

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

**AUDITED ANNUAL ACCOUNTS  
FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2019**

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

**RCS Luxembourg : B 197.583**

**Driver Master S.A.**

<b>Table of contents</b>	<b>Page</b>
Directors' report	2
Audit report	5
Balance sheet as at 31 December 2019	9
Profit and loss account for the year from 1 January 2019 to 31 December 2019	14
Notes to the annual accounts	16

**Driver Master S.A.****DIRECTORS' REPORT**

The Board of Directors of Driver Master S.A. (the Company) herewith submits its report for the year ending 31 December 2019.

**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 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 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 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 2019, the total Permitted Assets principal of all compartments was decreased by EUR 5,279,854,378 (EUR 5,725,210,162 in 2018) by payments collected from Volkswagen Bank GmbH and was increased by EUR 5,375,707,206 (EUR 4,818,940,961 in 2018) by way of reinvestment of funds collected (Top-Up). Total interest income for all compartments for the year ended 31 December 2019 amounted to EUR 419,657,439 (EUR 422,574,367 in 2018).

In 2017, the Company executed a Clean-up Call for Compartment 3, Compartment 4, 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.

During the month of March 2018, the company proceed to a "term take out" on its assets in order to transfer them to the Compartment 14 of Driver Multi-Compartment for an amount of EUR 900,007,143.

On the 9<sup>th</sup> of August 2019, the Board of Director, decided to proceed to the liquidation of the compartments from 3 to 7 further to the and final redemptions of the respective Notes issued in each of these compartments.

**Driver Master S.A.****DIRECTORS' REPORT**Notes and Subordinated Loans

As at 31 December 2019, the balances of Notes and the Subordinated loans are as follow:

	Class A Note	Class B Note	Subordinated Loan
Compartment 1	215,324,406	10,435,265	9,139,093
Compartment 2	10,702,600,000	497,100,000	556,780,817
Total	10,917,924,406	507,535,265	565,919,910

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.

The Company may, to the extent and under the terms permitted by law, purchase its own shares. During the year ended December 31, 2019 the Company did not purchase any of its own shares.

**Research and development activities**

The Company was neither involved nor participated in any kind of research or development activities in the year ended December 31, 2019.

**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.

**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.

**Driver Master S.A.**

**DIRECTORS' REPORT**

**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.

**Subsequent events**

During the first quarter of 2020, COVID-19, an infectious disease caused by the Coronavirus has widespread across the world, resulting in thousands of casualties and economic instability. At the approval date of these annual accounts, the long-term consequences of the pandemic are unknown but it will likely affect the financial markets performance and industries as whole. However, at this date, there is no significant increase at the defaulted receivables balances.

The Company is in its full capacity to continue its usual operations and the Board will continue to monitor the situation as well as potential impacts on the Company.

No event has occurred subsequent to the year-end which would have a material impact on the annual accounts as at December 31, 2019.

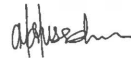
**Future outlook**

No material changes in activities are contemplated for the year 2020.

Luxembourg, 31 July 2020



\_\_\_\_\_  
Mrs Z.H. Cammans  
Director



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Mrs M.D. Mussai-Ramassur  
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 2019, 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 2019;
  - 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 the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the 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 the EU Regulation No 537/2014.

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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. 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.

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*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)  
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



**Key audit matter**

**How our audit addressed the Key audit matter**

*Existence and Valuation of lease receivables*

The purpose of the Company is to purchase a portfolio of car lease receivables of customers from Volkswagen Bank GmbH ("the originator" and the "asset servicer"). The acquisition of the lease receivables is financed by the issuances of granted listed 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.

The selection and collection process of the lease receivables purchased from the originator is not conducted by the Company itself but by a third party, the asset servicer. Thus, reconciliation processes over lease receivables and accounting records implemented by the asset servicer are critical to ensure lease receivable balances are complete and accurate.

Taking into account that the total financial fixed assets as at 31 December 2019 amounted to EUR 12,352,249,500 (See Note 3), we have identified this as a key audit matter of our audit.

The lease receivables purchased by the Company are part of the full lease portfolio of the originator. Our audit procedures to cover the existence of the lease receivables included:

- We performed detailed procedures to gain an understanding of the controls in respect of the existence of the lease receivables adopted by the asset servicer.
- We performed reconciliation of the information of lease receivables in the annual accounts from the source systems.
- In order to check reliance of the asset servicer's information, we performed a sample testing of lease receivables and obtained supporting loan contracts.

As the audit of the valuation of each individual lease receivables is not appropriate, we have reviewed and tested the internal control system of the originator with regards to the valuation of the lease receivables in which no issues were noted.

In order to test the Company's assessment on the valuation of the lease receivables, we performed detailed procedures in order to assess the recoverability of the lease receivables and we concluded that as at 31 December 2019 the Company's leasing receivables valuation disclosed in the annual accounts is in line with the accounting policies.

As at 31 December 2019, the existence and the valuation of the Company's lease receivables are properly reviewed with no exceptions noted.

**Other information**

The Board of Directors is responsible for the other information. The other information comprises the information stated in the directors' report including 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.

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.

The Corporate

### **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 is required by 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 legal requirements.

We have been appointed as "Réviseur d'Entreprises Agréé" of the Company by the Board of Directors on 31 July 2019 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 5 years.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 31 July 2020

Electronically signed by  
Günter Simon

A handwritten signature in black ink that reads 'Simon'.

