

**Driver Master S.A.
Société Anonyme**

**AUDITED ANNUAL ACCOUNTS
FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2016**

Address:
52-54 Avenue du X Septembre
L-2550 Luxembourg

RCS Luxembourg : B 197 583

Driver Master S.A.

Table of contents	Page
1. Directors' report	2
2. Audit report	6
3. Balance sheet as at 31 December 2016	8
4. Profit and loss account for the year from 1 January 2016 to 31 December 2016	13
5. Notes to the annual accounts	15

Driver Master S.A.

1. DIRECTORS' REPORT

The Board of Directors of Driver Master S.A. (the Company) herewith submits its report for the period ending 31 December 2016.

General

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

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.

Summary of activities

During the period ended 31 December 2015, the Company has purchased seven pools of monthly paid car Permitted Assets (the "Permitted Assets") for its Compartments: Compartment 1, Compartment 2, Compartment 3, Compartment 4, Compartment 5, Compartment 6 and Compartment 7 with a total discounted nominal value of EUR 7,050,068,594 for a total price of EUR 6,927,906,194 whereby the underlying car lease contracts are mainly for the Bank of vehicles originated by Volkswagen Bank 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 Permitted Assets have been purchased as follows:

Portfolio	Value at initial purchase (in EUR)	Purchase price (in EUR)
Compartment 1	750,026,299	737,030,299
Compartment 2	1,050,004,687	1,031,810,287
Compartment 3	1,050,005,518	1,031,811,118
Compartment 4	1,050,002,450	1,031,808,050
Compartment 5	1,050,005,093	1,031,810,693
Compartment 6	1,050,014,359	1,031,819,959
Compartment 7	1,050,010,188	1,031,815,788
Total	<u>7,050,068,594</u>	<u>6,927,906,194</u>

The purchase of the Permitted Assets has been financed by issuances of in total EUR 6,702,700,000 Class A Asset Backed Rate Notes (the "Class A Notes") and EUR 312,100,000 Class B Asset Backed Rate Notes (the "Class B Notes" and collectively the "Notes") and Subordinated Loans for a total amount of EUR 373,851,988

The Notes are backed by substantially all of the assets of the Company consisting primarily of the Company's right, title and interest in the Permitted Assets and in the title ownership of the leased vehicles which have been transferred to the Company

The Subordinated Loans have been granted to the Company for the purpose of credit enhancement and they rank junior to the Notes.

The Company has entered into swap agreements for Compartment 1 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 Loans are limited recourse obligations of the Company, whereby the Company pays only those amounts which are actually available to it, being essentially the amounts received from the Lease Receivables and the amounts received or paid under the interest rate swap agreements less costs.

Driver Master S.A.

1. DIRECTORS' REPORT

Portfolio of Permitted Assets

As at 31 December 2016, the total Permitted Assets principal of all compartments was decreased by EUR 2,543,987,106 (EUR 763,903,805 in 2015) by way of payments collected from Volkswagen Bank GmbH and was increased by EUR 4,525,760,441 (EUR 1,021,219,110 in 2015) by way of reinvestment of funds collected (Top-Up) and by way of additional issuances (Tap-Up). Total interest income for all compartments for the period ended 31 December 2016 amounted to EUR 271,093,523 (EUR 95,423,967 in 2015).

Notes and Subordinated Loans

As at 31 December 2016, the Company has issued the following amounts on the outstanding principal of each Class A and/or Class B Note and the Subordinated Loan:

	Period	Class A Note	Class B Note	Subordinated Loan
Compartment 1	2016	1,020,100,000	47,500,000	56,009,969
Compartment 2	2016	1,250,600,000	58,200,000	67,247,609
Compartment 3	2016	1,249,900,000	58,100,000	67,256,876
Compartment 4	2016	1,249,900,000	58,100,000	67,169,150
Compartment 5	2016	1,249,900,000	58,100,000	67,139,083
Compartment 6	2016	1,249,900,000	58,100,000	67,254,992
Compartment 7	2016	1,249,900,000	58,100,000	67,250,686
Total		8,520,200,000	396,200,000	459,328,365

Emission Issue

On 18 September 2015, the US Environmental Protection Agency (EPA) issued a Notice of Violation, publicly announcing that irregularities in relation to nitrogen oxide (NOx) emissions had been discovered in emissions tests on certain vehicles with Volkswagen Group diesel engines. This was followed by further notifications regarding the extent of the diesel issue.

As a result of the situation, the Board of Management of Volkswagen Financial Services AG set up a task force in 2015. This task force initially continued its activities in 2016, i.e. reporting regularly to the Board of Management of Volkswagen Financial Services AG, interfacing with the Volkswagen Group and its brands, and maintaining close contact with the international subsidiaries, regulatory authorities and investors. Concerns focused on funding, the credit quality of the dealer network and residual value risk.

The impact from the diesel issue on these concerns is currently receding. The work of the task force was brought to an end in December 2016 because the effects from the diesel issue on the Volkswagen Financial Services AG subgroup are now dissipating and can be handled within normal management processes. The Volkswagen group provided support in dealing with the effects.

An adverse impact on the value of the affected vehicles could result in lower recoveries on a sale or other disposition of an affected vehicle following default by an Obligor.

At the date of these accounts, there are no indications that recent developments will have a negative impact on payments under the affected Financing Contracts comprised in the pool of Receivables purchased, but any such impact cannot be ruled out.

Voting rights

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

Driver Master S.A.

1. DIRECTORS' REPORT

Acquisition of own shares

The Company may, to the extent and under the terms permitted by law, purchase its own shares. During the period ended December 31, 2016 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 period ended December 31, 2016.

Branches and participations of the Company

The Company does not have any branches or participations.

Board of Directors

The Company is managed by a Board of Directors 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 of Directors 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 of Directors unless special decisions have been reached concerning the authorised signature in case of delegation of powers or proxies.

At incorporation date the Board of Directors was composed of Mrs Z.H. Cammans, Mrs P.J.S. Dunselman and Mrs C. Pirrie. On 27 April 2017, Mrs P.J.S. Dunselman has resigned from her position as Director of the Company. On 19 June 2017, Mr A. Nelke has been appointed as Director of the Company in replacement of Mrs P.J.S. Dunselman.

Internal control and risk management procedures

The Board of Directors 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.

The Board has the overall responsibility for the Company's system of internal control and for achieving its effectiveness. This system of internal control is designed to manage, rather than eliminate, risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Company operates a management structure with clear delegated authority levels and clear functional reporting lines and accountability. All relevant decisions are subject to appropriate authorisation procedures. The Board monitors financial and operational performance and compliance controls on a continuing basis and identifies and responds to business risks as they arise.

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.

Driver Master S.A.

1. DIRECTORS' REPORT

Related business risks (continued)

Interest rate risk:

For Compartment 1, the Receivables bear interest at fixed rates while the Notes and the Subordinated loan bears 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 of Directors considers however that the Excess spread of the Structure would cover any movements in the 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

Regarding the Emission Issue, there are no indications that recent developments will have a negative impact on payments under the affected Financing Contracts comprised in the pool of Receivables purchased, but any such impact cannot be ruled out.

On 27 March 2017, the Company has executed a Clean-up Call for Compartment 5, for Compartment 6 and for Compartment 7 whereby Volkswagen Bank GmbH acquired all outstanding Lease Receivables (together with any related Lease Collateral) against payment of the Clean-up Call Settlement Amount.

On 25 April 2017, the Company has executed a Clean-up Call for Compartment 3 and for Compartment 4 whereby Volkswagen Bank GmbH acquired all outstanding Lease Receivables (together with any related Lease Collateral) against payment of the Clean-up Call Settlement Amount.

On 27 April 2017, Mrs P.J.S. Dunselman has resigned from her position as Director of the Company. On 19 June 2017, Mr A. Nelke has been appointed as Director of the Company in replacement of Mrs P.J.S. Dunselman.

No other event has occurred subsequent to the year-end which would have a material impact on the annual accounts as at December 31, 2016.

Future outlook

No material changes in activities are contemplated for the year 2017.


