

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

**AUDITED ANNUAL ACCOUNTS  
FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2017**

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

**RCS Luxembourg : B 197.583**

**Driver Master S.A.**

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## 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 2017.

#### 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	7.050.068.594	6.927.906.194

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.

#### Portfolio of Permitted Assets

As at 31 December 2017, the total Permitted Assets principal of all compartments was decreased by EUR 10,148,769,529 (EUR 2,543,987,106 in 2016) by way of clean up and payments collected from Volkswagen Bank GmbH and was increased by EUR 14,022,278,169 (EUR 4,525,760,441 in 2016) 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 2017 amounted to EUR 386,040,094 (EUR 271,093,523 in 2016).

## Driver Master S.A.

### 1. DIRECTORS' REPORT

On 27 March 2017, the Company has executed a Clean-up Call for Compartment 5, Compartment 6 and 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 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.

#### Notes and Subordinated Loans

As at 31 December 2017, 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	2017	1.020.100.000	47.500.000	57.098.439
Compartment 2	2017	10.702.600.000	497.100.000	539.271.189
Total		11.722.700.000	544.600.000	596.369.628

The Notes are listed in Luxembourg Stock Exchange.

#### **Corporate Governance**

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

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

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

#### **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.

#### **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, 2017 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, 2017.

#### **Branches and participations of the Company**

The Company does not have any branches or participations.

## **Driver Master S.A**

### **1. DIRECTORS' REPORT**

#### **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.

##### 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.

**Driver Master S.A.**

**1. DIRECTORS' REPORT**

**Subsequent events**

As from 19 March 2018, the address of the registered office of the Company has been transferred from 52-54 Avenue du X Septembre, L-2550 Luxembourg to 22-24 Boulevard Royal, L-2449 Luxembourg.

On 7 June 2018, Mr A. Nelke has resigned from the position as Director of the Company and has been replaced by Mrs C. Lampis with effective date 12th of June 2018.

No other event has occurred subsequent to the year-end which would have a material impact on the annual accounts as at December 31, 2017.

**Future outlook**

No material changes in activities are contemplated for the year 2018.

Luxembourg, 15 June 2018



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Mrs Z.H. Campans  
Director



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Mrs C. Pirrie  
Director



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Mrs C. Lampis  
Director



## **Audit report**

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

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### **Report on the audit of the annual accounts**

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#### *Our opinion*

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of Driver Master S.A. (the “Company”) as at 31 December 2017, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

#### ***What we have audited***

The Company’s annual accounts comprise:

- the balance sheet as at 31 December 2017;
  - the profit and loss account for the year then ended; and
  - the notes to the annual accounts, which include a summary of significant accounting policies.
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#### *Basis for opinion*

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under those Regulation, Law and standards are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the annual accounts” section of our report.

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

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

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*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B65 477 - TVA LU25482518*



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### *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period, and include the most significant assessed risks of material misstatement (whether or not due to fraud). These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key audit matter</b>	<b>How our audit addressed the Key audit matter</b>
<b><i>Valuation of lease receivables</i></b>	
<p>The purpose of the Company is to purchase a portfolio of car lease receivables of German customers from Volkswagen Financial Services AG (the originator). The acquisition of the lease receivables is financed by the issuances of granted notes. The leasing portfolio is purchased from the originator at a discounted value to cover potential losses of these receivables. There is a risk of non-payment if the customers fail to meet payment instalments. Refer to Note 2.2.2 for the accounting policy.</p> <p>Taking into account that the total financial fixed assets as at 31 December 2017 amounted to EUR 13,162,665,874 (See Note 3) and the loss provisioning ratio is derived on historical default ratios which is considered complex, we have identified this as a key audit matter.</p>	<p>The lease receivables purchased by the Company are part of the full lease portfolio of VWFS AG. As the audit of the valuation of each individual lease receivables is not appropriate, we have reviewed and tested the internal control system of VWFS AG with regards to the valuation of the lease receivables in which no issues were noted.</p> <p>In order to test the Company's assessment on provisions for bad debts, we recomputed the loss provisioning and we concluded that as at 31 December 2017 the Company's leasing receivables valuation disclosed in the annual accounts are in line with the accounting policies.</p>

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### *Other information*

The Board of Directors is responsible for the other information. The other information comprises the information stated in the Directors' report and the Corporate Governance Statement 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 identified above 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 that fact. We have nothing to report in this regard.





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### *Responsibilities of the Board of Directors for the annual accounts*

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation 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.

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

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### *Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts*

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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



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

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

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

## **Report on other legal and regulatory requirements**

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

The Corporate Governance Statement is included in the Directors' report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We have been appointed as "Réviseur d'Entreprises Agréé" of the Company by the Board of Directors on 15 January 2016 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 3 years.

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### *Other matter*

The Corporate Governance Statement includes the information required by Article 68ter Paragraph (1) Letters a), b), e), f) and g) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 15 June 2018

  
Günter Simon

**Annual Accounts Helpdesk :**

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RCSL Nr.: B197583

Matricule : 2015 2207 612

eCDF entry date :

**BALANCE SHEET**

Financial year from <sup>01</sup> 01/01/2017 to <sup>02</sup> 31/12/2017 (in <sup>03</sup> EUR )

Driver Master S.A.  
 22-24, Boulevard Royal  
 L-2449 Luxembourg

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>	1109 _____	109 <b>13.162.665.874,00</b>	110 <b>9.289.157.234,00</b>
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 _____
<b>III. Financial assets</b>	1135 _____	135 <b>13.162.665.874,00</b>	136 <b>9.289.157.234,00</b>
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 _____ <b>3</b>	145 <b>13.162.665.874,00</b>	146 <b>9.289.157.234,00</b>
6. Other loans	1147 _____	147 _____	148 _____
<b>D. Current assets</b>	1151 _____	151 <b>574.455.139,00</b>	152 <b>581.051.711,00</b>
<b>I. Stocks</b>	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 _____
<b>II. Debtors</b>	1163 _____	163 <b>370.966.968,00</b>	164 <b>273.155.233,00</b>
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 _____	183 <b>370.966.968,00</b>	184 <b>273.155.233,00</b>
a) becoming due and payable within one year	1185 _____ <b>4</b>	185 <b>370.966.968,00</b>	186 <b>273.155.233,00</b>
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____

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	<b>Reference(s)</b>	<b>Current year</b>	<b>Previous year</b>
<b>III. Investments</b>	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
<b>IV. Cash at bank and in hand</b>	1197 _____ <b>5</b>	197 _____ <b>203.488.171,00</b>	198 _____ <b>307.896.478,00</b>
<b>E. Prepayments</b>	1199 _____	199 _____	200 _____
	<b>TOTAL (ASSETS)</b>	201 _____ <b>13.737.121.013,00</b>	202 _____ <b>9.870.208.945,00</b>

