the Company or are not deemed as principal risks to the Company as a whole.

Subsequent events

Effective as of 11 January 2021, Mrs. Sheena E. Gill resigned from her position as director of the Company and was replaced by Mrs. Hélène Siciliano.

No other event has occurred subsequent to the year-end which would have a material impact on the annual accounts as at 31 December 2020.

Future outlook

No material changes in activities are contemplated for the year 2021.

Luxembourg, 07 July 2021



Mrs Z.H. Cammans
Director



Mrs M. Mussai-Ramassur
Director



Mrs H. Siciliano
Director

Independent auditor's report

To the Shareholders of
VCL Master Residual Value S.A.
22-24, Boulevard Royal
L-2449 Luxembourg

Report on the audit of the financial statements

Opinion

We have audited the financial statements of VCL Master Residual Value S.A. (the "Company"), which comprise the balance sheet as at 31 December 2020, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Existence & Valuation of Expectancy Rights

Risk identified

The purpose of the Company is purchasing portfolios of Expectancy Rights (the "Receivables") of customers from Volkswagen Leasing GmbH (the "Originator" and "Asset Servicer") against the issuance of listed notes. The selection process of the Receivables is conducted by the Asset Servicer. Hence, controls and processes implemented by the Asset Servicer are critical to ensure that Receivables balances exist and are accurate. The Receivables as at 31 December 2020 amounted to EUR 10,100,026,204.58 representing 95% of the total balance sheet and related disclosures are included in Notes 2.2.1 and 3 to the financial statements. Considering the materiality of the amount involved and the judgment required in assessing the recoverability, we identified existence and valuation of lease receivables as a key audit matter.

Our audit response

Our audit procedures over the Investments held as fixed assets included, among others:

- Obtaining the legal documentation in order to confirm the existence of a servicer agreement between the Company, the Originator and Asset Servicer;
- Obtaining a confirmation as at 31 December 2020 of the Receivables from the Originator;
- Understanding and evaluating controls and processes implemented at the Asset Servicer, including among others the IT system and controls in relation to receivables management;
- Performing a sample test on Receivables by obtaining supporting lease contracts reconciling them to the Originator source system;
- Obtaining all monthly reports from the Asset Servicer in charge of collecting, monitoring and reporting on the Receivables and we performed on a sample basis reconciliations of such monthly reports to the Asset Servicer IT system, to the accounting records of the Company, and to external bank statements;
- Recalculating, on a sample basis the amortization of lease receivables to verify outstanding principal and calculated interest income
- Reconciling reported write-offs by the Asset Servicer to the accounting records of the Company;
- Assessing the potential Covid-19 pandemic impact on the Receivables by inquiry of the Originator;
- Assessing the adequacy of the Company's disclosures in respect of the Investments held as fixed assets in Notes 2.1, 2.2.1 and 3 to the financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Other matter

The financial statements of the Company for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on 31 July 2020.

Report on other legal and regulatory requirements

We have been appointed as "réviseur d'entreprises agréé" by the Board of Directors on 16 December 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is one year.

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The corporate governance statement, included in the management report, is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the prohibited non-audit services referred to in EU Regulation N° 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Oliver Cloess
Jul 7, 2021

Oliver Cloess

Luxembourg, 7 July 2021

RCSL Nr. :	B184029	Matricule :	2014.2200.873
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BALANCE SHEET
Financial year from 01 01/01 /2020 **to** 02 31/12/2020 (in 03 EUR)

VCL Master Residual Value S.A.

22-24 Boulevard Royal

L-2449 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101	101	102
I. Subscribed capital not called	1103	103	104
II. Subscribed capital called but unpaid	1105	105	106
B. Formation expenses	1107	107	108
C. Fixed assets	1109	109	110
I. Intangible assets	1111		112
1. Costs of development	1113		114
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115		116
a) acquired for valuable consideration and need not be shown under C.I.3	1117		118
b) created by the undertaking itself	1119		120
3. Goodwill, to the extent that it was acquired for valuable consideration	1121		122
4. Payments on account and intangible assets under development	1123		124
II. Tangible assets	1125		126
1. Land and buildings	1127		128
2. Plant and machinery	1129		130
		10,100,026,204.58	7,972,048,327.92