Luxembourg, 30 June 2017



Mrs Z.H. Cammans
Director



Mrs C. Pirrie
Director



Mr A. Nelke
Director



Audit report

To the Board of Directors of
Driver Master S.A.

Report on the annual accounts

We have audited the accompanying annual accounts of Driver Master S.A., which comprise the balance sheet as at 31 December 2016, the profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

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

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Driver Master S.A. as of 31 December 2016, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report but does not include the annual accounts and our audit report thereon.

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

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts 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.

Report on other legal and regulatory requirements

The Directors' Report is consistent with the annual accounts and has been prepared in accordance with the applicable legal requirements.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 30 June 2017


Günter Simon

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr. : B197583

Matricule : 2015 2207 612

eCDF entry date :

BALANCE SHEET

Financial year from 01 01/01/2016 **to** 02 31/12/2016 (in 03 EUR)

Driver Master S.A.

52-54, avenue du X Septembre
 L-2550 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 9.289.157.234,00	110 7.307.383.899,00
I. Intangible assets	1111 _____	111 _____	112 _____
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

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

RCSL Nr.: B197583

Matricule : 2015 2207 612

	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	1135	9.289.157.234,00	7.307.383.899,00
1. Shares in affiliated undertakings	1137	137	138
2. Loans to affiliated undertakings	1139	139	140
3. Participating interests	1141	141	142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	144
5. Investments held as fixed assets	1145	9.289.157.234,00	7.307.383.899,00
6. Other loans	1147	147	148
D. Current assets	1151	581.051.711,00	562.179.940,00
I. Stocks	1153	153	154
1. Raw materials and consumables	1155	155	156
2. Work in progress	1157	157	158
3. Finished goods and goods for resale	1159	159	160
4. Payments on account	1161	161	162
II. Debtors	1163	273.155.233,00	194.573.100,00
1. Trade debtors	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
2. Amounts owed by affiliated undertakings	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
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	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
4. Other debtors	1183	273.155.233,00	194.573.100,00
a) becoming due and payable within one year	1185	273.155.233,00	194.573.100,00
b) becoming due and payable after more than one year	1187	187	188

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

RCSL Nr. : B197583

Matricule : 2015 2207 612

	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	197 307.896.478,00	198 367.606.840,00
E. Prepayments	1199	199	200
TOTAL (ASSETS)		201 9.870.208.945,00	202 7.869.563.839,00

RCSL Nr. : B197583

Matricule : 2015 2207 612

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves	1301	301 <u>31.000,00</u>	302 <u>31.000,00</u>
I. Subscribed capital	1303 <u>6</u>	303 <u>31.000,00</u>	304 <u>31.000,00</u>
II. Share premium account	1305	305	306
III. Revaluation reserve	1307	307	308
IV. Reserves	1309	309	310
1. Legal reserve	1311	311	312
2. Reserve for own shares	1313	313	314
3. Reserves provided for by the articles of association	1315	315	316
4. Other reserves, including the fair value reserve	1429	429	430
a) other available reserves	1431	431	432
b) other non available reserves	1433	433	434
V. Profit or loss brought forward	1319	319	320
VI. Profit or loss for the financial year	1321	321	322
VII. Interim dividends	1323	323	324
VIII. Capital investment subsidies	1325	325	326
B. Provisions	1331	331 <u>119.876,00</u>	332 <u>95.460,00</u>
1. Provisions for pensions and similar obligations	1333	333	334
2. Provisions for taxation	1335	335	336
3. Other provisions	1337 <u>8</u>	337 <u>119.876,00</u>	338 <u>95.460,00</u>
C. Creditors	1435	435 <u>9.870.058.069,00</u>	436 <u>7.869.437.379,00</u>
1. Debenture loans	1437	437 <u>8.916.400.000,00</u>	438 <u>7.014.800.000,00</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>8.916.400.000,00</u>	446 <u>7.014.800.000,00</u>
i) becoming due and payable within one year	1447	447 <u>1.848.271.216,00</u>	448 <u>1.202.152.076,00</u>
ii) becoming due and payable after more than one year	1449	449 <u>7.068.128.784,00</u>	450 <u>5.812.647.924,00</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

RCSL Nr. : B197583

Matricule : 2015 2207 612

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are 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	10 953.292.073,00	380 853.995.143,00
a) becoming due and payable within one year	1381	381 498.631.234,00	382 490.081.630,00
b) becoming due and payable after more than one year	1383	383 454.660.839,00	384 363.913.513,00
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	451 365.996,00	452 642.236,00
a) Tax authorities	1393	16 393 61.977,00	394 18.550,00
b) Social security authorities	1395	395	396
c) Other creditors	1397	397 304.019,00	398 623.686,00
i) becoming due and payable within one year	1399	11 399 304.019,00	400 623.686,00
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 9.870.208.945,00	406 7.869.563.839,00

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

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
 Email : centralebilans@statec.etat.lu

RCSL Nr. : B197583

Matricule : 2015 2207 612

eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01/2016 to ⁰² 31/12/2016 (in ⁰³ EUR)

Driver Master S.A.

52-54, avenue du X Septembre
 L-2550 Luxembourg

PROFIT AND LOSS ACCOUNT

	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 _____	713 _____	714 _____
5. Raw materials and consumables and other external expenses	1671 _____	671 <u>-79.033.831,00</u>	672 <u>-27.138.514,00</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 <u>12</u>	603 <u>-79.033.831,00</u>	604 <u>-27.138.514,00</u>
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 <u>13</u>	621 <u>-154.376.704,00</u>	622 <u>-56.020.395,00</u>

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

RCSL Nr. : B197583

Matricule : 2015 2207 612

	Reference(s)	Current year	Previous year
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
10. Income from other investments and loans forming part of the fixed assets	1721	271.093.523,00	95.423.967,00
a) derived from affiliated undertakings	1723 15	271.093.523,00	95.423.967,00
b) other income not included under a)	1725	725	726
11. Other interest receivable and similar income	1727	727	728
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731	732
12. Share of profit or loss of undertakings accounted for under the equity method	1663	663	664
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	665	666
14. Interest payable and similar expenses	1627 14	-37.679.778,00	-12.261.845,00
a) concerning affiliated undertakings	1629	-9.465.326,00	-2.295.589,00
b) other interest and similar expenses	1631	-28.214.452,00	-9.966.256,00
15. Tax on profit or loss	1635	-3.210,00	-3.213,00
16. Profit or loss after taxation	1667	0,00	0,00
17. Other taxes not shown under items 1 to 16	1637	637	638
18. Profit or loss for the financial year	1669	0,00	0,00

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 1 - General information

The Company is a Luxembourg public limited liability company incorporated in Luxembourg on 05 June 2015 for an unlimited period of time under the legal form of "Société Anonyme" having its corporate office at 52-54, Avenue du X Septembre, L-2550 Luxembourg, Grand-Duchy of Luxembourg. The Company is registered at the Registre du Commerce et Sociétés of Luxembourg City under number B 197.583.

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

The purpose of the Company is the securitisation, within the meaning of the Luxembourg Law of 22 March 2004 on Securitisations (hereinafter the "Securitisation Law"), of receivables (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 that company 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 that company is located at Gifhomer 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 principles

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 of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors 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 of Directors 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 figures for the year ended 31 December 2015 relating to certain items have been reclassified to ensure the comparability with the figures for the year ended 31 December 2016.

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 2 - Summary of significant accounting principles (continued)

2.2 Significant accounting policies

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

2.2.1 Formation expenses

The formation expenses of the Company are directly charged to the profit and loss account of the year in which they are incurred.

2.2.2 Financial fixed assets

Permitted Assets included in financial fixed assets are recorded at their discounted nominal value. In case of a durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial fixed 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.

2.2.3 Debtors

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

2.2.4 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 interests linked to derivatives 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 20).

2.2.5 Foreign currency translation

The Company maintains its books and records in EUR.