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**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
I. Subscribed capital	1301 <u>6</u>	301 <u>31.000,00</u>	302 <u>31.000,00</u>
II. Share premium account	1303	303 <u>31.000,00</u>	304 <u>31.000,00</u>
III. Revaluation reserve	1305	305	306
IV. Reserves	1307	307	308
1. Legal reserve	1309	309	310
2. Reserve for own shares	1311	311	312
3. Reserves provided for by the articles of association	1313	313	314
4. Other reserves, including the fair value reserve	1315	315	316
a) other available reserves	1429	429	430
b) other non available reserves	1431	431	432
V. Profit or loss brought forward	1433	433	434
VI. Profit or loss for the financial year	1319	319	320
VII. Interim dividends	1321	321	322
VIII. Capital investment subsidies	1323	323	324
	1325	325	326
<b>B. Provisions</b>			
1. Provisions for pensions and similar obligations	1331	331 <u>74.965,00</u>	332 <u>119.876,00</u>
2. Provisions for taxation	1333	333	334
3. Other provisions	1335	335	336
	1337 <u>8</u>	337 <u>74.965,00</u>	338 <u>119.876,00</u>
<b>C. Creditors</b>			
1. Debenture loans	1435	435 <u>13.737.015.048,00</u>	436 <u>9.870.058.069,00</u>
a) Convertible loans	1437	437 <u>12.267.300.000,00</u>	438 <u>8.916.400.000,00</u>
i) becoming due and payable within one year	1439	439	440
ii) becoming due and payable after more than one year	1441	441	442
b) Non convertible loans	1443	443	444
i) becoming due and payable within one year	1445	445 <u>12.267.300.000,00</u>	446 <u>8.916.400.000,00</u>
ii) becoming due and payable after more than one year	1447	447 <u>2.446.684.591,00</u>	448 <u>1.848.271.216,00</u>
2. Amounts owed to credit institutions	1449	449 <u>9.820.615.409,00</u>	450 <u>7.068.128.784,00</u>
a) becoming due and payable within one year	1355	355	356
b) becoming due and payable after more than one year	1357	357	358
	1359	359	360

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

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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 1.469.362.758,00	380 953.292.073,00
a) becoming due and payable within one year	1381	381 932.427.502,00	382 498.631.234,00
b) becoming due and payable after more than one year	1383	383 536.935.256,00	384 454.660.839,00
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	451 352.290,00	452 365.996,00
a) Tax authorities	1393	16 393 44.650,00	394 61.977,00
b) Social security authorities	1395	395	396
c) Other creditors	1397	397 307.640,00	398 304.019,00
i) becoming due and payable within one year	1399	11 399 307.640,00	400 304.019,00
ii) becoming due and payable after more than one year	1401	401	402
D. Deferred income	1403	403	404
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>		405 13.737.121.013,00	406 9.870.208.945,00

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RCSL Nr. : B197583

Matricule : 2015 2207 612

eCDF entry date :

**PROFIT AND LOSS ACCOUNT**

Financial year from <sup>01</sup> 01/01/2017 to <sup>02</sup> 31/12/2017 (in <sup>03</sup> EUR )

Driver Master S.A.

22-24, Boulevard Royal  
 L-2449 Luxembourg

**PROFIT AND LOSS ACCOUNT**

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 _____	701 _____	702 _____
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703 _____	703 _____	704 _____
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705 _____	705 _____	706 _____
<b>4. Other operating income</b>	1713 _____	713 _____	714 _____
<b>5. Raw materials and consumables and other external expenses</b>	1671 _____	671 <u>-113.132.471,00</u>	672 <u>-79.033.831,00</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____ <u>12</u>	603 <u>-113.132.471,00</u>	604 <u>-79.033.831,00</u>
<b>6. Staff costs</b>	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 _____
<b>7. Value adjustments</b>	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 _____
<b>8. Other operating expenses</b>	1621 _____ <u>13</u>	621 <u>-244.599.071,00</u>	622 <u>-154.376.704,00</u>

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



RCSL Nr.: B197583

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	Reference(s)	Current year	Previous year
<b>9. Income from participating interests</b>	1715 _____	715 _____	716 _____
a) derived from affiliated undertakings	1717 _____	717 _____	718 _____
b) other income from participating interests	1719 _____	719 _____	720 _____
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721 _____	721 <u>386.040.094,00</u>	722 <u>271.093.523,00</u>
a) derived from affiliated undertakings	1723 <u>15</u> _____	723 <u>386.040.094,00</u>	724 <u>271.093.523,00</u>
b) other income not included under a)	1725 _____	725 _____	726 _____
<b>11. Other interest receivable and similar income</b>	1727 _____	727 _____	728 _____
a) derived from affiliated undertakings	1729 _____	729 _____	730 _____
b) other interest and similar income	1731 _____	731 _____	732 _____
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>	1663 _____	663 _____	664 _____
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	1665 _____	665 _____	666 _____
<b>14. Interest payable and similar expenses</b>	1627 _____ <u>14</u>	627 <u>-28.303.736,00</u>	628 <u>-37.679.778,00</u>
a) concerning affiliated undertakings	1629 _____	629 <u>-10.039.257,00</u>	630 <u>-9.465.326,00</u>
b) other interest and similar expenses	1631 _____	631 <u>-18.264.479,00</u>	632 <u>-28.214.452,00</u>
<b>15. Tax on profit or loss</b>	1635 _____ <u>16</u>	635 _____	636 <u>-3.210,00</u>
<b>16. Profit or loss after taxation</b>	1667 _____	667 <u>4.816,00</u>	668 <u>0,00</u>
<b>17. Other taxes not shown under items 1 to 16</b>	1637 _____ <u>16</u>	637 <u>-4.816,00</u>	638 _____
<b>18. Profit or loss for the financial year</b>	1669 _____	669 <u>0,00</u>	670 <u>0,00</u>

**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 22-24 Boulevard Royal, L-2449 Luxembourg, Grand-Duchy of Luxembourg. The Company is registered at the Registre du Commerce et Sociétés of Luxembourg City under number B 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 Gifhorner Str. 57, 38112 Braunschweig, (HRB Nr. 1858) and the consolidated accounts are available at the same address.