The notes in the annex form an integral part of the annual accounts

RCSL Nr. :	B184029	Matricule :	2014.2200.873
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	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131	132
4. Payments on account and tangible assets in the course of construction	1133	133	134
III. Financial assets	3	10,100,026,204.58	7,972,048,327.92
1. Shares in affiliated undertakings	1135	135	136
2. Loans to affiliated undertakings	1137	137	138
3. Participating interests	1139	139	140
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1141	141	142
5. Investments held as fixed assets	1143	143	144
6. Other loans	1145	145	146
D. Current assets	572,055,833.08	515,961,449.63	
I. Stocks	151	152	
1. Raw materials and consumables	1151	151	152
2. Work in progress	1153	153	154
3. Finished goods and goods for resale	1155	155	156
4. Payments on account	1157	157	158
II. Debtors	300,704,963.30	293,063,470.07	
1. Trade debtors	1159	159	160
a) becoming due and payable within one year	1161	161	162
b) becoming due and payable after more than one year	1163	163	164
2. Amounts owed by affiliated undertakings	1165	165	166
a) becoming due and payable within one year	1167	167	168
b) becoming due and payable after more than one year	1169	169	170
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1171	171	172
a) becoming due and payable within one year	1173	173	174
b) becoming due and payable after more than one year	1175	175	176
4. Other debtors	1177	177	178
a) becoming due and payable within one year	1179	179	180
b) becoming due and payable after more than one year	1181	181	182
5. Other debtors	1183	183	184
a) becoming due and payable within one year	1185	185	186
b) becoming due and payable after more than one year	1187	187	188

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	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____ 5	197 _____ 271,350,869.78	198 _____ 222,897,979.56
E. Prepayments	1199 _____	199 _____ 14,662.58	200 _____ 14,407.45
TOTAL (ASSETS)		201 _____ 10,672,096,700.24	202 _____ 8,488,024,185.00

The notes in the annex form an integral part of the annual accounts

CAPITAL, RESERVES AND LIABILITIES
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	Reference(s)	Current year	Previous year
A. Capital and reserves			
I. Subscribed capital	1301 <u>6</u>	301 <u>31,000.00</u>	302 <u>31,000.00</u>
II. Share premium account	1303	303 <u>31,000.00</u>	304 <u>31,000.00</u>
III. Revaluation reserve	1305	305	306
IV. Reserves	1307	307	308
1. Legal reserve	1309	309	310
2. Reserve for own shares	1311	311	312
3. Reserves provided for by the articles of association	1313	313	314
4. Other reserves, including the fair value reserve	1315	315	316
a) other available reserves	1429	429	430
b) other non available reserves	1431	431	432
V. Profit or loss brought forward	1433	433	434
VI. Profit or loss for the financial year	1319	319	320
VII. Interim dividends	1321	321 <u>0.00</u>	322 <u>0.00</u>
VIII. Capital investment subsidies	1323	323	324
	1325	325	326
B. Provisions	1331 <u>8</u>	331 <u>12,373.94</u>	332 <u>37,477.19</u>
1. Provisions for pensions and similar obligations	1333	333	334
2. Provisions for taxation	1335	335	336
3. Other provisions	1337	337 <u>12,373.94</u>	338 <u>37,477.19</u>
C. Creditors	1435	435 <u>10,672,053,326.30</u>	436 <u>8,487,955,707.81</u>
1. Debenture loans	1437	437 <u>6,280,800,511.36</u>	438 <u>5,159,255,263.06</u>
a) Convertible loans	1439	439	440
i) becoming due and payable within one year	1441	441	442
ii) becoming due and payable after more than one year	1443	443	444
b) Non convertible loans	1445 <u>9</u>	445 <u>6,280,800,511.36</u>	446 <u>5,159,255,263.06</u>
i) becoming due and payable within one year	1447	447 <u>200,511.36</u>	448 <u>255,263.06</u>
ii) becoming due and payable after more than one year	1449	449 <u>6,280,600,000.00</u>	450 <u>5,159,000,000.00</u>
2. Amounts owed to credit institutions	1355	355	356
a) becoming due and payable within one year	1357	357	358
b) becoming due and payable after more than one year	1359	359	360

The notes in the annex form an integral part of the annual accounts

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	361	362
a) becoming due and payable within one year	1363	363	364
b) becoming due and payable after more than one year	1365	365	366
4. Trade creditors	1367	367	368
a) becoming due and payable within one year	1369	369	370
b) becoming due and payable after more than one year	1371	371	372
5. Bills of exchange payable	1373	373	374
a) becoming due and payable within one year	1375	375	376
b) becoming due and payable after more than one year	1377	377	378
6. Amounts owed to affiliated undertakings	1379	10	379
		4,390,738,740.39	380
a) becoming due and payable within one year	1381	381	382
		292,000,132.41	8,023,106.29
b) becoming due and payable after more than one year	1383	383	384
		4,098,738,607.98	3,320,428,816.03
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385	386
a) becoming due and payable within one year	1387	387	388
b) becoming due and payable after more than one year	1389	389	390
8. Other creditors	1451	451	452
		514,074.55	248,522.43
a) Tax authorities	1393	393	394
		12,424.45	10,172.06
b) Social security authorities	1395	395	396
c) Other creditors	1397	11	397
		501,650.10	238,350.37
i) becoming due and payable within one year	1399	399	400
		501,650.10	238,350.37
ii) becoming due and payable after more than one year	1401	401	402
D. Deferred income	1403	403	404
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405	10,672,096,700.24	406
			8,488,024,185.00

