

Declaration of undertaking by the mandator as part of the TSI certification process

We, the undersigned

Mandator

BMW Bank GmbH

undertake to comply with all details of this declaration of undertaking for the entire term of the securitisation transaction.

Transaction

Bavarian Sky S.A. Comp. German Auto Loans 8

Reference data

Transaction name

Bavarian Sky S.A. Comp. German Auto Loans 8

Name of the SPV

Bavarian Sky S.A., acting in respect of its Compartment GAL 8

SPV headquarters

Luxembourg

Originator

BMW Bank GmbH

Service

BMW Bank GmbH

Joint Lead Manager

Commerzbank, Skandinaviska Enskilda Banken AB (publ)

Bookrunner

Commerzbank, Skandinaviska Enskilda Banken AB (publ)

Documentation

Clifford Chance

If changes occur with regard to the fulfilment of individual criteria, we will inform True Sale International GmbH thereof without delay.

The General Conditions of Certification, including the annexes, of True Sale International GmbH, as published on the True Sale International GmbH website (www.tsi-gmbh.de), shall apply. True Sale International GmbH will not carry out any initial or ongoing verification of the information given in this declaration of undertaking.

Corporate services provider

Intertrust (Luxembourg) Sàrl

Closing date

May 16th 2018

Volume per tranche in EUR million

Class A EUR 1000m; Class B EUR 75.3m; Subloan EUR 5.38m

Portfolio structure

Static

Revolving

Asset class

Auto loans non-German SPV

Securitisation structure

True Sale

Synthetic

General quality criteria

No Quality criterion

Definition of the underlying asset class

- 1 Assurance is given that, at the time of selecting the loans in the portfolio to be securitised ("cut-off date"), the underlying assets in the transaction are predominantly (more than 60%) receivables pursuant to German law of a credit institution domiciled in Germany.

Yes
 No
 not applicable

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- 2 The Mandator confirms that no more than one-third of the balance sheet volume is securitised.

Yes
 No
 not applicable

continued on page 19

Loans in the securitised portfolio

- 3 Assurance is given that the asset pool includes only such receivables as are legally valid, binding and legally enforceable.

Yes
 No
 not applicable

continued on page 19

Criterion fulfilled Comments

General quality criteria

No Quality criterion Criterion fulfilled Comments

4 Assurance is given that the assets have been transferred to the special purpose vehicle in a legally valid, binding and legally enforceable manner.

Yes
 No
 not applicable

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5 Assurance is given that the asset pool includes only those receivables that comply with the asset class referred to on page 1 of this Declaration. Swaps or other derivative financial instruments are included in the transaction structure solely for hedging purposes (e.g. interest rate or currency swaps).

Yes
 No
 not applicable

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6 Assurance is given that the asset pool includes only such receivables for which at least one instalment has been paid as per the agreement.

Yes
 No
 not applicable

continued on page 19

General quality criteria

No Quality criterion

- 7 The portfolio to be securitised contains no securitisation positions of other securitisation transactions (prohibition of re-securitisations).

Yes
 No
 not applicable

Criterion fulfilled

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Lending standards

- 8 In connection with the granting of a loan, the rules of Article 405 "Retained interest of the issuer" of the relevant version of the Capital Requirements Regulation (CRR) as published in the Official Journal of the European Union shall apply.

Yes
 No
 not applicable

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- 9 The securitised loans have all been granted in the context of standard business activities (balance-sheet transactions).

Yes
 No
 not applicable

continued on page 19

General quality criteria

No Quality criterion Criterion fulfilled Comments

10 Assurance is given that the portfolio to be securitised does not contain loans which are granted on the basis of divergent lending standards and approval procedures so that they can be transferred directly to the capital market by means of securitisation (originate-to-distribute model).

Yes-
 No
 not applicable

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11 Assurance is given that when the loans in the securitised portfolio were granted there were, according to the relevant credit reporting agency, no negative features (data from public debtor lists; signs of misuse or balance after titling; information on behaviour in contravention of the agreement).

Yes
 No
 not applicable

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12 All securitised loans have been subjected to a check of all relevant details regarding customer creditworthiness and evaluation of securities on the basis of documents submitted and documented (no self-certification).

Yes
 No
 not applicable

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General quality criteria

No Quality criterion

Criterion fulfilled

13 Assurance is given that, in granting the loan and loan processing, securitised and unsecuritised loans are subject to the same supervisory standards.

Yes
 No
 not applicable

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14 Assurance is given that the same lending standards, approval procedures and incentive measures as for on-balance-sheet loans are used for the loans to be securitised.

Yes
 No
 not applicable

continued on page 19

15 With regard to lending, no divergent target agreement, marketing control measures or bonus systems are applied to securitised or unsecuritised loans.

Yes
 No
 not applicable

continued on page 19

General quality criteria

No Quality criterion

Criterion fulfilled

16 The same guidelines and competence matrices as well as the same structural integration of decision-makers in the organisational hierarchy apply to both securitised and unsecuritised loans.

Yes No not applicable

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17 Assurance is given that securitised and unsecuritised loans are not subject to divergent treatment in internal audits.

