

Driver Five GmbH

Primary Credit Analysts:

Volker Laeger
Frankfurt
(49) 69-33999-302
volker_laeger@
standardandpoors.com

Nico Popp
Frankfurt
(49) 69-33999-312
nico_popp@
standardandpoors.com

Surveillance Credit Analyst

Chiara Sardelli
Madrid
(34) 91-389-6966
chiara_sardelli@
standardandpoors.com

Additional Contact: Structured
Finance Europe
StructuredFinanceEurope@
standardandpoors.com

€965 Million Asset-Backed Floating-Rate Notes

This presale report is based on information as of Jan. 16, 2008. The credit ratings shown are preliminary. This report does not constitute a recommendation to buy, hold, or sell securities. Subsequent information may result in the assignment of initial credit ratings that differ from the preliminary credit ratings.

Publication Date

January 16,, 2008

<i>Class</i>	<i>Prelim. rating*</i>	<i>Prelim. amount (Mil. €)</i>	<i>Available credit support (%)†</i>	<i>Interest</i>	<i>Legal final maturity</i>
A	AAA	934	8.1	One-month EURIBOR plus a margin	February 2014
B	A+	31	5.0	One-month EURIBOR plus a margin	February 2014

*The rating on each class of securities is preliminary as of Jan. 16, 2008 and subject to change at any time. Initial credit ratings are expected to be assigned on the closing date subject to a satisfactory review of the transaction documents and legal opinion, and completion of a corporate overview. Standard & Poor's ratings address timely interest and ultimate principal.

†Available credit support includes a subordinated loan of €26 million (granted by an affiliate of Volkswagen AG (the subordinated lender)). It will provide credit enhancement in the form of subordination for the class A and B notes. The subordinated loan is not part of the capital structure, and so was not included in the issuance description. In addition, available credit support includes overcollateralization and a cash reserve of 1.5%.

Transaction Participants

Originator	Volkswagen Bank GmbH
Joint arrangers	ABN AMRO Bank N.V. and Volkswagen Financial Services AG
Seller	Volkswagen Bank GmbH
Servicer	Volkswagen Bank GmbH
Security trustee	Wilmington Trust (London) Ltd.
Data protection trustee	Wilmington Trust SP Services (Frankfurt) GmbH
Interest swap counterparty	To be determined
Issuer account provider	ABN AMRO Bank N.V. (Niederlassung Deutschland)
Collection account provider	Volkswagen Bank GmbH
Subordinated lender	An affiliate of Volkswagen AG
Corporate services provider	Wilmington Trust SP Services (Frankfurt) GmbH
Paying agent	ABN AMRO Bank N.V. (London branch)

Supporting Ratings

<i>Institution/role</i>	<i>Ratings</i>
Volkswagen Bank GmbH as collection account provider	A/Stable/A-1
ABN AMRO Bank N.V. (Niederlassung Deutschland) as issuer account provider	AA-/Positive/A-1+
Interest rate swap counterparty	An entity complying with Standard & Poor's criteria for derivative counterparties

Transaction Key Features

Expected closing date	Feb. 29, 2008
Collateral	Auto loan receivables arising under loan contracts with borrowers resident in Germany
Structure	True sale amortizing structure
Country of origin	Germany
Concentration	Highest concentration: North-Rhine Westphalia (19.5%), Bavaria (13.1%), and Baden-Wuerttemberg (11.9%)
Total receivables, discounted receivable balance (Mil. €)	1,000
Weighted-average current loan size, discounted receivable balance (€)	12,192

Transaction Key Features (cont.'d)	
Current loan size range, discounted receivables balance (€)	506 to 119,981
Weighted-average seasoning (months)	11.4
Weighted-average asset life remaining (months)	36.7
Expected discount rate (%)	5.50
Weighted-average interest rate (%)	4.20
Arrears	None
Assets redemption profile	Amortizing loans (20.6%) and balloon loans (79.4%)
Note redemption profile	Sequential or pro rata, subject to compliance with performance tests
Initial cash reserve (%)	1.5
Credit enhancement	Subordination, initial overcollateralization, and cash reserve

Transaction Summary

Standard & Poor's Ratings Services has assigned preliminary credit ratings to the asset-backed floating-rate notes to be issued by Driver Five GmbH, an SPE established as a limited liability company in Germany.