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

### **Note 2 - Summary of significant accounting 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.

**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.

## Driver Master S.A.

### 5. NOTES TO THE ANNUAL ACCOUNTS

#### Note 2 - Summary of significant accounting principles (continued)

##### 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.

##### 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 "Other operating income".

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

#### Note 3 - Financial assets

	<u>2017</u>	<u>2016</u>
	EUR	EUR
Permitted Assets		
Opening balance	9.289.157.234	7.307.383.899
Additions during the year	14.022.278.169	4.525.760.441
Disposals for the year	(6.323.399.396)	-
Reimbursements during the year	(3.825.370.133)	(2.543.987.106)
Closing balance	<u>13.162.665.874</u>	<u>9.289.157.234</u>

As at 31 December 2017, the total Permitted Assets principal of all compartments was decreased by EUR 10,148,769,529 (EUR 2,543,987,106 in 2016) by way of clean up and payments collected from Volkswagen Bank GmbH and was increased by EUR 14,022,278,169 (EUR 4,525,760,441 in 2016) 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 2017 amounted to EUR 386,040,094 (EUR 271,093,523 in 2016).

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 March 2017, the Company has executed a Clean-up Call for Compartment 5, Compartment 6 and 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 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.

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).

As at 31 December 2017, no value adjustment is recorded in the annual accounts in respect of financial fixed assets given the absence of durable depreciation.

**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 2017 collection of the Permitted Assets, which is due in January 2018.

**Note 5 - Cash at bank and in hand**

	<u>2017</u>	<u>2016</u>
	EUR	EUR
<u>Cash at bank</u>		
Current account	30.156	30.590
Disbursement account	15.378.548	18.603.446
Cash collateral account	122.673.000	89.723.609
Accumulation account	42.496.173	198.143.288
Monthly collateral account	17.240.157	14.475.545
Counterparty downgrade collateral account	5.670.137	-
Total	<u>203.488.171</u>	<u>320.976.478</u>

**Note 6 - Subscribed capital**

As at 31 December 2017, 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>2017</u>	<u>2016</u>
	EUR	EUR
<u>Other provisions</u>		
Audit fees	73.597	81.900
Tax advisory fees	1.368	1.151
Other accruals	-	36.825
Total	<u>74.965</u>	<u>119.876</u>

**Note 9 - Non Convertible Loans**

	<u>2017</u>	<u>2016</u>
	EUR	EUR
<u>Notes issued and becoming due and payable within one year</u>		
Class A Asset Backed Floating Rate Notes	2.446.684.591	1.848.271.216
Class B Asset Backed Floating Rate Notes	-	-
Balance as at December 31	<u>2.446.684.591</u>	<u>1.848.271.216</u>
	<u>2017</u>	<u>2016</u>
	EUR	EUR
<u>Notes issued and becoming due and payable after more than one year</u>		
Class A Asset Backed Floating Rate Notes	9.276.015.409	6.671.928.784
Class B Asset Backed Floating Rate Notes	544.600.000	396.200.000
Balance as at December 31	<u>9.820.615.409</u>	<u>7.068.128.784</u>

**Driver Master S.A.**

**5. NOTES TO THE ANNUAL ACCOUNTS**

**Note 9 - Subordinated debts (continued)**

<b>Class A Asset Backed Floating Rate Notes</b>	<b>2017</b>	<b>2016</b>
	EUR	EUR
Opening balance	8.520.200.000	6.702.700.000
Additions during the year	9.598.400.000	1.817.500.000
Reimbursements during the year	(6.395.900.000)	-
Closing balance	<u>11.722.700.000</u>	<u>8.520.200.000</u>
<i>Thereof scheduled for redemption within one year</i>	2.446.684.591	1.848.271.216
<i>Amount due and payable after more than one year</i>	<u>9.276.015.409</u>	<u>6.671.928.784</u>

As at 31 December 2017, Compartment 1 has issued 10,201 Class A Notes. As from 26 June 2017, Class A Notes issued by Compartment 1 bear a floating rate interest of one month Euribor + 0.25% (previously one month Euribor +0.55%). Payments on the Class A Notes are made monthly in arrears on the 25th of each month. The Notes will mature in 2026. The floating rate interest on the Class A Notes has been swapped to a fixed interest rate of 0.14% (previously 0.2535%).

As at 31 December 2017, Compartment 2 has issued 107,206 Class A Notes. As from 26 June 2017, Class A Notes issued by Compartment 1 bear a fix rate interest of 0.14% (previously was 0.16%). Payments on the Class A Notes are made monthly in arrears on the 25th of each month. The Notes will mature in 2026.

In 2017, all Class A Notes of Compartment 3, Compartment 4, Compartment 5, Compartment 6 and Compartment 7 have been redeemed.

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 2,446,684,591 will be repaid in the course of 2018 and has thus classified this amount as becoming due and payable within one year.

<b>Class B Asset Backed Floating Rate Notes</b>	<b>2017</b>	<b>2016</b>
	EUR	EUR
Opening balance	396.200.000	312.100.000
Additions during the year	438.900.000	84.100.000
Reimbursements during the year	(290.500.000)	-
Closing balance	<u>544.600.000</u>	<u>396.200.000</u>
<i>Thereof scheduled for redemption within one year</i>	-	-
<i>Amount due and payable after more than one year</i>	<u>544.600.000</u>	<u>396.200.000</u>

As at 31 December 2017, Compartment 1 has issued 475 Class B Notes. As from 26 June 2017, Class B Notes issued by Compartment 1 bear a floating rate interest of one month Euribor + 0.60% (previously one month Euribor +1.35%). Payments on the Class B Notes are made monthly in arrears on the 25th of each month. The Notes will mature in 2026. The floating rate interest on the Class B Notes has been swapped to a fixed interest rate of 0.4% (previously 0.9559%).

## Driver Master S.A.

### 5. NOTES TO THE ANNUAL ACCOUNTS

#### Note 9 - Non Convertible Loans (continued)

As at 31 December 2017, Compartment 2 has issued 4,971 Class B Notes. As from 26 June 2017, Class B Notes issued by Compartment 1 bear a fix rate interest of 0.40% (previously was 0.97%). Payments on the Class B Notes are made monthly in arrears on the 25th of each month. The Notes will mature in 2026.

In 2017, all Class B Notes of Compartment 3, Compartment 4, Compartment 5, Compartment 6 and Compartment 7 have been redeemed.

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 2017. The Board of Directors has been able to estimate reliably that no repayment should occur in the course of 2017 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>2017</u>	<u>2016</u>
<u>Becoming due and payable before one year</u>	EUR	EUR
Overcollateralisation payable	327.570.820	227.067.287
Servicer fees	10.846.969	7.768.771
Advance payments	17.245.713	14.476.606
Accrued interest on Subordinated Loan	135.808	182.170
Other amounts payable	511.524.265	243.909.264
Subordinated loan	59.434.372	4.667.526
Loan administration fee reserve	-	559.609
Santander guarantee payable	5.669.555	-
	<u>932.427.502</u>	<u>498.631.233</u>

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

The advanced payments relate to the amounts paid in advance by Volkswagen Bank GmbH to cover the future purchase of Permitted Assets.