Yes No not applicable

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18 Securitised and unsecuritised loans are not subject to systematic differences with regard to the business structure, the marketing channels used and the type of loan.

Yes No not applicable

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General quality criteria

No Quality criterion

The Originator's servicing standards

- 19 Assurance is given that loan servicing, including after securitisation, shall remain in our area of responsibility and shall continue to be subject to the general servicing standards applicable within our company. Servicing covers loan processing, including debt collection and customer account management. Assurance is hereby given that in the case of management by our company or outsourcing, the same servicing standards shall apply to both securitised and unsecuritised loans.

Yes X
 No
 not applicable

Criterion fulfilled

Comments

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Appropriate procedures for the ongoing and prompt monitoring of the performance of the securitised loans

- 20 Regardless of the securitisation status of individual loans, for both securitised and unsecuritised loans compliance with the supervisory standards and the German Minimum Requirements for Risk Management (MaRisk) in the loan process and in loan servicing as well as compliance with defined minimum standards in the asset management process (e.g. automated dunning process, transfer to intensive management after a defined number of instalments in arrears, formulated sales guidelines or similar) and in risk controlling are ensured.

Yes X
 No
 not applicable

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- 21 Assurance is given that an established regulatory framework and established processes for account management, the dunning procedure and internal auditing procedures, in accordance with the provisions of the German Banking Act and the banks' internal risk management, apply to both securitised and unsecuritised loans.

Yes X
 No
 not applicable

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General quality criteria

No Quality criterion

22 In intensive management and in the workout, both securitised and unsecuritised loans are subject to the same established rules, management mechanisms and internal auditing procedures.

Yes
 No
 not applicable

Criterion fulfilled

Comments

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Selection criteria for the portfolio to be securitised

23 At the transaction cut-off date, the portfolio of loans to be securitised is qualitatively representative of the bank's total product range in accordance with the established selection criteria. Assurance is given that, with regard to the marketing channels, the types of product and product features (e.g. purpose of the loan, maturity or condition structure) and the borrower unit, there are no systematic qualitative divergences from the bank's total product range.

Yes
 No
 not applicable

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24 The portfolio to be securitised fulfils all supervisory requirements for it to be classified as granular, in accordance with Article 261 (1), seventh sentence, and Article 262 (2), first and second sentences, of the applicable version of the CRR as published in the Official Journal of the European Union.

Yes
 No
 not applicable

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General quality criteria

No Quality criterion

Criterion fulfilled

25 Assurance is given that only loans which, when selecting and setting up the portfolio to be securitised (selection date or cut-off date), are not overdrawn and have no interest or repayment arrears or associated payments (such as insurance premiums) – i.e. "performing" loans – shall be securitised. (Exception: clearly identified technical overdrafts)

Yes
 No
 not applicable

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26 Assurance is given that the period between the cut-off date and the closing date does not exceed three months. Assurance is also given that an independent third party (e.g. auditing company) has checked the underlying asset pool by means of random sampling for conformity with the defined selection criteria (pool audit).

Yes
 No
 not applicable

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27 Assurance is given that the requirements in Nos 24 and 26 also apply mutatis mutandis to loans that are added to the securitisation at specific stipulated dates as replacements for other loans ("replenishment").

Yes
 No
 not applicable

Static transaction without revolving phase.

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General quality criteria

No Quality criterion

Securitisation structures

28 In the case of synthetic transactions, loss shall be verified by the loss auditor in the event of loss allocation. This verification shall include, inter alia, whether the individual loan fulfilled the eligibility criteria on the closing date. If this is not the case, the unjustified losses must be taken back.

Yes
 No
 not applicable

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Standard definition of reporting elements

29 Assurance is given that the investor report uses standard definitions for the reporting elements; these are given in TSI's specimen report.

Yes
 No
 not applicable

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Prospectus requirements

30 Assurance is given that the preliminary prospectus (or "red herring" prospectus) shall be prepared and presented to the investors concerned no later than two weeks before the closing date. The preliminary prospectus shall contain all essential data required for the evaluation of the transaction.

Yes
 No
 not applicable

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General quality criteria

No Quality criterion

Criterion fulfilled

31 Assurance is given that the process of selling and transferring the underlying asset pool from the Originator to the issuer (SPV) is presented and explained in the listing prospectus.

Yes
 No
 not applicable

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32 Confirmation is given that the risks associated with the sale and transfer of the underlying asset pool are described in the listing prospectus.

Yes
 No
 not applicable

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33 Confirmation is given that the listing prospectus contains a diagram presenting a transaction overview.

Yes
 No
 not applicable

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General quality criteria

No Quality criterion Criterion fulfilled Comments

34 Assurance is given that all key transaction parties (e.g. Servicer, account bank, swap provider, etc) and their tasks and responsibilities are described in the listing prospectus. If specific requirements are made with regard to the rating of the relevant transaction party, these must be presented in the listing prospectus and the measures to be taken if the rating falls below the defined target value must be indicated.

