

# Final Verification Report

In respect of the Transaction "**Bavarian Sky S.A., acting in respect of its  
Compartment German Auto Leases 8**"  
(BMW Bank GmbH)

20 November 2023



## Authorization of SVI as third party

STS Verification International GmbH (“SVI”) has been authorized by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht “BaFin”, as the competent authority pursuant to Art 29 of the Securitisation Regulation) to act in all EU countries as third party pursuant to Art 28 of the Securitisation Regulation to verify compliance with the STS Criteria pursuant to Articles 19 to 26e of the Securitisation Regulation (“STS Verification”). Moreover, SVI performs additional services including the verification of compliance of securitisations with (i) Article 243 of the Capital Requirements Regulation (Regulation (EU) 2017/2401 dated 12 December 2017, amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms as amended by Regulation (EU) 2021/558 of 31 March 2021) (“CRR Assessment”), (ii) Article 270 (senior positions in STS on-balance sheet securitisations) of the CRR (“Article 270 Assessment”), (iii) Article 13 of the Delegated Regulation (EU) 2018/1620 on liquidity coverage requirement for credit institutions dated 13 July 2018, amending Delegated Regulation (EU) 2015/61 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirements for Credit Institutions (“LCR”) (“LCR Assessment”), and (iv) the STS Criteria, in respect of existing securitisations and potential deficiencies regarding compliance with the STS Criteria (“Gap-Analysis”).

## Mandating of SVI and verification steps

On 7 August 2023, SVI has been mandated by the Originator (BMW Bank GmbH) to verify compliance with the STS criteria pursuant to Article 28 of the Securitisation Regulation for the securitisation transaction “**Bavarian Sky S.A., acting in respect of its Compartment German Auto Leases 8**” (the “Transaction”).

As part of our verification work for the previous transaction “Bavarian Sky S.A., acting in respect of its Compartment German Auto Leases 7”, we have met with representatives of BMW Bank GmbH and BMW Group (both “BMW”) to conduct a virtual due diligence meeting on 29 August 2022. In addition, we have discussed selected aspects of the Transaction with BMW and legal counsel and obtained additional information on the transaction structure, the underwriting and servicing procedures of BMW and the underlying transaction documentation.

For the purposes of our analysis, we have reviewed the following documents and other information related to the Transaction:

- Prospectus
- German Legal Opinion
- Incorporated Terms Memorandum
- Lease Receivables Purchase Agreement
- Servicing Agreement
- Swap Agreement
- Calculation Agency Agreement
- Trust Agreement
- Data Trust Agreement
- Bank Account Agreement
- Due Diligence Presentation prepared by BMW
- Agreed-upon Procedures Report
- Latest version of the liability cash flow model
- Data Package received by BMW
- Additional information received by e-mail, such as confirmations, comments, etc.

## Verification Methodology

The fulfilment of each verification point in this Final Verification Report provided to the Originator is evaluated based on the three fulfilment values (traffic light status):

Criterion is fully met	
Criterion is mostly met, but with comments or requests for missing information	
Criterion not (yet) met based on available information	

The verification process is based on the SVI verification manual ("Verification Manual"), defined terms of the Verification Manual shall also apply to this report. It describes the verification process and the individual inspections in detail. The Verification Manual is applicable to all parties involved in the verification process and its application ensures an objective and uniform verification of transactions to be verified. Based on the Verification Manual, SVI has derived the Transaction Verification Catalogue for this Transaction as described under Verification Method in this report. A full description of the methodology used by SVI for the Verification can be found in the Verification Manual on our website: [www.svi-gmbh.com](http://www.svi-gmbh.com).

## **Disclaimer of SVI**

SVI grants a registered verification label “verified – STS VERIFICATION INTERNATIONAL” if a securitisation complies with the requirements for simple, transparent and standardised securitisation as set out in Articles 19 to 26e of the Securitisation Regulation (“STS Requirements”). The aim of the Securitisation Regulation is to restart high-quality securitisation markets, and the intention of implementing a framework for simple, transparent and standardised transactions with corresponding STS criteria shall contribute to this. However, it should be noted that the STS verification performed by SVI does not affect the liability of an originator or special purpose vehicle in respect of their legal obligations under the Securitisation Regulation. Furthermore, the use of verification services from SVI shall not affect the obligations imposed on institutional investors as set out in Article 5 of the Securitisation Regulation. Notwithstanding confirmation by SVI, which verifies compliance of a securitisation with the STS Requirements, such verification by SVI does not ensure the compliance of a securitisation with the general requirements of the Securitisation Regulation.

SVI has carried out no other investigations or surveys in respect of the issuer or the notes concerned other than as set out in this Final Verification Report and disclaims any responsibility for monitoring the issuer’s continuing compliance with these standards or any other aspect of the issuer’s activities or operations. Furthermore, SVI has not provided any form of advisory, audit or equivalent service to the Originator, Issuer or Sponsor.

SVI is not a legal advisor and nothing in the Final Verification Report shall be regarded as legal advice in any jurisdiction.

Accordingly, the Final Verification Report is only an expression of opinion by SVI after application of its verification methodology and not a statement of fact. It is not a guarantee or warranty that ECB, any of the ESAs or national competent authorities, courts, investors or any other person will accept the STS status of the relevant securitisation. Therefore, no person should rely on the Final Verification Report in determining the STS status but must perform its own analysis and reach its own conclusions.

SVI assumes due performance of the contractual obligation thereunder by each of the parties and the representations made and warranties given in each case by any persons or parties to SVI or in any of the documents are true, not misleading and complete. SVI shall have no liability for any loss of any kind suffered by any person as a result of a securitisation where the Final Verification Report indicated that it met, in whole or in part, the STS Requirements, certain CRR or SRT requirements being held for any reason as not so meeting the relevant requirements or not being able to have lower capital allocated against it save in the case of deliberate fraud by SVI. SVI shall also not have any liability for any action taken or action from which any person has refrained from taking as a result of the Final Verification Report.

## LIST OF ABBREVIATIONS/DEFINITIONS

Note: For any other term used in this Final Verification Report in capital spelling, please refer to the defined terms in the Section “MASTER DEFINITIONS SCHEDULE” of the Prospectus

AuP	Agreed-upon Procedures
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)
BMW	BMW Bank GmbH and BMW Group
BMW Bank	BMW Bank GmbH
BSKY Leases 8	Bavarian Sky S.A., acting in respect of its Compartment German Auto Leases 8
CF-Model	Cash Flow-Model
Data Package	Data Package received by BMW
Due Diligence Presentation	Due Diligence Presentation prepared by BMW
EBA	European Banking Authority
EBA Guidelines	Final Report on Guidelines on the STS criteria for non-ABCP securitisation, as published by EBA on 12 December 2018
ECB	European Central Bank
EIOPA	European Insurance and Occupational Pensions Authority
ESAs	European supervisory authorities (EBA, EIOPA and ESMA)
ESMA	European Securities and Markets Authority
Final Verification Report	Final Verification Report prepared by SVI in respect of the Transaction
Issue Date	20 November 2023
Issuer	BSKY Leases 8
ITM	Incorporated Terms Memorandum
LO	German Legal Opinion
LRPA	Lease Receivables Purchase Agreement
MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation)