Other amounts payable is mainly composed by the amount due to Volkswagen Bank GmbH regarding further acquisition of assets.

Due to an event of a downgrade, Banco Santander S.A. set up a guarantee to cover mark-to-market possible losses.

	<u>2017</u>	<u>2016</u>
	EUR	EUR
<u>Subordinated Loan</u>		
Opening balance	459.328.365	373.851.988
Additions during the year	465.522.566	90.096.627
Capitalised interest during the year	9.349.599	7.832.261
Reimbursements during the year	(337.830.901)	(12.452.511)
Closing balance	<u>596.369.628</u>	<u>459.328.365</u>
<i>Thereof scheduled for redemption within one year</i>	59.434.372	4.667.526
<i>Amount due and payable after more than one year</i>	<u>536.935.256</u>	<u>454.660.839</u>

## Driver Master S.A.

### 5. NOTES TO THE ANNUAL ACCOUNTS

#### Note 10 - Amounts owed to affiliated undertakings (continued)

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 26 June 2017, the Subordinated Loan rate has been amended to 1m Euribor + 1.60% (previously 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 26 June 2017, the Subordinated Loan rate has been amended to 1m Euribor + 1.402% (previously 2.614%).

In 2017, all subordinated loans from Volkswagen Bank GmbH of Compartment 3, Compartment 4, Compartment 5, Compartment 6 and Compartment 7 have been fully reimbursed.

#### Note 11 - Other creditors

	2017	2016
	EUR	EUR
Interest on Class A Notes	282.867	209.408
Interest on Class B Notes	1.524	58.421
Swap on Class A Notes	20.519	30.785
Swap on Class B Notes	2.730	5.405
	<u>307.640</u>	<u>304.019</u>

#### Note 12 - Other external expenses

	2017	2016
	EUR	EUR
Audit fees	76.797	82.964
Tax advisory fees	360	1.008
Bank charges	1.761.348	1.426.240
Service fees	110.726.799	76.818.690
Rating agency fees	177.558	281.488
Trustee services	51.071	85.768
Legal fees	130.533	41.756
Maintenance fees	159.288	147.978
Other operating charges	48.717	147.939
Total	<u>113.132.471</u>	<u>79.033.831</u>

#### Note 13 - Other operating expenses

	2017	2016
	EUR	EUR
Equalisation provision	244.599.071	154.376.704
Total	<u>244.599.071</u>	<u>154.376.704</u>



**Driver Master S.A.**

**5. NOTES TO THE ANNUAL ACCOUNTS**

**Note 14 - Interest payable and similar expenses**

	<u>2017</u>	<u>2016</u>
	EUR	EUR
<u>Concerning affiliated undertakings</u>		
Interest expense on Subordinated loan	10.039.257	9.465.326
Total	<u>10.039.257</u>	<u>9.465.326</u>

	<u>2017</u>	<u>2016</u>
	EUR	EUR
<u>Other interest and similar expenses</u>		
Interest charges on Class A Notes	14.119.875	22.391.364
Interest charges on Class B Notes	3.030.763	3.301.335
Net interest expense Class A Notes swap	1.083.591	2.085.840
Net interest expense Class B Notes swap	30.250	435.913
Total	<u>18.264.479</u>	<u>28.214.452</u>

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

	<u>2017</u>	<u>2016</u>
	EUR	EUR
<u>Derived from affiliated undertakings</u>		
Interest income from Permitted Assets	386.040.094	271.093.523
Total	<u>386.040.094</u>	<u>271.093.523</u>

**Note 16 - Taxes**

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

**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.

## Driver Master S.A.

### 5. NOTES TO THE ANNUAL ACCOUNTS

#### 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 26 June 2017, 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 2026.

The interest rate swaps can be detailed as follows:

	Curr	Nominal amount	Spread interest rate received	Interest rate Paid
<u>Swaps on Note A series</u>				
Compartment 1 - Class A swap - Banco Santander	EUR	201.400.000	0,25%	0,14%
Compartment 1 - Class A swap - Crédit agricole	EUR	26.500.000	0,25%	0,14%
Compartment 1 - Class A swap - Crédit agricole	EUR	75.000.000	0,25%	0,14%
Compartment 1 - Class A swap - Crédit agricole	EUR	200.000.000	0,25%	0,14%
Compartment 1 - Class A swap - Banco Santander	EUR	91.800.000	0,25%	0,14%
Compartment 1 - Class A swap - Banco Santander	EUR	91.800.000	0,25%	0,14%
Compartment 1 - Class A swap - SEB	EUR	91.800.000	0,25%	0,14%
Compartment 1 - Class A swap - Crédit agricole	EUR	91.800.000	0,25%	0,14%
Compartment 1 - Class A swap - SEB	EUR	150.000.000	0,25%	0,14%
	EUR	<u>1.020.100.000</u>		
<u>Swaps on Note B series</u>				
Compartment 1 - Class B swap - Banco Santande	EUR	5.000.000	0,60%	0,40%
Compartment 1 - Class B swap - Banco Santander	EUR	8.500.000	0,60%	0,40%
Compartment 1 - Class B swap - Banco Santander	EUR	34.000.000	0,60%	0,40%
	EUR	<u>47.500.000</u>		
Total	EUR	<u><u>1.067.600.000</u></u>		

