

**SILVER ARROW S.A.**

Annual Accounts  
for the year ended  
December 31, 2020

(with the Report of the Réviseur  
d'Entreprises agréé thereon)

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## SUMMARY OF COUNTERPARTIES

Directors	Mr. Claudio Chirco Mr. Luigi Maula Mrs. Jurate Misonyte
Corporate Service Provider	Intertrust (Luxembourg) S.à.r.l ("Intertrust")
Seller, Servicer and Subordinated Loan Provider	Mercedes-Benz Bank AG (compartment 8, 9, 10, 11, 12) Mercedes-Benz Financial Services UK Limited (compartment UK 2018-1, UK 2020-1, UK 2020-2)
Issuer Account Bank, Paying Agent, Interest Determination Agent, Calculation Agent, Custodian	Elavon Financial Services Ltd
Joint Lead Managers	HSBC Bank Plc (compartment 10) UniCredit Bank AG (compartment 9, 12) Credit Agricole Corporate and Investment Bank (compartment 8, 12) Landesbank Baden-Württemberg (compartment 8, 11) Lloyds Bank plc (compartment 2018-1) Commerzbank AG (compartment 9, UK 2020-1) Merrill Lynch International (compartment UK 2018-1) ING Bank N.V. (compartment 10) BNP Paribas London (11) Santander Corporate and Investment Banking (compartment UK 2020-2)

**SUMMARY OF  
COUNTERPARTIES (continued)**

Swap Counterparties	DZ BANK AG Deutsche Zentral Genossenschaftsbank (compartment 8, 9, 11,12, 2020-1, 2020-2)  Royal Bank of Canada (compartment 10)  HSBC Bank plc (compartment 2018-1)
Rating Agencies	DBRS Inc. (compartment 8, 9, 11, 12, UK 2020-1, UK 2020-2) Standard & Poor's London (compartment UK 2018-1) Fitch Deutschland GmbH (compartment 10, 11, UK 2020-2) S&P Global Ratings Europe Limited (compartment 10) Moody's Deutschland GmbH (compartment 8, 9, 12, UK 2018-1, 2020-1)
Trustee	Wilmington Trust SP Services (Frankfurt) GmbH

# **Silver Arrow S.A.**

## **Director's report**

### **For the year ended December 31, 2020**

Dear Shareholders,

The Board of Directors is pleased to present the annual accounts of SILVER ARROW S.A. (the "Company") for the financial year ended December 31, 2020.

#### **1. Activities and development of the business**

The Company is a limited liability company ("Société Anonyme") incorporated on October 21, 2005, which has the status of a securitization company under the law of March 22, 2004 on securitization.

The Company's business purpose is the securitization, within the meaning of the Luxembourg law of March 22, 2004 on securitizations which shall apply to the Company, of receivables (the "Permitted Assets"). The Company shall not actively source Permitted Assets but shall only securitize those Permitted Assets that are proposed to it by one or several originators. The Board of Directors of the Company may, in accordance with the terms of the law of March 22, 2004 create one or more compartments within the Company and to securitize Permitted Assets for such compartments. Each compartment shall be treated as a separate entity.

In the year 2016, the Company created the compartment 7, approved by the Board of Directors on May 17, 2016. In respect of the compartment 7, the Company issued Class A Notes for a nominal amount of EUR 1,017,500,000 and Class B Notes for a nominal amount of EUR 82,500,000 linked to the performance of Lease receivables originated by Mercedes-Benz Bank AG. As at November 15, 2019 the transaction terminated and the notes have been fully redeemed. The Compartment 7 has been liquidated on December 16, 2020.

In the year 2017, the Company created the compartment UK 2017-1, approved by the Board of Directors on August 23, 2017. In respect of the compartment UK 2017-1, the Company issued Class A Notes for a nominal amount of GBP 400,000,000 (EUR 448,666,898) and Class B Notes for a nominal amount of GBP 145,891,000 (EUR 163,641,156) linked to the performance of Lease receivables originated by Mercedes-Benz Financial Services UK Limited. As at October 21, 2019 the transaction terminated and the notes have been fully redeemed. The Compartment UK 2017-1 has been liquidated on December 16, 2020.

In the year 2017, the Company created the compartment 8, approved by the Board of Directors on June 8, 2017. In respect of the compartment 8, the Company issued Class A Notes for a nominal amount of EUR 1,108,500,000 and Class B Notes for a nominal amount of EUR 83,500,000 linked to the performance of Lease receivables originated by Mercedes-Benz Bank AG. As at October 15, 2020 the transaction terminated and the notes have been fully redeemed. Following the termination of the transaction, by the intention of the Board of Directors is to liquidate the Compartment 8 during the year 2021.

In the year 2018, the Company created the compartment 9, approved by the Board of Directors on July 23, 2018. In respect of the compartment 8, the Company issued Class A Notes for a nominal amount of EUR 750,000,000 and Class B Notes for a nominal amount of EUR 56,500,000 linked to the performance of Lease receivables originated by Mercedes-Benz Bank AG. As at December 31, 2020 the outstanding amount of Class A and Class B Notes were EUR 157,301,326 and EUR 56,500,000 respectively.

In the year 2018, the Company created the compartment UK 2018-1, approved by the Board of Directors on September 14, 2018. In respect of the compartment UK 2018-1, the Company issued Class A Notes for a nominal amount of GBP 407,500,000 (EUR 445,689,125) and Class B Notes for a nominal amount of GBP 148,497,000 (EUR 166,057,590) linked to the performance of Lease receivables originated by Mercedes-Benz Financial Services UK Limited. As at October 21, 2020, the transaction terminated and the notes have been fully redeemed. Following the termination of the transaction, the intention of the Board of Directors is to liquidate the Compartment UK 2018-1 during the year 2021.

# Silver Arrow S.A.

## Director's report

### For the year ended December 31, 2020

#### 1. Activities and development of the business (continued)

In the year 2019, the Company created the compartment 10, approved by the Board of Directors on July 16, 2019. In respect of the compartment 10, the Company issued Class A Notes for a nominal amount of EUR 1,162,500,000, Class B Notes – EUR 52,500,000, Class C Notes – EUR 17,500,000, Class D Notes – EUR 11,200,000 and Class Z Notes – EUR 6,300,000 linked to the performance of Lease receivables originated by Mercedes-Benz Bank AG. As at December 31, 2020 the outstanding amount of Class A Notes were EUR 561,360,621, class B Notes – EUR 52,500,000, class C Notes – EUR 17,500,000, class D Notes – EUR 11,200,000 and class Z Notes – EUR 1.

In the year 2020, the Company created the compartment 11, approved by the Board of Directors on May 22, 2020. In respect of the compartment 11, the Company issued Class A Notes for a nominal amount of EUR 1,748,200,000 and Class B Notes – EUR 141,700,000 linked to the performance of Lease receivables originated by Mercedes-Benz Bank AG. As at December 31, 2020 the outstanding amount of Class A Notes were EUR 1,356,501,491 and class B Notes – EUR 141,700,000.

In the year 2020, the Company created the compartment 12, approved by the Board of Directors on November 24, 2020. In respect of the compartment 12, the Company issued Class A Notes for a nominal amount of EUR 688,000,000 and Class B Notes – EUR 61,900,000 linked to the performance of Lease receivables originated by Mercedes-Benz Bank AG. As at December 31, 2020 the outstanding amount of Class A Notes were EUR 671,431,872 and class B Notes – EUR 61,900,000.

In the year 2020, the Company created the compartment UK 2020-1, approved by the Board of Directors on February 14, 2020. In respect of the compartment UK 2020-1, the Company issued Class A Notes for a nominal amount of GBP 497,000,000 (EUR 567,578,370) and Class B Notes – GBP 181,201,000 (EUR 206,933,135) linked to the performance of Lease receivables originated by Mercedes-Benz Financial Services UK Limited. As at December 31, 2020 the outstanding amount of Class A Notes were GBP 303,542,506 (EUR 337,633,345) and class B Notes – GBP 181,201,000 (EUR 201,551,672).

In the year 2020, the Company created the compartment UK 2020-2, approved by the Board of Directors on October 28, 2020. In respect of the compartment UK 2020-2, the Company issued Class A Notes for a nominal amount of GBP 500,000,000 (EUR 562,208,354) and Class B Notes – GBP 176,000,000 (EUR 197,897,341) linked to the performance of Lease receivables originated by Mercedes-Benz Financial Services UK Limited. As at December 31, 2020 the outstanding amount of Class A Notes were GBP 500,000,000 (EUR 556,154,967) and class B Notes – GBP 176,000,000 (EUR 195,766,548).

The portfolio of assets has been purchased from two counterparts. The Company receives monthly reports from Mercedes-Benz Bank AG which discloses the monthly purchases, redemptions and other important information which serve as basis of accounting and control.

<b>Movements in number of active compartments:</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	<b>EUR</b>	<b>EUR</b>
Opening (active compartments)	4	5
Number of compartment created	4	1
Number of compartment redeemed/cancelled	2	2
Closing (active compartments)	6	4
Capital compartment	1	1
Empty compartments (to be liquidated)	2	2
Total number of compartments	9	7

**Silver Arrow S.A.**  
Director's report  
For the year ended December 31, 2020

**1. Activities and development of the business (continued)**

<i>Financial highlights</i>	<b>2020</b> <b>EUR</b>	<b>2019</b> <b>EUR</b>
Total Assets	4,437,942,278.00	2,142,201,957.00
Notes Issued	4,379,001,843.00	2,094,131,838.00
Net Profit or (Loss) for the financial year	-	-

*Acquisition of own shares*

During the year ended December 31, 2020, the Company has not purchased any of its own shares.

*Research and development activities*

The Company was not involved or participating in any kind of research or development activities during the year ended December 31, 2020.

*Branches of the Company*

The Company does not have any branches.

**2. Principal risks and uncertainties**

The Company was incorporated for the business purpose is the securitization, within the meaning of the Luxembourg law of March 22, 2004 on securitisations which shall apply to the Company, of receivables (the "Permitted Assets"). The Company shall not actively source Permitted Assets but shall only securitise those Permitted Assets that are proposed to it by one or several originators.

The Company has exposure to the following risks from its use of financial instruments and does not have any externally imposed capital requirements, other than the minimum capital requirements of the Commercial Law in Luxembourg.

i - 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.

ii - Counterparty risk

Some of the assets and derivatives will expose the Company to the risk of Counterparty default.

iii - Interest rate risk

The Receivables bear interest at fixed rates while the Notes will bear interest at floating rates based on 1-month Euribor, 1-month Libor or Sonia. 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 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.

**3. Directors and their interests**

The Directors who held office on December 31, 2020 did not hold any shares in the Company or in any group company at that date, or during the financial year. There were no contracts of any significance in relation to the business of the Company in which the Directors had any interest, at any time during the year.

# **Silver Arrow S.A.**

## **Director's report**

### **For the year ended December 31, 2020**

#### **4. Corporate Governance Statement**

##### *Introduction*

The Company is subject to and complies with the Commercial Law of Luxembourg, the Securitization Law, the Law of Transparency and the Listing Rules of the Luxembourg Stock Exchange. The Company does not apply additional requirements in addition to those required by the above.

The Company has no employees. Corporate and domiciliation services are provided by Intertrust, a regulated service provider, which is supervised by the CSSF.

Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

##### *Financial Reporting Process*

The Board of Directors (the "Board") is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Corporate Service Provider, Intertrust, to maintain the accounting records of the Company independently of the Arranger and the Custodian.

For services provided by the Corporate Service Provider, the four eyes principle is established. The Corporate Service Provider is contractually obliged to maintain proper books and records as required by the service agreement. To that end the Corporate Service Provider performs reconciliations of its records to those of the Arranger and the Custodian. The Corporate Service Provider is also contractually obliged to prepare for review and approval by the Board the Annual Accounts providing a true and fair view of the financial situation of the Company. The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the external auditor's performance, qualifications and independence. The Corporate Service Provider has operating responsibility for internal control in relation to the financial reporting process.

##### *Risk Management and Internal Control*

The Board of Directors has overall responsibility for the Company's system of internal control and risk management, incident to the day-to-day control of the Company's business, the internal control and the preparation of the annual accounts.

The Company has an embedded risk management and reporting process which ensures that risks are identified, assessed and mitigated at an executive level and reported to the Board of Directors.

The results of risk management activities are consolidated and reviewed by the Board of Directors on an annual basis.

The system of internal control is designed to manage the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company's systems of internal control ensure key risks are managed through:

- The management structure with delegated authority levels, segregation of duties, functional reporting lines and accountability;
- Authorisation processes for all capital expenditure, other purchases and expenses are subject to appropriate authorisation procedures;

# **Silver Arrow S.A.**

## Director's report

### For the year ended December 31, 2020

#### **4. Corporate Governance Statement (continued)**

- Formal reporting to the Board of Directors on specific areas of financial and operational risk.

The Board of Directors conducts reviews of the risk management process and system of internal controls. To achieve this, the Board of Directors receives regular updates on key risks and control priorities such as business controls, business continuity planning, tone at the top and anti-fraud procedures. The Board of Directors reviews the results of all internal and external audits performed over systems of internal controls and tracks management's response to any identified control issues.

The effectiveness of the system of internal control and risk management process is reviewed annually by the Board.

#### *Rules governing the appointment and replacement of Board Members*

The Company is managed by a Board of Directors comprising of at least three members. The Directors are appointed by the General Meeting of Shareholders for a period not exceeding six years and are re-eligible. They may be removed at any time by a resolution of the general meeting of shareholders. A Director will remain in function until his successor has been appointed. In case a Director is elected without mention of the term of his mandate, he is deemed to be elected for six years from the date of his election. In the event of vacancy of a member of the Board of Directors because of death, retirement, or otherwise, the remaining Directors thus appointed may meet and elect, by majority vote, a Director to fill such vacancy until the next general meeting of shareholders which will be asked to ratify such election.

#### *Amendment of Articles of associations*

Follows the legal requirements in Luxembourg.