Yes No not applicable

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35 Assurance is given that the credit enhancement mechanisms in the transaction structure are presented and explained.

Yes No not applicable

continued on page 19

36 Confirmation is given that two joint lead managers are involved in the transaction and that the joint lead managers are also named accordingly in the listing prospectus.

Yes No not applicable

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General quality criteria

No Quality criterion

- 37 Confirmation is given in the listing prospectus that the notes are listed in a regulated market, which is either part of the European Economic Area or an OECD member or partner country.

Yes
 No
 not applicable

Criterion fulfilled

Comments

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Disclosure requirements

- 38 The disclosure requirements in Article 409 "Disclosure to investors" of the applicable version of the CRR as published in the Official Journal of the European Union are fulfilled in their entirety.

Yes
 No
 not applicable

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- 39 The investor report presents the evolution of the ratings of the relevant transaction parties whose rating is referred to in the listing prospectus over the term of the transaction.

Yes
 No
 not applicable

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General quality criteria

No Quality criterion

40 The structure of the investor report follows the reporting standards of True Sale International GmbH for the asset class in question; these standards are published on the True Sale International GmbH website (www.tsi-gmbh.de).

Criterion fulfilled

Yes No not applicable

Comments

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41 We give our assurance that at least the following information provided by True Sale International GmbH for publication on its publicly accessible website will be made available:

- a) The final version of the issue prospectus Yes No not applicable
- b) The new issue or resale reports of the rating agencies concerned (if available and the rating agencies concerned have given their consent for publication) Yes No not applicable
- c) The investor report, which shall be published at least once a quarter, in PDF format and in write-protected xls format Yes No not applicable
- d) Declaration of undertaking by the Mandator as part of the TSI certification process Yes No not applicable

Investor Report in PDF, not in xls.

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General quality criteria

No Quality criterion Criterion fulfilled Comments

Provision of valuation prices

42 The following rule shall apply to the provision of valuation prices:

- The transaction Lead Manager's valuation unit, which is independent of the structuring and trading unit, has declared its willingness to provide monthly valuation prices for rated and placed tranches.
- A divergent rule has been applied with the investors or trustee; this rule must be specified in the field "Comments".

Yes	No	not applicable
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Rating

43 Assurance is given that the transaction is evaluated by at least two rating agencies that are licensed and regulated in the jurisdiction in question. Assurance is also given that the top tranche in the capital structure of the transaction has the highest rating that can be awarded in the jurisdiction in question.

Yes	No	not applicable
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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General quality criteria

No Quality criterion

Compliance with the general conditions applicable to TSI SPVs

44 We confirm, that the general conditions applicable to TSI SPVs also apply to the SPV in question. In particular, we hereby confirm that:

- a) the foreign SPV is domiciled within the European Union,
- b) no active asset management is carried out,
- c) at least two independent directors of the SPV shall be appointed
- d) non-petition, limited recourse is built into the transaction structure, separateness covenants (assurance with regard to independence and self-imposed pledge not to enter into further obligations) have been agreed,
- e) annual audit will be made by a reputable auditing company.

Criterion fulfilled

Comments

Yes	No	not applicable
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Additional quality criteria for auto loans

Criterion fulfilled

Comments

No	Quality criterion	Yes	No	not applicable
AL	The definition of auto loans is based on a loan to a borrower for the purchase of a motor vehicle, in which the item financed is used as collateral (assignment as collateral) and the vehicle registration document essentially remains with the lender or his/her authorised representative.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ASPV 1		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Loans in the securitised portfolio

AL	ASPV 2	Yes	No	not applicable
AL	Assurance is given that, on the cut-off date, the loans in the portfolio to be securitised fulfil the following criteria:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	- Only borrowers domiciled in Germany	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	- The maximum amount of the loan (initial principal balance) does not exceed EUR 500,000 and the borrower's share with a total exposure of between EUR 100,000 and EUR 500,000 is under 1.00% of the entire portfolio.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	- Only fixed-interest loans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	- Only loans with a maximum residual maturity of 84 months	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	- The average score of the securitised portfolio shows at least a similar distribution as the Originator's total portfolio.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	- Only loans on which information has been obtained from the credit investigation agency (Schufa)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The max. possible aggregated loan amount for each debtor is EUR 1,000,000.
 Largest debtor = EUR 499,155.18 in Black Pool as of 30.04.2018.
 The total borrower's share with a total exposure of between EUR 100,000 and EUR 500,000 is above 1.00% of the entire portfolio.

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Comments

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Provision of anonymised loan-level data

After considering data protection issues and bank secrecy, the certification applicant shall provide anonymised loan-level data over the entire term of the transaction.

Yes. The data will be provided in the form described below:

Data will be provided via the European Data Warehouse.

No. No anonymised loan-level data will be provided.

Place, Date

Munich, 03.05.2018

Signature



Name in block capitals

Walter Knopp

Place, Date

Munich, 03.05.2018

Signature 1



Name in block capitals

Daniel Dietrich

¹ Customary evidence of the authentication to represent the undersigned must be provided, e.g. by means of a statement issued by the issuer's legal department