The notes in the annex form an integral part of the annual accounts

PROFIT AND LOSS ACCOUNT
Financial year from 01 01/01 /2020 to 02 31/12/2020 (in 03 EUR)

VCL Master Residual Value S.A.

22-24 Boulevard Royal

L-2449 Luxembourg

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 _____ 12	713 _____ 0.00	714 _____ 1,858.56
5. Raw materials and consumables and other external expenses	1671 _____	671 _____ -93,023,645.41	672 _____ -82,146,406.09
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____ 13	603 _____ -93,023,645.41	604 _____ -82,146,406.09
6. Staff costs	1605 _____	605 _____	606 _____
a) Wages and salaries	1607 _____	607 _____	608 _____
b) Social security costs	1609 _____	609 _____	610 _____
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 _____	656 _____
c) Other staff costs	1613 _____	613 _____	614 _____
7. Value adjustments	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
8. Other operating expenses	1621 _____ 14	621 _____ -215,604,292.17	622 _____ -211,020,682.22
9. Income from participating interests	1715 _____	715 _____	716 _____
a) derived from affiliated undertakings	1717 _____	717 _____	718 _____
b) other income from participating interests	1719 _____	719 _____	720 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. :	B184029	Matricule :	2014.2200.873
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	Reference(s)	Current year	Previous year
10. Income from other investments and loans forming part of the fixed assets	15		
	1721	396,103,902.65	354,629,856.76
a) derived from affiliated undertakings	1723		
b) other income not included under a)	1725	396,103,902.65	354,629,856.76
11. Other interest receivable and similar income	16		
	1727	1,685,994.78	1,689,774.32
a) derived from affiliated undertakings	1729		
b) other interest and similar income	1731	1,685,994.78	1,689,774.32
12. Share of profit or loss of undertakings accounted for under the equity method			
	1663		
13. Value adjustments in respect of financial assets and of investments held as current assets			
	1665		
14. Interest payable and similar expenses	17		
	1627	-89,157,457.29	-63,152,503.68
a) concerning affiliated undertakings	1629	-70,959,360.27	-46,039,919.06
b) other interest and similar expenses	1631	-18,198,097.02	-17,112,584.62
15. Tax on profit or loss			
	1635	0.00	3,007.50
16. Profit or loss after taxation			
	1667	4,502.56	4,905.15
17. Other taxes not shown under items 1 to 16			
	1637	-4,502.56	-4,905.15
18. Profit or loss for the financial year			
	1669	0.00	0.00

The notes in the annex form an integral part of the annual accounts

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NOTES TO THE ANNUAL ACCOUNTS

Note 1 - General information

The Company is a Luxembourg public limited liability company incorporated in Luxembourg on 28 January 2014 for an unlimited period of time under the legal form of "Société Anonyme" having its corporate office at 22-24, Boulevard Royal, L-2449 Luxembourg, Grand-Duchy of Luxembourg. The Company is registered at the Registre du Commerce et Sociétés of Luxembourg City under number B 184.029.

The accounting period of the Company begins on the 1st of January and terminates on the 31st of December.

The purpose of the Company is the Securitisation, within the meaning of the Securitisation Law, of the Permitted Assets. The Company may enter into any agreement and perform any action necessary or useful for the purposes of securitising Permitted Assets, including, without limitation, disposing of its assets in accordance with the relevant agreements.

The Company may only carry out the above activities if and to the extent that they are compatible with the Securitisation Law.

The Company may, in accordance with the terms of the Securitisation Law, and in particular its article 5, create one or more compartments. Each compartment shall, unless otherwise provided for in the resolution of the Board of Directors creating such compartment, correspond to a distinct part of the assets and liabilities in respect of the corresponding funding.

The Company is included in the consolidated accounts of Volkswagen AG, forming the largest body of undertakings of which the Company forms a part as a subsidiary undertaking. The registered office of Volkswagen AG is located at Berliner Ring 2, 38440 Wolfsburg, (HRB Nr. 100484) and the consolidated accounts are available at the same address.