#### *General powers of the Board of Directors*

The Board of Directors is vested with the broadest powers to perform all acts of administration and disposition in the Company's interests. All powers not expressly reserved by law to the general meeting of shareholders fall within the competence of the Board of Directors. The Board of Directors is authorised to transfer, assign and dispose of the assets of the Company in accordance with the Securitisation Law and in such manner as the Board of Directors deems appropriate as well as, for the avoidance of doubt, in accordance with the terms and conditions of the securities issued by the Company in the context of the securitisation of the relevant assets.

It is not foreseen to buy back any issued shares.

#### *Voting rights*

Each issued share holds one vote in a meeting of shareholders. No special voting rights exist.

The Company is managed by Board of Directors composed of three members, represented by:

- Luigi Maula, Director since August 14, 2018
- Claudio Chirco, Director since May 5, 2020
- Jurate Misonyte, Director since May 6, 2021
- Sean Barrett, Director until May 5, 2021
- Riccardo Incani, Director until May 5, 2020
- Jeremiah Daniel O'Donoghue, Director from January 15, 2019 to May 5, 2020

The current Board of Directors were appointed on the General Meeting of Shareholders of the Company after resignation of the prior Board of Directors.

**Silver Arrow S.A.**  
**Director's report**  
**For the year ended December 31, 2020**

**5. Shares and shareholders**

The fully-paid subscribed capital amounts to EUR 31,000 which is divided into 3,100 ordinary shares in registered form with a nominal value of EUR 10 each. Stichting Bertdan and Stichting Cannelle each hold 1,550 shares of the Company.

The shares may be represented, at the owner's option, by certificates representing single shares or certificates representing two or more shares.

**6. Subsequent events**

Subsequent to the year end, on March 2, 2021 Compartment 13 was created for the purpose of securitizing a portfolio of auto loans.

Subsequent to the year end, on April 1, 2021 Compartment UK 2021-1 was created for the purpose of securitizing a portfolio of auto loans.

No other events occurred subsequent to December 31, 2020 that would have material impact on these annual accounts.

**7. Coronavirus disease (COVID-19)**

In the first months of 2020, a pandemic of coronavirus disease (COVID-19) around the world, has led to numerous cases causing an economic instability. The detailed analysis of its impact on the business of Silver Arrow as well as the description of overall situation on the market is provided in Note 24 to the annual accounts at hand.

**8. Audit Committee**

The Company has not established an Audit Committee.

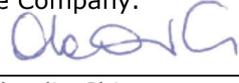
The sole business of the Company relates to the issuing of asset-backed securities. The Company also enters into certain derivatives to hedge out interest rate and currency risk exposures arising between asset and liability mismatches.

Under the Art.52 5 c) of the Law of 23 July 2016 on Audit Profession as amended, such a Company may avail itself of an exemption from the requirement to establish an audit committee.

Given the limited recourse nature of the securities issued by the Company and the independency of all the Directors, the Board of Directors has concluded that there is currently no need for the Company to have a separate audit committee in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Accordingly, the Board of Directors resolved to apply according to Art. 52 5 c) of the Law of 23 July 2016 on Audit Profession the exemption from the requirements to set up an audit committee, as it acts as issuer of asset-backed securities as defined in point (5) of Article 2 of Commission Regulation (EC) No 809/2004, which is deemed appropriate given the defined business activities of the Company.

**9. Statement of Director's responsibilities**

To the best of our knowledge, and in accordance with the applicable reporting principles, the Annual Accounts give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the Director's report and the Corporate Governance Declaration include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

 _____ Luigi Maula Director	 _____ Claudio Chirco Director	 _____ Jurate Misonyte Director
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To the Shareholder of  
Silver Arrow S.A.  
6, rue Eugene Ruppert  
L-2453 Luxembourg

## **REPORT OF THE REVISEUR D'ENTREPRISES AGREE**

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

#### ***Opinion***

We have audited the annual accounts of Silver Arrow S.A. (the "Company"), which comprise the balance sheet as at 31 December 2020, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of 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.

#### ***Basis for Opinion***

We conducted our audit in accordance with the EU Regulation N° 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 N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also 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, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***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 the 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.



### **Completeness, existence and accuracy of Company's Financial Assets (Other loans)**

#### ***a) Why the matter was considered to be one of most significance in our audit of the annual accounts for the year ended 31 December 2020***

As at 31 December 2020, "Other loans" amount to EUR 4,370 million, representing collectively 98% of total assets of the Company.

Financial assets classified as "Other loans" are composed of portfolio of lease receivables which are measured at acquisition cost less any provision for value adjustments and write-offs.

The Company acquired its portfolio of lease receivables from Mercedes-Benz Bank AG (hereafter "MBB") and Mercedes-Benz Financial Services UK Limited (hereafter "MBFS") and the same counterparties also act as servicers of the acquired lease receivables with the purpose of collecting principal and interests.

The collection of principals and interests is reported by the servicer to the Company through a monthly investor report. The servicer also reports additional purchases of lease receivables and defaults, if any, in the monthly investor report.

Due to the significance of "Other loans" balance and the fact that servicing of lease receivables is outsourced by the Company, we consider completeness, existence and accuracy of Company's financial assets as a key audit matter.

We refer to the accounting policies in Note 2 "Significant accounting policies" and Note 4 "Financial Assets" to the annual accounts.

#### ***b) How the matter was addressed in our audit***

As the Company acquired lease receivables from MBB and MBFS, who also acts as servicers of lease receivables, we involved KPMG Germany and KPMG UK respectively to assist us in our audit of the Company.

Our procedures over completeness, existence and accuracy of Company's Financial Assets (Other loans) included but were not limited to:

- We obtained understanding of credit underwriting and loan origination process through inquiries made by KPMG Germany and KPMG UK to the management of MBB and MBFS being the seller of the lease receivables and reviewing the related process documents of MBB and MBFS;
- We obtained the results of the work performed by KPMG Germany and KPMG UK in respect of tests of design and operating effectiveness of relevant controls over interest calculation, principal and interest collection;
- We performed a reconciliation of monthly purchases, collections and write-offs as reported in the monthly investor report with an amount recorded in the general ledger of the Company and investigated any difference;
- We obtained confirmations from MBB and MBFS for outstanding balances of lease receivables and investigated any difference;
- We reviewed the work performed by KPMG Germany and KPMG UK in respect of completeness, existence and accuracy of lease receivables and challenged them where deemed necessary.



### ***Other information***

The Board of Directors is responsible for the other information. The other information comprises the information stated in the management report and the Corporate Governance Statement but does not include the annual accounts and our report of the “réviseur d’entreprises agréé” thereon.

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

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report this fact. We have nothing to report in this regard.

### ***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.

### ***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 a report of “réviseur d’entreprises agréé” 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 N° 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 N° 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 skepticism 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 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 report of "réviseur d'entreprises agréé" 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 report of "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

We have been appointed as "réviseur d'entreprises agréé" by the Board of Directors on 31 July 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 8 years.

The management 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 management report. The information required by Article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the prohibited non-audit services referred to in the EU Regulation No 537/2014, on the audit profession were not provided and that we remain independent of the Company in conducting the audit.

Luxembourg, 30 June 2021

KPMG Luxembourg,  
Société coopérative  
Cabinet de révision agréé

A handwritten signature in blue ink, appearing to be 'F. Rouault', written over a faint horizontal line.

F. Rouault  
Partner

**Annual Accounts Helpdesk :**

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

RCSL Nr. : B111345

Matricule : 2005 2224 064

eCDF entry date :

**BALANCE SHEET**

**Financial year from** <sup>01</sup> 01/01/2020 **to** <sup>02</sup> 31/12/2020 (in <sup>03</sup> EUR )

Silver Arrow S.A.  
 6, rue Eugène Ruppert  
 L-2453 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>4.370.010.158,00</u>	110 <u>2.092.476.188,00</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

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Matricule: 2005 2224 064

	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	135 <b>4.370.010.158,00</b>	136 <b>2.092.476.188,00</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	145	146
6. Other loans	1147 <b>2,2,4</b>	147 <b>4.370.010.158,00</b>	148 <b>2.092.476.188,00</b>
<b>D. Current assets</b>	1151	151 <b>67.927.013,00</b>	152 <b>49.694.827,00</b>
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	163 <b>32.049.069,00</b>	164 <b>11.594.972,00</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 <b>9.918.525,00</b>	172 <b>4.945.776,00</b>
a) becoming due and payable within one year	1173 <b>5</b>	173 <b>9.918.525,00</b>	174 <b>4.945.776,00</b>
b) becoming due and payable after more than one year	1175	175	176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	178
a) becoming due and payable within one year	1179	179	180
b) becoming due and payable after more than one year	1181	181	182
4. Other debtors	1183	183 <b>22.130.544,00</b>	184 <b>6.649.196,00</b>
a) becoming due and payable within one year	1185 <b>5</b>	185 <b>22.130.544,00</b>	186 <b>6.649.196,00</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

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Matricule : 2005 2224 064

	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 _____ <u>6</u>	197 _____ <u>35.877.944,00</u>	198 _____ <u>38.099.855,00</u>
<b>E. Prepayments</b>	1199 _____	199 _____ <u>5.107,00</u>	200 _____ <u>30.942,00</u>
<b>TOTAL (ASSETS)</b>		201 _____ <u>4.437.942.278,00</u>	202 _____ <u>2.142.201.957,00</u>



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

RCSL Nr.: B111345

Matricule : 2005 2224 064

**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301 _____	301 <u>53.172,00</u>	302 <u>53.172,00</u>
I. Subscribed capital	1303 _____ 7	303 <u>31.000,00</u>	304 <u>31.000,00</u>
II. Share premium account	1305 _____ 8	305 <u>100.000,00</u>	306 <u>100.000,00</u>
III. Revaluation reserve	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____ 9	309 <u>3.100,00</u>	310 <u>3.100,00</u>
1. Legal reserve	1311 _____ 9	311 <u>3.100,00</u>	312 <u>3.100,00</u>
2. Reserve for own shares	1313 _____	313 _____	314 _____
3. Reserves provided for by the articles of association	1315 _____	315 _____	316 _____
4. Other reserves, including the fair value reserve	1429 _____	429 _____	430 _____
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 _____	434 _____
V. Profit or loss brought forward	1319 _____	319 <u>-80.928,00</u>	320 <u>-80.928,00</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>0,00</u>	322 <u>0,00</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
<b>B. Provisions</b>	1331 _____	331 _____	332 _____
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 _____	335 _____	336 _____
3. Other provisions	1337 _____	337 _____	338 _____
<b>C. Creditors</b>	1435 _____	435 <u>4.437.889.106,00</u>	436 <u>2.142.148.669,00</u>
1. Debenture loans	1437 _____ 10	437 <u>4.380.232.332,00</u>	438 <u>2.094.364.110,00</u>
a) Convertible loans	1439 _____	439 _____	440 _____
i) becoming due and payable within one year	1441 _____	441 _____	442 _____
ii) becoming due and payable after more than one year	1443 _____	443 _____	444 _____
b) Non convertible loans	1445 _____ 10	445 <u>4.380.232.332,00</u>	446 <u>2.094.364.110,00</u>
i) becoming due and payable within one year	1447 _____	447 <u>1.230.489,00</u>	448 <u>232.272,00</u>
ii) becoming due and payable after more than one year	1449 _____	449 <u>4.379.001.843,00</u>	450 <u>2.094.131.838,00</u>
2. Amounts owed to credit institutions	1355 _____	355 _____	356 _____
a) becoming due and payable within one year	1357 _____	357 _____	358 _____
b) becoming due and payable after more than one year	1359 _____	359 _____	360 _____

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

RCSL Nr.: B111345

Matricule : 2005 2224 064

	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 <u>159.968,00</u>	368 <u>161.230,00</u>
a) becoming due and payable within one year	1369 _____	369 <u>159.968,00</u>	370 <u>161.230,00</u>
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 <u>56.731.185,00</u>	380 <u>47.232.673,00</u>
a) becoming due and payable within one year	1381 _____	381 <u>21.070.753,00</u>	382 <u>25.634.690,00</u>
b) becoming due and payable after more than one year	1383 _____	383 <u>35.660.432,00</u>	384 <u>21.597.983,00</u>
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 <u>765.621,00</u>	452 <u>390.656,00</u>
a) Tax authorities	1393 _____	393 _____	394 _____
b) Social security authorities	1395 _____	395 _____	396 _____
c) Other creditors	1397 _____	397 <u>765.621,00</u>	398 <u>390.656,00</u>
i) becoming due and payable within one year	1399 _____	399 <u>765.621,00</u>	400 <u>390.656,00</u>
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
<b>D. Deferred income</b>	1403 _____	403 <u>0,00</u>	404 <u>116,00</u>
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>	405 _____	405 <u>4.437.942.278,00</u>	406 <u>2.142.201.957,00</u>

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

**Annual Accounts Helpdesk :**

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**Email** : centralebilans@statec.etat.lu

RCSL Nr. : B111345

Matricule : 2005 2224 064

eCDF entry date :

**PROFIT AND LOSS ACCOUNT**

**Financial year from** <sup>01</sup> 01/01/2020 **to** <sup>02</sup> 31/12/2020 (in <sup>03</sup> EUR )

Silver Arrow S.A.