The notes will be backed by German auto loan receivables originated and sold to the issuer by Volkswagen Bank GmbH (VW Bank).

The preliminary ratings reflect an analysis of the ability of the servicer, VW Bank, to fulfill its role in the transaction and the cash flow mechanics of the transaction assuming various stress scenarios.

Protection for the class A and B noteholders will be provided through a combination of overcollateralization, a subordinated loan, a cash reserve, and (for the class A notes only) subordination of the class B notes. ABN AMRO Bank N.V. (Niederlassung Deutschland) (AA-/Positive/A-1+) will act in a supporting role as issuer account provider. The interest swap counterparty has yet to be determined, but will have to comply with Standard & Poor's criteria for derivative counterparties.

A subordinated loan will be granted to Driver Five on the closing date by an affiliate of Volkswagen AG (the "subordinated lender") for a total nominal amount of €26 million. The subordinated loan will serve as credit enhancement to the class A and B notes because it will rank below the notes for payment of interest and principal. This loan will not be part of the capital structure.

The receivables will be purchased at a fixed discount rate, to be determined at closing. This discount rate will be set at such a level that the cash flow from the assets will cover the fixed rates under the swap agreements, plus fees and expenses. No excess spread will build up in the transaction.

Notable Features

Driver Five will be VW Bank's fifth Driver auto loan transaction. Similar to the previous Driver transactions, Driver Five features pro rata amortization of the notes, provided certain performance triggers are fulfilled. On breach of these triggers, the repayment of the notes will switch temporarily or permanently to sequential amortization.

Driver Five is a repeat of Driver Four GmbH and like its predecessor, Driver Five is a nonreplenishing structure (static pool) that will amortize from Day 1.

Strengths, Concerns, And Mitigating Factors

Strengths

- VW Bank has a strong market position as one of the largest car-financing companies in Europe, and has more than 50 years of business experience.
- The structure of Driver Five has been used for the four previous Driver transactions. These first four transactions have performed well, so Standard & Poor's expects this fifth transaction, which is very similar in structure and has a similar asset pool, to perform similarly.
- The portfolio is highly granular and diversified between the federal states in Germany. The preliminary pool cut as of Nov. 30, 2007 comprises 82,019 loan contracts. The largest single borrower concentration is 0.018% and the top 20 loans comprise 0.210% of the portfolio.
- All contracts will be current as of the last day of the month preceding the closing date.
- The portfolio will not revolve, so a shift in pool quality due to substitution cannot occur.
- The structure will benefit from a cash reserve, which will initially be sized at 1.5% of the discounted principal balance, and which will amortize to a floor of €12.5 million. The cash reserve will serve primarily as liquidity support to mitigate any liquidity stresses. It will ensure the timely payment of interest on the notes, while ultimately serving as credit support.

Concerns

- No recovery data was provided.
- There will be an absence of excess spread in the structure, as the discount rate is set to match the expenses of Driver Five.
- The payment structure will not be fully sequential. Subject to certain performance triggers, the principal for the class A and B notes can be paid pro rata. Pro rata redemption of the class B notes will cause the credit enhancement available for the class A noteholders to reduce in absolute terms.
- There will be commingling risk due to a collection account currently being in the name of the originator rather than the issuer.
- There is set-off risk for the cash deposits maintained by borrowers whose loans form part of this securitization.

