

PBD GERMANY AUTO LEASE MASTER S.A.
Société Anonyme

**AUDITED ANNUAL ACCOUNTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2020**

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

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Audit report

To the Shareholder of
PBD GERMANY AUTO LEASE MASTER S.A.

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of PBD GERMANY AUTO LEASE MASTER S.A. (the "Company") as at 31 December 2020, 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 2020;
- 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.

Basis for opinion

We conducted our audit in accordance with 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 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 agréés" 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 Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for 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.

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

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 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 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.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 15 November 2021

Electronically signed by
Frank Ballmann

A handwritten signature in black ink, appearing to read 'FB', followed by a horizontal line.

Frank Ballmann

BALANCE SHEET

Financial year from ⁰¹ 01/01 /2020 to ⁰² 31/12/2020 (in ⁰³ EUR)

PBD Germany Auto Lease Master S.A.
 22-24 boulevard Royal
 L-2449 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101	101	102
I. Subscribed capital not called	1103	103	104
II. Subscribed capital called but unpaid	1105	105	106
B. Formation expenses	1107	107	108
C. Fixed assets	1109	109	110
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
		755.027.454.25	335.851.661.98

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131	132
4. Payments on account and tangible assets in the course of construction	1133	133	134
III. Financial assets	1135 2.2.1	135 755,027,454.25	136 335,851,661.98
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 3	145 755,027,454.25	146 335,851,661.98
6. Other loans	1147	147	148
D. Current assets	1151	151 23,052,091.78	152 8,434,738.30
I. Stocks	1153	153	154
1. Raw materials and consumables	1155	155	156
2. Work in progress	1157	157	158
3. Finished goods and goods for resale	1159	159	160
4. Payments on account	1161	161	162
II. Debtors	1163 2.2.2	163 2,174,719.11	164 684,724.76
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 4	171 2,174,719.11	172 680,724.76
a) becoming due and payable within one year	1173	173 2,174,719.11	174 680,724.76
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 4	183	184 4,000.00
a) becoming due and payable within one year	1185	185	186 4,000.00
b) becoming due and payable after more than one year	1187	187	188

	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	197	198
	5	20,877,372.67	7,750,013.54
E. Prepayments	1199	199	200
	2.2.3, 6	30,152.13	
TOTAL (ASSETS)		201	202
		778,109,698.16	344,286,400.28

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
I. Subscribed capital	1301 _____	30,000.00	30,000.00
II. Share premium account	1303 _____ 7	30,000.00	30,000.00
III. Revaluation reserve	1305 _____		
IV. Reserves	1307 _____		
1. Legal reserve	1309 _____		
2. Reserve for own shares	1311 _____		
3. Reserves provided for by the articles of association	1313 _____		
4. Other reserves, including the fair value reserve	1315 _____		
a) other available reserves	1429 _____		
b) other non available reserves	1431 _____		
V. Profit or loss brought forward	1433 _____		
VI. Profit or loss for the financial year	1319 _____	0.00	0.00
VII. Interim dividends	1321 _____		
VIII. Capital investment subsidies	1323 _____		
	1325 _____		
B. Provisions	1331 _____		
1. Provisions for pensions and similar obligations	1333 _____		
2. Provisions for taxation	1335 _____		
3. Other provisions	1337 _____		
C. Creditors	1435 _____ 2.2.7	778,079,698.16	344,256,400.28
1. Debenture loans	1437 _____	764,996,697.90	339,203,598.42
a) Convertible loans	1439 _____		
i) becoming due and payable within one year	1441 _____		
ii) becoming due and payable after more than one year	1443 _____		
b) Non convertible loans	1445 _____ 2.2.6, 9	764,996,697.90	339,203,598.42
i) becoming due and payable within one year	1447 _____	26,889.11	30,561.85
ii) becoming due and payable after more than one year	1449 _____	764,969,808.79	339,173,036.57
2. Amounts owed to credit institutions	1355 _____		
a) becoming due and payable within one year	1357 _____		
b) becoming due and payable after more than one year	1359 _____		