Originator	BMW Bank GmbH
Pkw-EnVKV	Pkw-Energieverbrauchskennzeichnungsverordnung (German-law ordinance for passenger car energy consumption labelling)
Prospectus	Final Offering Circular dated 16 November 2023
RTS on Homogeneity	Commission Delegated Regulation (EU) 2019/1851 dated 28 May 2019 supplementing the Securitisation Regulation with regard to regulatory technical standards on the homogeneity of the underlying exposures in securitisation
Securitisation Regulation	Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, as amended by Regulation (EU) 2021/557 of 31 March 2021
Seller	BMW Bank GmbH
Servicer	BMW Bank GmbH
SSPE	Securitisation Special Purpose Entity or Issuer
STS Requirements	The requirements for simple, transparent and standardised securitisation in respect of a non-ABCP transaction as set out in Articles 19 to 22 of the Securitisation Regulation
Transaction	The securitisation of auto lease receivables involving BSKY Leases 8 as Issuer
Union	The European Union or "EU"



## Reference to Article 18 of the Securitisation Regulation

The Transaction provides for a transfer of fixed rate auto lease receivables and related security interest ("Purchased Lease Receivables") at the Issue Date (scheduled for 20 November 2023) and on each Additional Purchase Date during the Revolving Period from BMW Bank GmbH ("Originator" and "Servicer", established in Germany) to Bavarian Sky S.A., acting in respect of its Compartment German Auto Leases 8 ("Issuer"), a registered securitisation company incorporated under the Laws of Luxembourg. The securitisation transaction will be financed by the issuance of Class A and B Notes and the subscription of the Noteholders.

As described above, the Originator and the SSPE involved in the Transaction are established in the Union. Hence, the requirement that the originator, sponsor and SSPE involved in the Transaction are established in the EU as stipulated in Article 18 of the Securitisation Regulation, is fulfilled for the Transaction.

#	Criterion Article 20 (1)	Verification Report
1	Transfer of title to the underlying exposures by means of a <b>true sale</b> and <b>enforceability</b> of such true sale	<p><u>Verification Method:</u> Legal (Legal Opinion, LRPA, ITM) / Due Diligence</p> <p>We reviewed a LO prepared by Ashurst LLP. Subject to customary assumptions, qualifications and limitations the LO confirms under German law, inter alia:</p> <ul style="list-style-type: none"> <li>• the obligations of the Seller under the LRPA and the other German Documents to which it is a party constitute its legal, valid, binding and enforceable obligations, enforceable in accordance with their terms and German law,</li> <li>• the sale and assignment of a Lease Receivable pursuant to the terms of the LRPA constitutes a legal, valid and enforceable sale and assignment of such Purchased Lease Receivable to the Issuer under German law,</li> <li>• in case of the insolvency of the Seller, the sale and assignment by the Seller of Lease Receivables to the Issuer under the LRPA will be considered a "true sale", i.e. such assigned Lease Receivables will no longer be part of the Seller's insolvency estate, and the sale and assignment will not be reversed or characterised as a secured financing transaction. Accordingly, the Issuer (or Trustee, as applicable) will be entitled to segregate (<i>aussondern</i>) the relevant Purchased Lease Receivables from the insolvency estate of the insolvent Seller,</li> <li>• if a creditor of the Seller enforces a claim against the seller outside an insolvency proceeding by way of attachment (<i>Pfändung</i>) of the Purchased Lease Receivables, the assignment of the Purchased Lease Receivables and the security transfer of the Leased Vehicles will grant the Issuer a right to opposition (<i>Drittwiderspruchsklage</i>) to such creditor's claim,</li> <li>• no insolvency administrator or any third party creditor of the Seller in its capacity as Servicer will be able to successfully challenge payments made by the Servicer under the Servicing Agreement (i) with respect to Collections on the Purchased Lease Receivables and (ii) into the Operating Account.</li> </ul> <p>The LO does not cover the review of the Lease Agreements or any general terms and conditions used by the Seller and no inhouse legal opinion or external memo to that effect has been provided. However, the LRPA contains representations and warranties by the Seller as of the Issue Date, to the effect that any Lease Receivable offered for purchase is eligible in accordance with the Eligibility Criteria as of the Cut-Off Date immediately preceding the Issue Date. Furthermore, the Eligibility Criteria include that the underlying Lease Agreements and the legal documents underlying the Lease Collateral are legally valid, binding and enforceable and that the relevant Lease Receivable exists and constitutes legally valid, binding and enforceable obligations of the respective Lessee. In addition, no Lease Agreement has been subject to any variation, modification, waiver or exclusion of time of any kind which in any material way adversely affects the enforceability or collectability of all or a material portion of the Lease Receivables offered for purchase.</p>

#	Criterion Article 20 (1)	Verification Report
2	Requirements for the external <b>legal opinion</b>	<p><u>Verification Method:</u> Legal (Legal Opinion) / Due Diligence</p> <p>The LO is provided by Ashurst LLP, a well-known law firm with expertise in the area of securitisation.</p> <p>The LO for the Transaction will be newly issued on the Issue Date.</p> <p>The LO is made available to SVI as third-party verification agent and to competent supervisory authorities referred to in Article 29 of the Securitisation Regulation.</p>

#	Criterion Article 20 (2)	Verification Report
3	Specification of <b>severe claw-back provisions</b> : Are there any provisions in the respective national insolvency law, which could allow the insolvency administrator to invalidate the transfer of the underlying exposures?	<p><u>Verification Method:</u> Legal (Legal Opinion, LRPA, ITM)</p> <p>German insolvency laws are relevant for the Transaction. No severe claw-back provisions are specified in the LO. However, applicable German insolvency laws are considered not to represent any severe claw-back risks.</p>

#	Criterion Article 20 (3)	Verification Report
4	Clarification that certain provisions in the national insolvency laws <b>do not constitute severe claw-back provisions</b>	<p><u>Verification Method:</u> Legal (Legal Opinion)</p> <p>The LO contains the customary qualifications as to general legal principles in German insolvency law which allow for the invalidation of the transfer of the Purchased Lease Receivables in case of fraud, unfair preference and other circumstances that do not constitute severe claw-back provisions.</p>

#	Criterion Article 20 (4)	Verification Report
5	If the sale and transfer is not taking place directly between the seller and the SPV but <b>intermediate sales</b> take place, is the true sale still fulfilled?	<p><u>Verification Method:</u> Legal (Legal Opinion, LRPA)</p> <p>Under the Transaction structure used by BSKY Leases 8, the sale and transfer take place directly between the Seller (who is the original lessor) and the SSPE acting as Issuer, i.e. without any intermediate sale taking place.</p>
#	Criterion Article 20 (5)	Verification Report
6	If the <b>transfer of receivables and the perfection take place at a later stage</b> , are the trigger events in relation to the seller's credit quality standing sufficiently defined?	<p><u>Verification Method:</u> Legal (Legal Opinion, LRPA)</p> <p>The transfer of the Initial Lease Receivables will occur on the Issue Date of the Transaction (scheduled for 20 November 2023) and during the Revolving Period (please refer to criteria 8, 17, 33). The transfer of the Additional Purchased Lease Receivables will occur on each respective Additional Purchase Date. In summary, it can be stated that the Lease Receivables will be transferred either on the Issue Date or on each respective Additional Purchase Date and that, in contrast to this, there will be no transfer of Lease Receivables by means of an assignment and perfected at a later stage.</p>
#	Criterion Article 20 (6)	Verification Report
7	<b>Representations and warranties</b> of the seller regarding to the legal condition of the underlying exposures	<p><u>Verification Method:</u> Legal (Prospectus, LRPA)</p> <p>The Seller (who is the original lessor) warrants that the underlying Purchased Lease Receivables are legally valid, binding and enforceable Lease Agreements and that, to the best of its knowledge, the Eligible Lease Receivables are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect, see Section "ELIGIBILITY CRITERIA", Items (a) and (b) of the Prospectus and above under #3.</p>