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

Note 21 - Balance sheet as at 31 December 2017 per compartment

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2017	2016	2017	2016	2017	2016	2017	2016
ASSETS	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>A. Fixed assets</b>								
Financial assets	1.159.456.589	1.142.363.098	12.003.209.286	1.355.920.525	-	1.355.960.887	-	1.396.031.429
Investment held as fixed assets	1.159.456.589	1.142.363.098	12.003.209.285	1.355.920.525	-	1.355.960.887	-	1.396.031.429
<b>B. Current assets</b>								
Debtors	117.229.025	63.142.178	457.146.984	58.126.631	12.408	70.306.595	14.360	130.726.024
Other debtors								
- becoming due and payable within one year	25.811.231	18.805.399	345.149.948	45.038.631	5.739	44.143.084	-	42.307.160
Cash at bank and in hand	91.417.794	44.336.779	111.997.036	13.088.000	6.659	26.163.511	14.360	88.418.864
<b>TOTAL (ASSETS)</b>	<b>1.276.685.614</b>	<b>1.205.505.276</b>	<b>12.460.356.269</b>	<b>1.414.047.166</b>	<b>12.408</b>	<b>1.426.267.482</b>	<b>14.360</b>	<b>1.526.767.453</b>
<b>LIABILITIES</b>								
<b>A. Capital and reserves</b>								
Subscribed capital	31.000	31.000	-	-	-	-	-	-
<b>B. Provisions</b>								
Other provisions	22.153	11.844	22.153	11.844	7.324	11.987	7.180	48.669
<b>C. Creditors</b>								
Debtenture loans	1.276.632.461	1.205.462.432	12.460.334.116	1.414.035.312	5.084	1.413.175.495	7.180	1.526.708.784
Non convertible loans								
- becoming due and payable within one year	265.932.557	210.769.396	2.180.752.034	285.806.818	-	285.227.717	-	243.434.954
- becoming due and payable after more than one year	801.667.443	856.830.604	9.018.947.966	1.022.993.182	-	1.022.772.283	-	1.064.565.046
Amounts owed to affiliated undertakings								
- becoming due and payable within one year	204.814.531	82.086.632	727.583.693	38.438.611	1.061	38.371.299	3.355	152.631.491
- becoming due and payable after more than one year	4.181.889	55.694.259	532.753.367	66.745.422	-	65.751.211	-	66.040.440
Other creditors	11.268	9.658	14.189	8.521	4.023	10.260	3.825	8.371
Tax debts								
Other creditors	24.773	61.883	282.867	42.758	-	42.724	-	28.482
- becoming due and payable within one year								
<b>TOTAL (LIABILITIES)</b>	<b>1.276.685.614</b>	<b>1.205.505.276</b>	<b>12.460.356.269</b>	<b>1.414.047.166</b>	<b>12.408</b>	<b>1.413.187.482</b>	<b>14.360</b>	<b>1.526.767.453</b>

Driver Master S.A.

**6. NOTES TO THE ANNUAL ACCOUNTS**

**Note 21 - Balance sheet as at 31 December 2017 per compartment (continued)**

	Compartment 5		Compartment 6		Compartment 7	
	2017	2016	2017	2016	2017	2016
	EUR	EUR	EUR	EUR	EUR	EUR
<b>ASSETS</b>						
<b>A. Fixed assets</b>						
Financial assets	-	1,395,988,489	-	1,322,635,818	-	1,320,256,988
Investment held as fixed assets	-	1,395,988,489	-	1,322,635,818	-	1,320,256,988
<b>B. Current assets</b>						
Debtors	16,238	96,733,983	21,496	86,812,807	14,628	89,283,493
Other debtors						
- becoming due and payable within one year	-	43,648,239	-	39,382,510	50	39,830,210
Cash at bank and in hand	16,238	52,085,744	21,496	47,430,297	14,578	49,453,283
<b>TOTAL (ASSETS)</b>	<b>16,238</b>	<b>1,491,722,472</b>	<b>21,496</b>	<b>1,409,448,625</b>	<b>14,628</b>	<b>1,409,540,481</b>
<b>LIABILITIES</b>						
<b>A. Capital and reserves</b>						
Subscribed capital	-	-	-	-	-	-
<b>B. Provisions</b>						
Other provisions	5,385	11,844	5,385	11,844	5,385	11,844
<b>C. Creditors</b>						
Debtenture loans	10,863	1,491,710,628	16,111	1,409,436,781	9,243	1,409,528,637
Non convertible loans						
- becoming due and payable within one year	-	249,653,791	-	285,985,025	-	287,393,515
- becoming due and payable after more than one year	-	1,058,346,209	-	1,022,014,975	-	1,020,606,485
Amounts owed to affiliated undertakings						
- becoming due and payable within one year	6,476	117,400,038	12,913	34,790,813	5,473	34,902,349
- becoming due and payable after more than one year	-	66,256,942	-	66,595,973	-	66,574,592
Other creditors						
Tax debts	4,377	8,924	3,198	7,271	3,770	8,972
Other creditors						
- becoming due and payable within one year	-	42,724	-	42,724	-	42,724
<b>TOTAL (LIABILITIES)</b>	<b>16,238</b>	<b>1,491,722,472</b>	<b>21,496</b>	<b>1,409,448,625</b>	<b>14,628</b>	<b>1,409,540,481</b>

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 2017 per compartment

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2017	2016	2017	2016	2017	2016	2017	2016
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Other external expenses	(12.059.417)	(11.650.821)	(86.974.543)	(11.380.786)	(3.490.778)	(11.359.223)	(3.529.703)	(11.410.372)
Other operating expenses	(23.364.570)	(23.072.232)	(194.252.615)	(23.040.109)	(6.746.205)	(23.103.389)	(7.061.622)	(23.173.051)
Income from other investments and loans forming part of the fixed assets	38.795.576	39.726.643	300.371.875	38.879.226	11.607.597	38.920.618	11.955.208	39.059.572
- derived from affiliated undertakings								
Interest and other financial charges	(1.082.046)	(1.200.703)	(6.597.757)	(1.292.463)	(558.733)	(1.292.523)	(567.761)	(1.289.607)
- concerning affiliated undertakings	(2.287.468)	(3.802.428)	(12.544.889)	(3.165.408)	(811.747)	(3.165.025)	(825.988)	(3.186.083)
- other interest and similar financial charges								
Tax on profit or loss	(2.075)	(459)	(2.071)	(460)	(134)	(458)	(134)	(459)
<b>Profit or loss for the financial year/period</b>	-	-	-	-	-	-	-	-

5. NOTES TO THE ANNUAL ACCOUNTS

Note 22 - Profit and loss account for the year from 1 January to 31 December 2017 per compartment (continued)

	Compartment 5		Compartment 6		Compartment 7	
	2017	2016	2017	2016	2017	2016
	EUR	EUR	EUR	EUR	EUR	EUR
Other external charges	(2.429.069)	(11.063.153)	(2.318.315)	(11.076.676)	(2.330.646)	(11.072.800)
Other operating charges	(4.573.231)	(22.459.446)	(4.331.659)	(19.701.483)	(4.269.169)	(19.786.994)
Income from other investments and loans forming part of the fixed assets	8.011.086	37.954.162	7.659.469	38.235.895	7.609.283	39.317.407
Interest and other financial charges	(410.523)	(1.257.769)	(411.232)	(1.566.192)	(411.205)	(1.566.069)
- concerning affiliated undertakings	(598.129)	(3.113.336)	(598.129)	(5.891.086)	(598.129)	(5.891.086)
- other interest and similar financial charges						
Tax on profit or loss	(134)	(458)	(134)	(458)	(134)	(458)
<b>Profit or loss for the financial year/period</b>	-	-	-	-	-	-