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. Cash, short-term debtors and creditors are translated on the basis of the exchange rates effective at balance sheet date. The exchange gains and losses are recorded in the profit and loss account. Other assets and liabilities are translated separately at the lower or the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at balance sheet date. Solely the exchange losses are recorded in the profit and loss account. Exchange gains and losses are recorded in the profit and loss account at the moment of realisation.

Where there is an economic link between an asset and liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account whereas the net unrealised exchange gains are not recognised.

2.2.6 Accruals and deferred income

This liability item includes income received during the financial period but relating to a subsequent financial year.

2.2.7 Notes issued

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

2.2.8 Debts

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.

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 2 - Summary of significant accounting principles (continued)

2.2.9 Interest receivable and payable

Interest receivable and payable are recorded on an accrual basis.

2.2.10 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.

2.2.11 Equalisation provision

Losses during the period as a result from sales, default, lower market values or cost may cause a partial reduction on the assets. Such shortfalls will first be borne by the Subordinated Lender in inverse order of the priority of payments.

Consequently, a provision for decrease in value will be made and deducted from the amount repayable of the Subordinated Loan and booked in the profit and loss account as "Equalisation provision".

Similarly, in case of profit made during the period, the Equalisation provision booked in the profit and loss would result into an additional liability towards the Originator.

Note 3 - Financial assets

	<u>2016</u>	<u>2015</u>
	EUR	EUR
Permitted Assets		
Opening balance	7,307,383,899	-
Initial purchases	-	7,050,068,594
Additions during the year	4,525,760,441	1,021,219,110
Reimbursements during the year	(2,543,987,106)	(763,903,805)
Closing balance	<u>9,289,157,234</u>	<u>7,307,383,899</u>

As at 31 December 2016, the total Permitted Assets principal of all compartments was decreased by EUR 2,543,987,106 (EUR 763,903,805 in 2015) by way of payments collected from Volkswagen Bank GmbH and was increased by EUR 4,525,760,441 (EUR 1,021,219,110 in 2015) by way of reinvestment of funds collected (Top-Up) and by way of additional issuances (Tap-Up). Total interest income for all compartments for the period ended 31 December 2016 amounted to EUR 271,093,523 (EUR 95,423,967 in 2015).

On 27 July 2015, Compartment 1 acquired from Volkswagen Bank GmbH a portfolio of Permitted Assets valued at EUR 750,026,299 following a discount on its nominal value of 3.5370 per cent per annum. This portfolio was purchased for a price of EUR 737,030,299 calculated as the discounted nominal amount, less (i) an amount of EUR 4,500,000 for overcollateralisation purposes, and less (ii) an amount of EUR 8,496,000 for the endowment of the cash collateral account.

On 27 July 2015, Compartment 2 acquired from Volkswagen Bank GmbH a portfolio of Permitted Assets valued at EUR 1,050,004,687 following a discount on its nominal value of 3.5370 per cent per annum. This portfolio was purchased for a price of EUR 1,031,810,287 calculated as the discounted nominal amount, less (i) an amount of EUR 6,300,000 for overcollateralisation purposes, and less (ii) an amount of EUR 11,894,400 for the endowment of the cash collateral account.

On 27 July 2015, Compartment 3 acquired from Volkswagen Bank GmbH a portfolio of Permitted Assets valued at EUR 1,050,005,518 following a discount on its nominal value of 3.5370 per cent per annum. This portfolio was purchased for a price of EUR 1,031,811,118 calculated as the discounted nominal amount, less (i) an amount of EUR 6,300,000 for overcollateralisation purposes, and less (ii) an amount of EUR 11,894,400 for the endowment of the cash collateral account.

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 3 - Financial assets (continued)

On 25 August 2015, Compartment 4 acquired from Volkswagen Bank GmbH a portfolio of Permitted Assets valued at EUR 1,050,002,450 following a discount on its nominal value of 3.5370 per cent per annum. This portfolio was purchased for a price of EUR 1,031,808,050 calculated as the discounted nominal amount, less (i) an amount of EUR 6,300,000 for overcollateralisation purposes, and less (ii) an amount of EUR 11,894,400 for the endowment of the cash collateral account.

On 25 August 2015, Compartment 5 acquired from Volkswagen Bank GmbH a portfolio of Permitted Assets valued at EUR 1,050,005,093 following a discount on its nominal value of 3.5370 per cent per annum. This portfolio was purchased for a price of EUR 1,031,810,693 calculated as the discounted nominal amount, less (i) an amount of EUR 6,300,000 for overcollateralisation purposes, and less (ii) an amount of EUR 11,894,400 for the endowment of the cash collateral account.

On 25 November 2015, Compartment 6 acquired from Volkswagen Bank GmbH a portfolio of Permitted Assets valued at EUR 1,050,014,359 following a discount on its nominal value of 3.5370 per cent per annum. This portfolio was purchased for a price of EUR 1,031,819,959 calculated as the discounted nominal amount, less (i) an amount of EUR 6,300,000 for overcollateralisation purposes, and less (ii) an amount of EUR 11,894,400 for the endowment of the cash collateral account.

On 25 November 2015, Compartment 7 acquired from Volkswagen Bank GmbH a portfolio of Permitted Assets valued at EUR 1,050,010,188 following a discount on its nominal value of 3.5370 per cent per annum. This portfolio was purchased for a price of EUR 1,031,815,788 calculated as the discounted nominal amount, less (i) an amount of EUR 6,300,000 for overcollateralisation purposes, and less (ii) an amount of EUR 11,894,400 for the endowment of the cash collateral account.

Acquisition of the Permitted Assets was financed by the issue of Class A and Class B Floating Rate Asset Backed Notes and through receipt of a Subordinated Loan (see also notes 9 and 10).

Emission Issue

On 18 September 2015, the US Environmental Protection Agency (EPA) issued a Notice of Violation, publicly announcing that irregularities in relation to nitrogen oxide (NO_x) emissions had been discovered in emissions tests on certain vehicles with Volkswagen Group diesel engines. This was followed by further notifications regarding the extent of the diesel issue.

As a result of the situation, the Board of Management of Volkswagen Financial Services AG set up a task force in 2015. This task force initially continued its activities in 2016, i.e. reporting regularly to the Board of Management of Volkswagen Financial Services AG, interfacing with the Volkswagen Group and its brands, and maintaining close contact with the international subsidiaries, regulatory authorities and investors. Concerns focused on funding, the credit quality of the

The impact from the diesel issue on these concerns is currently receding. The work of the task force was brought to an end in December 2016 because the effects from the diesel issue on the Volkswagen Financial Services AG subgroup are now dissipating and can be handled within normal management processes. The Volkswagen group provided support in dealing with the effects.

An adverse impact on the value of the affected vehicles could result in lower recoveries on a sale or other disposition of an affected vehicle following default by an Obligor.

At the date of these accounts, there are no indications that recent developments will have a negative impact on payments under the affected Financing Contracts comprised in the pool of Receivables purchased, but any such impact cannot be ruled out.

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 4 - Other receivables becoming due and payable within one year

This amount mainly stands for the receivable due from Volkswagen Bank GmbH for the December 2016 collection of the Permitted Assets, which is due in January 2017.

Note 5 - Cash at bank and in hand

	<u>2016</u>	<u>2015</u>
<u>Cash at bank</u>	EUR	EUR
Current account	30,590	30,919
Disbursement account	18,603,446	77,789,576
Cash collateral account	89,723,609	86,982,489
Accumulation account	185,063,288	141,492,985
Monthly collateral account	14,475,545	61,310,871
Total	<u>307,896,478</u>	<u>367,606,840</u>

Note 6 - Subscribed capital

As at 31 December 2016, 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 - Provision

	<u>2016</u>	<u>2015</u>
<u>Other provisions</u>	EUR	EUR
Audit fees	81,900	81,900
Tax advisory fees	1,151	1,008
Other accruals	36,825	12,552
Total	<u>119,876</u>	<u>95,460</u>

Note 9 - Non Convertible Loans

	<u>2016</u>	<u>2015</u>
<u>Class A Asset Backed Floating Rate Notes</u>	EUR	EUR
Opening balance	6,702,700,000	-
Initial issuance	-	6,359,100,000
Additions during the year	1,817,500,000	343,600,000
Reimbursements during the year	-	-
Closing balance	<u>8,520,200,000</u>	<u>6,702,700,000</u>
<i>Thereof scheduled for redemption within one year</i>	<u>1,848,271,216</u>	<u>1,202,152,076</u>
<i>Amount due and payable after more than one year</i>	<u>6,671,928,784</u>	<u>5,500,547,924</u>

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 9 - Non Convertible Loans (continued)

As at 31 December 2015, Compartment 1 has issued 10,201 Class A Notes. As from 26 June 2016, Class A Notes issued by Compartment 1 bear a floating rate interest of one month Euribor + 0.55% (previously one month Euribor +0.20%). Payments on the Class A Notes are made monthly in arrears on the 25th of each month. The Notes will mature in 2025. The floating rate interest on the Class A Notes has been swapped to a fixed interest rate of 0.2535% (previously 0.410%).