#	Criterion Article 20 (7)	Verification Report
8	Predetermined, clear and documented selection criteria ('eligibility criteria') (I/II)	<p><u>Verification Method:</u> Legal (Prospectus, LRPA, ITM)</p> <p>The underlying exposures transferred from the Seller to the SSPE are selected according to predetermined, clear and documented Eligibility Criteria, see Section "ELIGIBILITY CRITERIA" in the Prospectus.</p> <p>A Revolving Period is provided for in the Transaction structure. Under the LRPA (see Clause 4 "Offer of Additional Lease Receivables") the Seller may offer to sell Additional Lease Receivables to the Issuer on each Offer Date during the Revolving Period provided that the Purchase Requirements and certain pre-defined conditions precedent (which include the non-occurrence of an Early Amortisation Event and the fulfilment of the pool Eligibility Criteria) are met.</p> <p>According to Schedule 10 "Seller warranties" of the ITM, the Seller warrants that all Additional Purchased Lease Receivables are eligible in accordance with the Eligibility Criteria on the relevant Cut-Off Date.</p> <p>As a consequence, consistent Eligibility Criteria apply to both the Initial Lease Receivables and the Additional Purchased Lease Receivables.</p>

#	Criterion Article 20 (7)	Verification Report
9	Predetermined, clear and documented selection criteria ('eligibility criteria') (II / II)	<p><u>Verification Method:</u> Data (AuP Report)</p> <p>The asset audit, whereby the audit company performs certain Agreed-upon Procedures with respect to the compliance of the underlying exposures in a randomly selected sample, amongst others covers the key Eligibility Criteria specified for the Transaction. Please also refer to #40 for a summary of the scope of the asset audit.</p>

#	Criterion Article 20 (7)	Verification Report
10	No active portfolio management	<p><u>Verification Method:</u> Legal (Prospectus, LRPA)</p> <p>The underlying exposures in the provisional pool and the final pool are selected, and any Additional Receivables will be selected based on a well-established, random selection process.</p> <p>In case a Purchased Lease Receivable should turn out to be not eligible, the Seller shall be deemed to have received a Collection in respect of the affected Purchased Lease Receivable in an amount equal to the Discounted Outstanding Lease Balance of such</p>

	<p>Purchased Lease Receivable and shall be obliged to pay to the Issuer as from the time the Deemed Collection comes to the attention of either the Seller, the Issuer or the Trustee the then Discounted Outstanding Lease Balance of the affected Purchased Lease Receivable, see the definition of "Deemed Collections" in Section "MASTER DEFINITIONS SCHEDULE" of the Prospectus as well as Clause 16.1 of the LRPA. There will, however, be no substitution of the ineligible Purchased Lease Receivable with a new Receivable, except for the mechanism described above as part of the regular revolving process during the Revolving Period.</p>
	<p>Furthermore, the Transaction structure foresees a Clean-Up Call Option, whereby the Seller may, subject to certain conditions, request to repurchase all Outstanding Lease Receivables (together with any Lease Collateral) on the Clean-Up Call Settlement Date. Such Clean-Up Call Option can be exercised on any Payment Date on which (i) the Current Aggregate Discounted Outstanding Lease Balance is reduced to less than 10 per cent. of the Initial Aggregate Discounted Outstanding Lease Balance as of the Cut-Off Date immediately preceding the Issue Date or (ii) all outstanding Class A Notes have been repaid in full, please refer to Clause 14 "Clean-Up Call", Sub-Clause 14.1 of the LRPA.</p>
	<p>The above-described instances that allow for a repurchase of underlying exposures fall under the individual techniques of portfolio management listed in the EBA Guidelines that should not be considered active portfolio management (e.g. breach of representations or warranties and the exercise of clean-up call options).</p>
	<p>Generally, the above described repurchase mechanism used in the Transaction (a) does not make the performance of the Transaction dependent both on the performance of the underlying exposures and on the performance of the portfolio management, and (b) is not performed for speculative purposes aiming to achieve better performance, increased yield, overall financial returns or other purely financial or economic benefit.</p>
	<p>As a result of the above, the criterion "no active portfolio management" is fulfilled.</p>

#	Criterion Article 20 (8)	Verification Report
11	Securitisation of a <b>homogeneous</b> portfolio in terms of asset classes (I / III)	<p><u>Verification Method:</u> Legal (Prospectus)</p> <p>The underlying exposures fall into the asset type according to Art. 1 (a) (v) of the Commission Delegated Regulation (EU) 2019/1851 on the homogeneity (i.e. auto loans and leases).</p> <p>The Seller has chosen the homogeneity factor according to Art. 2 (4.) (b) of the Commission Delegated Regulation (EU) 2019/1851 on the homogeneity of the underlying exposures, i.e. jurisdiction, whereby the pool shall consist of underlying exposures relating to Lessees with residence in one jurisdiction (Germany) only, see Section "ELIGIBILITY CRITERIA", Item (q) of the Prospectus.</p>

#	Criterion Article 20 (8)	Verification Report
12	Securitisation of a homogeneous portfolio in terms of asset classes (II / III)	<p><u>Verification Method:</u> Due Diligence (Underwriting and Servicing Policy)</p> <p>The underlying exposures have been originated in accordance with consistent underwriting standards, as presented in the Due Diligence and further described in #17. No distinction is made between securitised and non-securitised Receivables. The underwriting process in place assures that only Lessees resident in Germany are originated according to the underwriting policy.</p> <p>The same applies to the servicing policy, with the underlying exposures being serviced using consistent standards and no distinction being made between securitised and non-securitised receivables.</p>

#	Criterion Article 20 (8)	Verification Report
13	Securitisation of a homogeneous portfolio in terms of asset classes (III / III)	<p><u>Verification Method:</u> Data (AuP Report)</p> <p>The homogeneity factor "residence in Germany" is, through the check of the key Eligibility Criteria "The relevant Lease Agreement has been entered into with a Lessee which (i) if being a corporate entity has its registered office in Germany or (ii) if being an individual has its place of residence in Germany." (see Section "ELIGIBILITY CRITERIA", Item (q) of the Prospectus), part of the Pool Data and Eligibility Criteria Verification as further described in #40.</p>