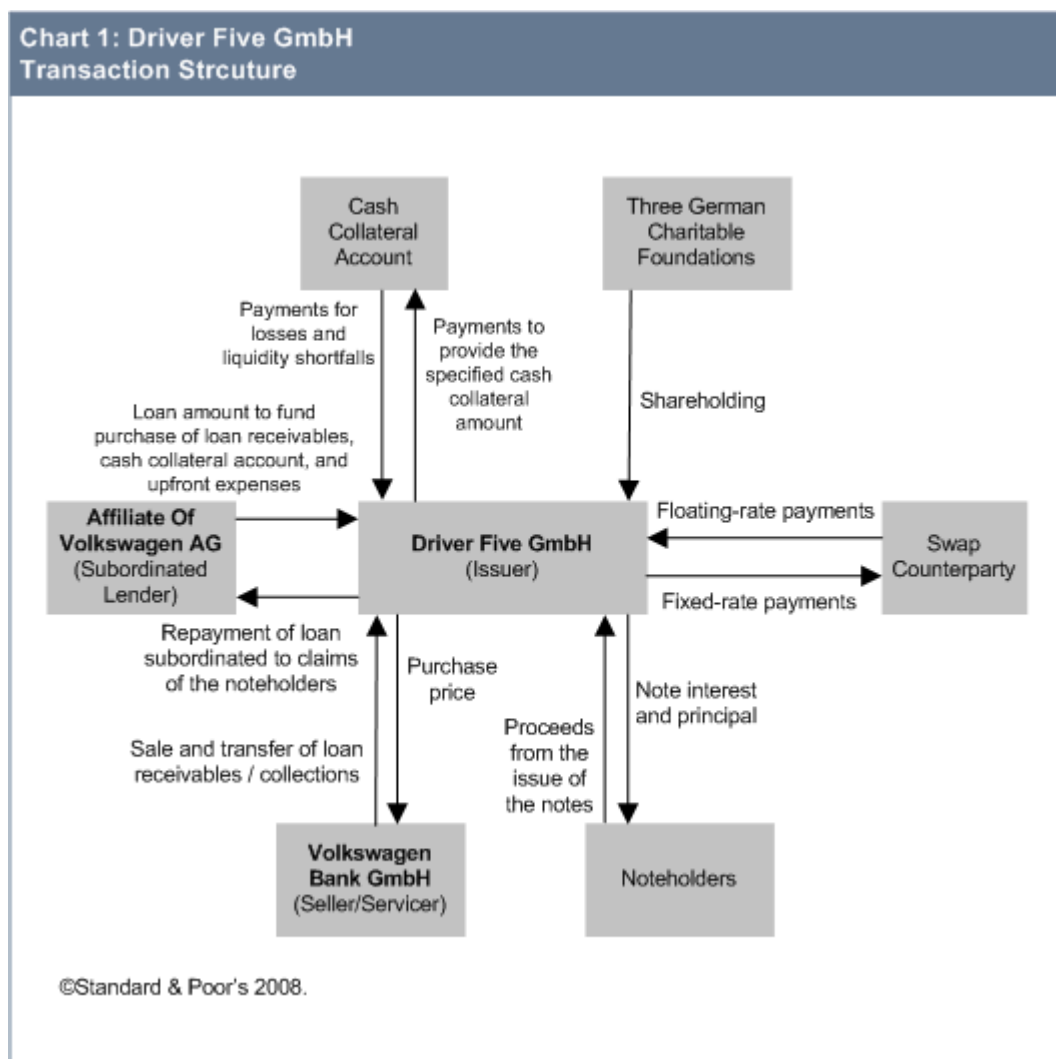
Mitigating factors

- The available data has been used conservatively.
- In addition to the subordinated loan and a cash reserve, credit enhancement will be provided through overcollateralization of 0.9%.
- Cash flows have been appropriately stress tested for each rating level, and various performance triggers have been set relating to cumulative net loss rates, mitigating the risk derived from pro rata amortization. A breach of these triggers will lead to a temporary switch to sequential repayment to build up additional enhancement. Further deterioration in the performance with cumulative net losses growing to more than 1.6% will result in a permanent switch back to sequential repayment of the notes.
- The cash reserve floor has been sized and adequately stress-tested to cover the risk of back-loaded losses, and the potential losses on larger contract exposures at the end of the transaction.