6, rue Eugène Ruppert  
L-2453 Luxembourg

	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>-879.805,00</u>	672 <u>-555.111,00</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____ <u>15</u>	603 <u>-879.805,00</u>	604 <u>-555.111,00</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 _____	621 <u>-17.567,00</u>	622 <u>-37.642,00</u>




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

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Matricule: 2005 2224 064

	Reference(s)	Current year	Previous year
<b>9. Income from participating interests</b>	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721	721 <u>133.836.100,00</u>	722 <u>91.802.823,00</u>
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725 <u>16</u>	725 <u>133.836.100,00</u>	726 <u>91.802.823,00</u>
<b>11. Other interest receivable and similar income</b>	1727 <u>17</u>	727 <u>21.215.912,00</u>	728 <u>9.756.658,00</u>
a) derived from affiliated undertakings	1729	729 <u>10.401.690,00</u>	730 <u>2.044.830,00</u>
b) other interest and similar income	1731	731 <u>10.814.222,00</u>	732 <u>7.711.828,00</u>
<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 <u>18</u>	665 <u>-19.549.990,00</u>	666 <u>-8.025.229,00</u>
<b>14. Interest payable and similar expenses</b>	1627 <u>19</u>	627 <u>-134.601.202,00</u>	628 <u>-92.938.530,00</u>
a) concerning affiliated undertakings	1629	629 <u>-106.952.928,00</u>	630 <u>-73.281.560,00</u>
b) other interest and similar expenses	1631	631 <u>-27.648.274,00</u>	632 <u>-19.656.970,00</u>
<b>15. Tax on profit or loss</b>	1635	635	636
<b>16. Profit or loss after taxation</b>	1667	667 <u>3.448,00</u>	668 <u>2.969,00</u>
<b>17. Other taxes not shown under items 1 to 16</b>	1637 <u>14</u>	637 <u>-3.448,00</u>	638 <u>-2.969,00</u>
<b>18. Profit or loss for the financial year</b>	1669	669 <u>0,00</u>	670 <u>0,00</u>




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

**SILVER ARROW S.A.**  
**Notes to the Annual Accounts**  
**for the year ended December 31, 2020**

**1 General**

Silver Arrow S.A. (the "Company") is a Luxembourg limited liability company ("Société Anonyme") incorporated on October 21, 2005, which has the status of a securitization Company under the law of March 22, 2004 on securitization.

The registered office of the Company is established at 6, rue Eugène Ruppert, L-2453 Luxembourg.

The Company is registered with the trade and companies register of Luxembourg under number B 111 345.

The Company's financial year begins on January 1 and ends on December 31 of each year.

In accordance with the legal provisions in Title II of the Law of December 19, 2002, these annual accounts were presented on a non-consolidated basis for the approval of the shareholders during the Annual General Meeting.

The Company does not have any branches.

The Company's business purpose is the securitization, within the meaning of the Luxembourg law of March 22, 2004 on securitizations which shall apply to the Company, of receivables (the 'Permitted Assets'). The Company shall not actively source Permitted Assets but shall only securitize those Permitted Assets that are proposed to it by one or several originators.

The Board of Directors of the Company may, in accordance with the terms of the law of March 22, 2004 on securitization, and in particular its article 5, enter into one or more compartments within the Company. Each compartment of the Company shall be treated as a separate entity.

As at December 31, 2020, the Company has six active compartments (2019: four).

Compartment 7 ("Comp.7") has obtained financing from affiliated and non-affiliated undertakings, in the form of listed and non-listed notes and non-subordinated loans, to fund the purchase of auto loan receivables and maintenance of various cash reserves as required by the seller of lease receivables. The priority of payments describes the seniority of the Class A Noteholders, as the Comp. 7 Class A Notes are listed on the official list and are admitted to trading on the regulated market of the Luxembourg Stock Exchange. Class B Notes are not listed at any stock exchange (regulated or unregulated). As at November 15, 2019 the transaction terminated and the notes have been fully redeemed. Following the termination of the transaction, Board of Directors has liquidated the Compartment 7 on 16 December 2020.

**SILVER ARROW S.A.**  
**Notes to the Annual Accounts**  
**for the year ended December 31, 2020**

**1 General (continued)**

Compartment 8 ("Comp.8") has obtained financing from affiliated and non-affiliated undertakings, in the form of listed and non-listed notes and non-subordinated loans, to fund the purchase of auto loan receivables and maintenance of various cash reserves as required by the seller of lease receivables. The priority of payments describes the seniority of the Class A Noteholders, as the Comp. 8 Class A Notes are listed on the official list and are admitted to trading on the regulated market of the Luxembourg Stock Exchange. Class B Notes are not listed at any stock exchange (regulated or unregulated). As at October 15,2020, the transaction terminated and the notes have been fully redeemed. Following the termination of the transaction, the intention of the Board of Directors is to liquidate Compartment 8 during the year 2021.

Compartment 9 ("Comp.9") has obtained financing from affiliated and non-affiliated undertakings, in the form of listed and non-listed notes and non-subordinated loans, to fund the purchase of auto loan receivables and maintenance of various cash reserves as required by the seller of lease receivables. The priority of payments describes the seniority of the Class A Noteholders, as the Comp. 9 Class A Notes are listed on the official list and are admitted to trading on the regulated market of the Luxembourg Stock Exchange. Class B Notes are not listed at any stock exchange (regulated or unregulated).

Compartment 10 ("Comp.10") has obtained financing from affiliated and non-affiliated undertakings, in the form of listed and non-listed notes, to fund the purchase of auto loan receivables and maintenance of various cash reserves as required by the seller of lease receivables. The priority of payments describes the seniority of the Class A Noteholders, as the Comp. 10 Class A B, C and D Notes are listed on the official list and are admitted to trading on the regulated market of the Luxembourg Stock Exchange. Class Z Notes are not listed at any stock exchange (regulated or unregulated).

Compartment 11 ("Comp.11") has obtained financing from affiliated and non-affiliated undertakings, in the form of listed and non-listed notes and non-subordinated loans, to fund the purchase of auto loan receivables and maintenance of various cash reserves as required by the seller of lease receivables. The priority of payments describes the seniority of the Class A Noteholders, as the Comp. 11 Class A Notes are listed on the official list and are admitted to trading on the regulated market of the Luxembourg Stock Exchange. Class B Notes are not listed at any stock exchange (regulated or unregulated).

Compartment 12 ("Comp.12") has obtained financing from affiliated and non-affiliated undertakings, in the form of listed and non-listed notes and non-subordinated loans, to fund the purchase of auto loan receivables and maintenance of various cash reserves as required by the seller of lease receivables. The priority of payments describes the seniority of the Class A Noteholders, as the Comp. 12 Class A Notes are listed on the official list and are admitted to trading on the regulated market of the Luxembourg Stock Exchange. Class B Notes are not listed at any stock exchange (regulated or unregulated).

**SILVER ARROW S.A.**  
**Notes to the Annual Accounts**  
**for the year ended December 31, 2020**

**1 General (continued)**

Compartment UK 2017-1 ("Comp UK 2017-1") has obtained financing from affiliated and non-affiliated undertakings, in the form of listed and non-listed notes and non-subordinated loans, to fund the purchase of auto loan receivables and maintenance of various cash reserves as required by the seller of lease receivables. The priority of payments describes the seniority of the Class A Noteholders, as the Comp. UK 2017-1 Class A Notes are listed on the official list and are admitted to trading on the regulated market of the Luxembourg Stock Exchange. Class B Notes are not listed at any stock exchange (regulated or unregulated). As at October 21, 2019 the transaction terminated and the notes have been fully redeemed. Following the termination of the transaction, Board of Directors has liquidated the Compartment UK 2017-1 on 16 December 2020.

Compartment UK 2018-1 ("Comp UK 2018-1") has obtained financing from affiliated and non-affiliated undertakings, in the form of listed and non-listed notes and non-subordinated loans, to fund the purchase of auto loan receivables and maintenance of various cash reserves as required by the seller of lease receivables. The priority of payments describes the seniority of the Class A Noteholders, as the Comp. UK 2018-1 Class A Notes are listed on the official list and are admitted to trading on the regulated market of the Luxembourg Stock Exchange. Class B Notes are not listed at any stock exchange (regulated or unregulated). As at October 21, 2020, the transaction terminated and the notes have been fully redeemed. Following the termination of the transaction, the intention of the Board of Directors is to liquidate Compartment UK 2018-1 during the year 2021.

Compartment UK 2020-1 ("Comp UK 2020-1") has obtained financing from affiliated and non-affiliated undertakings, in the form of listed and non-listed notes and non-subordinated loans, to fund the purchase of auto loan receivables and maintenance of various cash reserves as required by the seller of lease receivables. The priority of payments describes the seniority of the Class A Noteholders, as the Comp. UK 2020-1 Class A Notes are listed on the official list and are admitted to trading on the regulated market of the Luxembourg Stock Exchange. Class B Notes are not listed at any stock exchange (regulated or unregulated).

Compartment UK 2020-2 ("Comp UK 2020-2") has obtained financing from affiliated and non-affiliated undertakings, in the form of listed and non-listed notes and non-subordinated loans, to fund the purchase of auto loan receivables and maintenance of various cash reserves as required by the seller of lease receivables. The priority of payments describes the seniority of the Class A Noteholders, as the Comp. UK 2020-2 Class A Notes are listed on the official list and are admitted to trading on the regulated market of the Luxembourg Stock Exchange. Class B Notes are not listed at any stock exchange (regulated or unregulated).

The Company is an "issuer" in accordance with the definition of article 1 Nr. 3 of the "Law on transparency requirements in relation to information about issuers whose securities are admitted to trading on regulated market" and has listed debt instruments on the Luxembourg Stock Exchange.

**SILVER ARROW S.A.**  
**Notes to the Annual Accounts**  
**for the year ended December 31, 2020**

## **2 Significant Accounting Policies**

### **2.1 Basis of presentation**

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements on a going concern basis and under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the amended Law of December 19, 2002, determined and applied by the Board of Directors.

The provisions of the law of December 18, 2015 on the annual accounts and consolidated accounts and the grand-ducal regulation of December 18, 2015 on the layout of balance sheet and profit and loss accounts, amending the law of December 19, 2002 have been transposed in the annual accounts.

As from the year 2020, the new Chart of accounts ("PCN 2020") has been adopted, the annual accounts at hand were prepared and presented according to renewed requirements related to PCN 2020 adoption. This had, however, no significant impact whether on Balance sheet or on Profit and Loss account presentation.

### **2.2 Financial assets**

Financial assets classified as other loans are composed of portfolio of lease receivables acquired from Mercedes-Benz Bank AG (MBB) as originator and seller of these lease receivables of compartment 8, 9, 10, 11 and 12 from Mercedes-Benz Financial Services UK Limited (MBFS UK) as originator and seller of compartment UK 2018-1, UK 2020-01 and UK 2020-02.

Other loans are stated at acquisition cost less any provision for value adjustments and write-offs, where, in the opinion of the Directors the recovery of the underlying receivable is considered doubtful.

Acute risks relating to receivables are covered by individual value adjustments. Individual value adjustments are recorded when the expected future cash flows are lower than the value of receivables. Collective value adjustments for latent risks are recognized through homogeneous pools on the basis of historical and solvency related risk parameters. This kind of value adjustment (collective value adjustment) takes into account the fact that there are loss events in the portfolio before they are detected. The collective value adjustment is calculated for all receivables for which no individual value adjustment has been recognized.

**SILVER ARROW S.A.**  
**Notes to the Annual Accounts**  
**for the year ended December 31, 2020**

## **2 Significant Accounting Policies (continued)**

### **2.2 Financial assets (continued)**

The collective value adjustment is calculated on the relevant contract by applying the probability of default upon the period between the occurrence and the recognition of the event of default. The expected loss is determined and assigned as collective value adjustments to the individual contracts.

### **2.3 Foreign currency translation**

The Company maintains its accounts in Euro (EUR) and the annual accounts are expressed in that currency.

Assets and liabilities expressed in a currency other than EUR are converted into EUR at the rate of exchange ruling at the balance sheet date. Income and charges in foreign currency are converted into EUR at the rate of exchange ruling on the date of the transaction.

### **2.4 Final success fee payable**

The final success fee is calculated in accordance with the offering circular as an amount equal to the available funds less amounts necessary to service the Notes and certain expenses. The fees are paid to MBB for compartment 9, 10, 11 and 12 to MBFS UK for compartment UK 2020-1 and UK 2020-2 on a monthly basis and are accounted for as an expense.

### **2.5 General Reserve**

The general cash reserve account (General Reserve) forms part of the available distribution amount and provides protection against shortfalls in the amounts required to pay in respect of interest, principal and other payment obligations in accordance with the priority of payments.

The amounts standing to the credit of the General Reserve account over time will serve as liquidity for the Class A Compartment 9, 10, 11, 12, UK 2020-1 and UK 2020-2 notes and classes A, B, C and D for Compartment 10 throughout the life of the transaction and will eventually serve as credit enhancement to the Compartment 9, 10, 11, 12, UK 2020-1 and UK 2020-2 Notes.

**SILVER ARROW S.A.**  
**Notes to the Annual Accounts**  
**for the year ended December 31, 2020**

**2 Significant Accounting Policies (continued)**

**2.6 Cash excess to servicer**

Gains during the year as a result from sales, interest and other financial income under specific conditions, may cause an excess spread. Such amount is due to the seller of lease receivables in order of the priority of payments and shown under the Cash excess to servicer.

**2.7 Off-balance sheet transactions**

Interest rate swaps entered into as hedging instruments against interest rate fluctuations are reported off balance sheet at nominal value. Interest income and expense arising from these agreements are recorded on an accrual basis.

The fair value of swaps at year end, determining the price that would be received to sell the related asset or paid to transfer the related liability, is obtained from MBB and regular reconciliation of fair values with the swap counterparty is performed by MBB for Compartment 9, 10, 11, 12 and by MBFS UK for compartment UK-2020-1 and UK-2020-2. The fair value of swaps are reviewed and approved by the Board of Directors.

The fair values of swaps are disclosed in "Off-balance sheet" Note 21 to the Annual Accounts.

**3 Balance sheet and Profit and Loss Account per Compartment**

As the Company has multiple Compartments, the Balance sheet and Profit and Loss Account are broken down per Compartment and presented in a form of Balance sheet and Profit and Loss Account representing each single Compartment active as at December 31, 2020 as well as those which were liquidated during the financial year ending December 31, 2020.