#	Criterion Article 20 (8)	Verification Report
14	The underlying exposures contain <b>obligations that are contractually binding and enforceable</b>	<p><u>Verification Method:</u> Legal (Legal Opinion, Prospectus) / Due Diligence</p> <p>Section "ELIGIBILITY CRITERIA", Item (a) of the Prospectus contains warranties by the Seller as to the legally valid, binding and enforceable nature of the underlying exposures, i.e. the Lease Agreements under which the relevant Lease Receivables arises. Please also refer to #1 and to #7 above.</p>

#	Criterion Article 20 (8)	Verification Report
15	The underlying exposures have <b>defined periodic payment streams</b> and do not include <b>transferable securities</b> other than unlisted corporate bonds	<p><u>Verification Method:</u> Legal (Prospectus) / Due Diligence / Data (AuP Report)</p> <p>The underlying exposures for the Transaction represent standard auto Lease Agreements originated by BMW Bank GmbH in respect of retail and commercial clients.</p> <p>The underlying exposures represent the finance portion (itself comprising a claim against the Lessees in respect of the Lease Instalments - the Purchased Lease Receivables shall not include the portions relating to the VAT, the residual value and the provision of services, see Section "CREDIT STRUCTURE AND FLOW OF FUNDS", Subsection "Lease Instalments of the Purchased Lease Receivables" of the Prospectus) paid by the Lessee during the term of the Lease Agreement on a monthly basis and have defined periodic payment streams during that term.</p> <p>The Eligibility Criteria restrict the underlying exposures to Lease Receivables originated under a Lease Agreement (see Section "ELIGIBILITY CRITERIA", Item (a) of the Prospectus), thereby eliminating any transferable security from the portfolio.</p> <p>The compliance of the preliminary pool with the Eligibility Criteria has been verified through the Pool Data and Eligibility Criteria Verification (see #40).</p>

#	Criterion Article 20 (9)	Verification Report
16	Are there any <b>securitisation positions</b> in the portfolio?	<p><u>Verification Method:</u> Legal (Prospectus) / Due Diligence / Data (AuP Report)</p> <p>The Eligibility Criteria restrict the underlying exposures to Lease Receivables originated under a Lease Agreement, thereby assuring that no securitisation position may become part of the portfolio. The compliance of the provisional pool with the Eligibility Criteria has been verified through the Pool Data and Eligibility Criteria Verification (see #40).</p> <p>As demonstrated during the Due Diligence, the origination and/or resale of securitisation positions is not part of the business model of the Originator and not permitted under the Originators' underwriting policy.</p>



#	Criterion Article 20 (10)	Verification Report
17	<p><b>Origination of underlying exposures in the ordinary course of business</b> of the originator or the original lender</p>	<p><u>Verification Method:</u> Legal (Prospectus) / Due Diligence (Underwriting and Servicing Policy)</p> <p>BMW Bank GmbH is today one of Germany's leading automobile banks, active in Germany since 1971. BMW Bank GmbH is subject to the supervision of the German Federal Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i>) and the European Central Bank in accordance with the German Banking Act (<i>Kreditwesengesetz</i>) (please also refer to the website of BMW Bank GmbH: <a href="https://www.bmwbank.de/impressum/">https://www.bmwbank.de/impressum/</a>).</p> <p>As presented and discussed in the Due Diligence, the well-developed and highly professional organisation of BMW Bank's business procedures has been developed over decades. Sales are made via the dealership groups for "BMW / MINI" and "Multimake". BMW Bank's business procedures assure that securitised exposures have been originated in the ordinary course of business and in accordance with uniform standards. Deviations from the underwriting policy are only permissible in well-defined and documented instances.</p> <p>The underlying exposures are similar to the non-securitised Lease Contracts in the asset type "auto loans and leases" (see definition of "similar exposures", item 22, in the EBA Guidelines) due to the strictly random selection process.</p> <p>Due to the revolving nature of the Transaction, further transfers of Additional Lease Receivables will occur on each Additional Purchase Date until the end of the Revolving Period. The Seller confirms in the Prospectus that the Additional Lease Receivables have been generated in the Seller's ordinary course of business in accordance with the Seller's Credit and Collection Policy, see Section "ELIGIBILITY CRITERIA", Item (e) of the Prospectus. This was also confirmed during the Due Diligence with BMW Bank.</p> <p>Furthermore, the Servicer shall notify the Issuer, the Calculation Agent, the Paying Agent, the Trustee and the Rating Agencies of its intention to adversely change its administrative or operating procedures relating to the keeping and maintaining of Records. Any such adverse change requires, prior to its implementation, the prior written consent of the Issuer and the Trustee and the prior written notification to the Rating Agencies of such adverse change. For this purpose, "adverse change" means a material change to the respective administrative or operative procedures that has, or is reasonably expected to have, a negative impact on the collectability or enforceability of the Purchased Lease Receivables (see Section "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS", Subsection 2 "Servicing Agreement", Paragraph "Information and Regular Reporting" of the Prospectus).</p>

#	Criterion Article 20 (10)	Verification Report
18	<b>Underwriting standards</b> for securitised exposures are no less stringent than those applied to non-securitised exposures	<p><u>Verification Method:</u> Due Diligence</p> <p>As presented and discussed in the Due Diligence, no distinction is made between securitised and non-securitised exposures in any respect, be it applicable regulatory standards, competence grid and involvement of decision-makers, distribution channels, product types and product characteristics, annual agreements on (sales) objectives, lending standards, approval processes, credit processing, dunning procedures, debt collection, realisation of collateral procedures, debt collection, realisation of collateral (including the policies or procedures relating to the residual value determination and realisation), customer service, outsourcing of sales, underwriting and servicing activities or areas of risk controlling, accounting and reporting (except for the required reporting of ABS transactions).</p> <p>Employees of the Originator or sales staff of the dealership groups involved in the underwriting do not know whether a risk position currently being processed for application will be securitised at a later stage or not.</p>

#	Criterion Article 20 (10)	Verification Report
19	Where the underlying exposures are <b>residential mortgage loans</b> , does the portfolio include <b>loans that have been self-certified</b> by the loan applicants?	<p><u>Verification Method:</u> Due Diligence</p> <p>The Eligibility Criteria restrict the underlying exposures to Lease Receivables originated under Lease Agreements – therefore, residential mortgage loans do not form part of the portfolio, see Section “ELIGIBILITY CRITERIA”, Item (a) of the Prospectus.</p>

#	Criterion Article 20 (10)	Verification Report
20	<b>Assessment of the borrower's creditworthiness performed in accordance with certain EU Directives</b> on credit agreements for consumers or on credit agreements for consumers relating to residential immovable property or, if applicable, the analogous provisions of a third country	<p><u>Verification Method:</u> Regulatory / Legal / Due Diligence</p> <p>BMW Bank is a credit institution (<i>Kreditinstitut</i>) according to § 1 German Banking Act. As such, the Originator is supervised by BaFin as competent national supervisory authority and by the European Central Bank. BMW Bank performs the „Assessment of the borrower's creditworthiness" with respect to lease agreements with consumers in accordance with paragraphs 1-4, point a) of paragraph 5 and paragraph 6 of Article 18 of Directive 2014/17/EU as reflected in § 505 a and § 505 b German Civil Code (BGB).</p>