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** <sub>01</sub> 01/01/2019 **to** <sub>02</sub> 31/12/2019 (in <sub>03</sub> 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 <u>12.352.249.500,00</u>	110 <u>12.256.396.673,00</u>
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	<b>12.352.249.500,00</b>	<b>12.256.396.673,00</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>12.352.249.500,00</b>	<b>12.256.396.673,00</b>
6. Other loans	1147	147	148
<b>D. Current assets</b>	1151	<b>603.297.876,00</b>	<b>524.927.792,00</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	<b>484.314.896,00</b>	<b>395.282.577,00</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	<b>484.314.896,00</b>	<b>395.282.577,00</b>
a) becoming due and payable within one year	1185	<b>484.314.896,00</b>	<b>395.282.577,00</b>
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 <b>5</b>	197 <b>118.982.980,00</b>	198 <b>129.645.215,00</b>
<b>E. Prepayments</b>	1199	199	200
<b>TOTAL (ASSETS)</b>		201 <b>12.955.547.376,00</b>	202 <b>12.781.324.465,00</b>

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

RCSL Nr.: B197583

Matricule : 2015 2207 612

**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
I. Subscribed capital	1301 <u>                    </u> 6	301 <u>                    </u> 31.000,00	302 <u>                    </u> 31.000,00
II. Share premium account	1303 <u>                    </u>	303 <u>                    </u> 31.000,00	304 <u>                    </u> 31.000,00
III. Revaluation reserve	1305 <u>                    </u>	305 <u>                    </u>	306 <u>                    </u>
IV. Reserves	1307 <u>                    </u>	307 <u>                    </u>	308 <u>                    </u>
1. Legal reserve	1309 <u>                    </u>	309 <u>                    </u>	310 <u>                    </u>
2. Reserve for own shares	1311 <u>                    </u>	311 <u>                    </u>	312 <u>                    </u>
3. Reserves provided for by the articles of association	1313 <u>                    </u>	313 <u>                    </u>	314 <u>                    </u>
4. Other reserves, including the fair value reserve	1315 <u>                    </u>	315 <u>                    </u>	316 <u>                    </u>
a) other available reserves	1429 <u>                    </u>	429 <u>                    </u>	430 <u>                    </u>
b) other non available reserves	1431 <u>                    </u>	431 <u>                    </u>	432 <u>                    </u>
V. Profit or loss brought forward	1433 <u>                    </u>	433 <u>                    </u>	434 <u>                    </u>
VI. Profit or loss for the financial year	1319 <u>                    </u>	319 <u>                    </u>	320 <u>                    </u>
VII. Interim dividends	1321 <u>                    </u>	321 <u>                    </u>	322 <u>                    </u>
VIII. Capital investment subsidies	1323 <u>                    </u>	323 <u>                    </u>	324 <u>                    </u>
	1325 <u>                    </u>	325 <u>                    </u>	326 <u>                    </u>
<b>B. Provisions</b>	1331 <u>                    </u> 8	331 <u>                    </u> 48.277,00	332 <u>                    </u> 52.045,00
1. Provisions for pensions and similar obligations	1333 <u>                    </u>	333 <u>                    </u>	334 <u>                    </u>
2. Provisions for taxation	1335 <u>                    </u>	335 <u>                    </u>	336 <u>                    </u>
3. Other provisions	1337 <u>                    </u> 8	337 <u>                    </u> 48.277,00	338 <u>                    </u> 52.045,00
<b>C. Creditors</b>	1435 <u>                    </u>	435 <u>                    </u> 12.955.468.099,00	436 <u>                    </u> 12.781.241.420,00
1. Debenture loans	1437 <u>                    </u>	437 <u>                    </u> 11.425.459.671,00	438 <u>                    </u> 11.428.585.093,00
a) Convertible loans	1439 <u>                    </u>	439 <u>                    </u>	440 <u>                    </u>
i) becoming due and payable within one year	1441 <u>                    </u>	441 <u>                    </u>	442 <u>                    </u>
ii) becoming due and payable after more than one year	1443 <u>                    </u>	443 <u>                    </u>	444 <u>                    </u>
b) Non convertible loans	1445 <u>                    </u> 9	445 <u>                    </u> 11.425.459.671,00	446 <u>                    </u> 11.428.585.093,00
i) becoming due and payable within one year	1447 <u>                    </u>	447 <u>                    </u> 6.717.127.497,00	448 <u>                    </u> 2.468.466.438,00
ii) becoming due and payable after more than one year	1449 <u>                    </u>	449 <u>                    </u> 4.708.332.174,00	450 <u>                    </u> 8.960.118.655,00
2. Amounts owed to credit institutions	1355 <u>                    </u>	355 <u>                    </u>	356 <u>                    </u>
a) becoming due and payable within one year	1357 <u>                    </u>	357 <u>                    </u>	358 <u>                    </u>
b) becoming due and payable after more than one year	1359 <u>                    </u>	359 <u>                    </u>	360 <u>                    </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
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	361	362
a) becoming due and payable within one year	1363	363	364
b) becoming due and payable after more than one year	1365	365	366
4. Trade creditors	1367	367	368
a) becoming due and payable within one year	1369	369	370
b) becoming due and payable after more than one year	1371	371	372
5. Bills of exchange payable	1373	373	374
a) becoming due and payable within one year	1375	375	376
b) becoming due and payable after more than one year	1377	377	378
6. Amounts owed to affiliated undertakings	1379	10 379 1.529.829.561,00	380 1.352.299.369,00
a) becoming due and payable within one year	1381	381 963.909.651,00	382 793.435.656,00
b) becoming due and payable after more than one year	1383	383 565.919.910,00	384 558.863.713,00
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	451 178.867,00	452 356.958,00
a) Tax authorities	1393	16 393 30.318,00	394 31.745,00
b) Social security authorities	1395	395	396
c) Other creditors	1397	11 397 148.549,00	398 325.213,00
i) becoming due and payable within one year	1399	399 148.549,00	400 325.213,00
ii) becoming due and payable after more than one year	1401	401	402
<b>D. Deferred income</b>	1403	403	404
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>	405	12.955.547.376,00	406 12.781.324.465,00