	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	379	380
a) becoming due and payable within one year	1381	381	382
b) becoming due and payable after more than one year	1383	383	384
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	452
a) Tax authorities	1393	393	394
b) Social security authorities	1395	395	396
c) Other creditors	1397	397	398
i) becoming due and payable within one year	1399	399	400
ii) becoming due and payable after more than one year	1401	401	402
D. Deferred income	1403	403	404
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405	406

10

2.2.9

11

12,646,227.16

12,646,227.16

436,773.10

6,878.33

429,894.77

429,894.77

4,877,848.93

4,877,848.93

174,952.93

174,952.93

778,109,698.16

344,286,400.28

PROFIT AND LOSS ACCOUNTFinancial year from ⁰¹ 01/01 /2020 to ⁰² 31/12/2020(in ⁰³ EUR)

PBD Germany Auto Lease Master S.A.

22-24 boulevard Royal

L-2449 Luxembourg

	Reference(s)	Current year	Previous year
1. Net turnover	1701	701	702
2. Variation in stocks of finished goods and in work in progress	1703	703	704
3. Work performed by the undertaking for its own purposes and capitalised	1705	705	706
4. Other operating income	1713	713	714
5. Raw materials and consumables and other external expenses	1671	671	672
a) Raw materials and consumables	1601	601	602
b) Other external expenses	1603	603	604
6. Staff costs	1605	605	606
a) Wages and salaries	1607	607	608
b) Social security costs	1609	609	610
i) relating to pensions	1653	653	654
ii) other social security costs	1655	655	656
c) Other staff costs	1613	613	614
7. Value adjustments	1657	657	658
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	659	660
b) in respect of current assets	1661	661	662
8. Other operating expenses	1621	621	622
9. Income from participating interests	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720

	Reference(s)	Current year	Previous year
10. Income from other investments and loans forming part of the fixed assets	1721	30,395,320.33	6,112,593.84
a) derived from affiliated undertakings	1723		
b) other income not included under a)	1725	30,395,320.33	6,112,593.84
11. Other interest receivable and similar income	1727		
a) derived from affiliated undertakings	1729		
b) other interest and similar income	1731		
12. Share of profit or loss of undertakings accounted for under the equity method	1663		
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	-253,186.82	-83,717.20
14. Interest payable and similar expenses	1627	-4,390,180.49	-798,845.73
a) concerning affiliated undertakings	1629	-3,042,233.69	-565,396.61
b) other interest and similar expenses	1631	-1,347,946.80	-233,449.12
15. Tax on profit or loss	1635		
16. Profit or loss after taxation	1667	4,815.00	
17. Other taxes not shown under items 1 to 16	1637	-4,815.00	
18. Profit or loss for the financial year	1669	0.00	0.00

PBD GERMANY AUTO LEASE MASTER S.A.

NOTES TO THE ANNUAL ACCOUNTS

Note 1 - General information

PBD GERMANY AUTO LEASE MASTER S.A. (the "Company") is a Luxembourg public limited liability company incorporated in Luxembourg on 29 May 2019 for an unlimited period 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 234.988.

The accounting period of the Company begins on the 1st of January and terminates on the 31st of December, except for the first period of activity which began on 29 May 2019, date of incorporation, and terminated on 31 December 2019.

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 Lease Receivable and associated Expectancy Right (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 Banco Santander S.A., forming the largest and the smallest body of undertakings of which the Company forms a part as a subsidiary undertaking. The registered office of Banco Santander S.A. is located at Ciudad Grupo Santander, Av. Cantabria, 28660, Boadilla del Monte - Madrid (Spain) and the consolidated accounts are available at the same address.

During the financial year under review, the Company was composed of two compartments (compartment 1 and compartment 2). The compartments are interconnected therefore no separate statement per compartment is made in these annual accounts. The subscribed capital of EUR 30,000 belong to the capital compartment and is not disclosed separately.

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 policies

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 19 December 2002 (as amended), determined and applied by the Board of Directors.