**SILVER ARROW S.A.**  
**Notes to the Annual Accounts**  
**for the year ended December 31, 2020**

<b>BALANCE SHEET - PER COMPARTMENT AS AT DECEMBER 31, 2020</b>					
<b>ASSETS (In EUR)</b>	<b>Capital Comp.</b>	<b>Comp. 8</b>	<b>Comp. 9</b>	<b>Comp. 10</b>	<b>Comp. 11</b>
<b>C. Fixed assets</b>	<b>0.00</b>	<b>0.00</b>	<b>211,584,667.00</b>	<b>645,171,944.00</b>	<b>1,491,537,543.00</b>
<b>III. Financial assets</b>	<b>0.00</b>	<b>0.00</b>	<b>211,584,667.00</b>	<b>645,171,944.00</b>	<b>1,491,537,543.00</b>
6. Other loans	0.00	0.00	211,584,667.00	645,171,944.00	1,491,537,543.00
<b>D. Current assets</b>	<b>171,058.00</b>	<b>192,660.00</b>	<b>6,652,374.00</b>	<b>8,238,878.00</b>	<b>18,982,666.00</b>
<b>II. Debtors</b>	<b>142,654.00</b>	<b>105,128.00</b>	<b>2,617,374.00</b>	<b>1,863,878.00</b>	<b>9,532,666.00</b>
<b>2. Amounts owed by affiliated undertakings</b>	<b>489,227.00</b>	<b>0.00</b>	<b>1,968,850.00</b>	<b>0.00</b>	<b>5,287,073.00</b>
a) becoming due and payable within one year	489,227.00	0.00	1,968,850.00	0.00	5,287,073.00
<b>3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests</b>	<b>(353,006.00)</b>	<b>105,128.00</b>	<b>98,623.00</b>	<b>57,091.00</b>	<b>2,506.00</b>
a) becoming due and payable within one year	(353,006.00)	105,128.00	98,623.00	57,091.00	2,506.00
<b>4. Other debtors</b>	<b>6,433.00</b>	<b>0.00</b>	<b>549,901.00</b>	<b>1,806,787.00</b>	<b>4,243,087.00</b>
a) becoming due and payable within one year	6,433.00	0.00	549,901.00	1,806,787.00	4,243,087.00
<b>IV. Cash at bank and at hand</b>	<b>28,404.00</b>	<b>87,532.00</b>	<b>4,035,000.00</b>	<b>6,375,000.00</b>	<b>9,450,000.00</b>
<b>E. Prepayment</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL ASSETS</b>	<b>171,058.00</b>	<b>192,660.00</b>	<b>218,237,041.00</b>	<b>653,410,822.00</b>	<b>1,510,520,209.00</b>

<b>CAPITAL, RESERVES AND LIABILITIES (In EUR)</b>	<b>Capital Comp.</b>	<b>Comp. 8</b>	<b>Comp. 9</b>	<b>Comp. 10</b>	<b>Comp. 11</b>
<b>A. Capital and reserves</b>	<b>53,172.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
I. Subscribed capital	31,000.00	0.00	0.00	0.00	0.00
II. Share premium capital	100,000.00	0.00	0.00	0.00	0.00
<b>IV. Reserves</b>	<b>3,100.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
1. Legal reserve	3,100.00	0.00	0.00	0.00	0.00
V. Profit or loss brought forward	(80,928.00)	0.00	0.00	0.00	0.00
VI. Profit or loss for the financial year	0.00	0.00	0.00	0.00	0.00
<b>C. Creditors</b>	<b>117,886.00</b>	<b>192,660.00</b>	<b>218,237,041.00</b>	<b>653,410,822.00</b>	<b>1,510,520,209.00</b>
<b>1. Debenture Loans</b>	<b>0.00</b>	<b>0.00</b>	<b>213,828,006.00</b>	<b>642,581,639.00</b>	<b>1,498,361,972.00</b>
<b>b) Non convertible loans</b>	<b>0.00</b>	<b>0.00</b>	<b>213,828,006.00</b>	<b>642,581,639.00</b>	<b>1,498,361,972.00</b>
i) becoming due and payable within one year	0.00	0.00	26,680.00	21,017.00	160,481.00
ii) becoming due and payable after more than one year	0.00	0.00	213,801,326.00	642,560,622.00	1,498,201,491.00
<b>4. Trade creditors</b>	<b>117,886.00</b>	<b>700.00</b>	<b>7,035.00</b>	<b>1,003.00</b>	<b>0.00</b>
a) becoming due and payable within one year	117,886.00	700.00	7,035.00	1,003.00	0.00
<b>6. Amounts owed to affiliated undertakings</b>	<b>0.00</b>	<b>191,960.00</b>	<b>4,360,848.00</b>	<b>10,660,079.00</b>	<b>11,803,361.00</b>
a) becoming due and payable within one year	0.00	191,960.00	325,848.00	4,285,079.00	2,353,361.00
b) becoming due and payable after more than one year	0.00	0.00	4,035,000.00	6,375,000.00	9,450,000.00
<b>8. Other creditors</b>	<b>0.00</b>	<b>0.00</b>	<b>41,152.00</b>	<b>168,101.00</b>	<b>354,876.00</b>
i) becoming due and payable within one year	0.00	0.00	41,152.00	168,101.00	354,876.00
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>	<b>171,058.00</b>	<b>192,660.00</b>	<b>218,237,041.00</b>	<b>653,410,822.00</b>	<b>1,510,520,209.00</b>

# SILVER ARROW S.A.

## Notes to the Annual Accounts

### for the year ended December 31, 2020

<b>BALANCE SHEET - PER COMPARTMENT AS AT DECEMBER 31, 2020</b>					
<b>ASSETS (In EUR)</b>	<b>Comp. 12</b>	<b>Comp. UK 2018-1</b>	<b>Comp. UK 2020-1</b>	<b>Comp. UK 2020-2</b>	<b>Total</b>
<b>C. Fixed assets</b>	<b>730,610,203.00</b>	<b>0.00</b>	<b>539,185,018.00</b>	<b>751,920,783.00</b>	<b>4,370,010,158.00</b>
<b>III. Financial assets</b>	<b>730,610,203.00</b>	<b>0.00</b>	<b>539,185,018.00</b>	<b>751,920,783.00</b>	<b>4,370,010,158.00</b>
6. Other loans	730,610,203.00	0.00	539,185,018.00	51,920,783.00	4,370,010,158.00
<b>D. Current assets</b>	<b>7,864,175.00</b>	<b>187,071.00</b>	<b>8,952,080.00</b>	<b>16,686,051.00</b>	<b>67,927,013.00</b>
<b>II. Debtors</b>	<b>4,114,175.00</b>	<b>87,151.00</b>	<b>2,916,097.00</b>	<b>10,669,946.00</b>	<b>32,049,069.00</b>
<b>2. Amounts owed by affiliated undertakings</b>	<b>2,173,375.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>9,918,525.00</b>
a) becoming due and payable within one year	2,173,375.00	0.00	0.00	0.00	9,918,525.00
<b>3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests</b>	<b>0.00</b>	<b>87,151.00</b>	<b>2,507.00</b>	<b>0.00</b>	<b>0.00</b>
a) becoming due and payable within one year	0.00	87,151.00	2,507.00	0.00	0.00
<b>4. Other debtors</b>	<b>1,940,800.00</b>	<b>0.00</b>	<b>2,913,590.00</b>	<b>10,669,946.00</b>	<b>22,130,544.00</b>
a) becoming due and payable within one year	1,940,800.00	0.00	2,913,590.00	10,669,946.00	22,130,544.00
<b>IV. Cash at bank and at hand</b>	<b>3,750,000.00</b>	<b>99,920.00</b>	<b>6,035,983.00</b>	<b>6,016,105.00</b>	<b>35,877,944.00</b>
<b>E. Prepayment</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,107.00</b>	<b>5,107.00</b>
<b>TOTAL ASSETS</b>	<b>738,474,378.00</b>	<b>187,071.00</b>	<b>548,137,098.00</b>	<b>768,611,941.00</b>	<b>4,437,942,278.00</b>

<b>CAPITAL, RESERVES AND LIABILITIES (In EUR)</b>	<b>Comp. 12</b>	<b>Comp. UK 2018-1</b>	<b>Comp. UK 2020-1</b>	<b>Comp. UK 2020-2</b>	<b>Total</b>
<b>A. Capital and reserves</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>53,172.00</b>
I. Subscribed capital	0.00	0.00	0.00	0.00	31,000.00
II. Share premium capital	0.00	0.00	0.00	0.00	100,000.00
<b>IV. Reserves</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,100.00</b>
1. Legal reserve	0.00	0.00	0.00	0.00	3,100.00
V. Profit or loss brought forward	0.00	0.00	0.00	0.00	(80,928.00)
VI. Profit or loss for the financial year	0.00	0.00	0.00	0.00	0.00
<b>C. Creditors</b>	<b>738,474,378.00</b>	<b>187,071.00</b>	<b>548,137,098.00</b>	<b>768,611,941.00</b>	<b>4,437,889,106.00</b>
<b>1. Debenture Loans</b>	<b>733,407,396.00</b>	<b>0.00</b>	<b>539,435,625.00</b>	<b>752,617,694.00</b>	<b>4,380,232,332.00</b>
<b>b) Non convertible loans</b>	<b>733,407,396.00</b>	<b>0.00</b>	<b>539,435,625.00</b>	<b>752,617,694.00</b>	<b>4,380,232,332.00</b>
i) becoming due and payable within one year	75,524.00	0.00	250,608.00	696,179.00	1,230,489.00
ii) becoming due and payable after more than one year	733,331,872.00	0.00	539,185,017.00	751,921,515.00	4,379,001,843.00
<b>4. Trade creditors</b>	<b>0.00</b>	<b>2,682.00</b>	<b>2,448.00</b>	<b>28,214.00</b>	<b>159,968.00</b>
a) becoming due and payable within one year	0.00	2,682.00	2,448.00	28,214.00	159,968.00
<b>6. Amounts owed to affiliated undertakings</b>	<b>4,891,328.00</b>	<b>184,389.00</b>	<b>8,678,563.00</b>	<b>15,960,657.00</b>	<b>56,731,185.00</b>
a) becoming due and payable within one year	1,141,328.00	184,389.00	2,643,503.00	9,945,285.00	21,070,753.00
b) becoming due and payable after more than one year	3,750,000.00	0.00	6,035,060.00	6,015,372.00	35,660,432.00
<b>8. Other creditors</b>	<b>175,654.00</b>	<b>0.00</b>	<b>20,462.00</b>	<b>5,376.00</b>	<b>765,621.00</b>
i) becoming due and payable within one year	175,654.00	0.00	20,462.00	5,376.00	765,621.00
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>	<b>738,474,378.00</b>	<b>187,071.00</b>	<b>548,137,098.00</b>	<b>768,611,941.00</b>	<b>4,437,942,278.00</b>

**SILVER ARROW S.A.**  
**Notes to the Annual Accounts**  
**for the year ended December 31, 2020**

<b>BALANCE SHEET - PER COMPARTMENT AS AT DECEMBER 31, 2019</b>				
<b>ASSETS (In EUR)</b>	<b>Capital Comp.</b>	<b>Comp. 7</b>	<b>Comp. 8</b>	<b>Comp. 9</b>
<b>C. Fixed assets</b>	<b>0.00</b>	<b>0.00</b>	<b>301,534,357.00</b>	<b>425,063,091.00</b>
<b>III. Financial assets</b>	<b>0.00</b>	<b>0.00</b>	<b>301,534,357.00</b>	<b>425,063,091.00</b>
6. Other loans	0.00	0.00	301,534,357.00	425,063,091.00
<b>D. Current assets</b>	<b>197,853.00</b>	<b>47,819.00</b>	<b>9,263,148.00</b>	<b>7,325,103.00</b>
<b>II. Debtors</b>	<b>151,270.00</b>	<b>47,819.00</b>	<b>3,303,148.00</b>	<b>3,290,103.00</b>
<b>2. Amounts owed by affiliated undertakings</b>	<b>374,798.00</b>	<b>0.00</b>	<b>2,449,875.00</b>	<b>2,121,103.00</b>
a) becoming due and payable within one year	374,798.00	0.00	2,449,875.00	2,121,103.00
<b>3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests</b>	<b>(224,041.00)</b>	<b>47,819.00</b>	<b>50,483.00</b>	<b>41,533.00</b>
a) becoming due and payable within one year	(224,041.00)	47,819.00	50,483.00	41,533.00
<b>4. Other debtors</b>	<b>513.00</b>	<b>0.00</b>	<b>802,790.00</b>	<b>1,127,467.00</b>
a) becoming due and payable within one year	513.00	0.00	802,790.00	1,127,467.00
<b>IV. Cash at bank and at hand</b>	<b>46,583.00</b>	<b>0.00</b>	<b>5,960,000.00</b>	<b>4,035,000.00</b>
<b>E. Prepayment</b>	<b>0.00</b>	<b>0.00</b>	<b>9,252.00</b>	<b>10,108.00</b>
<b>TOTAL ASSETS</b>	<b>197,853.00</b>	<b>47,819.00</b>	<b>310,806,757.00</b>	<b>432,398,302.00</b>

<b>CAPITAL, RESERVES AND LIABILITIES (In EUR)</b>	<b>Capital Comp.</b>	<b>Comp. 7</b>	<b>Comp. 8</b>	<b>Comp. 9</b>
<b>A. Capital and reserves</b>	<b>53,172.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
I. Subscribed capital	31,000.00	0.00	0.00	0.00
II. Share premium capital	100,000.00	0.00	0.00	0.00
<b>IV. Reserves</b>	<b>3,100.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
1. Legal reserve	3,100.00	0.00	0.00	0.00
V. Profit or loss brought forward	(80,928.00)	0.00	0.00	0.00
<b>C. Creditors</b>	<b>144,681.00</b>	<b>47,819.00</b>	<b>310,806,757.00</b>	<b>432,398,302.00</b>
<b>1. Debenture Loans</b>	<b>0.00</b>	<b>0.00</b>	<b>304,329,132.00</b>	<b>427,609,383.00</b>
<b>b) Non convertible loans</b>	<b>0.00</b>	<b>0.00</b>	<b>304,329,132.00</b>	<b>427,609,383.00</b>
i) becoming due and payable within one year	0.00	0.00	37,110.00	25,110.00
ii) becoming due and payable after more than one year	0.00	0.00	304,292,022.00	427,584,273.00
<b>4. Trade creditors</b>	<b>144,681.00</b>	<b>1,555.00</b>	<b>4,146.00</b>	<b>4,000.00</b>
a) becoming due and payable within one year	144,681.00	1,555.00	4,146.00	4,000.00
<b>6. Amounts owed to affiliated undertakings</b>	<b>0.00</b>	<b>46,264.00</b>	<b>6,421,087.00</b>	<b>4,706,543.00</b>
a) becoming due and payable within one year	0.00	46,264.00	461,087.00	671,543.00
b) becoming due and payable after more than one year	0.00	0.00	5,960,000.00	4,035,000.00
<b>8. Other creditors</b>	<b>0.00</b>	<b>0.00</b>	<b>52,392.00</b>	<b>78,376.00</b>
i) becoming due and payable within one year	0.00	0.00	52,392.00	78,376.00
<b>D. Deferred income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>	<b>197,853.00</b>	<b>47,819.00</b>	<b>310,806,757.00</b>	<b>432,398,302.00</b>