#	Criterion Article 20 (10)	Verification Report
21	<b>Originator's experience</b> (as an entity or through management and senior staff) in origination of similar risk positions	<p><u>Verification Method:</u> Legal (Prospectus) / Regulatory / Due Diligence</p> <p>As an institution, the Originator does have substantially more than 5 years of experience in origination and underwriting of exposures similar to those securitised, see Section "THE SELLER AND SERVICER" of the Prospectus.</p>

#	Criterion Article 20 (11)	Verification Report
22	The underlying exposures are <b>transferred without undue delay</b> after selection	<p><u>Verification Method:</u> Legal (LRPA, Prospectus)</p> <p>The dates of the provisional and final pool cuts are 31 August 2023 and 31 October 2023, respectively. Transfer of the final pool will occur at closing (scheduled for 20 November 2023), i.e. without undue delay. Due to the revolving character of the Transaction, the transfer of the Additional Purchased Lease Receivables will occur on each respective Additional Purchase Date.</p>

#	Criterion Article 20 (11)	Verification Report
23	<p>The underlying exposures do not include <b>any defaulted exposures</b> or to <b>defaulted debtors/guarantors with impaired creditworthiness</b></p>	<p><u>Verification Method:</u> Regulatory (suitable proof incl. Imprint Website) / Legal (Prospectus) / Due Diligence</p> <p>The Originator is an institution subject to Regulation (EU) No. 575/2013. As presented in the Due Diligence and confirmed in the Prospectus, the Purchased Lease Receivables are transferred to the Issuer after selection without undue delay and do not include, at the time of selection and to the best of the Originator’s knowledge, exposures in default within the meaning of Article 178 (1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired lessee or guarantor (see Section “ELIGIBILITY CRITERIA”, Items (n) and (r) of the Prospectus).</p> <p>Furthermore, the underlying exposures will not include a Purchased Lease Receivable relating to a credit-impaired lessee or guarantor who, to the best of the Originator’s knowledge, (1) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within 3 years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within 3 years prior to the transfer date of the underlying exposures to the Issuer; (2) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the Seller; or (3) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable receivables held by the Originator which are not securitised (see Section “ELIGIBILITY CRITERIA”, Item (r) of the Prospectus).</p> <p>The Originator represents, with regards to the question which sources of information has been used to identify defaulted exposures and to determine if a borrower or guarantor is credit-impaired, that information have been obtained (1) from the Lessee on origination of the exposures, (2) in the course of BMW Bank’s servicing of the exposures or BMW Bank’s risk management procedures, or (3) from a third party. This is in line with the ‘best knowledge’ standard stipulated in the EBA Guidelines.</p> <p>Lessees and guarantors (i) declared insolvent and/or undergone a debt-restructuring process, or (ii) found on a public or other credit registry of persons with adverse credit history are generally not eligible according to the underwriting policy, as discussed in the Due Diligence.</p> <p>The Originator has IT systems in place to ensure that defaulted exposures or exposures to Lessees/guarantors with impaired creditworthiness are excluded from the provisional and final pool cut as well as from the additional pool cut within the Revolving Period.</p>

#	Criterion Article 20 (11)	Verification Report
24	The risk positions do not have a <b>credit assessment or a credit score</b> that allows a significantly higher default risk to be expected than for non-securitised risk positions	<p><u>Verification Method</u>: Due Diligence</p> <p>The most relevant factors determining the expected performance of the underlying exposures in the securitised portfolio are the profiles of the retail and commercial customers, credit agencies' information and financial information as well as past payment behaviour. All of these factors have an impact on the credit score.</p> <p>These factors are the same for securitised and non-securitised exposures due to the strictly random selection process.</p> <p>On this basis, it can be reasonably assumed that – in comparison to non-securitised exposures – no worse performance should occur for securitised exposures for the term of the Transaction.</p> <p>The requirement that the underlying exposures do not have a “credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable Receivables held by the Originator which are not securitised” is considered to be met as the underlying exposures do not include (i) exposures that are classified as doubtful, impaired, non-performing or similar, or (ii) exposures whose credit quality (based on credit ratings or other credit quality thresholds) significantly differs from the quality of other exposures ordinarily originated by the Originator.</p>

#	Criterion Article 20 (12)	Verification Report
25	At the time of the transfer, the <b>debtor has paid at least one instalment</b>	<p><u>Verification Method</u>: Legal (Prospectus) / Data (AuP Report)</p> <p>The Originator warrants that on the Cut-Off Date immediately preceding the relevant Purchase Date at least one due Lease Instalment has been fully paid in respect of the relevant Lease Receivable, see Section “ELIGIBILITY CRITERIA”, Item (j) of the Prospectus.</p> <p>The asset audit, whereby the audit company performs certain Agreed-upon Procedures with respect to the compliance of the underlying exposures in a randomly selected sample (please also refer to #40, Article 22 (2)), covers the above-mentioned Eligibility Criteria.</p>

#	Criterion Article 20 (13)	Verification Report
26	The repayment of the securitisation position should <b>not be predominantly dependent on the sale of assets</b> securing the underlying exposures	<p><u>Verification Method:</u> Legal (Prospectus) / Due Diligence</p> <p>The Transaction does not, for the repayment of the securitisation positions, rely in any way on the sale of assets.</p> <p>This is achieved mainly by the fact that the residual value (RV) portion of the Lease Agreements, which bears the potential risk that the value of the underlying vehicle fluctuates, does <u>not</u> form part of the underlying exposures, please refer to Section "CREDIT STRUCTURE AND FLOW OF FUNDS", Subsection "Lease Instalments of the Purchased Lease Receivables" of the Prospectus (also see above, #15, Article 20 (8) of the Securitisation Regulation).</p>

#	Criterion Article 21 (1)	Verification Report
27	<b>Risk retention</b> (Art. 6.1 of the Securitisation Regulation), usually by the Originator	<p><u>Verification Method:</u> Legal (Prospectus) / Due Diligence</p> <p>BMW Bank GmbH as the Seller, as subordinated lender and as Originator will act as holder of the risk retention, see Section "RISK RETENTION" of the Prospectus.</p> <p>The Type of risk retention will be a material net economic interest in accordance with Article 6 (3) (d) of Securitisation Regulation, see Section "RISK RETENTION", Subsection "Risk retention under the Securitisation Regulation" of the Prospectus. The Seller will (i) retain the Class B Notes and (ii) retain a first loss tranche constituted by the claim for repayment of a loan in advance so that the sum of the aggregate principal amount of the Class B Notes and the nominal amount of the subordinated loan is equal to at least 5% of the nominal amount of the "securitised exposures" (i.e. the Purchased Lease Receivables).</p> <p>The Monthly Investor Report will also set out monthly confirmation regarding the continued holding of the risk retention by the Seller, as confirmed by the Seller (see Section "RISK RETENTION", Subsection "Risk retention under the Securitisation Regulation" of the Prospectus).</p> <p>The legal obligation of the Seller to hold the risk retention during the lifetime of the Transaction is entered into according to Section "RISK RETENTION", Subsection "Risk retention under the Securitisation Regulation" of the Prospectus.</p>