The preparation of annual accounts required 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 Financial assets

Permitted Assets included in financial assets are recorded at their purchase price. In case of a durable impairment in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial 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.

PBD GERMANY AUTO LEASE MASTER S.A.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 2 - Summary of significant accounting policies (continued)

2.2.2 Debtors

Debtors are recorded at their nominal value. They are subject to value adjustments where their recoverability is either uncertain or compromised. These value adjustments are not continued if the reason for which the value adjustments were made has ceased to apply.

2.2.3 Prepayments

This asset item includes expenses incurred during the financial period but relating to a subsequent financial year.

2.2.4 Derivative financial instruments

The Company may enter into derivative financial instruments such as options, swaps, futures or foreign exchange contracts. These derivative financial instruments are initially recorded at cost. At each balance sheet date, unrealised losses are recognised in the profit and loss account whereas gains are accounted for when realised. In the case of hedging of an asset or a liability that is not recorded at fair value, unrealised gains or losses are deferred until the recognition of the realised gains or losses on the hedged item.

2.2.5 Foreign currency translation

The annual accounts are stated in EUR. No transactions in other currencies have occurred.

2.2.6 Notes issued

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

2.2.7 Creditors

Debts 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.

2.2.8 Interest receivable and payable

Interest receivable and payable are recorded on an accrual basis.

2.2.9 Equalisation provision

Losses during the year as a result of sales, default, lower market values or cost may cause a partial reduction on the assets. Such shortfalls will first be borne by the Seller/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 as deferred purchase price and booked in the profit and loss account as "other operating income".

Similarly, in case of profit made during the year, the Equalisation reserve expense booked in the profit and loss under "other operating expenses" would result into an additional liability towards the Originator.

PBD GERMANY AUTO LEASE MASTER S.A.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 3 - Financial assets

Investments held as fixed assets

<u>Permitted Assets</u>	<u>2020</u> EUR	<u>2019</u> EUR
Opening balance as at 01 January	335,935,379.18	-
Acquisition during the year/period	510,011,550.30	352,221,316.41
Redemption during the year/period	(90,582,571.21)	(16,285,937.23)
Closing balance as at 31 December	<u>755,364,358.27</u>	<u>335,935,379.18</u>
Accumulated value adjustments - opening balance	(83,717.20)	-
Value adjustment during the year/period	(253,186.82)	(83,717.20)
Accumulated value adjustments - closing balance	<u>(336,904.02)</u>	<u>(83,717.20)</u>
Net book value - closing balance	<u>755,027,454.25</u>	<u>335,851,661.98</u>

During 2020, the Company acquired Permitted Assets for EUR 510,011,550.30 (2019 : EUR 352,221,316.41) from PSA Bank Deutschland GmbH. The purchase price was equal to the aggregate Nominal Amount of such eligible receivables becoming due under the respective lease agreements.

During 2020, the Permitted Assets principal was redeemed by EUR 90,582,571.21 (2019 : EUR 16,285,937.23) and the net defaulted receivable amount to EUR 253,186.82 (2019: EUR 83,717.20).

In early 2020, a pandemic of coronavirus disease 2019 (COVID-19) spread around the world, leading to numerous cases and casualties and causing an economic instability. The pandemic has had no material impact on the operations or the figures of the Company as at 31 December 2020.

Interest income for the period ended 31 December 2020 amounted to EUR 30,395,320.33 (2019 : EUR 6,112,593.84).

Acquisition of the Permitted Assets is financed by the issue of Class A note and Class B note (see also Note 9).