As at 31 December 2015, Compartment 2 had issued 9,471 Class A Notes. In 2016, Compartment 2 issued 3,035 additional Class A Notes.

As at 31 December 2015, Compartment 3 has issued 9,471 Class A Notes. In 2016, Compartment 3 issued 3,028 additional Class A Notes.

As at 31 December 2015, Compartment 4 has issued 9,471 Class A Notes. In 2016, Compartment 4 issued 3,028 additional Class A Notes.

As at 31 December 2015, Compartment 5 has issued 9,471 Class A Notes. In 2016, Compartment 5 issued 3,028 additional Class A Notes.

As at 31 December 2015, Compartment 6 has issued 9,471 Class A Notes. In 2016, Compartment 6 issued 3,028 additional Class A Notes.

As at 31 December 2015, Compartment 7 has issued 9,471 Class A Notes. In 2016, Compartment 7 issued 3,028 additional Class A Notes.

As from 26 June 2016, Class A Notes issued by Compartment 2, Compartment 3, Compartment 4, Compartment 5, Compartment 6 and Compartment 7 are bearing a fixed rate of 0.16% (previously 0.41%). Payments on the Class A Notes are made monthly in arrears on the 25th of each month. The Notes will mature in 2025.

Class A Notes have a nominal value of EUR 100,000 each.

Following the received payments from the Permitted Assets, the Company intends to make further repayments on the outstanding principal of the Class A Notes during the year 2017. The Board of Directors has been able to estimate reliably that the amount of EUR 1,848,271,216 will be repaid in the course of 2017 and has thus classified this amount as becoming due and payable within one year.

Class B Asset Backed Floating Rate Notes

	<u>2016</u>	<u>2015</u>
	EUR	EUR
Opening balance	312,100,000	-
Initial issuance	-	296,100,000
Additions during the year	84,100,000	16,000,000
Reimbursements during the year	-	-
Closing balance	<u>396,200,000</u>	<u>312,100,000</u>
<i>Thereof scheduled for redemption within one year</i>	-	-
<i>Amount due and payable after more than one year</i>	<u><u>396,200,000</u></u>	<u><u>312,100,000</u></u>

As at 31 December 2015, Compartment 1 has issued 475 Class B Notes. As from 26 June 2016, Class B Notes issued by Compartment 1 bear a floating rate interest of one month Euribor + 1.35% (previously one month Euribor +0.60%). Payments on the Class B Notes are made monthly in arrears on the 25th of each month. The Notes will mature in 2025. The floating rate interest on the Class A Notes has been swapped to a fixed interest rate of 0.9559% (previously 0.80%).

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 9 - Non Convertible Loans (continued)

As at 31 December 2015, Compartment 2 had issued 441 Class B Notes. In 2016, Compartment 2 issued additional 141 Class B Notes.

As at 31 December 2015, Compartment 3 had issued 441 Class B Notes. In 2016, Compartment 3 issued additional 140 Class B Notes.

As at 31 December 2015, Compartment 4 had issued 441 Class B Notes. In 2016, Compartment 4 issued additional 140 Class B Notes.

As at 31 December 2015, Compartment 5 had issued 441 Class B Notes. In 2016, Compartment 5 issued additional 140 Class B Notes.

As at 31 December 2015, Compartment 6 had issued 441 Class B Notes. In 2016, Compartment 6 issued additional 140 Class B Notes.

As at 31 December 2015, Compartment 7 had issued 441 Class B Notes. In 2016, Compartment 7 issued additional 140 Class B Notes.

As from 26 June 2016, Class B Notes issued by Compartment 2, Compartment 3, Compartment 4, Compartment 5, Compartment 6 and Compartment 7 are bearing a fixed rate of 0.97% (previously 0.80%). Payments on the Class B Notes are made monthly in arrears on the 25th of each month. The Notes will mature in 2025.

Class B Notes have a nominal value of EUR 100,000 each.

Following the received payments from the Permitted Assets, the Company intends to make further repayments on the outstanding principal of the Class B Notes during the year 2016. The Board of Directors has been able to estimate reliably that no repayment should occur in the course of 2016 and has thus classified no amount as becoming due and payable within one year.

The Notes are backed by substantially all of the assets of the Company consisting primarily of the Company's right, title and interest in the Permitted Assets which have been transferred to the Company. All series of Notes are listed on the regulated market of the Luxembourg Stock Exchange. B series rank junior to A series.

Note 10 - Amounts owed to affiliated undertakings

	<u>2016</u>	<u>2015</u>
<u>Becoming due and payable before one year</u>	EUR	EUR
Overcollateralisation payable	227,067,288	146,654,251
Service fees	7,768,771	6,084,059
Advance payments	14,476,606	139,206,094
Accrued interest on Subordinated Loan	182,170	126,193
Other amounts payable	243,909,264	187,512,949
Subordinated loan	4,667,526	9,938,475
Loan administration fee reserve	559,609	559,609
	<u>498,631,234</u>	<u>490,081,630</u>

Overcollateralisation payable represents an excess of the Permitted Assets' nominal value over the nominal value of the Notes and the Subordinated Loan and year-end payable towards Volkswagen Bank GmbH.

The Loan administration fee reserve is a collateral provided by VW Bank to cover any administration fee of a Lease Receivable contract that would become receivable before the Company has purchased that contract.

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 10 - Amounts owed to affiliated undertakings (continued)

	2016	2015
	EUR	EUR
<u>Subordinated Loan</u>		
Opening balance	373,851,988	-
Initial issuance	-	352,568,594
Additions during the year	90,096,627	19,114,000
Capitalised interest during the year	7,832,261	2,169,394
Reimbursements during the year	(12,452,511)	-
Closing balance	<u>459,328,365</u>	<u>373,851,988</u>
<i>Thereof scheduled for redemption within one year</i>	4,667,526	9,938,475
<i>Amount due and payable after more than one year</i>	<u>454,660,839</u>	<u>363,913,513</u>

On 23 July 2015, Compartment 1 has been granted a Subordinated Loan from Volkswagen International Luxembourg S.A. for an amount of EUR 37,526,299 bearing a rate of 1m Euribor + 1.85%. On 22 June 2016, the Subordinated Loan rate has been amended to 1m Euribor + 2.97%.

On 23 July 2015, Compartment 2 has been granted a Subordinated Loan from Volkswagen Bank GmbH for an amount of EUR 52,504,687 bearing a rate of 1m Euribor + 2.01%.

On 23 July 2015, Compartment 3 has been granted a Subordinated Loan from Volkswagen Bank GmbH for an amount of EUR 52,505,518 bearing a rate of 1m Euribor + 2.01%.

On 23 July 2015, Compartment 4 has been granted a Subordinated Loan from Volkswagen Bank GmbH for an amount of EUR 52,502,450 bearing a rate of 1m Euribor + 2.01%.

On 23 July 2015, Compartment 5 has been granted a Subordinated Loan from Volkswagen Bank GmbH for an amount of EUR 52,505,093 bearing a rate of 1m Euribor + 2.01%.