**SILVER ARROW S.A.**  
**Notes to the Annual Accounts**  
**for the year ended December 31, 2020**

<b>BALANCE SHEET - PER COMPARTMENT AS AT DECEMBER 31, 2019</b>				
<b>ASSETS (In EUR)</b>	<b>Comp. 10</b>	<b>Comp. UK 2017-1</b>	<b>Comp. UK 2018-1</b>	<b>Total</b>
<b>C. Fixed assets</b>	<b>1,044,813,272.00</b>	<b>0.00</b>	<b>321,065,468.00</b>	<b>2,092,476,188.00</b>
<b>III. Financial assets</b>	<b>1,044,813,272.00</b>	<b>0.00</b>	<b>321,065,468.00</b>	<b>2,092,476,188.00</b>
6. Other loans	1,044,813,272.00	0.00	321,065,468.00	2,092,476,188.00
<b>D. Current assets</b>	<b>9,327,444.00</b>	<b>165,039.00</b>	<b>23,368,421.00</b>	<b>49,694,827.00</b>
<b>II. Debtors</b>	<b>2,952,444.00</b>	<b>51,695.00</b>	<b>1,798,493.00</b>	<b>11,594,972.00</b>
<b>2. Amounts owed by affiliated undertakings</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4,945,776.00</b>
a) becoming due and payable within one year	0.00	0.00	0.00	4,945,776.00
<b>3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests</b>	<b>0.00</b>	<b>51,695.00</b>	<b>32,511.00</b>	<b>0.00</b>
a) becoming due and payable within one year	0.00	51,695.00	32,511.00	0.00
<b>4. Other debtors</b>	<b>2,952,444.00</b>	<b>0.00</b>	<b>1,765,982.00</b>	<b>6,649,196.00</b>
a) becoming due and payable within one year	2,952,444.00	0.00	1,765,982.00	6,649,196.00
<b>IV. Cash at bank and at hand</b>	<b>6,375,000.00</b>	<b>113,344.00</b>	<b>21,569,928.00</b>	<b>38,099,855.00</b>
<b>E. Prepayment</b>	<b>6,997.00</b>	<b>2,821.00</b>	<b>1,764.00</b>	<b>30,942.00</b>
<b>TOTAL ASSETS</b>	<b>1,054,147,713.00</b>	<b>167,860.00</b>	<b>344,435,653.00</b>	<b>2,142,201,957.00</b>

<b>CAPITAL, RESERVES AND LIABILITIES (In EUR)</b>	<b>Comp. 10</b>	<b>Comp. UK 2017-1</b>	<b>Comp. UK 2018-1</b>	<b>Total</b>
<b>A. Capital and reserves</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>53,172.00</b>
I. Subscribed capital	0.00	0.00	0.00	31,000.00
II. Share premium capital	0.00	0.00	0.00	100,000.00
<b>IV. Reserves</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,100.00</b>
1. Legal reserve	0.00	0.00	0.00	3,100.00
V. Profit or loss brought forward	0.00	0.00	0.00	(80,928.00)
<b>C. Creditors</b>	<b>1,054,147,713.00</b>	<b>167,860.00</b>	<b>344,435,537.00</b>	<b>2,142,148,669.00</b>
<b>1. Debenture Loans</b>	<b>1,041,411,985.00</b>	<b>0.00</b>	<b>321,013,610.00</b>	<b>2,094,364,110.00</b>
<b>b) Non convertible loans</b>	<b>1,041,411,985.00</b>	<b>0.00</b>	<b>321,013,610.00</b>	<b>2,094,364,110.00</b>
i) becoming due and payable within one year	38,407.00	0.00	131,645.00	232,272.00
ii) becoming due and payable after more than one year	1,041,373,578.00	0.00	320,881,965.00	2,094,131,838.00
<b>4. Trade creditors</b>	<b>719.00</b>	<b>2,398.00</b>	<b>3,731.00</b>	<b>161,230.00</b>
a) becoming due and payable within one year	719.00	2,398.00	3,731.00	161,230.00
<b>6. Amounts owed to affiliated undertakings</b>	<b>12,520,255.00</b>	<b>165,462.00</b>	<b>23,373,062.00</b>	<b>47,232,673.00</b>
a) becoming due and payable within one year	6,145,255.00	165,462.00	18,145,079.00	25,634,690.00
b) becoming due and payable after more than one year	6,375,000.00	0.00	5,227,983.00	21,597,983.00
<b>8. Other creditors</b>	<b>214,754.00</b>	<b>0.00</b>	<b>45,134.00</b>	<b>390,656.00</b>
i) becoming due and payable within one year	214,754.00	0.00	45,134.00	390,656.00
<b>D. Deferred income</b>	<b>0.00</b>	<b>0.00</b>	<b>116.00</b>	<b>116.00</b>
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>	<b>1,054,147,713.00</b>	<b>167,860.00</b>	<b>344,435,653.00</b>	<b>2,142,201,957.00</b>

**SILVER ARROW S.A.**  
**Notes to the Annual Accounts**  
**for the year ended December 31, 2020**

<b>PROFIT AND LOSS ACCOUNT - PER COMPARTMENT FOR THE YEAR ENDED DECEMBER 31, 2020</b>						
<b>In EUR</b>	<b>Capital Comp.</b>	<b>Comp. 7</b>	<b>Comp. 8</b>	<b>Comp. 9</b>	<b>Comp. 10</b>	<b>Comp. 11</b>
<b>5. Raw materials and consumables and other external expenses</b>	<b>(269,925.00)</b>	<b>(32,591.00)</b>	<b>(111,320.00)</b>	<b>(124,323.00)</b>	<b>(60,382.00)</b>	<b>(96,718.00)</b>
b) Other external expenses	(269,925.00)	(32,591.00)	(111,320.00)	(124,323.00)	(60,382.00)	(96,718.00)
<b>8. Other operating expenses</b>	<b>(17,567.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>10. Income from other investments and loans forming part of the fixed assets</b>	<b>0.00</b>	<b>0.00</b>	<b>4,823,083.00</b>	<b>9,288,330.00</b>	<b>25,395,084.00</b>	<b>35,834,993.00</b>
b) other income not included under a)	0.00	0.00	4,823,083.00	9,288,330.00	25,395,084.00	35,834,993.00
<b>11. Other interest receivable and similar income</b>	<b>290,940.00</b>	<b>32,591.00</b>	<b>295,156.00</b>	<b>648,707.00</b>	<b>5,414,968.00</b>	<b>9,939,575.00</b>
a) derived from affiliated undertakings	290,940.00	32,591.00	0.00	0.00	1,204,157.00	5,287,073.00
b) other interest and similar income	0.00	0.00	295,156.00	648,707.00	4,210,811.00	4,652,502.00
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	<b>0.00</b>	<b>0.00</b>	<b>2,848,502.00</b>	<b>450,263.00</b>	<b>(2,534,065.00)</b>	<b>(7,713,758.00)</b>
<b>14. Interest payable and similar expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>(7,855,421.00)</b>	<b>(10,262,977.00)</b>	<b>(28,215,605.00)</b>	<b>(37,964,092.00)</b>
a) concerning affiliated undertakings	0.00	0.00	(6,701,272.00)	(8,393,053.00)	(23,362,606.00)	(30,461,140.00)
b) other interest and similar expenses	0.00	0.00	(1,154,149.00)	(1,869,924.00)	(4,852,999.00)	(7,502,952.00)
<b>15. Tax on profit or loss</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>16. Profit or loss after taxation</b>	<b>3,448.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>17. Other taxes not shown under items 1 to 16</b>	<b>(3,448.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>18. Profit or loss for the financial year</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**SILVER ARROW S.A.**  
**Notes to the Annual Accounts**  
**for the year ended December 31, 2020**

<b>PROFIT AND LOSS ACCOUNT - PER COMPARTMENT FOR THE YEAR ENDED DECEMBER 31, 2020</b>						
<b>In EUR</b>	<b>Comp. 12</b>	<b>Comp. UK 2017-1</b>	<b>Comp. UK 2018-1</b>	<b>Comp. UK 2020-1</b>	<b>Comp. UK 2020-2</b>	<b>Total</b>
<b>5. Raw materials and consumables and other external expenses</b>	<b>(34,650.00)</b>	<b>(15,922.00)</b>	<b>(41,327.00)</b>	<b>(69,540.00)</b>	<b>(23,107.00)</b>	<b>(879,805.00)</b>
b) Other external expenses	(34,650.00)	(15,922.00)	(41,327.00)	(69,540.00)	(23,107.00)	(879,805.00)
<b>8. Other operating expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(17,567.00)</b>
<b>10. Income from other investments and loans forming part of the fixed assets</b>	<b>3,521,461.00</b>	<b>0.00</b>	<b>9,873,808.00</b>	<b>34,461,534.00</b>	<b>10,637,807.00</b>	<b>133,836,100.00</b>
b) other income not included under a)	3,521,461.00	0.00	9,873,808.00	34,461,534.00	10,637,807.00	133,836,100.00
<b>11. Other interest receivable and similar income</b>	<b>2,564,476.00</b>	<b>16,300.00</b>	<b>1,626,709.00</b>	<b>354,351.00</b>	<b>32,139.00</b>	<b>21,215,912.00</b>
a) derived from affiliated undertakings	2,173,375.00	16,300.00	1,397,254.00	0.00	0.00	10,401,690.00
b) other interest and similar income	391,101.00	0.00	229,455.00	354,351.00	32,139.00	10,814,222.00
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	<b>(2,746,784.00)</b>	<b>0.00</b>	<b>(4,582,090.00)</b>	<b>(5,272,058.00)</b>	<b>0.00</b>	<b>(19,549,990.00)</b>
<b>14. Interest payable and similar expenses</b>	<b>(3,304,503.00)</b>	<b>(378.00)</b>	<b>(6,877,100.00)</b>	<b>(29,474,287.00)</b>	<b>(10,646,839.00)</b>	<b>(134,601,202.00)</b>
a) concerning affiliated undertakings	(2,766,463.00)	0.00	(3,949,708.00)	(21,373,401.00)	(9,945,285.00)	(106,952,928.00)
b) other interest and similar expenses	(538,040.00)	(378.00)	(2,927,392.00)	(8,100,886.00)	(701,554.00)	(27,648,274.00)
<b>15. Tax on profit or loss</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>16. Profit or loss after taxation</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,448.00</b>
<b>17. Other taxes not shown under items 1 to 16</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(3,448.00)</b>
<b>18. Profit or loss for the financial year</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**SILVER ARROW S.A.**  
**Notes to the Annual Accounts**  
**for the year ended December 31, 2020**

<b>PROFIT AND LOSS ACCOUNT - PER COMPARTMENT FOR THE YEAR ENDED DECEMBER 31, 2019</b>					
<b>In EUR</b>	<b>Capital Comp.</b>	<b>Comp. 5</b>	<b>Comp. 6</b>	<b>Comp. 7</b>	<b>Comp. 8</b>
<b>5. Raw materials and consumables and other external expenses</b>	<b>(262,748.00)</b>	<b>6,841.00</b>	<b>2,747.00</b>	<b>(68,223.00)</b>	<b>(54,015.00)</b>
b) Other external expenses	(262,748.00)	6,841.00	2,747.00	(68,223.00)	(54,015.00)
<b>8. Other operating expenses</b>	<b>(35,133.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(2,509.00)</b>
<b>10. Income from other investments and loans forming part of the fixed assets</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,266,013.00</b>	<b>13,643,676.00</b>
b) other income not included under a)	0.00	0.00	0.00	5,266,013.00	13,643,676.00
<b>11. Other interest receivable and similar income</b>	<b>300,992.00</b>	<b>0.00</b>	<b>50,941.00</b>	<b>509,859.00</b>	<b>1,092,963.00</b>
a) derived from affiliated undertakings	300,992.00	0.00	50,941.00	0.00	0.00
b) other interest and similar income	0.00	0.00	0.00	509,859.00	1,092,963.00
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,693,941.00</b>	<b>218,237.00</b>
<b>14. Interest payable and similar expenses</b>	<b>(19.00)</b>	<b>(6,841.00)</b>	<b>(53,688.00)</b>	<b>(8,401,590.00)</b>	<b>(14,898,475.00)</b>
a) concerning affiliated undertakings	(19.00)	(6,841.00)	0.00	(7,189,204.00)	(12,324,703.00)
b) other interest and similar expenses	0.00	0.00	(53,688.00)	(1,212,386.00)	(2,573,772.00)
<b>15. Tax on profit or loss</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>16. Profit or loss after taxation</b>	<b>3,092.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(123.00)</b>
<b>17. Other taxes not shown under items 1 to 16</b>	<b>(3,092.00)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>123.00</b>
<b>18. Profit or loss for the financial year</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**SILVER ARROW S.A.**  
**Notes to the Annual Accounts**  
**for the year ended December 31, 2020**