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** <sub>01</sub> 01/01/2019 **to** <sub>02</sub> 31/12/2019 (in <sub>03</sub> 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>-123.791.550,00</u>	672 <u>-124.754.029,00</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____ <b>12</b>	603 <u>-123.791.550,00</u>	604 <u>-124.754.029,00</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 _____ <b>13</b>	621 <u>-275.499.767,00</u>	622 <u>-269.452.584,00</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
<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	722
a) derived from affiliated undertakings	1723	723	724
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	627	628
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631	631	632
<b>15. Tax on profit or loss</b>	1635	635	636
<b>16. Profit or loss after taxation</b>	1667	667	668
<b>17. Other taxes not shown under items 1 to 16</b>	1637	637	638
<b>18. Profit or loss for the financial year</b>	1669	669	670

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



**Driver Master S.A.**

## **NOTES TO THE ANNUAL ACCOUNTS**

### **Note 1 - General information**

Driver Master S.A. (hereafter the "Company") is a Luxembourg public limited liability company incorporated in Luxembourg on 5 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 Bertiner 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.

Comparative figures of captions "Other creditors", "Other provisions" and "Non convertible loans" as at December 31, 2018 have been modified to enable comparability with the figures presented as at December 31, 2019.

### **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.

#### **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 assets**

Permitted Assets included in financial fixed assets are recorded at their acquisition price. 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. In case of repayment above discounted value, these payments are accounted as a gain.

**Driver Master S.A.**

## **NOTES TO THE ANNUAL ACCOUNTS**

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

#### **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 year 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 Creditors**

Creditors are recorded at their reimbursement value.

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 originator 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.

**Driver Master S.A.****NOTES TO THE ANNUAL ACCOUNTS****Note 3 - Financial assets**

	<u>2019</u>	<u>2018</u>
Permitted Assets	EUR	EUR
Opening balance	12,256,396,673	13,162,665,874
Additions during the year	5,375,707,206	4,818,940,961
Disposals for the year	(5,279,854,378)	(4,825,203,019)
Reimbursements during the year	-	(900,007,143)
Closing balance	<u>12,352,249,500</u>	<u>12,256,396,673</u>

As at 31 December 2019, the total Permitted Assets principal of all compartments was decreased by EUR 5,279,854,378 (EUR 4,825,203,019 in 2018) by payments collected from Volkswagen Bank GmbH and was increased by EUR 5,375,707,206 (EUR 4,818,940,961 in 2018) by way of reinvestment of funds collected (Top-Up). Total interest income for all compartments for the year ended 31 December 2019 amounted to EUR 419,657,439 (EUR 422,574,367 in 2018) (see also Note 14).

As at 31 December 2019, no value adjustment is recorded in the annual accounts in respect of financial fixed assets given the absence of durable depreciation.

**Note 4 - Other debtors becoming due and payable within one year**

This amount mainly stands for the receivable due from Volkswagen Bank GmbH for the December 2019 collection of the Permitted Assets, which is paid in January 2020.

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

	<u>2019</u>	<u>2018</u>
Cash at bank	EUR	EUR
Capital account	29,204	29,681
Distribution account	36	5,319,243
Cash collateral account	118,953,740	118,953,740
Accumulation account	-	-
Monthly collateral account	-	5,342,551
Total	<u>118,982,980</u>	<u>129,645,215</u>

**Driver Master S.A.****NOTES TO THE ANNUAL ACCOUNTS****Note 6 - Subscribed capital**

As at 31 December 2019, the subscribed capital amounts to EUR 31,000 and is divided into 3,100 shares fully paid-up with a par value of EUR 10 each. The authorised capital amounts to EUR 31,000.

**Note 7 - Legal reserve**

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

**Note 8 - Provisions**

<u>Other provisions</u>	<u>2019</u>	<u>2018</u>
	EUR	EUR
Audit fees	46,000	50,000
Tax advisory fees	2,277	2,045
Total	<u>48,277</u>	<u>52,045</u>

**Note 9 - Non Convertible Loans**

<u>Notes issued and becoming due and payable within one year</u>	<u>2019</u>	<u>2018</u>
	EUR	EUR
Class A Asset Backed Floating Rate Notes	6,526,547,162	2,467,366,438
Class B Asset Backed Floating Rate Notes	190,580,335	1,100,000
Balance as at December 31, 2019	<u>6,717,127,497</u>	<u>2,468,466,438</u>