On 23 July 2015, Compartment 6 has been granted a Subordinated Loan from Volkswagen Bank GmbH for an amount of EUR 52,514,359 bearing a rate of 1m Euribor + 3.21%.

On 23 July 2015, Compartment 7 has been granted a Subordinated Loan from Volkswagen Bank GmbH for an amount of EUR 52,510,188 bearing a rate of 1m Euribor + 3.21%.

On 22 June 2016, the Subordinated Loan rate of Compartment 2, Compartment 3, Compartment 4, Compartment 5, Compartment 6, and Compartment 7 has been amended to 2.6144%.

Note 11 - Other creditors

	2016	2015
	EUR	EUR
Interest on Class A Notes	209,408	529,588
Interest on Class B Notes	58,421	51,853
Swap on Class A Notes	30,785	38,726
Swap on Class B Notes	5,405	3,519
	<u>304,019</u>	<u>623,686</u>

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 12 - Other external expenses

	2016	2015
	EUR	EUR
Audit fees	82,964	81,900
Tax advisory fees	1,008	1,008
Bank charges	1,426,240	3,180
Servicer fees	76,818,690	26,788,123
Rating agency fees	281,488	88,840
Trustee services	85,768	21,443
Legal fees	41,756	-
Maintenance fees	147,978	61,849
Other operating charges	147,939	92,171
Total	79,033,831	27,138,514

Note 13 - Other operating expenses

	2016	2015
	EUR	EUR
Net overcollateralisation expense	154,376,704	56,020,395
Total	154,376,704	56,020,395

Note 14 - Interest payable and similar expenses

	2016	2015
	EUR	EUR
<u>Concerning affiliated undertakings</u>		
Interest expense on Subordinated loan	9,465,326	2,295,589
Total	9,465,326	2,295,589

Other interest and similar expenses

	2016	2015
	EUR	EUR
Interest charges on Class A Notes	22,391,364	8,102,348
Interest charges on Class B Notes	3,301,335	798,744
Net interest expense Class A Notes swap	2,085,840	1,020,519
Net interest expense Class B Notes swap	435,913	44,645
Total	28,214,452	9,966,256

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

	2016	2015
	EUR	EUR
<u>Derived from affiliated undertakings</u>		
Interest income from Permitted Assets	271,093,523	95,423,967
Total	271,093,523	95,423,967

Note 16 - Taxes

The Company is subject to all taxes applicable to commercial companies in Luxembourg incorporated under the securitisation Law.

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 17 - Staff

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

Note 18 - Emoluments granted to the Members of the Board of Directors

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

Note 19 - Loans or advances granted to the Members of the Board of Directors

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

Note 20 - Off balance sheet commitments

As from 27 July 2015, the Compartment 1 entered into Class A and Class B Swap Agreements (the "Swaps"). Each swap agreement hedges the Company's interest rate risk derived from floating interest rate on the Notes issued (see also note 9).

On 27 July 2016, all swap contracts for Compartment 1 have been renewed. Settlement of the Swaps is performed on the 25th day of each month. The termination date of the Swap contracts is May 2025.

The interest rate swaps can be detailed as follows.

	Curr	Nominal amount	Spread interest rate received	Interest rate Paid
Swaps on Note A series				
Compartment 1 - Class A swap - Credit Agricole	EUR	90,000,000	0.5500%	0.2535%
Compartment 1 - Class A swap - DZ Bank	EUR	26,500,000	0.5500%	0.2535%
Compartment 1 - Class A swap - Nova Scotia	EUR	40,000,000	0.5500%	0.2535%
Compartment 1 - Class A swap - Nova Scotia	EUR	200,000,000	0.5500%	0.2535%
Compartment 1 - Class A swap - SMBC	EUR	91,800,000	0.5500%	0.2535%
Compartment 1 - Class A swap - Credit Agricole	EUR	91,800,000	0.5500%	0.2535%
Compartment 1 - Class A swap - Credit Agricole	EUR	91,800,000	0.5500%	0.2535%
Compartment 1 - Class A swap - Nova Scotia	EUR	91,800,000	0.5500%	0.2535%
Compartment 1 - Class A swap - Nova Scotia	EUR	296,400,000	0.5500%	0.2535%
	EUR	1,020,100,000		
Swaps on Note B series				
Compartment 1 - Class B swap - Credit Agricole	EUR	5,000,000	1.3500%	0.9559%
Compartment 1 - Class B swap - Credit Agricole	EUR	8,500,000	1.3500%	0.9559%
Compartment 1 - Class B swap - Credit Agricole	EUR	34,000,000	1.3500%	0.9559%
	EUR	47,500,000		
Total	EUR	1,067,600,000		

5. NOTES TO THE ANNUAL ACCOUNTS

Note 21 - Balance sheet as at 31 December 2016 per compartment

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2016	2015	2016	2015	2016	2015	2016	2015
ASSETS	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
A. Fixed assets								
Financial assets	1,142,363,098	1,133,906,681	1,355,920,625	1,026,575,112	1,355,960,887	1,026,732,325	1,396,031,429	1,052,772,174
Investment held as fixed assets	1,142,363,098	1,133,906,681	1,355,920,625	1,026,575,112	1,355,960,887	1,026,732,325	1,396,031,429	1,052,772,174
B. Current assets								
Debtors	63,142,178	74,193,030	66,126,631	69,778,106	57,226,696	68,644,305	130,726,024	116,358,661
Other debtors								
- becoming due and payable within one year	18,805,399	30,607,536	45,038,631	29,479,273	44,143,084	29,284,539	42,307,160	27,655,548
Cash at bank and in hand	44,336,779	43,585,494	13,088,000	40,298,833	13,083,511	39,359,766	88,418,864	88,703,133
TOTAL (ASSETS)	1,205,506,276	1,208,099,711	1,414,047,156	1,096,353,218	1,413,187,482	1,095,376,630	1,526,757,453	1,169,130,855
LIABILITIES								
A. Capital and reserves								
Subscribed capital	31,000	31,000	-	-	-	-	-	-
B. Provisions								
Other provisions	11,844	11,894	11,844	11,844	11,987	24,346	48,669	11,844
C. Creditors								
Debtenture loans	1,205,462,432	1,208,056,817	1,414,035,312	1,096,341,374	1,413,175,495	1,095,352,284	1,526,708,784	1,169,119,011
Non convertible loans								
- becoming due and payable within one year	210,769,396	178,740,031	265,806,818	180,714,084	285,227,717	172,547,675	243,434,954	154,319,460
- becoming due and payable after more than one year	856,830,604	888,859,969	1,022,993,182	810,485,916	1,022,772,283	818,652,325	1,064,565,046	836,880,540
Amounts owed to affiliated undertakings								
- becoming due and payable within one year	82,096,632	84,871,032	38,438,611	53,721,012	38,371,300	52,979,139	152,631,491	126,516,427
- becoming due and payable after more than one year	55,694,259	55,537,813	66,745,422	51,346,504	66,751,211	51,099,137	66,040,440	51,363,987
Other creditors								
Tax debts	9,658	4,148	8,521	3,259	10,260	3,409	8,371	3,258
Other creditors								
- becoming due and payable within one year	61,863	43,824	42,758	70,599	42,724	70,599	28,462	35,299
TOTAL (LIABILITIES)	1,205,506,276	1,208,099,711	1,414,047,156	1,096,353,218	1,413,187,482	1,095,376,630	1,526,757,453	1,169,130,855

5. NOTES TO THE ANNUAL ACCOUNTS

Note 21 - Balance sheet as at 31 December 2016 per compartment (continued)