In addition, the Company is included in the consolidated accounts of Volkswagen Financial Services AG, forming the smallest body of undertakings included in the body of undertakings referred to in the above-mentioned paragraph of which the Company forms a part as a subsidiary undertaking. The registered office of Volkswagen Financial Services AG is located at Gifhorner Str. 57, 38112 Braunschweig, (HRB Nr. 1858) and the consolidated accounts are available at the same address.

Capitalised terms not defined within these audited annual accounts are defined in the respective Transaction Documents of each compartment of the Company.

Note 2 - Summary of significant accounting policies

2.1 Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the law of December 19, 2002, as amended (the "Amended Law") determined and applied by the Board.

The preparation of annual accounts required the use of certain critical accounting estimates. It also requires the Board to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The Board believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The effect of the coronavirus pandemic (COVID-19) has varied significantly from industry to industry. Some industries have experienced material impact on its operations and results whereas some have not been affected or even benefited from it. Since the outbreak of the pandemic and up to the stage of the approval date of these annual accounts, the investments of the Company have not been significantly impacted by COVID-19 nor has the pandemic put at risk the continuity (going concern) of the Company business.

Comparative figures of captions "Amounts owed by affiliated undertakings", "Other debtors", "Non convertible loans" and "Amounts owed to affiliated undertakings" as at 31 December 2019 have been modified to enable comparability with the figures presented as at 31 December 2020.

The annual accounts are stated in EUR, the functional and presentation currency of the Company.

2.2 Significant accounting policies

The main valuation rules applied by the Company are the following:

2.2.1 Financial assets

Permitted Assets included in financial assets are recorded at their discounted nominal value. In case of a durable depreciation in value according to the opinion of the Board, value adjustments are made in respect of financial assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

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NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 2 - Summary of significant accounting policies (continued)

2.2.2 Debtors

Other debtors are recorded at their nominal value. They are subject to value adjustments where their recoverability is either uncertain or compromised. These value adjustments are not continued if the reason for which the value adjustments were made has ceased to apply.

2.2.3 Prepayments

This asset item includes expense received during the financial year but relating to a subsequent financial year.

2.2.4 Provisions

Provisions are intended to cover charges which at the balance sheet date are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

2.2.5 Debenture loans

Notes issued are stated at par value less any repayments made to their principal.

2.2.6 Creditors

Where the amount repayable on account is greater than the amount received, the difference may be accounted for in the profit and loss account when the debt is issued.

2.2.7 Interest receivable and payable

Interest receivable and payable are recorded on an accrual basis.

2.2.8 Equalisation provision / Overcollateralisation charges

Losses during the year as a result from sales, defaults, lower market values or cost may cause a partial reduction on the assets. Such shortfalls will be borne by the holders of the Subordinated Loans in inverse order of the priority of payments when there is no Overcollateralisation liability.

Consequently, a decrease in value will be made and deducted from the amount repayable on the Subordinated Loans / Overcollateralisation liability and booked in the profit and loss account as "Other operating income".

Similarly, in case of profit made during the period, the Equalisation provision/ Overcollateralisation charges booked in the profit and loss as "Other operating expenses" will accordingly increase the Subordinated Loans / Overcollateralisation liability.

2.2.9 Derivative financial instruments

The Company may enter into derivative financial instruments such as swaps in order to reduce its exposure coming from the floating rate of the Notes against the fixed rate of the Permitted Assets. The interest linked to derivative instruments are recorded on an accrual basis at the closing date. Commitments relating to swap transactions are recorded in the off-balance sheet accounts (see note 23).

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NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 3 - Financial assets

Investments held as fixed assets

	<u>2020</u>	<u>2019</u>
	EUR	EUR
<u>Permitted Assets</u>		
Opening balance	7,972,048,327.92	7,741,715,831.79
Additions for the year	5,535,079,082.86	3,392,211,814.84
Reimbursements for the year	(3,407,101,206.20)	(3,161,879,318.71)
Closing balance	<u>10,100,026,204.58</u>	<u>7,972,048,327.92</u>

The Company does not record any default on the Permitted Assets.

During the year 2020, the Expectancy Rights principal amount held by the C2 increased by EUR 5,535,079,082.86 (EUR 3,392,211,814.84 in 2019) by way of additional issuances (Tap Up) or reinvestment of funds collected (Top Up). The Expectancy Rights principal amount was also decreased by EUR 3,400,368,625.92 (EUR 3,157,480,680.38 in 2019) by way of payments collected from Volkswagen Leasing GmbH and by EUR 6,732,580.28 (EUR 4,398,638.33 in 2019) of assets repurchased from Volkswagen Leasing GmbH.