<u>Notes issued and becoming due and payable after more than one year</u>	<u>2019</u>	<u>2018</u>
	EUR	EUR
Class A Asset Backed Floating Rate Notes	4,391,377,244	8,453,518,655
Class B Asset Backed Floating Rate Notes	316,954,930	506,600,000
Balance as at December 31, 2019	<u>4,708,332,174</u>	<u>8,960,118,655</u>

<b>Class A Asset Backed Floating Rate Notes</b>	<u>2019</u>	<u>2018</u>
	EUR	EUR
Opening balance	10,920,885,093	11,722,700,000
Additions during the year	-	-
Reimbursements during the year	(2,960,687)	(801,814,907)
Closing balance	10,917,924,406	10,920,885,093
Thereof scheduled for redemption within one year	6,526,547,162	2,467,366,438
Amount due and payable after more than one year	<u>4,391,377,244</u>	<u>8,453,518,655</u>

As at 31 December 2019, Compartment 1 issued 10,201 Class A Notes. As from 26 June 2017, Class A Notes issued by Compartment 1 bear a floating interest rate 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 interest rate on the Class A Notes has been swapped to a fixed interest rate of 0.14% (previously 0.2535%).

As at 31 December 2019, Compartment 2 issued 107,206 Class A Notes. As from 26 June 2017, Class A Notes issued by Compartment 1 bear a fix interest rate 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.

Driver Master S.A.

## NOTES TO THE ANNUAL ACCOUNTS

## Note 9 - Non Convertible Loans (continued)

Class B Asset Backed Floating Rate Notes	2019	2018
	EUR	EUR
Opening balance	507,700,000	544,600,000
Additions during the year	-	-
Reimbursements during the year	(164,735)	(36,900,000)
Closing balance	507,535,265	507,700,000
Thereof scheduled for redemption within one year	190,580,335	1,100,000
Amount due and payable after more than one year	316,954,930	506,600,000

As at 31 December 2019, Compartment 1 issued 475 Class B Notes. As from 26 June 2017, Class B Notes issued by Compartment 1 bear a floating interest rate 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 interest rate on the Class B Notes has been swapped to a fixed interest rate of 0.4% (previously 0.9559%).

As at 31 December 2019, Compartment 2 issued 4,971 Class B Notes. As from 26 June 2017, Class B Notes issued by Compartment 1 bear a fix interest rate 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.

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

Becoming due and payable within one year	2019	2018
	EUR	EUR
Overcollateralisation payable	479,727,368	389,169,404
Servicer fees	10,285,839	10,209,096
Advance payments	4,495	5,379,226
Accrued interest on Subordinated Loan	90,589	185,428
Other amounts payable	473,801,942	388,493,085
Santander guarantee payable	(583)	(583)
	963,909,651	793,435,656

Overcollateralisation payable represents an excess of the Permitted Assets' nominal value over the nominal value of the Notes, 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.

**Driver Master S.A.****NOTES TO THE ANNUAL ACCOUNTS****Note 10 - Amounts owed to affiliated undertakings (continued)**

	<u>2019</u>	<u>2018</u>
	EUR	EUR
<u>Becoming due and payable after more than one year</u>		
<u>Subordinated Loan</u>		
Opening balance	558,863,713	596,369,628
Additions during the year	-	-
Capitalised interest during the year	8,230,446	9,471,675
Reimbursements during the year	(1,174,248)	(46,977,590)
Closing balance	<u>565,919,910</u>	<u>558,863,713</u>

On 23 July 2015, Compartment 1 has been granted a Subordinated Loan from Volkswagen International Luxemburg S.A. 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 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**

	<u>2019</u>	<u>2018</u>
	EUR	EUR
Interest on Class A Notes	59,578	285,403
Interest on Class B Notes	25,915	34,180
Swap on Class A Notes	886	5,006
Swap on Class B Notes	143	624
Bank interest payable	62,027	49,391
	<u>148,549</u>	<u>374,604</u>

**Note 12 - Other external expenses**

	<u>2019</u>	<u>2018</u>
	EUR	EUR
Audit fees	67,956	63,631
Tax advisory fees	545	2,593
Bank charges	872,363	812,119
Servicer fees	122,629,071	123,633,897
Rating agency fees	124,957	106,562
Trustee services	27,785	46,530
Legal fees	58	14,497
Maintenance fees	52,726	51,700
Other operating charges	16,089	22,500
Total	<u>123,791,550</u>	<u>124,754,029</u>

**Note 13 - Other operating expenses**

	<u>2019</u>	<u>2018</u>
	EUR	EUR
Equalisation provision	275,499,767	269,452,584
Total	<u>275,499,767</u>	<u>269,452,584</u>

**Note 14 - Income from other investments and loans forming part of the fixed assets**

	<u>2019</u>	<u>2018</u>
	EUR	EUR
<u>Derived from affiliated undertakings</u>		
Interest income from Permitted Assets	419,657,439	422,574,367
Total	<u>419,657,439</u>	<u>422,574,367</u>

Driver Master S.A.