	Compartment 5		Compartment 6		Compartment 7	
	2016	2015	2016	2015	2016	2015
ASSETS	EUR	EUR	EUR	EUR	EUR	EUR
A. Fixed assets						
Financial assets	1,395,988,489	1,052,794,861	1,322,635,818	1,006,890,000	1,320,256,988	1,007,712,746
Investment held as fixed assets	1,395,988,489	1,052,794,861	1,322,635,818	1,006,890,000	1,320,256,988	1,007,712,746
B. Current assets	95,733,983	117,462,699	86,812,807	58,288,135	89,283,493	57,454,984
Debtors						
Other debtors						
- becoming due and payable within one year	43,648,239	27,908,639	39,382,510	25,016,750	38,830,210	24,620,815
Cash at bank and in hand	52,085,744	89,554,060	47,430,297	33,271,385	48,453,283	32,834,169
TOTAL (ASSETS)	1,491,722,472	1,170,257,560	1,409,448,625	1,065,178,135	1,409,540,481	1,065,167,730
LIABILITIES						
A. Capital and reserves						
Subscribed capital						
B. Provisions	11,844	11,844	11,844	11,844	11,844	11,844
Other provisions	11,844	11,844	11,844	11,844	11,844	11,844
C. Creditors	1,491,710,628	1,170,245,716	1,409,436,781	1,065,166,291	1,409,528,637	1,065,155,886
Debtenture loans						
Non convertible loans						
- becoming due and payable within one year	249,653,791	155,059,883	285,985,025	179,850,223	287,393,515	180,920,720
- becoming due and payable after more than one year	1,058,346,209	836,140,117	1,022,014,975	811,349,777	1,020,606,485	810,279,280
Amounts owed to affiliated undertakings						
- becoming due and payable within one year	117,400,038	127,603,903	34,790,813	22,337,817	34,902,349	22,052,300
- becoming due and payable after more than one year	66,258,942	51,367,917	66,595,973	51,461,522	66,574,592	51,736,633
Other creditors						
Tax debts	8,924	3,297	7,271	569	8,972	570
Other creditors						
- becoming due and payable within one year	42,724	70,599	42,724	166,383	42,724	166,383
TOTAL (LIABILITIES)	1,491,722,472	1,170,257,560	1,409,448,625	1,065,178,135	1,409,540,481	1,065,167,730

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 22 - Profit and loss account for the year from 1 January to 31 December 2016 per compartment

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2016	2015	2016	2015	2016	2015	2016	2015
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Other external expenses	(11,650,821)	(4,489,770)	(11,380,786)	(5,225,927)	(11,359,223)	(5,225,004)	(11,410,372)	(4,348,280)
Other operating expenses	(23,072,232)	(9,403,379)	(23,040,109)	(10,906,613)	(23,103,389)	(10,890,299)	(23,173,051)	(9,153,970)
Income from other investments and loans forming part of the fixed assets								
- derived from affiliated undertakings	39,726,643	15,629,728	38,879,226	18,398,061	38,920,618	18,380,832	39,059,572	15,311,482
Interest and other financial charges								
- concerning affiliated undertakings	(1,200,703)	(320,354)	(1,292,463)	(453,034)	(1,292,523)	(453,042)	(1,289,607)	(361,504)
- other interest and similar financial charges	(3,802,428)	(1,415,766)	(3,165,408)	(1,812,028)	(3,165,025)	(1,812,028)	(3,186,083)	(1,447,269)
Tax on profit or loss	(459)	(459)	(460)	(459)	(458)	(459)	(459)	(459)
Profit or loss for the financial year/period	-	-	-	-	-	-	-	-

5. NOTES TO THE ANNUAL ACCOUNTS

Note 22 - Profit and loss account for the year from 1 January to 31 December 2016 per compartment (continued)

	Compartment 5		Compartment 6		Compartment 7	
	2016	2015	2016	2015	2016	2015
	EUR	EUR	EUR	EUR	EUR	EUR
Other external charges	(11,083,153)	(4,348,425)	(11,076,676)	(1,750,382)	(11,072,800)	(1,750,726)
Other operating charges	(22,499,446)	(9,112,855)	(19,701,483)	(3,279,924)	(19,786,994)	(3,273,355)
Income from other investments and loans forming part of the fixed assets						
- derived from affiliated undertakings	37,954,162	15,314,684	38,235,895	6,197,709	38,317,407	6,191,471
Interest and other financial charges						
- concerning affiliated undertakings	(1,257,769)	(370,376)	(1,566,192)	(168,646)	(1,566,069)	(168,633)
- other interest and similar financial charges	(3,113,336)	(1,482,569)	(5,891,086)	(998,298)	(5,891,086)	(998,298)
Tax on profit or loss	(458)	(459)	(458)	(459)	(458)	(459)
Profit or loss for the financial year/period						

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 23 - Notes to the annual accounts per compartment

Financial assets	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2016	2015	2016	2015	2016	2015	2016	2015
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<u>Investment held as fixed assets</u>								
<i>Movements during the period</i>								
Initial purchases	-	750,026,299	-	1,050,004,687	-	1,050,005,518	-	1,050,002,450
Balance as at 1 January	1,133,906,681	-	1,026,575,112	-	1,026,732,325	-	1,052,772,174	-
Additions for the year/period	390,765,831	511,331,991	711,549,043	132,646,438	708,460,825	129,044,571	714,619,059	123,847,060
Disposals for the year/period	-	-	-	-	-	-	-	-
Reimbursements for the year/period	(382,309,414)	(127,451,609)	(382,203,630)	(156,076,013)	(379,232,263)	(152,317,764)	(371,359,804)	(121,077,336)
Closing balance	1,142,363,098	1,133,906,681	1,355,920,525	1,026,575,112	1,355,960,887	1,026,732,325	1,396,031,429	1,052,772,174

Financial assets	Compartment 5		Compartment 6		Compartment 7	
	2016	2015	2016	2015	2016	2015
	EUR	EUR	EUR	EUR	EUR	EUR
<u>Investment held as fixed assets</u>						
<i>Movements during the year</i>						
Initial purchases	-	1,050,005,093	-	1,050,014,359	-	1,050,010,188
Balance as at 1 January	1,052,794,861	-	1,006,890,000	-	1,007,712,746	-
Additions for the year/period	717,542,063	124,349,050	640,934,676	-	641,888,944	-
Disposals for the year/period	-	-	-	-	-	-
Reimbursements for the year/period	(374,348,435)	(121,559,282)	(325,188,858)	(43,124,359)	(329,344,702)	(42,297,442)
Closing balance	1,395,988,489	1,052,794,861	1,322,635,818	1,006,890,000	1,320,256,988	1,007,712,746

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 23 - Notes to the annual accounts per compartment (continued)

Cash at bank and in hand	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2016	2015	2016	2015	2016	2015	2016	2015
Cash at bank	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Current account	30,590	30,919	-	-	-	-	-	-
Disbursement account	18,595,035	16,883,861	-	15,957,021	3,511	14,837,465	2,450	14,989,943
Cash collateral account	11,235,609	13,370,809	13,088,000	12,482,879	13,080,000	12,502,463	13,080,000	12,431,860
Accumulation account	-	-	-	-	-	-	75,336,414	49,204,586
Monthly collateral account	14,475,545	13,299,905	-	11,858,933	-	12,019,838	-	12,076,744
Total	44,336,779	43,585,494	13,088,000	40,298,833	13,083,511	39,359,766	88,418,864	88,703,133

Cash at bank	Compartment 5		Compartment 6		Compartment 7	
	2016	2015	2016	2015	2016	2015
Cash at bank	EUR	EUR	EUR	EUR	EUR	EUR
Current account	-	-	-	-	-	-
Disbursement account	2,450	15,116,386	-	2,450	-	2,450
Cash collateral account	13,080,000	12,405,678	13,080,000	11,894,400	13,080,000	11,894,400
Accumulation account	39,003,294	49,976,545	34,350,297	21,374,535	36,373,283	20,937,319
Monthly collateral account	-	12,055,451	-	-	-	-
Total	52,085,744	89,554,060	47,430,297	33,271,385	49,453,283	32,834,169

Provision	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2016	2015	2016	2015	2016	2015	2016	2015
Other provisions	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Audit fees	11,700	11,700	11,700	11,700	11,700	11,700	11,700	11,700
Tax advisory fees	144	144	144	144	287	144	144	144
Other accruals	-	50	-	-	-	12,502	36,825	-
Total	11,844	11,894	11,844	11,844	11,987	24,346	48,669	11,844