Note 4 - Debtors

<u>Amounts owed by affiliated undertakings</u>	<u>2020</u> EUR	<u>2019</u> EUR
<i>becoming due and payable within one year</i>		
Receivable from PSA Bank Deutschland GmbH	2,174,719.11	680,724.76
	<u>2,174,719.11</u>	<u>680,724.76</u>
<u>Other debtors</u>		
<i>becoming due and payable within one year</i>		
Other receivables	-	4,000.00
	<u>-</u>	<u>4,000.00</u>
Total debtors	<u>2,174,719.11</u>	<u>684,724.76</u>

Note 5 - Cash at bank

	<u>2020</u> EUR	<u>2019</u> EUR
Current account	12,500,953.26	4,036,068.79
Cash collateral account	8,376,419.41	3,713,944.75
Total cash at bank	<u>20,877,372.67</u>	<u>7,750,013.54</u>

PBD GERMANY AUTO LEASE MASTER S.A.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 6 - Prepayments	<u>2020</u> EUR	<u>2019</u> EUR
Prepaid expenses	30,152.13	-
Total prepayments	<u><u>30,152.13</u></u>	<u><u>-</u></u>

Note 7 - Subscribed capital

As at 31 December 2020, the subscribed capital amounts to EUR 30,000 and is divided into 3,000 shares fully paid-up with a par value of EUR 10 each.

Note 8 - 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 9 - Debenture loans	<u>2020</u> EUR	<u>2019</u> EUR
<u>Non convertible loans</u>		
<u>Becoming due and payable within one year</u>		
Interest payable on Class A Notes	-	5,123.87
Interest payable on Class A1 Notes	3,527.78	-
Interest payable on Class A2 Notes	412.24	-
Interest payable on Class B Notes	22,949.09	25,437.98
Total becoming due and payable within one year	<u><u>26,889.11</u></u>	<u><u>30,561.85</u></u>
<u>Becoming due and payable after more than one year</u>		
Class A1 Notes (formerly Class A Note)	500,000,000.00	247,596,316.69
Class A2 Notes	58,427,960.41	-
Class B Notes	206,541,848.38	91,576,719.88
Total becoming due and payable after more than one year	<u><u>764,969,808.79</u></u>	<u><u>339,173,036.57</u></u>
Total debenture loans	<u><u>764,996,697.90</u></u>	<u><u>339,203,598.42</u></u>

Changes during the year :

	<u>2020</u> <u>Class A1 Note</u> EUR	<u>2020</u> <u>Class A2 Note</u> EUR	<u>2020</u> <u>Class B Note</u> EUR
Opening balance as at 01 January	247,596,316.69	-	91,576,719.88
Additional issuance during the year	252,403,683.31	120,113,747.74	114,965,128.50
Redeemed during the year	-	(61,685,787.33)	-
Closing balance as at 31 December	<u><u>500,000,000.00</u></u>	<u><u>58,427,960.41</u></u>	<u><u>206,541,848.38</u></u>

On 8 May 2020, the existing Class A notes became the Class A1 Notes. Starting 30 December 2020, the Class A Notes bear a floating rate interest of one month Euribor plus 0.70% margin (0.75% margin before). The Class B Notes bear a fixed interest of 2.00%. The amount of interest is calculated monthly and paid on the 26th of each month.

All payments of interest on and principal of the Notes will be due and payable at the latest on 26 June 2025, the legal maturity date of the notes.

Interest payable on the Class A1 Notes amounts to EUR 3,527.78 as at 31 December 2020 (2019 : nil) and total interest charge for the period ended 31 December 2020 amounts to EUR 754,701.63 (2019 : EUR 127,751.84) (see also note 15).

Interest payable on the Class A2 Notes amounts to EUR 412.24 as at 31 December 2020 (2019 : nil) and total interest charge for the period ended 31 December 2020 amounts to EUR 69,779.24 (2019 : EUR nil) (see also note 15).

Interest payable on the Class B Notes amounts to EUR 22,949.09 as at 31 December 2020 (2019 : EUR 25,437.98) and total interest charge for the period ended 31 December 2020 amounts to EUR 2,972,454.45 (2019 : EUR 565,396.61) (see also note 15).