## NOTES TO THE ANNUAL ACCOUNTS

<b>Note 15 - Interest payable and similar expenses</b>	<b>2019</b>	<b>2018</b>
	EUR	EUR
<u>Concerning affiliated undertakings</u>		
Interest expense on Subordinated loan	8,219,340	9,587,016
Total	<u>8,219,340</u>	<u>9,587,016</u>
<u>Other interest and similar expenses</u>		
Interest charges on Class A Notes	10,123,589	16,099,328
Interest charges on Class B Notes	1,801,970	2,043,894
Net interest expense Class A Notes swap	202,805	593,273
Net interest expense Class B Notes swap	15,653	36,793
Total	<u>12,144,017</u>	<u>18,773,288</u>

**Note 16 - Taxes**

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

**Note 17 - Staff**

The Company did not employ any staff during the year 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 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

<u>Swaps on Note A series</u>	Nominal amount	Spread interest rate received	Interest rate Paid
Compartment 1 - Class A swap - SEB	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 - SEB	EUR 75,000,000	0.25%	0.14%
Compartment 1 - Class A swap - SEB	EUR 200,000,000	0.25%	0.14%
Compartment 1 - Class A swap - SEB	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 - SEB	EUR 91,800,000	0.25%	0.14%
Compartment 1 - Class A swap - SEB	EUR 150,000,000	0.25%	0.14%
	<u>1,020,100,000</u>		
<u>Swaps on Note B series</u>			
Compartment 1 - Class B swap - Banco Santander	EUR 5,000,000	0.60%	0.40%
Compartment 1 - Class B swap - SEB	EUR 8,500,000	0.60%	0.40%
Compartment 1 - Class B swap - SEB	EUR 34,000,000	0.60%	0.40%
	<u>47,500,000</u>		
Total	<u>1,067,600,000</u>		

Driver Master S.A.

## NOTES TO THE ANNUAL ACCOUNTS

## Note 21 - Balance sheet as at 31 December 2019 per compartment

ASSETS	Compartment 1		Compartment 2		Compartment 3		Compartment 4		Compartment 5	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>A. Fixed assets</b>										
Financial assets	248,683,121	252,104,180	12,103,566,379	12,004,292,493	-	-	-	-	-	-
Investments held as fixed assets	248,683,121	252,104,180	12,103,566,379	12,004,292,493	-	-	-	-	-	-
<b>B. Current assets</b>	15,582,450	21,783,177	587,686,222	503,071,982	-	4,785	-	7,929	-	11,936
Debtors										
Other debtors										
- becoming due and payable within one year	8,625,710	4,207,580	475,689,186	391,074,946	-	-	-	-	-	-
- becoming due and payable within one year from another compartment										
Cash at bank and in hand	6,956,740	17,575,597	111,997,036	111,997,036	-	4,785	-	7,929	-	11,936
<b>TOTAL (ASSETS)</b>	<b>264,265,571</b>	<b>273,887,357</b>	<b>12,691,252,601</b>	<b>12,507,364,475</b>	<b>-</b>	<b>4,785</b>	<b>-</b>	<b>7,929</b>	<b>-</b>	<b>11,936</b>
<b>LIABILITIES</b>										
<b>A. Capital and reserves</b>	-	-	-	-	-	-	-	-	-	-
Subscribed capital	-	-	-	-	-	-	-	-	-	-
<b>B. Provisions</b>	24,212	26,080	24,065	25,965	-	-	-	-	-	-
Other provisions	24,212	26,080	24,065	25,965	-	-	-	-	-	-
<b>C. Creditors</b>	264,241,358	273,861,279	12,691,228,537	12,507,338,509	-	4,785	-	7,929	-	11,936
Debenture loans										
Non convertible loans										
- becoming due and payable within one year	135,524,506	57,847,476	6,581,602,991	2,410,618,962	-	-	-	-	-	-
- becoming due and payable after more than one year	90,235,165	171,037,617	4,618,097,009	8,789,081,038	-	-	-	-	-	-
Amounts owed to affiliated undertakings										
- becoming due and payable within one year	29,321,553	34,656,754	934,588,098	758,746,721	-	3,214	-	6,612	-	6,794
- becoming due and payable after more than one year	9,139,093	10,306,251	556,780,817	548,557,462	-	-	-	-	-	-
- becoming due and payable after more than from another compartment	1,796	1,319	-	-	-	-	-	-	-	-
Other creditors										
Tax authorities	14,293	6,020	16,025	14,955	-	1,571	-	1,317	-	5,142
Other creditors										
- becoming due and payable within one year	4,952	5,842	143,597	319,371	-	-	-	-	-	-
<b>TOTAL (LIABILITIES)</b>	<b>264,265,571</b>	<b>273,887,357</b>	<b>12,691,252,602</b>	<b>12,507,364,475</b>	<b>-</b>	<b>4,785</b>	<b>-</b>	<b>7,929</b>	<b>-</b>	<b>11,936</b>



## Driver Master S.A.

## NOTES TO THE ANNUAL ACCOUNTS

## Note 21 - Balance sheet as at 31 December 2019 per compartment (continued)

ASSETS	Compartment 6		Compartment 7		General Compartment		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>A. Fixed assets</b>								
Financial assets	-	-	-	-	-	-	12,352,249,500	12,256,396,673
Investments held as fixed assets	-	-	-	-	-	-	12,352,249,500	12,256,396,673
<b>B. Current assets</b>	-	7,872	-	10,429	31,000	31,000	603,299,672	524,929,111
Debtors								
Other debtors								
- becoming due and payable within one year	-	-	-	50	-	-	484,314,896	395,282,577
- becoming due and payable within one year from another compartment	-	-	-	-	1,796	1,319	1,796	1,319
Cash at bank and in hand	-	7,872	-	10,379	29,204	29,681	118,982,980	129,645,215
<b>TOTAL (ASSETS)</b>	-	7,872	-	10,429	31,000	31,000	12,955,549,172	12,781,325,784