5. NOTES TO THE ANNUAL ACCOUNTS

Note 23 - Notes to the annual accounts per compartment (continued)

	Compartment 5		Compartment 6		Compartment 7	
	2016	2015	2016	2015	2016	2015
<u>Other provisions</u>	EUR	EUR	EUR	EUR	EUR	EUR
Audit fees	11,700	11,700	11,700	11,700	11,700	11,700
Tax advisory fees	144	144	144	144	144	144
Other accruals	-	-	-	-	-	-
Total	11,844	11,844	11,844	11,844	11,844	11,844

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2016	2015	2016	2015	2016	2015	2016	2015
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Non convertible loans								
<u>Class A Asset Backed Floating Rate</u>								
Notes								
Initial issuance	-	676,500,000	-	947,100,000	-	947,100,000	-	947,100,000
Balance as at 1 January	1,020,100,000	-	947,100,000	-	947,100,000	-	947,100,000	-
Additions for the year/period	-	343,600,000	303,500,000	-	302,800,000	-	302,800,000	-
Reimbursements for the year/period	-	-	-	-	-	-	-	-
Closing balance	1,020,100,000	1,020,100,000	1,250,600,000	947,100,000	1,249,900,000	947,100,000	1,249,900,000	947,100,000
Thereof scheduled for redemption within one year	210,769,396	178,740,031	285,806,818	180,714,084	285,227,717	172,547,675	243,434,954	154,319,460
Amount due and payable after more than one year	809,330,604	841,359,969	964,793,182	766,385,916	964,672,283	774,552,325	1,006,465,046	792,780,540

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 23 - Notes to the annual accounts per compartment (continued)

	Compartment 5		Compartment 6		Compartment 7	
	2016 EUR	2015 EUR	2016 EUR	2015 EUR	2016 EUR	2015 EUR
<u>Class A Asset Backed Floating Rate</u>						
<u>Notes</u>						
Initial issuance	-	947,100,000	-	947,100,000	-	947,100,000
Balance as at 1 January	947,100,000	-	947,100,000	-	947,100,000	-
Additions for the year/period	302,800,000	-	302,800,000	-	302,800,000	-
Reimbursements for the year/period	-	-	-	-	-	-
Closing balance	1,249,900,000	947,100,000	1,249,900,000	947,100,000	1,249,900,000	947,100,000
Thereof scheduled for redemption within one year	249,653,791	155,059,883	285,985,025	179,850,223	287,393,515	180,920,720
Amount due and payable after more than one year	1,000,246,209	792,040,117	963,914,975	767,249,777	962,506,485	766,179,280

Non convertible loans - continued

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2016 EUR	2015 EUR	2016 EUR	2015 EUR	2016 EUR	2015 EUR	2016 EUR	2015 EUR
<u>Class B Asset Backed Floating Rate</u>								
<u>Notes</u>								
Initial issuance	-	31,500,000	-	44,100,000	-	44,100,000	-	44,100,000
Balance as at 1 January	47,500,000	-	44,100,000	-	44,100,000	-	44,100,000	-
Additions for the year/period	-	16,000,000	14,100,000	-	14,000,000	-	14,000,000	-
Reimbursements for the year/period	-	-	-	-	-	-	-	-
Closing balance	47,500,000	47,500,000	58,200,000	44,100,000	58,100,000	44,100,000	58,100,000	44,100,000
Thereof scheduled for redemption within one year	-	-	-	-	-	-	-	-
Amount due and payable after more than one year	47,500,000	47,500,000	58,200,000	44,100,000	58,100,000	44,100,000	58,100,000	44,100,000

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 23 - Notes to the annual accounts per compartment (continued)

Class B Asset Backed Floating Rate Notes	Compartment 5		Compartment 6		Compartment 7	
	2016	2015	2016	2015	2016	2015
	EUR	EUR	EUR	EUR	EUR	EUR
Initial issuance	-	44,100,000	-	44,100,000	-	44,100,000
Balance as at 1 January	44,100,000	-	44,100,000	-	44,100,000	-
Additions for the year/period	14,000,000	-	14,000,000	-	14,000,000	-
Reimbursements for the year/period	-	-	-	-	-	-
Closing balance	58,100,000	44,100,000	58,100,000	44,100,000	58,100,000	44,100,000
Thereof scheduled for redemption within one year	-	-	-	-	-	-
Amount due and payable after more than one year	58,100,000	44,100,000	58,100,000	44,100,000	58,100,000	44,100,000

Amounts owed to affiliated undertakings

Becoming due and payable before one year	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2016	2015	2016	2015	2016	2015	2016	2015
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Overcollateralisation payable	29,586,058	22,496,878	34,164,131	21,074,931	34,123,573	23,153,909	34,062,780	20,910,871
Servicer fees	951,543	944,416	1,164,059	877,469	1,163,322	877,441	1,098,621	835,121
Advance payments	14,475,545	30,183,764	-	28,404,434	1,061	25,335,534	-	27,601,697
Accrued interest Subordinated Loan	16,187	7,826	29,302	17,734	29,306	17,735	19,512	8,853
Other amounts payable	36,191,980	29,263,525	2,578,932	1,752,961	2,548,373	1,752,833	116,321,868	75,668,771
Subordinated loan	315,710	1,415,014	502,187	1,593,483	505,665	1,841,687	1,128,710	1,491,114
Loan administration fee reserve	559,609	559,609	-	-	-	-	-	-
Total	82,096,632	84,871,032	38,438,611	53,721,012	38,371,300	52,979,139	152,631,491	126,516,427

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 23 - Notes to the annual accounts per compartment (continued)

Becoming due and payable before one year	Compartment 5		Compartment 6		Compartment 7	
	2016	2015	2016	2015	2016	2015
	EUR	EUR	EUR	EUR	EUR	EUR
Overcollateralisation payable	34,093,054	20,887,074	30,464,907	19,068,741	30,572,785	19,061,847
Servicer fees	1,129,451	834,509	1,131,697	857,375	1,130,078	857,728
Advance payments	-	27,680,665	-	-	-	-
Accrued interest Subordinated Loan	29,255	17,707	29,305	28,170	29,303	28,168
Other amounts payable	81,268,137	76,694,103	2,505,885	1,190,218	2,494,089	1,190,538
Subordinated loan	880,141	1,489,845	659,019	1,193,313	676,094	914,019
Loan administration fee reserve	-	-	-	-	-	-
Total	117,400,038	127,603,903	34,790,813	22,337,817	34,902,349	22,052,300

Subordinated Loan	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2016	2015	2016	2015	2016	2015	2016	2015
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Initial issuance	-	37,526,299	-	52,504,687	-	52,505,518	-	52,502,450
Balance as at 1 January	56,952,827	-	52,939,987	-	52,940,824	-	52,855,101	-
Additions for the year/period	-	19,114,000	15,009,127	-	15,017,500	-	15,017,500	-
Capitalised interest for the year/period	314,030	312,528	1,164,392	435,300	1,164,448	435,306	1,162,633	352,651
Reimbursements for the year/period	(1,256,888)	-	(1,865,897)	-	(1,865,896)	-	(1,866,084)	-
Closing balance	56,009,969	56,952,827	67,247,609	52,939,987	67,256,876	52,940,824	67,169,150	52,855,101
Thereof scheduled for redemption within one year	315,710	1,415,014	502,187	1,593,483	505,665	1,841,687	1,128,710	1,491,114
Amount due and payable after more than one year	55,694,259	55,537,813	66,745,422	51,346,504	66,751,211	51,099,137	66,040,440	51,363,987

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 23 - Notes to the annual accounts per compartment (continued)