PBD GERMANY AUTO LEASE MASTER S.A.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 10 - Amounts owed to affiliated undertakings

	<u>2020</u>	<u>2019</u>
	EUR	EUR
<u>Becoming due and payable within one year</u>		
Liquidity Reserve Account	8,376,419.41	3,713,944.75
Equalisation provision	4,269,807.75	1,163,904.18
Total becoming due and payable within one year	<u>12,646,227.16</u>	<u>4,877,848.93</u>

As per the incorporated terms memorandum dated 7 June 2019 (amended on 8 May 2020 and 16 December 2020), the Liquidity Reserve Account amounts to the higher of 1.50% of the Class A Notes Outstanding Amount and EUR 500,000. Upon repayment of all Class A Notes, the Liquidity Reserve Account shall be zero.

Note 11 - Other creditors

	<u>2020</u>	<u>2019</u>
	EUR	EUR
<u>Tax authorities</u>		
Net Worth tax payable	4,280.00	-
VAT payable	2,598.33	-
Total tax authorities	<u>6,878.33</u>	<u>-</u>
<u>Other creditors</u>		
Suppliers	40,338.40	22,097.47
Suppliers - invoices not yet received	389,556.37	152,855.46
Total other creditors	<u>429,894.77</u>	<u>174,952.93</u>

Note 12 - Other external expenses

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Servicer fees	2,855,816.14	614,012.92
Audit fees	50,000.00	-
Account bank fees	66,000.00	46,000.00
Maintenance fees	28,500.00	21,420.84
Legal fees	-	2,404.72
Bank charges	78,181.88	2,208.00
Trustee fees	23,707.95	-
Other miscellaneous external charges	6,242.88	1,971.79
Tax advisory fees	2,164.50	1,100.00
Total other external expenses	<u>3,110,613.35</u>	<u>689,118.27</u>

Note 13 - Other operating expenses

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Equalisation provision	3,105,903.57	1,163,904.18
Excess spread *)	19,530,621.10	3,377,008.46
Total other operating expenses	<u>22,636,524.67</u>	<u>4,540,912.64</u>

*) Amount due to PSA Bank Deutschland GmbH as remaining balance of the Priority of Payments.

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

	<u>2020</u>	<u>2019</u>
	EUR	EUR
<u>Other income not included under a)</u>		
Interest income from Permitted Assets	30,395,320.33	6,112,593.84
Total other income not included under a)	<u>30,395,320.33</u>	<u>6,112,593.84</u>

PBD GERMANY AUTO LEASE MASTER S.A.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 15 - Interest payable and similar expenses	2020	2019
	EUR	EUR
<u>Concerning affiliated undertakings</u>		
Interest payable on Class A2 Notes	69,779.24	-
Interest payable on Class B Notes	2,972,454.45	565,396.61
Total concerning affiliated undertakings	3,042,233.69	565,396.61
<u>Other interest and similar expenses</u>		
Interest payable on Class A1 Notes	754,701.63	127,751.84
Swap expenses	593,245.17	105,697.28
Total other interest and similar expenses	1,347,946.80	233,449.12
Total interest payable and similar expenses	4,390,180.49	798,845.73

Note 16 - Taxes

The Company is subject to the tax regulations 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 Board of Directors

No emoluments have been granted to 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 Board of Directors

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

Note 20 - Off-balance sheet commitments

The Company has entered into a Swap Agreement to hedge the Company's interest rate risk derived from floating interest rate on the Class A Note issued (see also note 9).

	Curr	Nominal amount	Paying leg (fixed)	Receiving leg (floating)
Swaps on Class A Note - DZ Bank AG	EUR	558,427,960.41	0.275%	1 m EURIBOR + 0.60%, Min 0%

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NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)


Note 21 - Subsequent events


On 20 October 2021, the Board of Directors approved the creation of a new compartment under the name of "compartment 2021-1" for the purpose of securitizing a pool of lease receivables originated by PSA Bank Deutschland GmbH to be financed by amongst others the issue of notes and through a liquidity loan.

No other events have occurred subsequent to the period end which would have a material impact on the financial statements as at 31 December 2020.

Luxembourg, 15 November 2021


Z. H. Gammans
Director


H. Grine-Siciliano
Director


M. Mustafa Ramassur
Director