LIABILITIES	Compartment 6		Compartment 7		General Compartment		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<b>A. Capital and reserves</b>					31,000	31,000	31,000	31,000
Subscribed capital	-	-	-	-	31,000	31,000	31,000	31,000
<b>B. Provisions</b>	-	-	-	-	-	-	48,277	52,045
Other provisions	-	-	-	-	-	-	48,277	52,045
<b>C. Creditors</b>	-	7,872	-	10,429	-	-	12,955,469,895	12,781,242,739
Debenture loans								
Non convertible loans								
- becoming due and payable within one year	-	-	-	-	-	-	6,717,127,497	2,468,466,438
- becoming due and payable after more than one year	-	-	-	-	-	-	4,708,332,174	8,960,118,655
Amounts owed to affiliated undertakings								
- becoming due and payable within one year	-	6,502	-	9,059	-	-	963,909,651	793,435,656
- becoming due and payable after more than one year	-	-	-	-	-	-	565,919,910	558,863,713
- becoming due and payable after more than from another compartment	-	-	-	-	-	-	1,796	1,319
Other creditors								
Tax debts	-	1,370	-	1,370	-	-	30,318	31,745
Other creditors								
- becoming due and payable within one year	-	-	-	-	-	-	148,549	325,213
<b>TOTAL (LIABILITIES)</b>	-	7,872	-	10,429	31,000	31,000	12,955,549,172	12,781,325,784

Driver Master S.A.

## NOTES TO THE ANNUAL ACCOUNTS

Note 22 - Profit and loss account for the year from 1 January to 31 December 2019 per compartment (continued)

	Compartment 1		Compartment 2		Compartment 3		Compartment 4		Compartment 5	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Other external expenses	(2,751,253)	(4,374,457)	(121,040,297)	(120,346,235)	-	(7,109)	-	(6,743)	-	(6,408)
Other operating expenses	(4,721,494)	(7,634,298)	(270,778,273)	(261,851,623)	-	7,109	-	6,743	-	6,408
Income from other investments and loans forming part of the fixed assets					-		-		-	
- derived from affiliated undertakings	7,804,863	12,927,272	411,852,576	409,647,095	-	-	-	-	-	-
Other interests and similar income	509	-	-	5,160	-	-	-	-	-	-
Interest payable and similar expenses					-		-		-	
- concerning affiliated undertakings	(90,808)	(242,583)	(8,128,532)	(9,344,433)	-	-	-	-	-	-
- other interest and similar expenses	(240,180)	(669,629)	(11,903,837)	(18,103,659)	-	-	-	-	-	-
Tax on profit or loss	(1,637)	(6,305)	(1,637)	(6,305)	-	-	-	-	-	-
<b>Profit or loss for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Driver Master S.A.

## NOTES TO THE ANNUAL ACCOUNTS

## Note 22 - Profit and loss account for the year from 1 January to 31 December 2019 per compartment (continued)

	Compartment 6		Compartment 7		General Compartment		Totale	
	2019	2018	2019	2018	2019	2018	2019	2018
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Other external expenses	-	(6,410)	-	(6,667)	-	-	(123,791,550)	(124,754,029)
Other operating expenses	-	6,410	-	6,667	-	-	(275,499,767)	(269,452,584)
Income from other investments and loans forming part of the fixed assets								
- derived from affiliated undertakings	-	-	-	-	-	-	419,657,439	422,574,367
Other interests and similar income	-	-	-	-	-	-	509	5,160
Interest payable and similar expenses								
- concerning affiliated undertakings	-	-	-	-	-	-	(8,219,340)	(9,587,016)
- other interest and similar expenses	-	-	-	-	-	-	(12,144,017)	(18,773,288)
Tax on profit or loss	-	-	-	-	-	-	(3,274)	(12,610)
<b>Profit or loss for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

"Other debtors - becoming due and payable within one year from another compartment" and "Amounts owed to affiliated undertakings - becoming due and payable within one year against another compartment" state amounts receivable or payable between compartments of the Company and are eliminated in the eCDF balance sheet previously display

Driver Master S.A.

## NOTES TO THE ANNUAL ACCOUNTS

## Note 23 - Notes to the annual accounts per compartment

## Financial assets

	Compartment 1		Compartment 2	
	2019	2018	2019	2018
<u>Investment held as fixed assets</u>	EUR	EUR	EUR	EUR
<i>Movements during the period</i>				
Initial purchases	-	-	-	-
Balance as at 1 January	252,104,180	1,159,456,589	12,004,292,493	12,003,209,285
Additions for the year/period	108,535,620	191,601,010	5,267,171,586	4,627,339,951
Disposals for the year/period	(111,956,679)	(198,946,276)	(5,167,897,699)	(4,626,256,743)
Reimbursements for the year/period	-	(900,007,143)	-	-
Closing balance	<u>248,683,121</u>	<u>252,104,180</u>	<u>12,103,566,379</u>	<u>12,004,292,493</u>