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	
	2017	2016	2017	2016	2017	2016	2017	2016
<u>Investment held as fixed assets</u>	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<i>Movements during the period</i>								
Initial purchases	-	-	-	-	-	-	-	-
Balance as at 1 January	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
Additions for the year/period	490.571.023	390.765.831	13.531.707.146	711.549.043	-	708.460.825	-	714.619.059
Disposals for the year/period	-	-	-	-	(1.230.070.969)	-	(1.272.207.881)	-
Reimbursements for the year/period	(473.477.532)	(382.309.414)	(2.884.418.386)	(382.203.630)	(125.889.918)	(379.232.263)	(123.823.548)	(371.359.804)
Closing balance	1.159.456.589	1.142.363.098	12.003.209.285	1.355.920.525	-	1.355.960.887	-	1.396.031.429

Financial assets	Compartment 5		Compartment 6		Compartment 7	
	2017	2016	2017	2016	2017	2016
<u>Investment held as fixed assets</u>	EUR	EUR	EUR	EUR	EUR	EUR
<i>Movements during the period</i>						
Initial purchases	-	-	-	-	-	-
Balance as at 1 January	1.395.988.489	1.052.794.861	1.322.635.818	1.006.890.000	1.320.256.988	1.007.712.746
Additions for the year/period	-	717.542.063	-	640.934.676	-	641.888.944
Disposals for the year/period	(1.316.565.815)	-	(1.253.182.208)	-	(1.251.372.523)	-
Reimbursements for the year/period	(79.422.674)	(374.348.435)	(69.453.610)	(325.188.858)	(68.884.465)	(329.344.702)
Closing balance	-	1.395.988.489	-	1.322.635.818	-	1.320.256.988

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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	
	2017	2016	2017	2016	2017	2016	2017	2016
<u>Cash at bank</u>	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Current account	30.156	30.590	-	-	-	-	-	-
Disbursement account	15.305.171	18.595.035	36	-	6.669	3.511	14.360	2.450
Cash collateral account	10.676.000	11.235.609	111.997.000	13.088.000	-	13.080.000	-	13.080.000
Accumulation account	42.496.173	-	-	-	-	13.080.000	-	75.336.414
Monthly collateral account	17.240.157	14.475.545	-	-	-	-	-	-
Counterparty downgrade Coll Acct	5.670.137	-	-	-	-	-	-	-
<b>Total</b>	<b>91.417.794</b>	<b>44.336.779</b>	<b>111.997.036</b>	<b>13.088.000</b>	<b>6.669</b>	<b>26.163.511</b>	<b>14.360</b>	<b>88.418.864</b>

Cash at bank	Compartment 5		Compartment 6		Compartment 7	
	2017	2016	2017	2016	2017	2016
<u>Cash at bank</u>	EUR	EUR	EUR	EUR	EUR	EUR
Current account	-	-	-	-	-	-
Disbursement account	16.238	2.450	21.496	-	14.578	-
Cash collateral account	-	13.080.000	-	13.080.000	-	13.080.000
Accumulation account	-	39.003.294	-	34.350.297	-	36.373.283
Monthly collateral account	-	-	-	-	-	-
Counterparty downgrade Coll Acct	-	-	-	-	-	-
<b>Total</b>	<b>16.238</b>	<b>52.085.744</b>	<b>21.496</b>	<b>47.430.297</b>	<b>14.578</b>	<b>49.453.283</b>

Provision	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2017	2016	2017	2016	2017	2016	2017	2016
<u>Other provisions</u>	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Audit fees	21.541	11.700	21.541	11.700	7.180	11.700	7.180	11.700
Tax advisory fees	612	144	612	144	144	287	-	144
Other accruals	-	-	-	-	-	-	-	36.825
<b>Total</b>	<b>22.153</b>	<b>11.844</b>	<b>22.153</b>	<b>11.844</b>	<b>7.324</b>	<b>11.987</b>	<b>7.180</b>	<b>48.669</b>



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5. NOTES TO THE ANNUAL ACCOUNTS

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

	Compartment 5		Compartment 6		Compartment 7	
	2017	2016	2017	2016	2017	2016
<u>Other provisions</u>	EUR	EUR	EUR	EUR	EUR	EUR
Audit fees	5.385	11.700	5.385	11.700	5.385	11.700
Tax advisory fees	-	144	-	144	-	144
Other accruals	-	-	-	-	-	-
<b>Total</b>	<b>5.385</b>	<b>11.844</b>	<b>5.385</b>	<b>11.844</b>	<b>5.385</b>	<b>11.844</b>

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2017	2016	2017	2016	2017	2016	2017	2016
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>Non convertible loans</b>								
<u>Class A Asset Backed Floating Rate</u>								
<u>Notes</u>								
Initial issuance	-	-	-	-	-	-	-	-
Balance as at 1 January	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
Additions for the year/period	146.400.000	-	9.452.000.000	303.500.000	-	302.800.000	-	302.800.000
Reimbursements for the year/period	(146.400.000)	-	-	-	(1.249.900.000)	-	(1.249.900.000)	-
Closing balance	1.020.100.000	1.020.100.000	10.702.600.000	1.250.600.000	-	1.249.900.000	-	1.249.900.000
Thereof scheduled for redemption within one year	265.932.557	210.769.396	2.180.752.034	285.806.818	-	285.227.717	-	243.434.954
Amount due and payable after more than one year	754.167.443	809.330.604	8.521.847.966	964.793.182	-	964.672.283	-	1.006.465.046

**Driver Master S.A.**

**5. NOTES TO THE ANNUAL ACCOUNTS**

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

Class A Asset Backed Floating Rate	Compartment 5		Compartment 6		Compartment 7	
	2017	2016	2017	2016	2017	2016
Notes	EUR	EUR	EUR	EUR	EUR	EUR
Initial issuance	-	-	-	-	-	-
Balance as at 1 January	1.249.900.000	947.100.000	1.249.900.000	947.100.000	1.249.900.000	947.100.000
Additions for the year/period	-	302.800.000	-	302.800.000	-	302.800.000
Reimbursements for the year/period	(1.249.900.000)	-	(1.249.900.000)	-	(1.249.900.000)	-
Closing balance	-	1.249.900.000	-	1.249.900.000	-	1.249.900.000
Thereof scheduled for redemption within one year	-	249.653.791	-	285.985.025	-	287.393.515
Amount due and payable after more than one year	-	1.000.246.209	-	963.914.975	-	962.506.485

Class B Asset Backed Floating Rate	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2017	2016	2017	2016	2017	2016	2017	2016
Notes	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Initial Issuance	-	-	-	-	-	-	-	-
Balance as at 1 January	47.500.000	47.500.000	58.200.000	44.100.000	58.100.000	44.100.000	58.100.000	44.100.000
Additions for the year/period	-	-	438.900.000	14.100.000	-	14.000.000	-	14.000.000
Reimbursements for the year/period	-	-	-	-	(58.100.000)	-	(58.100.000)	-
Closing balance	47.500.000	47.500.000	497.100.000	58.200.000	-	58.100.000	-	58.100.000
Thereof scheduled for redemption within one year	-	-	-	-	-	-	-	-
Amount due and payable after more than one year	47.500.000	47.500.000	497.100.000	58.200.000	-	58.100.000	-	58.100.000

Driver Master S.A.