Interest income for the year ended 31 December 2020 for C2, amounted to EUR 396,103,902.65 (EUR 354,629,856.76 in 2019) (see note 15).

As at 31 December 2020, no value adjustment is recorded in the annual accounts in respect of financial fixed assets given the absence of durable depreciation.

Note 4 - Amounts owed by affiliated undertakings

This amount stands for the receivable due from Volkswagen Leasing GmbH for the December 2020 collection of the Permitted Assets, which is due in January 2021.

	<u>2020</u>	<u>2019</u>
	EUR	EUR
<u>Becoming due and payable within one year</u>		
Receivable from Volkswagen Leasing GmbH	300,704,963.30	292,975,351.85
Amounts owed by affiliated undertakings - becoming due and payable within one year	<u>300,704,963.30</u>	<u>292,975,351.85</u>

Note 5 - Cash at bank and in hand

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Capital account	28,209.97	28,439.75
Distribution account	511.56	511.56
Cash collateral account	271,321,920.00	222,868,800.00
Accumulation account	228.25	228.25
Total cash at bank and in hand	<u>271,350,869.78</u>	<u>222,897,979.56</u>

Note 6 - Subscribed capital

As at 31 December 2020, the subscribed capital amounts to EUR 31,000 and is divided into 3,100 shares fully paid-up with a par value of EUR 10 each. The authorised capital amounts to EUR 31,000.

Note 7 - Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

Note 8 - Provisions

	<u>2020</u>	<u>2019</u>
	EUR	EUR
<u>Other provisions</u>		
Audit fees	11,273.94	36,402.25
Tax advisory fees	1,100.00	1,074.94
Total other provisions	<u>12,373.94</u>	<u>37,477.19</u>

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NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 9 - Non convertible loans

	2020	2019
	EUR	EUR
<u>Becoming due and payable within one year</u>		
Interest on Notes A	112,480.34	130,971.13
Interest on Notes B	88,031.02	124,291.93
Total becoming due and payable within one year	<u>200,511.36</u>	<u>255,263.06</u>
<u>Becoming due and payable after more than one year</u>		
Notes A	5,252,000,000.00	4,305,900,000.00
Notes B	1,028,600,000.00	853,100,000.00
Total becoming due and payable after more than one year	<u>6,280,600,000.00</u>	<u>5,159,000,000.00</u>
Total non convertible loans	<u>6,280,800,511.36</u>	<u>5,159,255,263.06</u>

Payments on the Notes are made monthly in arrears on the 25th of each month. The Notes mature in 2027.

The floating rate interest on the Notes is swapped to a fixed rate of 0.3090% for Series A and of 1.3060% for Series B.

The Notes are substantially backed by all of the assets of the Company consisting primarily of the Company's right, title and interest in the Expectancy Rights and in the Final Repayment Receivables which have been transferred to the Company.

All series of Notes are listed on the Luxembourg Stock Exchange. Notes Series B rank junior to Notes Series A.

Note 10 - Amounts owed to affiliated undertakings

	2020	2019
	EUR	EUR
<u>Becoming due and payable within one year</u>		
Accrued interest on Subordinated Loan	788,231.72	920,448.58
Servicer fees	8,416,679.74	6,862,711.36
Advanced payments	239,946.35	239,946.35
Other amounts payable	261,911,393.34	-
Subordinated Loan - redemption within one year	20,643,881.26	-
Total becoming due and payable within one year	<u>292,000,132.41</u>	<u>8,023,106.29</u>
<u>Becoming due and payable after more than one year</u>		
Subordinated Loan	2,755,634,549.81	2,342,605,078.65
Overcollateralisation payable	1,343,104,058.17	977,823,737.38
Total becoming due and payable after more than one year	<u>4,098,738,607.98</u>	<u>3,320,428,816.03</u>
Total amounts owed to affiliated undertakings	<u>4,390,738,740.39</u>	<u>3,328,451,922.32</u>

Overcollateralisation payable represents the difference between the Aggregate Discounted Expectancy Rights Balance minus the Outstanding Expectancy Rights Funding Amounts, the Equalisation provision and period-end payable towards Volkswagen Leasing GmbH.

The advanced payments mainly relate to the amounts paid in advance by Volkswagen Leasing GmbH with regards to collections of Expectancy Rights.