## Cash at bank and in hand

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2019	2018	2019	2018	2019	2018	2019	2018
<u>Cash at bank</u>	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Current account	29,204	29,681	-	-	-	-	-	-
Disbursement account	-	5,276,306	36	36	-	4,785	-	7,929
Cash collateral account	6,956,740	6,956,740	111,997,000	111,997,000	-	-	-	-
Accumulation account	-	-	-	-	-	-	-	-
Monthly collateral account	-	5,342,551	-	-	-	-	-	-
Counterparty downgrade Coll Acct	-	-	-	-	-	-	-	-
Total	<u>6,985,944</u>	<u>17,605,278</u>	<u>111,997,036</u>	<u>111,997,036</u>	<u>-</u>	<u>4,785</u>	<u>-</u>	<u>7,929</u>

	Compartment 5		Compartment 6		Compartment 7	
	2019	2018	2019	2018	2019	2018
<u>Cash at bank</u>	EUR	EUR	EUR	EUR	EUR	EUR
Current account	-	-	-	-	-	-
Disbursement account	-	11,936	-	7,872	-	10,379
Cash collateral account	-	-	-	-	-	-
Accumulation account	-	-	-	-	-	-
Monthly collateral account	-	-	-	-	-	-
Counterparty downgrade Coll Acct	-	-	-	-	-	-
Total	<u>-</u>	<u>11,936</u>	<u>-</u>	<u>7,872</u>	<u>-</u>	<u>10,379</u>

**Driver Master S.A.****NOTES TO THE ANNUAL ACCOUNTS****Note 23 - Notes to the annual accounts per compartment (continued)**

Provision	Compartment 1		Compartment 2	
	2019	2018	2019	2018
<u>Other provisions</u>	EUR	EUR	EUR	EUR
Audit fees	23,000	25,000	23,000	25,000
Tax advisory fees	1,212	1,080	1,065	965
Total	<u>24,212</u>	<u>26,080</u>	<u>24,065</u>	<u>25,965</u>

Non convertible loans	Compartment 1		Compartment 2	
	2019	2018	2019	2018
<u>Class A Asset Backed Floating Rate Notes</u>	EUR	EUR	EUR	EUR
Initial issuance	-	-	-	-
Balance as at 1 January	218,285,093	1,020,100,000	10,702,600,000	10,702,600,000
Additions for the year/period	-	-	-	-
Reimbursements for the year/period	(2,960,687)	(801,814,907)	-	-
Closing balance	<u>215,324,406</u>	<u>218,285,093</u>	<u>10,702,600,000</u>	<u>10,702,600,000</u>
Thereof scheduled for redemption within one year	132,451,075	56,747,476	6,394,096,087	2,410,618,962
Amount due and payable after more than one year	<u>82,873,331</u>	<u>161,537,617</u>	<u>4,308,503,913</u>	<u>8,291,981,038</u>

Class B Asset Backed Floating Rate Notes	Compartment 1		Compartment 2	
	2019	2018	2019	2018
<u>Class B Asset Backed Floating Rate Notes</u>	EUR	EUR	EUR	EUR
Initial issuance	-	-	-	-
Balance as at 1 January	10,600,000	47,500,000	497,100,000	497,100,000
Additions for the year/period	-	-	-	-
Reimbursements for the year/period	(164,735)	(36,900,000)	-	-
Closing balance	<u>10,435,265</u>	<u>10,600,000</u>	<u>497,100,000</u>	<u>497,100,000</u>
Thereof scheduled for redemption within one year	3,073,431	1,100,000	187,506,904	-
Amount due and payable after more than one year	<u>7,361,834</u>	<u>9,500,000</u>	<u>309,593,096</u>	<u>497,100,000</u>

## Driver Master S.A.

## NOTES TO THE ANNUAL ACCOUNTS

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

## Amounts owed to affiliated undertakings

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2019	2018	2019	2018	2019	2018	2019	2018
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
<u>Becoming due and payable within one year</u>								
Overcollateralisation payable	20,429,541	20,079,826	459,297,827	369,089,578	-	-	-	-
Servicer fees	207,446	210,183	10,078,393	9,998,913	-	-	-	-
Advance payments	4,495	5,347,046	-	-	-	3,214	-	6,612
Accrued interest Subordinated Loan	1,207	1,222	89,382	184,206	-	-	-	-
Other amounts payable	8,679,447	9,019,059	465,122,495	379,474,025	-	-	-	-
Santander guarantee payable	(583)	(583)	-	-	-	-	-	-
<b>Total</b>	<b>29,321,553</b>	<b>34,656,753</b>	<b>934,588,098</b>	<b>758,746,722</b>	<b>-</b>	<b>3,214</b>	<b>-</b>	<b>6,612</b>

	Compartment 5		Compartment 6		Compartment 7	
	2019	2018	2019	2018	2019	2018
	EUR	EUR	EUR	EUR	EUR	EUR
<u>Becoming due and payable within one year</u>						
Overcollateralisation payable	-	-	-	-	-	-
Servicer fees	-	-	-	-	-	-
Advance payments	-	6,794	-	6,502	-	9,059
Accrued interest Subordinated Loan	-	-	-	-	-	-
Other amounts payable	-	-	-	-	-	-
Subordinated loan	-	-	-	-	-	-
Santander guarantee payable	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>6,794</b>	<b>-</b>	<b>6,502</b>	<b>-</b>	<b>9,059</b>

Driver Master S.A.