#	Criterion Article 21 (2)	Verification Report
28	<b>Appropriate hedging</b> of interest rate and currency risks, no derivatives as underlying risk positions (I / II)	<p><u>Verification Method:</u> Due Diligence</p> <p>Since the Purchased Lease Receivables are fixed rate and the Class A Notes are floating rate, interest rate risks arise from such mismatch. Both assets and liabilities of the Issuer are EUR denominated hence no currency risk occurs.</p> <p>The Purchased Lease Receivables bear interest at fixed rates while the Class A Notes will bear interest at floating rates based on 1-M-EURIBOR. Under the Swap Agreement, on each Payment Date, the Issuer will owe the Swap Fixed Interest Rate applied to the Swap Notional Amount and the Swap Counterparty will pay the Swap Floating Interest Rate equal to EURIBOR per annum as determined by the ISDA Calculation Agent in respect of the Interest Period immediately preceding such Payment Date, applied to the Swap Notional Amount, see Section "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS", Subsection 6 "Swap Agreement" of the Prospectus.</p> <p>No further risks in addition to interest rate risks are hedged under the interest rate hedge agreement.</p>

#	Criterion Article 21 (2)	Verification Report
29	Appropriate hedging of interest rate and currency risks, no derivatives as underlying risk positions (II / II)	<p><u>Verification Method:</u> Legal (Prospectus, Swap Agreement)</p> <p>The legal instrument used by the Issuer to hedge interest rate risks is the Swap Agreement for the Class A Notes, see in this regard Section "CREDIT STRUCTURE AND FLOW OF FUNDS", Subsection "Interest rate hedging" as well as Section "TRANSACTION OVERVIEW", Subsection "Swap Agreement" of the Prospectus.</p> <p>The Swap Agreement considers any potential asset liability mismatch by referencing to the outstanding notes balance, and the agreement is based on the 2002 ISDA Master Agreement as established market standard, see definition of "Swap Agreement" in Section "MASTER DEFINITIONS SCHEDULE" of the Prospectus.</p> <p>The requirements for Eligible Swap Counterparties are market standard in international finance, see Section "CREDIT STRUCTURE AND FLOW OF FUNDS", Subsection "Interest rate hedging" of the Prospectus as well as Section "MASTER DEFINITIONS SCHEDULE", definition of "Eligible Swap Counterparty" in the Prospectus.</p>

#	Criterion Article 21 (3)	Verification Report
30	Generally used <b>reference rates</b> for interest payments	<p><u>Verification Method:</u> Legal (Prospectus, Swap Agreement, Bank Account Agreement)</p> <p>No reference rates apply to the Purchased Lease Receivables which bear fixed interest rates.</p> <p>The Class A Notes will bear interest at floating rates based on 1-M-Euribor, see Section "RISK FACTORS", Subsection "Interest Rate Risk" as well as section "TRANSACTION OVERVIEW", Subsection "Swap Agreement" in the Prospectus, constituting a market standard reference rate.</p> <p>The interest for the cash accounts will be based on a market standard reference rate, see Section 4. "Issuer Account; interest" in the Bank Account Agreement.</p> <p>Currency hedges are not provided for in the Transaction structure (see above under #28).</p>

#	Criterion Article 21 (4)	Verification Report
31	<b>Requirements in the event of an enforcement</b> or delivery of an acceleration notice	<p><u>Verification Method:</u> Legal (Prospectus)</p> <p>After the occurrence of an Enforcement Event, the Priority of Payments will change to the Post-Enforcement Priority of Payments, see Section "TERMS AND CONDITIONS OF THE NOTES", Subsection 9 "Post-Enforcement Priority of Payments" in the Prospectus. This requires:</p> <p>(a) No cash will be retained with the Issuer, see Section "TERMS AND CONDITIONS OF THE NOTES", Subsection 9 "Post-Enforcement Priority of Payments" in the Prospectus.</p> <p>(b) The Available Post-Enforcement Funds will be used for the fully sequential amortisation of the securitisation positions as determined by the seniority of the securitisation position, see Section "TERMS AND CONDITIONS OF THE NOTES", Subsection 9 "Post-Enforcement Priority of Payments" in the Prospectus.</p> <p>(c) The interest and principal payments are first made for the Class A Notes and then interest and principal payments are made for the subsequent Notes, hence repayments are not reversed with regard to their seniority.</p> <p>(d) No automatic liquidation or sale of risk positions or assets is provided for.</p>



#	Criterion Article 21 (5)	Verification Report
32	<b>Sequential repayment as fall-back</b> in the event of a deterioration in portfolio quality for Transactions that feature a <b>non-sequential priority of payments</b>	<p><u>Verification Method:</u> Legal (Prospectus)</p> <p>The Transaction has a strictly sequential Priority of Payments.</p>

#	Criterion Article 21 (6)	Verification Report
33	<b>Early amortisation provisions</b> or triggers for termination of the revolving phase to include at least the following:	<p><u>Verification Method:</u> Legal (Prospectus, ITM)</p> <p>General: The Issuer will only be allowed to purchase Additional Purchased Lease Receivables until an Early Amortisation Event (see the definition of "Early Amortisation Event" in the Section "MASTER DEFINITIONS SCHEDULE" of the Prospectus) has occurred. Thus, the Revolving Period will end upon the earlier of (i) the Payment Date falling in November 2024 (incl.) and (ii) the date on which an Early Amortisation Event has occurred prior to the respective Payment Date. The following events trigger an Early Amortisation Event:</p>
	a) deterioration in the credit quality of the underlying exposures below a predefined threshold	A deterioration in the credit quality of the Purchased Lease Receivables to or below a predetermined threshold (as set out in item (i) of the definition of "Early Amortisation Event").
	b) insolvency-related events in relation to the Originator or the Servicer	The occurrence of an insolvency-related event with regard to the Originator or the Servicer (as set out in item (vi) of the definition of "Early Amortisation Event").
	c) decline in value of the underlying exposures below a predefined threshold	The value of the Purchased Lease Receivables held by the Issuer falls below a predetermined threshold (as set out in item (iii) of the definition of "Early Amortisation Event").
	d) failure to generate sufficient new underlying exposures for replenishments under revolving Transactions	A failure to generate sufficient new Purchased Lease Receivables that meet the predetermined credit quality (as set out in item (iv) of the definition of "Early Amortisation Event").

#	Criterion Article 21 (7)	Verification Report
34	<p><b>Clear rules</b> in the Transaction documentation regarding obligations, tasks and responsibilities of the Servicer, trustees and other ancillary service providers</p>	<p><u>Verification Method:</u> Legal (Transaction documents)</p> <p>The Servicing Agreement provides for a clear specification of the contractual obligations, duties and responsibilities of the Servicer - especially with regard to the servicing, monitoring, reporting and monthly advances to mitigate for commingling risk - as well as the provisions for a potential replacement in case of a Servicer Termination Event, please refer to the Section "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS", Subsection "Servicing Agreement" of the Prospectus or to the Servicing Agreement.</p> <p>Similar provisions for the obligations, duties and responsibilities of the Corporate Administrator (Intertrust) who is administering the Issuer, the Trustees (BNY Mellon Corporate Trustee Services, UK, as Trustee and BNY Mellon, Frankfurt Branch, as Data Trustee), the Account Bank (BNY Mellon, Frankfurt Branch) and further agents (BNY Mellon, London Branch as Calculation Agent, Paying Agent and Interest Determination Agent) are provided for in the Prospectus, see Section "PARTIES TO THE TRANSACTION".</p> <p>The Transaction Documents specify clearly provisions that ensure the replacement of derivative counterparties and the Account Bank in the case of their default, insolvency and other specified events, where applicable. In respect of the Account Bank provisions exist for its replacement if the Account Bank ceases to be an "Eligible Counterparty" as set out in Section "CREDIT STRUCTURE AND FLOW OF FUNDS", Subsection "Bank account used for the Transaction" of the Prospectus.</p> <p>Also, detailed provisions exist for the obligations, duties and responsibilities of the Swap Counterparty (see Sections "CREDIT STRUCTURE AND FLOW OF FUNDS", Subsection "Interest rate hedging" in the Prospectus).</p>