<b>PROFIT AND LOSS ACCOUNT - PER COMPARTMENT FOR THE YEAR ENDED DECEMBER 31, 2019</b>					
<b>In EUR</b>	<b>Comp. 9</b>	<b>Comp. 10</b>	<b>Comp. UK 2017-1</b>	<b>Comp. UK 2018-1</b>	<b>Total</b>
<b>5. Raw materials and consumables and other external expenses</b>	<b>(22,817.00)</b>	<b>(77,041.00)</b>	<b>(17,292.00)</b>	<b>(62,563.00)</b>	<b>(555,111.00)</b>
b) Other external expenses	(22,817.00)	(77,041.00)	(17,292.00)	(62,563.00)	(555,111.00)
<b>8. Other operating expenses</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(37,642.00)</b>
<b>10. Income from other investments and loans forming part of the fixed assets</b>	<b>16,657,173.00</b>	<b>20,829,793.00</b>	<b>10,612,161.00</b>	<b>24,794,007.00</b>	<b>91,802,823.00</b>
b) other income not included under a)	16,657,173.00	20,829,793.00	10,612,161.00	24,794,007.00	91,802,823.00
<b>11. Other interest receivable and similar income</b>	<b>1,327,805.00</b>	<b>2,541,905.00</b>	<b>1,580,245.00</b>	<b>2,351,948.00</b>	<b>9,756,658.00</b>
a) derived from affiliated undertakings	101,048.00	0.00	1,147,537.00	444,312.00	2,044,830.00
b) other interest and similar income	1,226,757.00	2,541,905.00	432,708.00	1,907,636.00	7,711,828.00
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	<b>(2,247,471.00)</b>	<b>(3,477,793.00)</b>	<b>(1,543,828.00)</b>	<b>(3,668,315.00)</b>	<b>(8,025,229.00)</b>
<b>14. Interest payable and similar expenses</b>	<b>(15,714,690.00)</b>	<b>(19,816,864.00)</b>	<b>(10,631,286.00)</b>	<b>(23,415,077.00)</b>	<b>(92,938,530.00)</b>
a) concerning affiliated undertakings	(13,023,628.00)	(17,020,142.00)	(7,882,043.00)	(15,834,980.00)	(73,281,560.00)
b) other interest and similar expenses	(2,691,062.00)	(2,796,722.00)	(2,749,243.00)	(7,580,097.00)	(19,656,970.00)
<b>15. Tax on profit or loss</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>16. Profit or loss after taxation</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,969.00</b>
<b>17. Other taxes not shown under items 1 to 16</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(2,969.00)</b>
<b>18. Profit or loss for the financial year</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**SILVER ARROW S.A.**  
**Notes to the Annual Accounts**  
**for the year ended December 31, 2020**

**4 Financial assets**

Financial assets classified as Other Loans are composed of portfolio of lease receivables acquired from Mercedes-Benz Bank AG as originator and seller of these lease receivables of compartments 8, 9, 10, 11, 12 and portfolio of lease receivables acquired from Mercedes-Benz Financial Services UK Limited as originator and seller of these lease receivables of compartments UK 2018-1, UK 2020-1 and UK 2020-2. The Company used the net proceeds from the sale of the Notes to purchase a portfolio of auto loan receivables of Mercedes-Benz Bank AG and Mercedes-Benz Financial Services UK Limited. In return Mercedes-Benz Bank AG and Mercedes-Benz Financial Services UK Limited pay interest and principal collections on performing loan receivables.

The evolution of the Other loans for the year ended December 31, 2020 is as follows:

<b>In EUR</b>	<b>Comp. 8</b>	<b>Comp. 9</b>	<b>Comp. 10</b>	<b>Comp. 11</b>	<b>Comp. 12</b>	<b>Comp. UK 2018-1</b>	<b>Comp. UK 2020-1</b>	<b>Comp. UK 2020-2</b>	<b>2020 Combined</b>	<b>2019 Combined</b>
Opening balance	301,534,357	425,063,091	1,044,813,272	0	0	321,065,468	0	0	2,092,476,188	2,419,861,317
Purchases during the year	0	0	0	1,889,999,895	749,999,752	0	774,511,471	751,920,783	4,166,431,901	1,249,999,638
Actual cash collected	(301,489,338)	(210,971,463)	(394,099,122)	(390,465,759)	(16,642,279)	(310,383,532)	(228,687,658)	0	(1,852,739,151)	(1,554,832,729)
Receivables written off (note 18)	(2,802,684)	(2,811,484)	(4,713,835)	(1,332,645)	(25,601)	(10,681,936)	(6,638,795)	0	(29,006,980)	(22,484,104)
Value adjustment (note 18)	2,757,665	304,523	(828,371)	(6,663,948)	(2,721,669)	0	0	0	(7,151,800)	(67,934)
<b>Ending balance</b>	<b>0</b>	<b>211,584,667</b>	<b>645,171,944</b>	<b>1,491,537,543</b>	<b>730,610,203</b>	<b>0</b>	<b>539,185,018</b>	<b>751,920,783</b>	<b>4,370,010,158</b>	<b>2,092,476,188</b>

During the year 2020, EUR 29,006,980 (2019: 22,484,104) of defaulted receivables were written-off and EUR 16,608,790 (2019: EUR 14,526,808) was subsequently recovered on previously written-off receivables (refer to note 18).

**SILVER ARROW S.A.**  
**Notes to the Annual Accounts**  
**for the year ended December 31, 2020**

**5 Debtors**

As at December 31, 2020, the debtors are composed of:

In EUR	Capital Comp.	Comp. 9	Comp. 10	Comp. 11	Comp. 12	Comp. UK 2020-1	Comp. UK 2020-2	2020 Combined	2019 Combined
Cash excess to servicer**	489,227	1,968,850	0	5,287,073	2,173,375	0	0	9,918,525	4,945,776
<b>Amounts owed by affiliated undertakings within one year</b>	<b>489,227</b>	<b>1,968,850</b>	<b>0</b>	<b>5,287,073</b>	<b>2,173,375</b>	<b>0</b>	<b>0</b>	<b>9,918,525</b>	<b>4,945,776</b>
Accrued interest on interest rate swaps	0	18,095	149,743	314,136	182,315	4,844	32,139	701,272	331,090
Accrued interest on portfolio of auto Loan*	0	531,806	1,657,044	3,928,951	1,758,485	2,908,746	10,637,807	21,422,839	6,317,593
Tax and VAT receivables	6,433	0	0	0	0	0	0	6,433	513
<b>Other debtors becoming due and payable within one year</b>	<b>6,433</b>	<b>549,901</b>	<b>1,806,787</b>	<b>4,243,087</b>	<b>1,940,800</b>	<b>2,913,590</b>	<b>10,669,946</b>	<b>22,130,544</b>	<b>6,649,196</b>
<b>Total</b>	<b>495,660</b>	<b>2,518,751</b>	<b>1,806,787</b>	<b>9,530,160</b>	<b>4,114,175</b>	<b>2,913,590</b>	<b>10,669,946</b>	<b>32,049,069</b>	<b>11,594,972</b>

\* The interest receivable for last collection period of the year 2020 was collected by the servicing agent, and has been paid to the Company on the next interest payment date on January 15, 2021 for compartment 9, 10, 11, 12 and on January 20, 2021 for compartment UK 2020-01, and UK 2020-02.

\*\* The movement in cash excess to servicer for the year is presented as follows:

**SILVER ARROW S.A.**  
**Notes to the Annual Accounts**  
**for the year ended December 31, 2020**

**5 Debtors (continued)**

In EUR	Capital Comp.	Comp. 7	Comp. 8	Comp. 9	Comp. 10	Comp. 11	Comp.12	Comp. UK 2017-1	Comp. UK 2018-1	Comp. UK 2020-1	Comp. UK 2020-2	2020 Combined	2019 combined
Cash excess payable - opening balance	0	(46,264)	0	0	(4,335,590)	0	0	(49,571)	(1,470,413)	0	0	(5,901,838)	(3,129,541)
Cash excess receivable - opening balance	374,798	0	2,449,875	2,121,103	0	0	0	0	0	0	0	4,945,776	8,053,658
Excess spread expense - Note 19	0	0	(2,541,835)	(152,253)	0	0	0	0	0	(1,522,217)	(2,918,777)	(7,135,082)	(7,847,338)
Excess spread income - Note 17	290,940	32,591	0	0	1,204,158	5,287,073	2,173,375	16,300	1,397,255	0	0	10,401,692	2,041,022
Repayment to servicer	(176,511)	13,673	0	0	0	0	0	33,271	0	0	0	(129,567)	(73,863)
Cash excess to servicer - payable - closing balance	0	0	(91,960)	0	(3,131,432)	0	0	0	(73,158)	(1,522,217)	(2,918,777)	(7,737,544)	(5,901,838)
Cash excess to servicer - receivables - closing balance	489,227	0	0	1,968,850	0	5,287,073	2,173,375	0	0	0	0	9,918,525	4,945,776

**SILVER ARROW S.A.**  
**Notes to the Annual Accounts**  
**for the year ended December 31, 2020**

## 6 Cash at bank and in hand

As at December 31, 2020 the cash at bank is made up as follows:

In EUR	Capital Comp.	Comp. 8	Comp. 9	Comp. 10	Comp. 11	Comp. 12	Comp. UK 2018-1	Comp. UK 2020-1	Comp. UK 2020-2	2020 Combined	2019 Combined
Cash at bank	28,404	87,532	0	0	0	0	99,920	923	733	217,512	16,501,860
General reserve	0	0	4,035,000	6,375,000	9,450,000	3,750,000	0	6,035,060	6,015,372	35,660,432	21,597,995
<b>Total</b>	<b>28,404</b>	<b>87,532</b>	<b>4,035,000</b>	<b>6,375,000</b>	<b>9,450,000</b>	<b>3,750,000</b>	<b>99,920</b>	<b>6,035,983</b>	<b>6,016,105</b>	<b>35,877,944</b>	<b>38,099,855</b>

## 7 Subscribed capital

The subscribed capital of EUR 31,000 is issued and fully paid, and is represented by 3,100 shares of EUR 10 each.

As at December 31, 2020, the Company does not hold any of its own shares.

## 8 Share premium

During the course of May 2012, the Company has received on its share capital account a total amount of EUR 100,000 from the Shareholders and the payment has been recognized as a share premium. As at December 31, 2020 the amount of share premium stayed EUR 100,000.

## 9 Legal reserve

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

**SILVER ARROW S.A.**  
**Notes to the Annual Accounts**  
**for the year ended December 31, 2020**

**10 Debenture loans – Non-convertible loans**

The non-convertible loans as at December 31, 2020 comprise the following:

<b>In EUR</b>	<b>Reference</b>	<b>2020</b>	<b>2019</b>
Compartment 8	10.1	0	304,292,022
Compartment 9	10.2	213,801,326	427,584,273
Compartment 10	10.3	642,560,622	1,041,373,578
Compartment 11	10.4	1,498,201,491	0
Compartment 12	10.5	733,331,872	0
Compartment UK 2018-1	10.6	0	320,881,965
Compartment UK 2020-1	10.7	539,185,017	0
Compartment UK 2020-2	10.8	751,921,515	0
<b>Non-convertible loans - becoming due and payable after more than one year</b>		<b>4,379,001,843</b>	<b>2,094,131,838</b>
Accrued interest - becoming due and payable within one year		1,230,489	232,272
<b>Total</b>		<b>4,380,232,332</b>	<b>2,094,364,110</b>

**10.1 Compartment 8**

The Company created Compartment 8 on June 8, 2017 issuing two Classes A and B Notes, amounting to nominal of EUR 1,192,000,000 maturing in 2025. The priority of payment is mentioning the seniority of the Class A Noteholders.

As at October 15, 2020, the transaction terminated and the notes have been fully redeemed. Following the termination of the transaction, the intention of the Board of Directors is to liquidate the Compartment 8 during the year 2021.

**10.2 Compartment 9**

The Company created Compartment 9 on July 23, 2018 issuing two Classes A and B Notes, amounting to nominal of EUR 807,000,000 maturing in 2026. The priority of payment is mentioning the seniority of the Class A Noteholders.

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**10 Debenture loans – Non-convertible loans (continued)**

**10.2 Compartment 9 (continued)**

As at December 31, 2020 a total amount of EUR 213,782,947 Class A Notes were redeemed thus reducing the balance from EUR 371,084,273 to EUR 157,301,326.

The Notes outstanding for Compartment 9 as at December 31, 2020 are comprised as follows:

<b>In EUR</b>		<b>Notes</b>	<b>Notes</b>
<b>Notes</b>	<b>Interest rate</b>	<b>2020</b>	<b>2019</b>
Class A	Euribor + 0.40%	157,301,326	371,084,273
Class B	Fixed 1.00%	56,500,000	56,500,000
<b>Notes Issued</b>		<b>213,801,326</b>	<b>427,584,273</b>
Accrued interest		26,680	25,110
<b>Total</b>		<b>213,828,006</b>	<b>427,609,383</b>

**10.3 Compartment 10**

The Company created Compartment 10 on July 16, 2019 issuing Classes A, B, C, D and Z Notes, amounting to nominal of EUR 1,250,000,000 maturing in 2027. The priority of payment is mentioning the seniority of the Class A Noteholders over B, B Noteholders over C and so on in alphabetical order.

As at December 31, 2020 a total amount of EUR 398,812,956 Class A Notes were redeemed thus reducing the balance of A Notes from EUR 960,173,577 to EUR 561,360,621.

The Notes outstanding for Compartment 10 as at December 31, 2020 are comprised as follows:

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**10 Debenture loans – Non-convertible loans (continued)**

**10.3 Compartment 10 (continued)**

In EUR		Notes	Notes
Notes	Interest rate	2020	2019
Class A	Euribor + 0.50%	561,360,621	960,173,577
Class B	Euribor + 0.70%	52,500,000	52,500,000
Class C	Euribor + 1.35%	17,500,000	17,500,000
Class D	Euribor + 2.60%	11,200,000	11,200,000
Class Z	<i>non-interest bearing</i>	1	1
<b>Notes Issued</b>		<b>642,560,622</b>	<b>1,041,373,578</b>
Accrued interest		21,017	38,407
<b>Total</b>		<b>642,581,639</b>	<b>1,041,411,985</b>

**10.4 Compartment 11**

The Company created Compartment 11 on May 22, 2020 issuing two Classes A and B Notes, amounting to nominal of EUR 1,889,900,000 maturing in 2027. The priority of payment is mentioning the seniority of the Class A Noteholders.