## 5. NOTES TO THE ANNUAL ACCOUNTS

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

Amounts owed to affiliated undertakings  
(continued)

	Compartment 1		Compartment 2	
	2019	2018	2019	2018
<u>Becoming due and payable after more than one year</u>	EUR	EUR	EUR	EUR
<u>Subordinated Loan</u>				
Initial issuance	-	-	-	-
Balance as at 1 January	10,306,251	57,098,439	548,557,462	539,271,189
Additions for the year/period	-	-	-	-
Capitalised interest for the year/period	7,090	185,402	8,223,355	9,286,273
Reimbursements for the year/period	(1,174,248)	(46,497,590)	-	-
Closing balance	9,139,093	10,306,251	556,780,817	548,557,462
<b>Other creditors</b>				
Interest on Class A Notes	-	-	59,578	285,403
Interest on Class B Notes	265	213	25,650	33,968
Swap on Class A Notes	886	5,006	-	-
Swap on Class B Notes	143	623	-	-
Bank interest payable	3,658	-	58,369	49,391
<b>Total</b>	<b>4,952</b>	<b>5,842</b>	<b>143,597</b>	<b>368,762</b>

## Driver Master S.A.

## NOTES TO THE ANNUAL ACCOUNTS

## Note 23 - Notes to the annual accounts per compartment

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2019	2018	2019	2018	2019	2018	2019	2018
Other external expenses	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Audit fees	33,978	28,990	33,978	28,990	-	1,330	-	1,330
Servicer fees	2,495,309	3,989,991	120,133,762	119,643,906	-	-	-	-
Tax advisory fees	132	1,193	413	813	-	3	-	146
Rating agency fees	90,801	64,752	34,156	41,811	-	-	-	-
Trustee services	13,888	10,109	13,897	10,090	-	5,265	-	5,265
Legal fees	29	3,000	29	11,497	-	-	-	-
Maintenance fees	30,226	30,200	22,500	21,500	-	-	-	-
Other operating charges	4,908	11,657	11,181	10,075	-	511	-	2
Bank charges	81,982	234,566	790,381	577,553	-	-	-	-
<b>Total</b>	<b>2,751,253</b>	<b>4,374,458</b>	<b>121,040,297</b>	<b>120,346,235</b>	<b>-</b>	<b>7,109</b>	<b>-</b>	<b>6,743</b>

	Compartment 5		Compartment 6		Compartment 7	
	2019	2018	2019	2018	2019	2018
Other external expenses	EUR	EUR	EUR	EUR	EUR	EUR
Audit fees	-	997	-	997	-	997
Servicer fees	-	-	-	-	-	-
Tax advisory fees	-	146	-	146	-	146
Rating agency fees	-	-	-	-	-	-
Trustee services	-	5,265	-	5,268	-	5,268
Legal fees	-	-	-	-	-	-
Maintenance fees	-	-	-	-	-	-
Other operating charges	-	-	-	(1)	-	256
Bank charges	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>6,408</b>	<b>-</b>	<b>6,410</b>	<b>-</b>	<b>6,667</b>



Driver Master S.A.

## NOTES TO THE ANNUAL ACCOUNTS

## Note 23 - Notes to the annual accounts per compartment

	Compartment 1		Compartment 2		Compartment 3		Compartment 4	
	2019	2018	2019	2018	2019	0	2019	0
Other operating expenses	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Equalisation provision	4,721,494	7,634,298	270,778,273	261,851,623	-	(7,109)	-	(6,743)

	Compartment 5		Compartment 6		Compartment 7	
	2019	2018	2019	2018	2019	2018
	EUR	EUR	EUR	EUR	EUR	EUR
Equalisation provision	-	(6,408)	-	(6,410)	-	(6,667)

## Interest payable and similar expenses

	Compartment 1		Compartment 2	
	2019	2018	2019	2018
<u>Concerning affiliated undertakings</u>	EUR	EUR	EUR	EUR
Interest expense on Subordinated loan	90,808	242,583	8,128,532	9,344,433

	Compartment 1		Compartment 2	
	2019	2018	2019	2018
<u>Other interest and similar expenses</u>	EUR	EUR	EUR	EUR
Interest charges on Class A Notes	-	9,753	10,123,589	16,089,575
Interest charges on Class B Notes	21,722	29,810	1,780,248	2,014,084
Net interest expense Class A Notes swap	202,805	593,273	-	-
Net interest expense Class B Notes swap	15,653	36,793	-	-
Total	240,180	669,629	11,903,837	18,103,659

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

	Compartment 1		Compartment 2	
	2019	2018	2019	2018
<u>Derived from affiliated undertakings</u>	EUR	EUR	EUR	EUR
Interest income from Permitted Assets	7,804,863	12,927,272	411,852,576	409,647,095

**Driver Master S.A.**

**5. NOTES TO THE ANNUAL ACCOUNTS**

**Note 24 - Subsequent events**

In the first months of 2020, a pandemic of coronavirus disease 2019 (COVID-19) spread around the world, leading to numerous cases and casualties and causing an economic instability.

At the date of approval of these annual accounts, it is too early to assess the potential economic and financial impacts of the pandemic that may significantly impact the company. However, at this date there is no significant increase in the defaulted receivables balances.

No other event has occurred subsequent to the year-end which would have a material impact on the annual accounts as at December 31, 2019.

Luxembourg, 31 July 2020



\_\_\_\_\_  
Mrs Z.H. Cammans  
Director



\_\_\_\_\_  
Mrs M.D. Mussai-Ramassur  
Director