	Compartment 5		Compartment 6		Compartment 7	
	2016 EUR	2015 EUR	2016 EUR	2015 EUR	2016 EUR	2015 EUR
<u>Subordinated Loan</u>						
Initial issuance	-	52,505,093	-	52,514,359	-	52,510,188
Balance as at 1 January	52,857,762	-	52,654,835	-	52,650,652	-
Additions for the year/period	15,017,500	-	15,017,500	-	15,017,500	-
Capitalised interest for the year/period	1,129,900	352,669	1,448,486	140,476	1,448,372	140,464
Reimbursements for the year/period	(1,866,079)	-	(1,865,829)	-	(1,865,838)	-
	67,139,083	52,857,762	67,254,992	52,654,835	67,250,686	52,650,652
Closing balance						
Thereof scheduled for redemption within one year	880,141	1,489,845	659,019	1,193,313	676,094	914,019
Amount due and payable after more than one year	66,258,942	51,367,917	66,595,973	51,461,522	66,574,592	51,736,633
<u>Other creditors</u>						
Interest on Class A Notes	20,515	-	33,349	64,719	33,331	64,719
Interest on Class B Notes	5,178	1,579	9,409	5,880	9,393	5,880
Swap on Class A Notes	30,785	38,726	-	-	-	-
Swap on Class B Notes	5,405	3,519	-	-	-	-
Total	61,883	43,824	42,758	70,599	42,724	70,599
					28,482	35,299

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 23 - Notes to the annual accounts per compartment (continued)

	Compartment 5		Compartment 6		Compartment 7	
	2016	2015	2016	2015	2016	2015
	EUR	EUR	EUR	EUR	EUR	EUR
Interest on Class A Notes	33,331	64,719	33,331	151,536	33,331	151,536
Interest on Class B Notes	9,393	5,880	9,393	14,847	9,393	14,847
Swap on Class A Notes	-	-	-	-	-	-
Swap on Class B Notes	-	-	-	-	-	-
Total	42,724	70,599	42,724	166,383	42,724	166,383

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2016	2015	2016	2015	2016	2015	2016	2015
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Other external expenses								
Audit fees	11,852	11,700	11,852	11,700	11,852	11,700	11,852	11,700
Service fees	11,267,337	4,389,468	11,025,817	5,169,439	11,024,552	5,170,811	11,090,422	4,296,563
Tax advisory fees	144	144	144	144	144	144	144	144
Rating agency fees	70,401	52,656	37,111	10,921	46,311	8,421	38,797	8,421
Trustee services	9,949	4,400	10,233	4,148	22,647	4,297	9,951	3,528
Legal fees	7,283	-	-	-	7,283	-	7,283	-
Maintenance fees	41,300	12,493	19,089	11,329	9,589	11,329	20,250	9,819
Other operating charges	12,854	18,779	21,981	17,546	10,928	17,552	21,035	17,356
Bank charges	229,701	130	254,559	700	225,917	750	210,638	750
Total	11,650,821	4,489,770	11,380,786	5,225,927	11,359,223	5,225,004	11,410,372	4,348,280

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 23 - Notes to the annual accounts per compartment (continued)

	Compartment 5		Compartment 6		Compartment 7	
	2016	2015	2016	2015	2016	2015
Other external expenses	EUR	EUR	EUR	EUR	EUR	EUR
Audit fees	11,852	11,700	11,852	11,700	11,852	11,700
Service fees	10,784,557	4,296,718	10,813,943	1,732,387	10,812,062	1,732,737
Tax advisory fees	144	144	144	144	144	144
Rating agency fees	36,980	8,421	20,201	-	31,687	-
Trustee services	12,584	3,528	10,202	771	10,202	771
Legal fees	6,069	-	7,769	-	6,069	-
Maintenance fees	20,250	9,819	20,250	5,030	17,250	2,030
Other operating charges	22,250	17,345	27,839	300	31,052	3,294
Bank charges	188,467	750	164,476	50	152,482	50
Total	11,083,153	4,348,425	11,076,676	1,750,382	11,072,800	1,750,726

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2016	2015	2016	2015	2016	2015	2016	2015
Other operating expenses	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Net overcollateralisation expense	23,072,232	9,403,379	23,040,109	10,906,613	23,103,389	10,890,299	23,173,051	9,153,970

	Compartment 5		Compartment 6		Compartment 7	
	2016	2015	2016	2015	2016	2015
Net overcollateralisation expense	EUR	EUR	EUR	EUR	EUR	EUR
Net overcollateralisation expense	22,499,446	9,112,855	19,701,483	3,279,924	19,786,994	3,273,355

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 23 - Notes to the annual accounts per compartment (continued)

Interest payable and similar expenses

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2016	2015	2016	2015	2016	2015	2016	2015
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Concerning affiliated undertakings								
Interest expense on Subordinated loan	1,200,703	320,354	1,292,463	453,034	1,292,523	453,042	1,289,607	361,504

Interest expense on Subordinated loan

	Compartment 5		Compartment 6		Compartment 7	
	2016	2015	2016	2015	2016	2015
	EUR	EUR	EUR	EUR	EUR	EUR
Interest expense on Subordinated loan	1,257,769	370,376	1,566,192	168,646	1,566,069	168,633

Other interest and similar expenses

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2016	2015	2016	2015	2016	2015	2016	2015
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Interest charges on Class A Notes	964,051	275,882	2,748,799	1,661,108	2,748,594	1,661,108	2,769,843	1,326,729
Interest charges on Class B Notes	316,624	74,720	416,609	150,920	416,431	150,920	416,240	120,540
Net interest expense Class A Notes swap	2,085,840	1,020,519	-	-	-	-	-	-
Net interest expense Class B Notes swap	435,913	44,645	-	-	-	-	-	-
Total	3,802,428	1,415,766	3,165,408	1,812,028	3,165,025	1,812,028	3,186,083	1,447,269

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 23 - Notes to the annual accounts per compartment (continued)

	Compartment 5		Compartment 6		Compartment 7	
	2016	2015	2016	2015	2016	2015
	EUR	EUR	EUR	EUR	EUR	EUR
Interest charges on Class A Notes	2,708,221	1,359,089	5,225,928	909,216	5,225,928	909,216
Interest charges on Class B Notes	405,115	123,480	665,158	89,082	665,158	89,082
Net interest expense Class A Notes swap	-	-	-	-	-	-
Net interest expense Class B Notes swap	-	-	-	-	-	-
Total	3,113,336	1,482,569	5,891,086	998,298	5,891,086	998,298

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

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2016	2015	2016	2015	2016	2015	2016	2015
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Derived from affiliated undertakings	39,726,643	15,629,728	38,879,226	18,398,061	38,920,618	18,380,832	39,059,572	15,311,482
Interest income from Permitted Assets								
Total	39,726,643	15,629,728	38,879,226	18,398,061	38,920,618	18,380,832	39,059,572	15,311,482

Interest income from Permitted Assets

	Compartment 5		Compartment 6		Compartment 7	
	2016	2015	2016	2015	2016	2015
	EUR	EUR	EUR	EUR	EUR	EUR
Interest income from Permitted Assets	37,954,162	15,314,684	38,235,895	6,197,709	38,317,407	6,191,471
Total	37,954,162	15,314,684	38,235,895	6,197,709	38,317,407	6,191,471

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 24 - Subsequent events

Regarding the Emission Issue, there are no indications that recent developments will have a negative impact on payments under the affected Financing Contracts comprised in the pool of Receivables purchased, but any such impact cannot be ruled out.

On 27 March 2017, the Company has executed a Clean-up Call for Compartment 5, for Compartment 6 and for Compartment 7 whereby Volkswagen Bank GmbH acquired all outstanding Lease Receivables (together with any related Lease Collateral) against payment of the Clean-up Call Settlement Amount.

On 25 April 2017, the Company has executed a Clean-up Call for Compartment 3 and for Compartment 4 whereby Volkswagen Bank GmbH acquired all outstanding Lease Receivables (together with any related Lease Collateral) against payment of the Clean-up Call Settlement Amount.

On 27 April 2017, Mrs P. J. S. Dunselmann has resigned from her position as Director of the Company. On 19 June 2017, Mr A. Nelke has been appointed as Director of the Company in replacement of Mrs P. J. S. Dunselmann.

No other event has occurred subsequent to the year-end which would have a material impact on the annual accounts as at December 31, 2016.

Luxembourg,

Mrs Z. H. Cammans
Director

Mrs C. Pirrie
Director

Mr A. Nelke
Director