#	Criterion Article 21 (8)	Verification Report
35	<b>Experience of the Servicer</b> (management and senior staff) in the servicing of exposures of a similar nature to those securitised	<p><u>Verification Method:</u> Regulatory (suitable proof) / Legal (Prospectus) / Due Diligence</p> <p>BMW Bank GmbH is a financial institution (<i>Kreditinstitut</i>) according to § 1 German Banking Act. As such, the Originator is supervised by BaFin as competent national supervisory authority.</p> <p>The Prospectus contains information on the experience of BMW Bank as a Seller and Servicer, see Section "THE SELLER AND SERVICER", Subsection "Incorporation, Registered Office and Purpose".</p> <p>The experience and expertise of the management and the senior staff has been confirmed during the Due Diligence.</p> <p>As a result, BMW Bank as Servicer is deemed to have the relevant expertise as an entity being active as Servicer of Lease Receivables for over 45 years and as Servicer of Lease Receivables securitisations for over 15 years, and no contrary findings were observed in the Due Diligence.</p>

#	Criterion Article 21 (8)	Verification Report
36	Appropriate and well documented <b>risk management and service policies</b> , procedures and controls	<p><u>Verification Method:</u> Regulatory (suitable proof) / Due Diligence</p> <p>As a result of the regulatory status (see #35 above), BMW Bank has well established procedures with regard to risk management, servicing and internal control systems in place, and no contrary findings were observed in the Due Diligence.</p>

#	Criterion Article 21 (9)	Verification Report
37	<p>Clear and coherent definitions, regulations and possible measures with regard to the <b>servicing of non-performing exposures, specification of the priorities of payment</b></p>	<p><u>Verification Method:</u> Legal (Prospectus, ITM) / Due Diligence</p> <p>The Credit and Collection Policy of BMW Bank (see Section "CREDIT AND COLLECTION POLICY" of the Prospectus), which must be complied in respect of the servicing of the Purchased Lease Receivables and the related Loan Collateral by the Servicer in accordance with the Servicing Agreement (as summarised in Section "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS", Subsection "Servicing Agreement" of the Prospectus), contains a description of procedures related to, among others, measures before or after termination of contracts, such as deferrals, remedies and actions relating to delinquency and default of lessees, termination of lease contracts, realisation of financed assets, other forms of restructuring and write-offs.</p> <p>The loss definition used in the Transaction refers to the term "Defaulted Lease Receivable" which means any Purchased Lease Receivable which:</p> <ul style="list-style-type: none"> <li>(i) has been sold to a debt collection agency,</li> <li>(ii) is terminated and the Leased Vehicle is repossessed in accordance with the Credit and Collection Policy or</li> <li>(iii) has been written off in the system of the Seller.</li> </ul> <p>This definition is consistently used in the Transaction Documents.</p> <p>The Transaction Documents clearly specifies the Priority of Payments (Pre-Enforcement Priority of Payments and Post-Enforcement Priority of Payments), see Section "TRANSACTION OVERVIEW" of the Prospectus, and the events which trigger changes in such Priority of Payments, see the definition of "Enforcement Event" in the Section "MASTER DEFINITIONS SCHEDULE" of the Prospectus.</p> <p>In addition, the procedures in relation to non-performing exposures have been presented and discussed in the Due Diligence and are consistent and in line with the terms used in the Transaction Documents for non-performing exposures.</p>

#	Criterion Article 21 (10)	Verification Report
38	<b>Clear rules in the event of conflicts</b> between the different classes of noteholders	<p><u>Verification Method:</u> Regulatory / Legal (Prospectus, Trust Agreement)</p> <p>The Notes are issued on the basis of the German Act on Debt Securities (<i>Gesetz über Schuldverschreibungen aus Gesamtemissionen - SchVG</i>), see Section "TRANSACTION OVERVIEW", Paragraph "Resolutions of Noteholders" as well as Section "OVERVIEW OF RULES REGARDING RESOLUTIONS OF NOTEHOLDERS" of the Prospectus, enabling Noteholders to take resolutions within one Class of Notes. In addition, Clause 2.16 of the Trust Agreement provides for clear instructions for the Trustee as regards the treatment of the interests of different Classes of Notes and their ranking in line with the applicable Priority of Payments, see also Section "MATERIAL TERMS OF THE TRUST AGREEMENT" and Section "TERMS AND CONDITIONS OF THE NOTES", Subsections 7.6 "Pre-Enforcement Priority of Payments" and 9 "Post-Enforcement Priority of Payments" of the Prospectus.</p>

#	Criterion Article 22 (1)	Verification Report
39	Provision of <b>historical performance data</b> before pricing	<p><u>Verification Method:</u> Legal (Prospectus) / Due Diligence / Data</p> <p>The historical performance data relate to the portfolio of auto lease receivables which have been granted by the Seller (see Section "PURCHASED LEASE RECEIVABLES CHARACTERISTICS AND HISTORICAL DATA" Subsection 2 "Historical performance data" in the Prospectus) and include the following areas:</p> <ul style="list-style-type: none"> <li>a) <b>Gross loss</b> (i.e. losses before recoveries) in static format (covering the period from Q1/2015 until Q2/2023), separate for the total portfolio, commercial Lessees and private Lessees.</li> <li>b) <b>Delinquencies</b> measured as monthly delinquency rate (covering the period from January 2015 until June 2023).</li> <li>c) <b>Annualised prepayments</b> measured as monthly prepayment rate (covering the period from January 2015 until June 2023).</li> </ul> <p>The focus on gross losses is consistent with the fact that the pro-rata share of sales proceeds from vehicles on defaulted leases is not available for the Transaction.</p> <p>The data history, provided prior to pricing, covers a period of at least 5 years required under Article 22 (1) of the Securitisation Regulation, see Section "PURCHASED LEASE RECEIVABLES CHARACTERISTICS AND HISTORICAL DATA" Subsection 2 "Historical performance data" in the Prospectus.</p> <p>Given that the most relevant factors determining the expected performance of the underlying exposures in the securitised portfolio, namely the factors described in #24, are the same to the overall portfolio for which the above-mentioned historical performance data have been procured, comparability between the securitised portfolio and the Originator's overall portfolio ("substantially similar exposures") is ensured.</p>