Note 11 - Other creditors

	2020	2019
	EUR	EUR
<u>Becoming due and payable within one year</u>		
Accrued interest on Swaps	74,138.61	-
Other creditors	427,511.49	238,350.37
Total other creditors - becoming due and payable within one year	<u>501,650.10</u>	<u>238,350.37</u>

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NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 12 - Other operating income

	2020	2019
	EUR	EUR
Overcollateralisation income	-	1,858.56
Total other operating income	<u>-</u>	<u>1,858.56</u>

Note 13 - Other external expenses

	2020	2019
	EUR	EUR
Servicer fees	91,333,095.28	80,694,976.84
Bank charges	1,498,271.93	1,313,187.54
Rating agency fees	129,656.79	80,643.12
Maintenance fees	27,550.00	27,891.11
Audit fees	(4,741.06)	20,387.25
Trustee services	18,204.45	7,523.90
Tax advisory fees	1,126.87	1,126.14
Other miscellaneous operating charges	12,736.15	530.19
Legal fees	7,605.00	-
Chambre de Commerce	140.00	140.00
Total other external expenses	<u>93,023,645.41</u>	<u>82,146,406.09</u>

Note 14 - Other operating expenses

	2020	2019
	EUR	EUR
Overcollateralisation charges	215,604,292.17	211,020,601.62
Penalties and fines	-	80.60
Total other operating expenses	<u>215,604,292.17</u>	<u>211,020,682.22</u>

Overcollateralisation charges represent payments obligations towards Volkswagen Leasing GmbH out of any surplus of cash-flows in accordance with the Order of Priority as defined in the Trust Agreement.

Note 15 - Income from other investments and loans forming part of the fixed assets

	2020	2019
	EUR	EUR
<u>Other income not included under a)</u>		
Interest income from Permitted Assets	396,103,902.65	354,629,856.76
Total other income not included under a)	<u>396,103,902.65</u>	<u>354,629,856.76</u>

Note 16 - Other interest receivable and similar income

	2020	2019
	EUR	EUR
<u>Other interest and similar income</u>		
Interest receivable on Swaps	1,685,994.78	1,689,773.32
Other miscellaneous interest	-	1.00
Total other interest and similar income	<u>1,685,994.78</u>	<u>1,689,774.32</u>

Note 17 - Interest payable and similar expenses

	2020	2019
	EUR	EUR
<u>Concerning affiliated undertakings</u>		
Interest payable on Subordinated Loan	70,959,360.27	46,039,919.06
Total concerning affiliated undertakings	<u>70,959,360.27</u>	<u>46,039,919.06</u>

Other interest and similar expenses

Interest charges on Class A Notes	8,318,309.61	4,777,156.90
Interest charges on Class B Notes	8,360,441.25	5,721,220.38
Interest payable on Swaps	1,519,346.16	6,614,207.34
Total other interest and similar expenses	<u>18,198,097.02</u>	<u>17,112,584.62</u>
Total interest payable and similar expenses	<u>89,157,457.29</u>	<u>63,152,503.68</u>

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NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 23 - Balance sheet as at 31 December 2020 per compartment

	Compartment 1		Compartment 2		General compartment		Total compartment	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR	2020 EUR	2019 EUR	2020 EUR	2019 EUR
ASSETS								
A. Fixed assets	-	-	10,100,026,204.58	7,972,048,327.92	-	-	10,100,026,204.58	7,972,048,327.92
Financial assets								
Investments held as fixed assets	-	-	10,100,026,204.58	7,972,048,327.92	-	-	10,100,026,204.58	7,972,048,327.92
B. Current assets	-	-	572,027,623.11	515,933,009.88	31,000.00	31,000.00	572,058,623.11	515,964,009.88
Debtors								
Amounts owed by affiliated undertakings								
- becoming due and payable within one year	-	-	300,704,963.30	292,975,351.85	-	-	300,704,963.30	292,975,351.85
Other debtors								
- becoming due and payable within one year	-	-	-	88,118.22	-	-	-	88,118.22
- becoming due and payable within one year from another compartment	-	-	-	-	2,790.03	2,560.25	2,790.03	2,560.25
Cash at bank and in hand	-	-	271,322,659.81	222,869,539.81	28,209.97	28,439.75	271,350,869.78	222,897,979.56
C. Prepayments	-	-	14,662.58	14,407.45	-	-	14,662.58	14,407.45
Total Assets	-	-	10,672,068,490.27	8,487,995,745.25	31,000.00	31,000.00	10,672,099,490.27	8,488,026,745.25
CAPITAL, RESERVES AND LIABILITIES								
A. Capital and reserves	-	-	-	-	31,000.00	31,000.00	31,000.00	31,000.00
Subscribed capital	-	-	-	-	31,000.00	31,000.00	31,000.00	31,000.00
B. Provisions	-	-	12,373.94	37,477.19	-	-	12,373.94	37,477.19
Other provisions	-	-	12,373.94	37,477.19	-	-	12,373.94	37,477.19
C. Creditors	-	-	10,672,056,116.33	8,487,958,268.06	-	-	10,672,056,116.33	8,487,958,268.06
Debenture loans								
Non convertible loans								
- becoming due and payable within one year	-	-	200,511.36	255,263.06	-	-	200,511.36	255,263.06
- becoming due and payable after more than one year	-	-	6,280,600,000.00	5,159,000,000.00	-	-	6,280,600,000.00	5,159,000,000.00
Amounts owed to affiliated undertakings								
- becoming due and payable within one year	-	-	292,000,132.41	8,023,106.29	-	-	292,000,132.41	8,023,106.29
- becoming due and payable after more than one year	-	-	4,098,738,607.98	3,320,428,816.03	-	-	4,098,738,607.98	3,320,428,816.03
Other creditors								
- Tax authorities	-	-	12,424.45	10,172.06	-	-	12,424.45	10,172.06
- becoming due and payable within one year	-	-	501,650.10	238,350.37	-	-	501,650.10	238,350.37
- becoming due and payable within one year against another compartment	-	-	2,790.03	2,560.25	-	-	2,790.03	2,560.25
Total capital, reserves and Liabilities	-	-	10,672,068,490.27	8,487,995,745.25	31,000.00	31,000.00	10,672,099,490.27	8,488,026,745.25