As at December 31, 2020 a total amount of EUR 391,698,509 Class A Notes were redeemed thus reducing the balance from EUR 1,748,200,000 to EUR 1,356,501,491.

The Notes outstanding for Compartment 11 as at December 31, 2020 are comprised as follows (in EUR):

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**10 Debenture loans – Non-convertible loans (continued)**

**10.4 Compartment 11 (continued)**

<b>In EUR</b>		<b>Notes</b>	<b>Notes</b>
<b>Notes</b>	<b>Interest rate</b>	<b>2020</b>	<b>2019</b>
Class A	Euribor + 0.70%	1,356,501,491	0
Class B	Fixed 1.00%	141,700,000	0
<b>Notes Issued</b>		<b>1,498,201,491</b>	<b>0</b>
Accrued interest		160,481	0
<b>Total</b>		<b>1,498,361,972</b>	<b>0</b>

**10.5 Compartment 12**

The Company created Compartment 12 on November 26, 2020 issuing two Classes A and B Notes, amounting to nominal of EUR 749,900,000 maturing in 2027. The priority of payment is mentioning the seniority of the Class A Noteholders.

As at December 31, 2020 a total amount of EUR 16,568,128 Class A Notes were redeemed thus reducing the balance from EUR 688,000,000 to EUR 671,431,872.

The Notes outstanding for Compartment 12 as at December 31, 2020 are comprised as follows (in EUR):

<b>In EUR</b>		<b>Notes</b>	<b>Notes</b>
<b>Notes</b>	<b>Interest rate</b>	<b>2020</b>	<b>2019</b>
Class A	Euribor + 0.70%	671,431,872	0
Class B	Fixed 1.00%	61,900,000	0
<b>Notes Issued</b>		<b>733,331,872</b>	<b>0</b>
Accrued interest		75,524	0
<b>Total</b>		<b>733,407,396</b>	<b>0</b>

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**10 Debenture loans – Non-convertible loans (continued)**

**10.6 Compartment UK 2018-1**

The Company created Compartment UK 2018-1 on September 14, 2018 issuing two Classes A and B Notes, amounting to nominal of GBP 555,997,000 maturing in 2024. The priority of payment is mentioning the seniority of the Class A Noteholders.

As at October 21, 2020, the transaction terminated and the notes have been fully redeemed. Following the termination of the transaction, the intention of the Board of Directors is to liquidate the Compartment UK 2018-1 during the year 2021.

**10.7 Compartment UK 2020-1**

The Company created Compartment UK 2020-1 on April 09, 2020 issuing two Classes A and B Notes, amounting to nominal of GBP 678,201,000 maturing in 2025. The priority of payment is mentioning the seniority of the Class A Noteholders.

As at December 31, 2020 a total amount of GBP 193,457,494 (EUR 229,945,025) Class A Notes were redeemed thus reducing the balance from GBP 497,000,000 (EUR 567,578,370) to GBP 303,542,506 (EUR 337,633,345).

The Notes outstanding for Compartment UK 2020-1 as at December 31, 2020 are comprised as follows:

<b>In EUR</b>		<b>Notes</b>	<b>Notes</b>
<b>Notes</b>	<b>Interest rate</b>	<b>2020</b>	<b>2019</b>
Class A	SONIA + 1.30%	337,633,345	0
Class B	Fixed 1.85%	201,551,672	0
<b>Notes Issued</b>		<b>539,185,017</b>	<b>0</b>
Accrued interest		250,608	0
<b>Total</b>		<b>539,435,625</b>	<b>0</b>

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**10 Debenture loans – Non-convertible loans (continued)**

**10.8 Compartment UK 2020-2**

The Company created Compartment UK 2020-2 on November 20, 2020 issuing two Classes A and B Notes, amounting to nominal of GBP 676,000,000 maturing in 2026. The priority of payment is mentioning the seniority of the Class A Noteholders.

During the year ending December 31, 2020 no Notes redemption took place and, therefore Class A Notes as at December 31, 2020 was equal to GBP 500,000,000 (EUR 556,154,967).

The Notes outstanding for Compartment UK 2020-2 as at December 31, 2020 are comprised as follows:

<b>In EUR</b>		<b>Notes</b>	<b>Notes</b>
<b>Notes</b>	<b>Interest rate</b>	<b>2020</b>	<b>2019</b>
Class A	SONIA + 0.58%	556,154,967	0
Class B	Fixed 1.30%	195,766,548	0
<b>Notes Issued</b>		<b>751,921,515</b>	<b>0</b>
Accrued interest		696,179	0
<b>Total</b>		<b>752,617,694</b>	<b>0</b>

**11 Trade creditors**

Trade creditors becoming due and payable within one year amounting to EUR 159,968 (2019: EUR 161,230) are comprised of the following items mentioned in the table below:

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**11 Trade creditors (continued)**

<b>Trade creditors</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
Audit fees payable	100,500	123,580
Accounting fees payable	26,565	6,150
Trustee and agent fees	18,703	8,000
CSSF and Stock exchange fees	14,200	0
VAT payable	0	23,500
<b>Total</b>	<b>159,968</b>	<b>161,230</b>

**12 Amounts owed to affiliated undertakings**

**12.1 General Reserve**

The Compartment 9 entered into General Reserve in 2018 for an amount of EUR 4,035,000 with MBB which was used to fund the deposit on the cash reserve account.

The Compartment 10 entered into General Reserve in 2019 for an amount of EUR 6,375,000 with MBB which was used to fund the deposit on the cash reserve account.

The Compartment 11 entered into General Reserve in 2020 for an amount of EUR 9,450,000 with MBB which was used to fund the deposit on the cash reserve account.

The Compartment 12 entered into General Reserve in 2020 for an amount of EUR 3,750,000 with MBB which was used to fund the deposit on the cash reserve account.

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**12 Amounts owed to affiliated undertakings (continued)**

**12.1 General Reserve (continued)**

The Compartment UK 2020-1 entered into General Reserve in 2020 for an amount of GBP 5,425,700 (EUR 6,035,060) with MBFS UK which was used to fund the deposit on the cash reserve account.

The Compartment UK 2020-2 entered into General Reserve in 2020 for an amount of GBP 5,408,000 (EUR 6,015,372) with MBFS UK which was used to fund the deposit on the cash reserve account.

**12.2 Table showing amounts owed to affiliated undertakings**

In EUR	Comp. 8	Comp. 9	Comp. 10	Comp. 11	Comp. 12	Comp. UK 2018-1	Comp. UK 2020-1	Comp. UK 2020-2	2020 Combined	2019 Combined
Final success fees payable	0	143,869	612,930	1,095,935	526,676	0	668,327	5,759,463	8,807,200	1,507,969
Cash excess payable	91,960	0	3,131,432	0	0	73,158	1,522,217	2,918,777	7,737,544	5,901,838
Cash advance from Servicer	100,000	0	0	0	0	111,231	0	0	211,231	115,891
Servicing fees (MBB/MBFS)	0	178,168	540,717	1,248,501	611,110	0	449,321	1,253,201	4,281,018	1,755,488
Cash collections	0	0	0	0	0	0	0	0	0	16,341,182
Accrued interest	0	3,811	0	8,925	3,542	0	3,638	13,844	33,760	12,322
<b>Total due and payable within one year</b>	<b>191,960</b>	<b>325,848</b>	<b>4,285,079</b>	<b>2,353,361</b>	<b>1,141,328</b>	<b>184,389</b>	<b>2,643,503</b>	<b>9,945,285</b>	<b>21,070,753</b>	<b>25,634,690</b>
General reserve	0	4,035,000	6,375,000	9,450,000	3,750,000	0	6,035,060	6,015,372	35,660,432	21,597,983
<b>Total due and payable after more than one year</b>	<b>0</b>	<b>4,035,000</b>	<b>6,375,000</b>	<b>9,450,000</b>	<b>3,750,000</b>	<b>0</b>	<b>6,035,060</b>	<b>6,015,372</b>	<b>35,660,432</b>	<b>21,597,983</b>
<b>Total</b>	<b>191,960</b>	<b>4,360,848</b>	<b>10,660,079</b>	<b>11,803,361</b>	<b>4,891,328</b>	<b>184,389</b>	<b>8,678,563</b>	<b>15,960,657</b>	<b>56,731,185</b>	<b>47,232,673</b>

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### 13 Other creditors

As at December 31, 2020 other creditors are composed as following:

In EUR	Comp. 9	Comp. 10	Comp. 11	Comp. 12	Comp. UK 2020-1	Comp. UK 2020-2	2020 Combined	2019 Combined
Other payables (negative interest to US Bank)	0	0	0	0	0	0	0	8,713
Accrued interest - interest-rate swap	41,152	168,101	354,876	175,654	20,462	5,376	765,621	381,943
<b>Total</b>	<b>41,152</b>	<b>168,101</b>	<b>354,876</b>	<b>175,654</b>	<b>20,462</b>	<b>5,376</b>	<b>765,621</b>	<b>390,656</b>

### 14 Taxation

The Company is subject to all taxes applicable to commercial companies in Luxembourg under the securitization law of March 22, 2004.

### 15 Other external expenses

Other external expenses for the year ended December 31, 2020 amount to EUR 879,805 (2019: EUR 555,111) and are composed of the following:

<b>Other external expenses</b>	<b>2020</b>	<b>2019</b>
	<b>EUR</b>	<b>EUR</b>
Accounting, administration and domiciliation fees	277,096	199,224
Trustee and agent fees	243,523	134,536
Audit fees	136,478	108,280
Rating fees	92,154	55,025
Other fees (including bank fees and surveillance fees)	76,352	27,228
Listing fees	54,202	30,818
<b>Total</b>	<b>879,805</b>	<b>555,111</b>

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

Income from Other Loans represents interest income recorded for the year ended December 31, 2020 on the portfolio of auto loan receivables of EUR 133,836,100 (2019: EUR 91,802,823). The breakdown per Compartment is described in the following table:

In EUR	Comp. 8	Comp. 9	Comp. 10	Comp. 11	Comp. 12	Comp. UK 2018-1	Comp. UK 2020-1	Comp. UK 2020-2	2020 Combined	2019 Combined
Income from autoloans	4,823,083	9,288,330	25,395,084	35,834,993	3,521,461	9,873,808	34,461,534	10,637,807	133,836,100	91,802,823
<b>Total</b>	<b>4,823,083</b>	<b>9,288,330</b>	<b>25,395,084</b>	<b>35,834,993</b>	<b>3,521,461</b>	<b>9,873,808</b>	<b>34,461,534</b>	<b>10,637,807</b>	<b>133,836,100</b>	<b>91,802,823</b>

**17 Other interest receivable and similar income**

Other interest receivable and similar income are composed of the following:

In EUR	Capital Comp.	Comp. 7	Comp. 8	Comp. 9	Comp. 10	Comp. 11	Comp. 12	Comp. UK 2017-1	Comp. UK 2018-1	Comp. UK 2020-1	Comp. UK 2020-2	2020 Combined	2019 Combined
Idle cash balances: interest received*	0	0	0	0	0	0	0	0	0	0	0	0	3,808
Excess spread	290,940	32,591	0	0	1,204,157	5,287,073	2,173,375	16,300	1,397,254	0	0	10,401,690	2,041,022
<b>Total derived from affiliated undertakings</b>	<b>290,940</b>	<b>32,591</b>	<b>0</b>	<b>0</b>	<b>1,204,157</b>	<b>5,287,073</b>	<b>2,173,375</b>	<b>16,300</b>	<b>1,397,254</b>	<b>0</b>	<b>0</b>	<b>10,401,690</b>	<b>2,044,830</b>
<i>* Idle cash balances represent monthly extra payments from MBFS in order to cover minor differences between waterfall payments and collections</i>													
Interest on current account	0	0	0	0	0	0	0	0	340	0	0	340	7,123
Interest income - interest rate swap	0	0	295,156	648,707	4,210,811	4,652,502	391,101	0	229,115	354,351	32,139	10,813,882	7,704,705
<b>Total other interest and similar income</b>	<b>0</b>	<b>0</b>	<b>295,156</b>	<b>648,707</b>	<b>4,210,811</b>	<b>4,652,502</b>	<b>391,101</b>	<b>0</b>	<b>229,455</b>	<b>354,351</b>	<b>32,139</b>	<b>10,814,222</b>	<b>7,711,828</b>
<b>Total</b>	<b>290,940</b>	<b>32,591</b>	<b>295,156</b>	<b>648,707</b>	<b>5,414,968</b>	<b>9,939,575</b>	<b>2,564,476</b>	<b>16,300</b>	<b>1,626,709</b>	<b>354,351</b>	<b>32,139</b>	<b>21,215,912</b>	<b>9,756,658</b>

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**18 Value adjustments in respect of financial assets and investments held as current assets**

Value adjustments in respect of financial assets and of investments held as current assets is composed of:

<b>In EUR</b>	<b>Comp. 8</b>	<b>Comp. 9</b>	<b>Comp. 10</b>	<b>Comp. 11</b>	<b>Comp. 12</b>	<b>Comp. UK 2018-1</b>	<b>Comp. UK 2020-1</b>	<b>2020 Combined</b>	<b>2019 Combined</b>
Individual value adjustment (VA)	0	0	(802,800)	(3,409,995)	(1,151,016)	0	0	(5,363,811)	(2,112,787)
Reversal - individual VA	1,877,183	240,163	0	0	0	0	0	2,117,346	2,353,662
Collective VA	0	0	(25,571)	(3,253,953)	(1,570,653)	0	0	(4,850,177)	(1,388,347)
Reversal - collective VA	880,482	64,360	0	0	0	0	0	944,842	1,079,539
<b>Total VA</b>	<b>2,757,665</b>	<b>304,523</b>	<b>(828,371)</b>	<b>(6,663,948)</b>	<b>(2,721,669)</b>	<b>0</b>	<b>0</b>	<b>(7,151,800)</b>	<b>(67,933)</b>
Receivables written-off	(2,802,684)	(2,811,484)	(4,713,835)	(1,332,645)	(25,601)	(10,681,936)	(6,638,795)	(29,006,980)	(22,484,104)
Recovery of previously written-off receivables	2,893,521	2,957,224	3,008,141	282,835	486	6,099,846	1,366,737	16,608,790	14,526,808
<b>Total receivables/ recoveries</b>	<b>90,837</b>	<b>145,740</b>	<b>(1,705,694)</b>	<b>(1,049,810)</b>	<b>(25,115)</b>	<b>(4,582,090)</b>	<b>(5,272,058)</b>	<b>(12,398,190)</b>	<b>(7,957,296)</b>
<b>Total</b>	<b>2,848,502</b>	<b>450,263</b>	<b>(2,534,065)</b>	<b>(7,713,758)</b>	<b>(2,746,784)</b>	<b>(4,582,090)</b>	<b>(5,272,058)</b>	<b>(19,549,990)</b>	<b>(8,025,229)</b>

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**19 Interest payable and similar expenses**

Interest payable and similar expenses are composed of:

In EUR	Comp. 8	Comp. 9	Comp. 10	Comp. 11	Comp. 12	Comp. UK 2017-1	Comp. UK 2018-1	Comp. UK 2020-1	Comp. UK 2020-2	2020 Combined	2019 Combined
Interest expenses - borrowings	(95,360)	(82,045)	0	(114,975)	(7,500)	0	(80,102)	(87,746)	(13,844)	(481,572)	(482,406)
Servicing fees	(1,539,238)	(3,101,869)	(8,301,924)	(11,320,407)	(1,236,109)	0	(1,725,057)	(5,459,922)	(1,253,201)	(33,937,727)	(24,127,445)
Excess spread	(2,541,835)	(152,253)	0	0	0	0	0	(1,522,217)	(2,918,777)	(7,135,082)	(7,847,338)
Final success fees	(2,524,839)	(5,056,886)	(15,060,682)	(19,025,758)	(1,522,854)	0	(2,144,549)	(14,303,516)	(5,759,463)	(65,398,547)	(40,824,371)
<b>Total concerning affiliated</b>	<b>(6,701,272)</b>	<b>(8,393,053)</b>	<b>(23,362,606)</b>	<b>(30,461,140)</b>	<b>(2,766,463)</b>	<b>0</b>	<b>(3,949,708)</b>	<b>(21,373,401)</b>	<b>(9,945,285)</b>	<b>(106,952,928)</b>	<b>(73,281,560)</b>
Interest expense - swaps	(478,835)	(1,292,279)	(4,165,310)	(4,892,518)	(373,911)	0	(517,361)	(671,635)	(5,376)	(12,397,225)	(8,989,380)
Interest expenses - Notes issued	(675,314)	(577,645)	(687,689)	(2,610,434)	(164,129)	0	(2,232,452)	(7,419,070)	(696,179)	(15,062,912)	(10,712,210)
FX differences	0	0	0	0	0	(378)	(177,579)	(10,181)	1	(188,137)	(236,350)
Late payment interest (taxes) – capital compartment (from 2019)										0	(19)
US Bank interest on Compartment 6 (from 2019)										0	(53,688)
Interest expenses - cash at bank	0	0	0	0	0	0	0	0	0	0	(138,023)
<b>Total other interest and similar expenses</b>	<b>(1,154,149)</b>	<b>(1,869,924)</b>	<b>(4,852,999)</b>	<b>(7,502,952)</b>	<b>(538,040)</b>	<b>(378)</b>	<b>(2,927,392)</b>	<b>(8,100,886)</b>	<b>(701,554)</b>	<b>(27,648,274)</b>	<b>(19,656,970)</b>
<b>Total</b>	<b>(7,855,421)</b>	<b>(10,262,977)</b>	<b>(28,215,605)</b>	<b>(37,964,092)</b>	<b>(3,304,503)</b>	<b>(378)</b>	<b>(6,877,100)</b>	<b>(29,474,287)</b>	<b>(10,646,839)</b>	<b>(134,601,202)</b>	<b>(92,938,530)</b>

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## **20 Staff**

The Company has engaged a Corporate Service Provider who provides daily management of the Company activities and as such does not employ any personnel (2019: NIL).

## **21 Off-balance sheet activities**

### **21.1 Compartment 8**

The Compartment 8 entered into an interest rate swap agreement in order to hedge its interest rate exposure resulting from the fixed rate receivable under the purchased lease receivables and floating rate interest obligations under the Class A Compartment 8 Notes. As at October 15, 2020, the transaction has been terminated and the notes have been fully redeemed. Following the termination of the transaction, Board of Directors intends to liquidate the Compartment 8 in the year ending December 31, 2021.

### **21.2 Compartment UK 2018-1**

The Compartment UK 2018-1 entered into an interest rate swap agreement in order to hedge its interest rate exposure resulting from the fixed rate receivable under the purchased lease receivables and floating rate interest obligations under the Class A Compartment UK 2018-1 Notes. As at October 21, 2020, the transaction has been terminated and the notes have been fully redeemed. Following the termination of the transaction, the intention of the Board of Directors is to liquidate the Compartment UK 2018-1 in the year ending December 31, 2021.

### **21.3 Compartment 9**

The Compartment 9 entered into an interest rate swap agreement in order to hedge its interest rate exposure resulting from the fixed rate receivable under the purchased lease receivables and floating rate interest obligations under the Class A Compartment 9 Notes.

The details of this contract are summarized as follows:

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**21 Off-balance sheet activities (continued)**

**21.3 Compartment 9 (continued)**

<b>Notional amount (EUR)</b>	<b>Termination date</b>	<b>Interest rate receivable</b>	<b>Interest rate payable</b>
750,500,000	2026	EURIBOR 1 month	-0.2436% p.a.

Compartment 9 entered into an "interest rate settlement agreement" on July 24, 2018 in order to manage the respective risk exposure of each party involved in the transaction.

The settlement inflows and settlement outflows are based on the initial amount purchased. The notional amount of the swap is reduced in line with the repayment of the Class A Compartment 9 Notes. As at December 31, 2020, the notional amount of the swap was EUR 157,301,326 (2019: 371,084,273). The fair value of the swap of Compartment 9 as at December 31, 2020 was EUR -239,086 (2019: EUR -628,564).

**21.4 Compartment 10**

The Compartment 10 entered into an interest rate swap agreement in order to hedge its interest rate exposure resulting from the fixed rate receivable under the purchased lease receivables and floating rate interest obligations under the Class A, B, C, D Compartment 10 Notes.

The details of this contract are summarized as follows:

<b>Notional amount (EUR)</b>	<b>Termination date</b>	<b>Interest rate receivable</b>	<b>Interest rate payable</b>
1,243,700,000	2023	EURIBOR 1 month	-0.4935% p.a.

Compartment 10 entered into an "interest rate settlement agreement" on July 16, 2019 in order to manage the respective risk exposure of each party involved in the transaction.

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**21 Off-balance sheet activities (continued)**

**21.4 Compartment 10 (continued)**

The settlement inflows and settlement outflows are based on the initial amount purchased. The notional amount of the swap is reduced in line with the repayment of the Class A, B, C and D Compartment 10 Notes. As at December 31, 2020, the notional amount of the swap was EUR 642,560,621 (2019: EUR 1,041,373,577). The fair value of the swap of Compartment 10 as at December 31, 2020 was EUR -526,382 (2019: EUR - 1,397,127).

**21.5 Compartment 11**

The Compartment 11 entered into an interest rate swap agreement in order to hedge its interest rate exposure resulting from the fixed rate receivable under the purchased lease receivables and floating rate interest obligations under the Class A Compartment 11 Notes.

The details of this contract are summarized as follows:

<b>Notional amount (EUR)</b>	<b>Termination date</b>	<b>Interest rate receivable</b>	<b>Interest rate payable</b>
1,748,200,000	2027	EURIBOR 1 month	-0.4904%

Compartment 11 entered into an "interest rate settlement agreement" on May 25, 2020 in order to manage the respective risk exposure of each party involved in the transaction.

The settlement inflows and settlement outflows are based on the initial amount purchased. The notional amount of the swap is reduced in line with the repayment of the Class A Compartment 11 Notes. As at December 31, 2020, the notional amount of the swap was EUR 1,356,501,491. The fair value of the swap of Compartment 11 as at December 31, 2020 was EUR -1,258,250.

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**21 Off-balance sheet activities (continued)**

**21.6 Compartment 12**

The Compartment 12 entered into an interest rate swap agreement in order to hedge its interest rate exposure resulting from the fixed rate receivable under the purchased lease receivables and floating rate interest obligations under the Class A Compartment 12 Notes.

The details of this contract are summarized as follows:

Notional amount (EUR)	Termination date	Interest rate receivable	Interest rate payable
688,000,000	2028	EURIBOR 1 month	-0.5750%

Compartment 12 entered into an “interest rate settlement agreement” on November 24, 2020 in order to manage the respective risk exposure of each party involved in the transaction.

The settlement inflows and settlement outflows are based on the initial amount purchased. The notional amount of the swap is reduced in line with the repayment of the Class A Compartment 12 Notes. As at December 31, 2020, the notional amount of the swap was EUR 671,431,872. The fair value of the swap of Compartment 12 as at December 31, 2020 was EUR 128,115.

**21.7 Compartment UK 2020-1**

The Compartment UK 2020-1 entered into an interest rate swap agreement in order to hedge its interest rate exposure resulting from the fixed rate receivable under the purchased lease receivables and floating rate interest obligations under the Class A Compartment UK 2020-1 Notes.

The details of this contract are summarized as follows:

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**21 Off-balance sheet activities (continued)**

**21.7 Compartment UK 2020-1 (continued)**

Notional amount (GBP)	Termination date	Interest rate	Interest rate
		receivable	payable
497,000,000	2025	SONIA 1 month	0.2011%

Compartment UK 2020-1 entered into an “interest rate settlement agreement” on April 7, 2020 in order to manage the respective risk exposure of each party involved in the transaction.

The settlement inflows and settlement outflows are based on the initial amount purchased. The notional amount of the swap is reduced in line with the repayment of the Class A Compartment UK 2020-1 Notes. As at December 31, 2020, the notional amount of the swap was GBP 303,542,506 (EUR 337,633,345). The fair value of the swap of Compartment UK 2020-1 as at December 31, 2020 was GBP -31,863 (EUR -35,442).

**21.8 Compartment UK 2020-2**

The Compartment UK 2020-2 entered into an interest rate swap agreement in order to hedge its interest rate exposure resulting from the fixed rate receivable under the purchased lease receivables and floating rate interest obligations under the Class A Compartment UK 2020-2 Notes.

The details of this contract are summarized as follows:

Notional amount (GBP)	Termination date	Interest rate	Interest rate
		receivable	payable
500,000,000	2026	SONIA 1 month	0.0084%

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**21 Off-balance sheet activities (continued)**

**21.8 Compartment UK 2020-2 (continued)**

Compartment UK 2020-2 entered into an "interest rate settlement agreement" on 20 November, 2020 in order to manage the respective risk exposure of each party involved in the transaction.

The settlement inflows and settlement outflows are based on the initial amount purchased. The notional amount of the swap is reduced in line with the repayment of the Class A Compartment UK 2020-2 Notes. The notional amount of the swap as at December 31, 2020, was GBP 500,000,000 (EUR 556,154,967). The fair value of the swap of Compartment UK 2020-2 as at December 31, 2020 was GBP -104,875 (EUR -116,653).

**22 Advances, loans and emoluments granted to members of the administrative, managerial and supervisory bodies**

There are no advances, loans or emoluments granted to the members of the management and supervisory bodies during the financial year (2019: none).

**23 Subsequent events**

Subsequent to the year end, on March 02, 2021 Compartment 13 was created for the purpose of securitizing a portfolio of auto loans.

Subsequent to the year end, on April 01, 2021 Compartment UK 2021-1 was created for the purpose of securitizing a portfolio of auto loans.

No other events occurred subsequent to December 31, 2020 that would have material impact on these annual accounts.

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**24 Coronavirus disease (COVID-19)**

In the first months of 2020, a pandemic of coronavirus disease (COVID-19) around the world, has led to numerous cases causing an economic instability. As the business of Silver Arrow S.A. is highly dependent on the performance of MBB and MBFS, the assessment of the risks and possible economic and financial impact of the pandemic on Silver Arrow is based on the economic and financial performance assessment as well as the assessment of possible risks of MBB and MBFS. In its financial statements MBB mentions that the current situation is marked by increased uncertainty on the market, and considerable restrictions for individuals and companies alike as well as that there is a possibility of an economic downturn and even a recession resulting from the current situation. More precisely, there are such risks as a decline in unit sales for manufacturers with corresponding effects on new business for MBB, as well as the negative effects on customers' creditworthiness and payment behavior associated with an economic downturn which may lead to rising expenses for risk provisions and higher rates of default on loans than provided for in the planning, with corresponding consequences for receivables from customers. The negative impact on customers' creditworthiness implies a higher risk of default of certain customers and an increase of the risk of non-recoverability of the loans. For Silver Arrow, there is a risk of a higher value adjustment on underlying assets (portfolio of loans) as well as possibility for a lower initial volumes of Loan portfolio for Compartments to be opened in the foreseen future. However, given the fact that neither the exact time for end of pandemic nor an economic recovery after the pandemic are forecastable at the moment of preparation of these annual accounts, the precise ramifications could not be foreseen at the time these annual accounts were prepared.

Currently happening voluntary vaccination and discussions on EU-level regarding introduction of COVID-passports are closely monitored by the management, but the impact of potential introduction of COVID-passports in some parts of the world is not predictable. Therefore, the uncertainty created on global markets by a pandemic of coronavirus (COVID-19) disease keeps being actual.