#	Criterion Article 22 (2)	Verification Report
40	Performance of an <b>asset audit</b> on the basis of a sample and defined audit steps (Agreed upon Procedures, AuP) by an external independent party	<p><u>Verification Method:</u> Data (AuP Report)</p> <p>The Originator has mandated a qualified and experienced audit firm to perform the asset audit. The asset audit and the related AuP include both of the following:</p> <ul style="list-style-type: none"> <li>a) a verification of the compliance of the underlying exposures in the portfolio with selected key pool data fields and the key Eligibility Criteria (the "<b>Pool Data and Eligibility Criteria Verification</b>"); and</li> <li>b) verification that the data disclosed to investors in the Preliminary Prospectus and in the Prospectus in respect of the underlying exposures is accurate (the "<b>Prospectus Data Verification</b>").</li> </ul> <p>The sample drawn for the Pool Data and Eligibility Criteria Verification is representative of the securitised portfolio, based on a preliminary pool cut dated 31 August 2023. This is ensured by a sufficiently large sample and random selection, applying a 99% confidence level. The final report prepared by the audit firm with regards to the Pool Data and Eligibility Criteria Verification has been made available to SVI on 26 September 2023. The final report confirms that the Pool Data and Eligibility Criteria Verification has occurred and that in all material respects the Data Fields agree to the respective information in the underlying documents or in the bookkeeping system of BMW.</p> <p>The Prospectus Data Verification has been performed by the audit firm based on a data file representing the provisional pool cut as of 31 August 2023. This verification has been based on all underlying exposures (loan level data) and the scope comprises information in the stratification tables (see Section "PURCHASED LEASE RECEIVABLES CHARACTERISTICS AND HISTORICAL DATA", Subsection 1 "Purchased Lease Receivables characteristics" in the Preliminary Prospectus) correspond to the provisional pool cut.</p> <p>The Prospectus Data Verification has been repeated by the audit firm based on the final pool cut dated 31 October 2023 and the Prospectus, applying the same scope as for the verification of the provisional pool cut (see above). The reports prepared by the audit firm with regards to the Prospectus Data Verification has been made available to SVI on 6 October 2023 and 14 November 2023, respectively. The reports confirm that no significant adverse findings have been found.</p> <p>Please note that, for the purpose of compliance with the requirements of Art. 22 (2) of the Securitisation Regulation, the AuP can be based on either the provisional or the final pool cut.</p>

#	Criterion Article 22 (3)	Verification Report
41	<p>Provision of a precise <b>liability cash flow model</b> to the investors prior to pricing by the Originator; "precise" refers to the possibility for the investor to calculate the amortisation rate and, based on this, the pricing of the securitisation position</p>	<p><u>Verification Method</u>: Legal (Prospectus) / Due Diligence (Cash flow model)</p> <p>A CF-Model has been prepared by EuroABS on behalf of the Originator as a web-based tool, which can be accessed via <a href="http://www.euroabs.com">www.euroabs.com</a> and by completing the Access Request Form from EuroABS. SVI has been granted access to the website and the cash flow model for the BSKY Leases 8 transaction prior to closing in order to perform the steps necessary to verify the compliance under Article 22 (3) of the Securitisation Regulation. It should be noted that the statements below do reflect the result of SVI's review of the functionality of the cash flow model and can be considered as a check of plausibility, however no assurance can be given that the CF-Model calculates correctly in each and every scenario.</p> <p>The CF-Model accurately reflects the contractual relationships and cash flows from and to the securitised portfolio, cash accounts, Classes A to B Notes, the Originator/Servicer as well as other parties involved (summarised as senior expenses).</p> <p>A wide range of different scenarios can be modelled, including but not limited to prepayments, delinquencies, defaults (gross losses), recoveries, coupon on the notes and senior expenses. Both size as well as timing of payments or defaults can be varied. Furthermore, digital scenarios such as the exercise of call options (yes/no) can be considered. As a result, both base cases scenarios for pricing as well as stress scenarios for credit analysis purposes can be modelled.</p> <p>The CF-Model is available since on or around 5 October 2023 and hence accessible to potential investors prior to pricing and after pricing on an ongoing basis to investors and, upon request, to potential investors in the Notes.</p>

#	Criterion Article 22 (4)	Verification Report
42	<p>For residential mortgage loan and auto loan/auto leasing portfolios: publication of information on the <b>environmental performance of the assets</b> financed by such underlying exposures (energy performance certificates)</p> <p>Alternatively: publication of the available information related to the <b>principal adverse impacts of the assets</b> financed by such underlying exposures <b>on sustainability factors</b></p>	<p><u>Verification Method:</u> Legal (Prospectus) / Due Diligence</p> <p>The Originator has confirmed that information on the environmental performance of the assets financed by such underlying exposures (in this case: auto leases) is intended to be provided in the form of the efficiency classes as specified by Pkw-EnVKV (§ 3a). The information is intended to be made available at least on a quarterly basis as part of the information on the underlying exposures as per Article 7 (1) (a) of the Securitisation Regulation and as applicable.</p>



#	Criterion Article 22 (5)	Verification Report
43	Compliance with the provisions of Art. 7 of the Securitisation Regulation (regarding <b>Transparency</b> ) is the responsibility of the Originator or Sponsor	<p><u>Verification Method:</u> Legal (Prospectus) / Due Diligence</p> <p>For the purposes of Article 7(2) of the Securitisation Regulation, the Seller agreed, pursuant to Section 13.2 "Reporting Entity pursuant to article 7 of the Securitisation Regulation" of the LRPA, to act as the Reporting Entity for this Transaction. In this regard the Seller confirms in Sections "Disclosure Requirements under Securitisation Regulation" and "GENERAL INFORMATION", Subsection 9 "Post-issuance Reporting" of the Prospectus that it will fulfil the provisions of Art. 7 of the Securitisation Regulation as follows:</p> <ul style="list-style-type: none"> <li>• Art. 7(1)(a): Loan level data will be made available for the first time after the first Payment Date (scheduled for 20 December 2023) and then at least on a quarterly basis. In addition, this information has been made available prior to pricing in draft form based on the provisional pool.</li> <li>• Art. 7(1)(b): The relevant Transaction Documents in draft form has been made available prior to pricing on the website of the European DataWarehouse at <a href="http://www.eurodw.eu">www.eurodw.eu</a>. The Transaction Documents will be available in final form within 15 days after the Issue Date on the same website.</li> <li>• Art. 7(1)(c): Not applicable.</li> <li>• Art. 7(1)(d): In accordance with the RTS for notification, the notification has been provided to investors in draft form prior to pricing on the website of the European DataWarehouse at <a href="http://www.eurodw.eu">www.eurodw.eu</a>. The notification will be made available in final form within 15 days after the Closing Date on the same website and on ESMA's website.</li> <li>• Art. 7(1)(e): The Investor Report will be made available for the first time on or after the first Payment Date (scheduled for 20 December 2023) and then at least on a quarterly basis.</li> <li>• Art. 7(1)(f): Ad hoc announcements will be published as soon as they need to be published under the MAR.</li> <li>• Art. 7(1)(g): If a "Significant Event" occurs, investors will be informed immediately.</li> </ul>

As a result of the verifications documented above, we confirm to **BMW Bank GmbH** that the STS criteria pursuant to Article 19 to 22 of the European Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 for the transaction "**Bavarian Sky S.A., acting in respect of its Compartment German Auto Leases 8**" have been fulfilled.

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