The captions "Other debtors - becoming due and payable within one year from another compartment" and "Other creditors - becoming due and payable within one year against another compartment" state amounts receivable or payable between compartments of the Company and are eliminated in the eCDF balance sheet previously display.

VCL Master Residual Value S.A.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 24 - Profit and loss account for the year from 1 January 2020 to 31 December 2020 per compartment

	Compartment 1		Compartment 2		General compartment		Total compartment	
	2020	2019	2020	2019	2020	2019	2020	2019
	EUR		EUR	EUR	EUR	EUR	EUR	EUR
Other operating income	-	1,858.56	-	-	-	-	-	1,858.56
Other external expenses	-	(1,858.56)	(93,023,645.41)	(82,144,547.53)	-	-	(93,023,645.41)	(82,146,406.09)
Other operating expenses	-	-	(215,604,292.17)	(211,020,682.22)	-	-	(215,604,292.17)	(211,020,682.22)
Income from other investments and loans forming part of the fixed assets	-	-	396,103,902.65	354,629,856.76	-	-	396,103,902.65	354,629,856.76
- derived from affiliated companies	-	-	-	-	-	-	-	-
- other income not included under a)	-	-	396,103,902.65	354,629,856.76	-	-	396,103,902.65	354,629,856.76
Other interest receivable and similar income	-	-	1,685,994.78	1,689,774.32	-	-	1,685,994.78	1,689,774.32
- derived from affiliated companies	-	-	-	-	-	-	-	-
- other interest and similar income	-	-	1,685,994.78	1,689,774.32	-	-	1,685,994.78	1,689,774.32
Interest payable and similar expenses	-	-	(89,157,457.29)	(63,152,503.68)	-	-	(89,157,457.29)	(63,152,503.68)
- concerning affiliated undertakings	-	-	(70,959,360.27)	(46,039,919.08)	-	-	(70,959,360.27)	(46,039,919.08)
- other interest and similar expenses	-	-	(18,198,097.02)	(17,112,584.62)	-	-	(18,198,097.02)	(17,112,584.62)
Tax on profit or loss	-	-	-	3,007.50	-	-	-	3,007.50
Wealth Tax	-	-	(4,502.56)	(4,905.15)	-	-	(4,502.56)	(4,905.15)
Profit or loss for the financial year	-	-	-	-	-	-	-	-

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NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 18 - Taxes

The Company is subject to the tax regulations applicable to securitisation companies in Luxembourg.

Note 19 - Staff

The Company did not employ any staff during the year under review.

Note 20 - Emoluments granted to the Members of the Board

No emoluments have been granted to any member of the Board, nor have any obligations arisen or been entered into by the Company in respect of retirement pensions for former members of the Board.

Note 21 - Loans or advances granted to the Members of the Board

No loans or advances have been granted to any member of the Board.