5. NOTES TO THE ANNUAL ACCOUNTS

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

<u>Class B Asset Backed Floating Rate</u>	Compartment 5		Compartment 6		Compartment 7	
	2017	2016	2017	2016	2017	2016
Notes	EUR	EUR	EUR	EUR	EUR	EUR
Initial issuance	-	-	-	-	-	-
Balance as at 1 January	58.100.000	44.100.000	58.100.000	44.100.000	58.100.000	44.100.000
Additions for the year/period	-	14.000.000	-	14.000.000	-	14.000.000
Reimbursements for the year/period	(58.100.000)	-	(58.100.000)	-	(58.100.000)	-
Closing balance	-	58.100.000	-	58.100.000	-	58.100.000
Thereof scheduled for redemption within one year	-	-	-	-	-	-
Amount due and payable after more than one year	-	58.100.000	-	58.100.000	-	58.100.000
<b>Amounts owed to affiliated undertakings</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<u>Becoming due and payable before one year</u>	EUR	EUR	EUR	EUR	EUR	EUR
Overcollateralisation payable	37.440.342	29.566.058	290.102.261	34.164.131	-	34.123.572
Service fees	922.815	951.543	9.924.154	1.164.059	-	1.163.322
Advance payments	17.244.652	14.475.545	-	-	1.061	1.061
Accrued interest Subordinated Loan	9.762	16.187	126.046	29.302	-	29.306
Other amounts payable	90.610.855	36.191.980	420.913.410	2.578.932	-	2.548.373
Subordinated loan	52.916.550	315.710	6.517.822	502.187	-	505.665
Loan administration fee reserve	-	559.609	-	-	-	-
Santander guarantee payable	5.669.555	-	-	-	-	-
<b>Total</b>	<b>204.814.531</b>	<b>82.096.632</b>	<b>727.563.693</b>	<b>38.438.611</b>	<b>1.061</b>	<b>38.371.299</b>
						<b>3.355</b>
						<b>34.062.780</b>
						<b>1.098.621</b>
						<b>-</b>
						<b>19.512</b>
						<b>116.321.868</b>
						<b>1.128.710</b>
						<b>-</b>
						<b>-</b>

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	
	2017	2016	2017	2016	2017	2016
EUR	EUR	EUR	EUR	EUR	EUR	EUR
Overcollateralisation payable	6.476	34.093.054	12.913	30.464.907	5.473	30.572.785
Service fees	-	1.129.451	-	1.131.697	-	1.130.078
Advance payments	-	-	-	-	-	-
Accrued interest Subordinated Loan	-	29.255	-	29.305	-	29.303
Other amounts payable	-	81.268.137	-	2.505.885	-	2.494.089
Subordinated loan	-	880.141	-	659.019	-	676.094
Loan administration fee reserve	-	-	-	-	-	-
Santander guarantee payable	-	-	-	-	-	-
<b>Total</b>	<b>6.476</b>	<b>117.400.038</b>	<b>12.913</b>	<b>34.790.813</b>	<b>5.473</b>	<b>34.902.349</b>

Subordinated Loan	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2017	2016	2017	2016	2017	2016	2017	2016
EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Initial issuance	-	-	-	-	-	-	-	-
Balance as at 1 January	56.009.969	56.009.969	67.247.609	52.939.987	67.256.876	52.940.824	67.169.150	52.855.101
Additions for the year/period	-	-	465.522.566	15.009.127	-	15.017.500	-	15.017.500
Capitalised interest for the year/period	1.088.470	314.030	6.501.014	1.164.392	440.549	1.164.448	439.975	1.162.633
Reimbursements for the year/period	-	(1.256.888)	-	(1.865.897)	(67.697.425)	(1.865.896)	(67.609.125)	(1.866.084)
Closing balance	57.098.439	56.009.969	539.271.189	67.247.609	-	67.256.876	-	67.169.150
Thereof scheduled for redemption within one year	52.916.550	315.710	6.517.822	502.187	-	505.665	-	1.128.710
Amount due and payable after more than one year	4.181.889	55.694.259	532.753.367	66.745.422	-	66.751.211	-	66.040.440

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	
	2017	2016	2017	2016	2017	2016
Subordinated Loan	EUR	EUR	EUR	EUR	EUR	EUR
Initial issuance	-	-	-	-	-	-
Balance as at 1 January	67.139.083	52.857.762	67.254.992	52.564.835	67.250.686	52.650.652
Additions for the year/period	-	15.017.500	-	15.017.500	-	15.017.500
Capitalised interest for the year/period	292.866	1.129.900	293.372	1.448.486	293.353	1.448.372
Reimbursements for the year/period	(67.431.949)	(1.866.079)	(67.548.363)	(1.866.829)	(67.544.039)	(1.865.838)
Closing balance	-	67.139.083	-	67.254.992	-	67.250.686
Thereof scheduled for redemption within one year	-	880.141	-	659.019	-	676.094
Amount due and payable after more than one year	-	66.258.942	-	66.595.973	-	66.574.592
<b>Other creditors</b>						
Interest on Class A Notes	-	20.515	282.867	33.349	-	33.331
Interest on Class B Notes	1.524	5.178	-	9.409	-	9.393
Swap on Class A Notes	20.519	30.785	-	-	-	-
Swap on Class B Notes	2.730	5.405	-	-	-	-
<b>Total</b>	<b>24.773</b>	<b>61.883</b>	<b>282.867</b>	<b>42.758</b>	<b>-</b>	<b>42.724</b>
						<b>28.482</b>

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	
	2017	2016	2017	2016	2017	2016
	EUR	EUR	EUR	EUR	EUR	EUR
Interest on Class A Notes	-	33.331	-	33.331	-	33.331
Interest on Class B Notes	-	9.393	-	9.393	-	9.393
Swap on Class A Notes	-	-	-	-	-	-
Swap on Class B Notes	-	-	-	-	-	-
<b>Total</b>	-	<b>42.724</b>	-	<b>42.724</b>	-	<b>42.724</b>

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2017	2016	2017	2016	2017	2016	2017	2016
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>Other external expenses</b>								
Audit fees	44.536	11.852	18.241	11.852	3.881	11.852	3.881	11.852
Service fees	11.299.492	11.267.337	86.103.163	11.025.817	3.290.302	11.024.552	3.393.006	11.090.422
Tax advisory fees	468	144	468	144	-	144	(144)	144
Rating agency fees	79.153	70.401	43.357	37.111	18.544	46.311	12.824	38.797
Trustee services	9.103	9.949	9.964	10.233	4.973	22.647	6.742	9.951
Legal fees	74.375	7.283	57.858	-	-	7.283	-	7.283
Maintenance fees	29.750	41.300	20.063	19.089	21.911	9.589	21.915	20.250
Other operating charges	15.040	12.854	11.790	21.981	1.813	10.928	657	21.035
Bank charges	507.500	229.701	709.639	254.559	149.354	225.917	90.822	210.638
<b>Total</b>	<b>12.059.417</b>	<b>11.650.821</b>	<b>86.974.543</b>	<b>11.380.786</b>	<b>3.490.778</b>	<b>11.359.223</b>	<b>3.529.703</b>	<b>11.410.372</b>

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	
	2017	2016	2017	2016	2017	2016
Other external expenses	EUR	EUR	EUR	EUR	EUR	EUR
Audit fees	2.086	11.852	2.086	11.852	2.086	11.852
Service fees	2.293.604	10.784.557	2.175.387	10.813.943	2.171.845	10.812.062
Tax advisory fees	(144)	144	(144)	144	(144)	144
Rating agency fees	14.254	36.980	2.700	20.201	6.726	31.687
Trustee services	6.825	12.584	6.728	10.202	6.736	10.202
Legal fees	-	6.069	(1.700)	7.769	-	6.069
Maintenance fees	21.865	20.250	21.915	20.250	21.869	17.250
Other operating charges	45	22.250	9.665	27.839	9.707	31.052
Bank charges	90.534	188.467	101.678	164.476	111.821	152.482
Total	2.429.069	11.083.153	2.318.315	11.076.676	2.330.646	11.072.800

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2017	2016	2017	2016	2017	2016	2017	2016
Other operating expenses	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Equalisation provision	23.364.570	23.072.232	194.252.615	23.040.109	6.746.205	23.103.389	7.061.622	23.173.051

	Compartment 5		Compartment 6		Compartment 7	
	2017	2016	2017	2016	2017	2016
Equalisation provision	EUR	EUR	EUR	EUR	EUR	EUR
Equalisation provision	4.573.231	22.499.446	4.331.659	19.701.483	4.269.169	19.786.994

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	
	2017	2016	2017	2016	2017	2016	2017	2016
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<u>Concerning affiliated undertakings</u>								
Interest expense on Subordinated loan	1.082.046	1.200.703	6.597.757	1.292.463	558.733	1.292.523	567.761	1.289.607

Interest expense on Subordinated loan

	Compartment 5		Compartment 6		Compartment 7	
	2017	2016	2017	2016	2017	2016
	EUR	EUR	EUR	EUR	EUR	EUR
Interest expense on Subordinated loan	410.523	1.257.769	411.232	1.566.192	411.205	1.566.069

Other interest and similar expenses

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2017	2016	2017	2016	2017	2016	2017	2016
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Interest charges on Class A Notes	888.847	964.051	10.553.465	2.748.799	633.283	2.748.594	644.393	2.769.843
Interest charges on Class B Notes	284.780	316.624	1.991.424	416.609	178.464	416.431	181.595	416.240
Net interest expense Class A Notes swap	1.083.591	2.085.840	-	-	-	-	-	-
Net interest expense Class B Notes swap	30.250	435.913	-	-	-	-	-	-
<b>Total</b>	<b>2.287.468</b>	<b>3.802.428</b>	<b>12.544.889</b>	<b>3.165.408</b>	<b>811.747</b>	<b>3.165.025</b>	<b>825.988</b>	<b>3.186.083</b>



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	
	2017	2016	2017	2016	2017	2016
	EUR	EUR	EUR	EUR	EUR	EUR
Interest charges on Class A Notes	466.629	2.708.221	466.629	5.225.928	466.629	5.225.928
Interest charges on Class B Notes	131.500	405.115	131.500	665.158	131.500	665.158
Net interest expense Class A Notes swap	-	-	-	-	-	-
Net interest expense Class B Notes swap	-	-	-	-	-	-
<b>Total</b>	<b>598.129</b>	<b>3.113.336</b>	<b>598.129</b>	<b>5.891.086</b>	<b>598.129</b>	<b>5.891.086</b>

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

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2017	2016	2017	2016	2017	2016	2017	2016
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>Derived from affiliated undertakings</b>								
Interest income from Permitted Assets	38.795.576	39.726.643	300.371.875	38.879.226	11.607.597	38.920.618	11.985.208	39.059.572

	Compartment 5		Compartment 6		Compartment 7	
	2017	2016	2017	2016	2017	2016
	EUR	EUR	EUR	EUR	EUR	EUR
Interest income from Permitted Assets	8.011.086	37.954.162	7.659.469	38.235.895	7.609.283	38.317.407

**Driver Master S.A.**

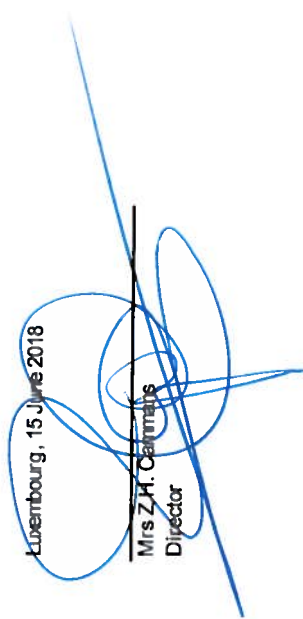
**5. NOTES TO THE ANNUAL ACCOUNTS**


**Note 24 - Subsequent events**

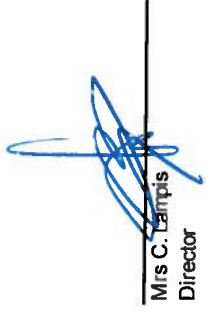
As from 19 March 2018, the address of the registered office of the Company has been transferred from 52-54 Avenue du X Septembre, L-2550 Luxembourg to 22-24 Boulevard Royal, L-2449 Luxembourg.

On 07 June 2018, Mr A. Nelke has resigned from the position as Director of the Company and has been replaced by Mrs C. Lampis with effective date 12th of June 2018.

No other event has occurred subsequent to the year-end which would have a material impact on the annual accounts as at December 31, 2017.

Luxembourg, 15 June 2018  
  
\_\_\_\_\_  
Mrs Z.H. Cammala  
Director

  
\_\_\_\_\_  
Mrs C. Pirrie  
Director

  
\_\_\_\_\_  
Mrs C. Lampis  
Director