Note 22 - Audit and non-audit services

Fees that were recognized as other external expenses for services provided during the financial year to the Company by Ernst & Young S.A. (2019: PricewaterhouseCoopers) as Réviseur d'Entreprises agréé and as authorised Cabinet de révision agréé were as follows:

Amount excluding VAT	2020	2019
	EUR	EUR
Audit fees	(4,052.19)	17,425.00
Other assurance services	-	-
Tax advisory services	-	-
Non-audit services	-	-
Total	(4,052.19)	17,425.00

Note 23 - Off balance sheet commitments

The Company entered into Swap Agreements to hedge the Company's interest rate risk derived from floating interest rate on the Notes issued (see also note 9). Settlement of the Swaps is performed on the 25th day of each month. On 22 September 2020, all swap contracts for C2 have been renewed. The termination date of the Swap contracts is September 2027.

The interest rate swaps for C2 can be detailed as follows:

<u>Swaps on Note A series</u>	Curr	Nominal amount	Fair value
Compartment 2 - Class A 2015-1 swap - ING	EUR	464,100,000.00	(134,559.12)
Compartment 2 - Class A 2015-2 swap - ING	EUR	448,700,000.00	(130,094.10)
Compartment 2 - Class A 2015-3 swap - SEB	EUR	800,000,000.00	(376,225.24)
Compartment 2 - Class A 2015-4 swap - ING	EUR	700,000,000.00	(202,954.96)
Compartment 2 - Class A 2015-5 swap - ING	EUR	525,000,000.00	(152,216.21)
Compartment 2 - Class A 2015-6 swap - SEB	EUR	300,000,000.00	(141,084.46)
Compartment 2 - Class A 2016-1 swap - ING	EUR	441,500,000.00	(128,006.57)
Compartment 2 - Class A 2016-2 swap - ING	EUR	50,000,000.00	(14,496.78)
Compartment 2 - Class A 2016-4 swap - ING	EUR	438,600,000.00	(127,165.75)
Compartment 2 - Class A 2018-2 swap - ING	EUR	319,200,000.00	(92,547.45)
Compartment 2 - Class A 2018-4 swap - ING	EUR	185,000,000.00	(53,638.08)
Compartment 2 - Class A 2018-5 swap - ING	EUR	326,500,000.00	(94,663.98)
Compartment 2 - Class A 2019-1 swap - ING	EUR	253,400,000.00	(73,469.69)
	EUR	5,252,000,000.00	(1,721,122.39)
<u>Swaps on Note B series</u>			
Compartment 2 - Class B 2015-1 swap - ING	EUR	110,900,000.00	(227,071.18)
Compartment 2 - Class B 2015-3 swap - ING	EUR	166,400,000.00	(340,709.12)
Compartment 2 - Class B 2016-1 swap - ING	EUR	76,100,000.00	(155,817.09)
Compartment 2 - Class B 2016-3 swap - ING	EUR	317,100,000.00	(649,271.98)
Compartment 2 - Class B 2017-1 swap - ING	EUR	84,400,000.00	(172,811.57)
Compartment 2 - Class B 2018-1 swap - ING	EUR	79,400,000.00	(162,573.96)
Compartment 2 - Class B 2018-2 swap - ING	EUR	48,200,000.00	(98,690.99)
Compartment 2 - Class B 2019-1 swap - ING	EUR	46,400,000.00	(95,005.45)
Compartment 2 - Class B 2020-1 swap - ING	EUR	24,900,000.00	(50,983.51)
Compartment 2 - Class B 2020-2 swap - ING	EUR	74,800,000.00	(153,155.27)
	EUR	1,028,600,000.00	(2,106,090.12)

Total EUR 6,280,600,000.00 (3,827,212.51)
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NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 23 - Off balance sheet commitments (continued)

The interest rate received for each swap consists of 1 month EURIBOR plus the spread as mentioned above.

As at 31 December 2020, the Swaps have a nominal value of EUR 6,280,600,000 for C2 (EUR 5,159,000,000 for C2 in 2019) .

The total interest income on swaps amounted to EUR 1,685,994.78 (EUR 1,689,773.32 in 2019) for C2 (see note 16).

The total interest expense on swaps amounted to EUR 1,519,346.16 (EUR 6,614,207.34 in 2019) for C2 (see note 17).

Note 24 - Subsequent events

Effective as of 11 January 2021, Mrs. Sheena E. Gill resigned from her position as director of the Company and was replaced by Mrs. H el ene Siciliano.

No other event has occurred subsequent to the year-end which would have a material impact on the annual accounts as at 31 December 2020.

Luxembourg, 07 July 2021



Mrs Z.H. Cammans
Director



Mrs M. Mussai-Ramassur
Director



Mrs H. Siciliano
Director