- Set-off and commingling risks will be mitigated because VW Bank will be a supporting party to the transaction. VW Bank is committed to take appropriate action if it is downgraded below 'A-2' in line with the new Standard & Poor's criteria for other support counterparties. In addition, the eligibility criteria will state that borrowers whose loans are included in the portfolio may not have money deposited with VW Bank at the time of inclusion.

Transaction Structure

On the closing date, the issuer will purchase the auto loan portfolio (see chart 1). The loan receivables will be discounted at a fixed rate of interest, which will equal administrative expenses, a servicing fee, the fixed interest rate due to the swap counterparty under the terms of the swaps on the class A and B notes, and the interest due under the subordinated loan.



Priority of payments

The class A and B notes will pay interest in arrears on a designated date each month at a rate of one-month EURIBOR for euro deposits, plus a margin. The transaction will have a combined interest and principal priority of payments. On each interest payment date (IPD), the interest on the class A notes

will be paid before interest is paid on the class B notes. However, class A noteholders will only receive principal after interest is paid to the class B noteholders. Amounts standing in the priority of interest and principal payments for the class A and B notes will include taxes payable by the issuer, servicing and administrative expenses, and net payments due under the swap agreement.

The notes will initially be redeemed sequentially, creating additional overcollateralization for the class A notes. This will change when the credit enhancement reaches 9.1% for the class A notes. If that occurs, amounts relating to scheduled principal due in the previous month and amounts relating to any prepayments received will be paid pro rata to the respective noteholders, if the portfolio meets certain performance triggers. The first IPD will be in March 2008 and the legal final maturity date will be in February 2014.

VW Bank can exercise a clean-up call as soon as the portion of the discounted receivables falls below 9% of the discounted receivable balance as it stood at closing.

Credit enhancement

Protection for the class A and B noteholders will be provided through a combination of overcollateralization, a subordinated loan, a cash reserve, and (for the class A notes only) subordination of the class B notes. Performance triggers based on cumulative net losses have been incorporated to protect noteholders. Once those performance triggers have been hit, notes will be redeemed sequentially until the required additional overcollateralization has been generated. Overcollateralization percentages for class A and B notes will increase to 11.0% and 7.0%, respectively, as soon as cumulative net losses exceed 0.5% for any payment date before or during May 2009, or 1.15% after May 2009 but before or during February 2010.

If at any time the cumulative net loss ratio exceeds 1.6%, the amortization will permanently switch to sequential repayment.

Swap

Driver Five and the swap counterparty will enter into separate swap agreements for the class A and B notes, both of which will conform to Standard & Poor's swap criteria. Under these swap agreements, the issuer will pay interest on the nominal amount outstanding on each distribution date calculated on the basis of a fixed rate of interest. In exchange, the swap counterparty will pay a floating rate of interest on the outstanding nominal amount. This amount, together with amounts allocated to principal, will then be distributed to the class A and B noteholders.

Servicing

Servicing of the loans will be carried out by the originator and seller, VW Bank. VW Bank is a wholly owned subsidiary of Volkswagen Financial Services AG, which in turn is owned by Volkswagen AG. It is the largest auto bank in Germany, with more than 50 years experience in originating auto loans with German consumers. VW Bank is also active in other retail banking activities (including deposit taking).

Losses due to prepayments

As it is a present-value structure, Driver Five will be subject to losses due to prepayments. This results from the fact that loans are purchased by the issuer at a fixed discount rate, while the intrinsic rates of returns for the individual loans may be higher than that discount rate, resulting in purchase prices of

those loans above par. If such a loan prepays, the issuer will suffer a loss as the prepayment will be done at par. This loss will be covered by the seller VW Bank. To stress test the situation where VW Bank is not available to take those losses, Standard & Poor's modeled potential losses arising from prepayments and adjusted the loss assumptions in its models accordingly.

Commingling and set-off

Collections on the loan receivables are made monthly. VW Bank has direct debit arrangements for 99.7% of the pool. As long as VW Bank, as the servicer, is rated at least 'A-2', it is entitled to commingle collections on loan receivables with its own funds. If VW Bank's rating is lowered below 'A-2', the bank must make advance payments to the issuer equal to approximately half a months' interest and principal collections. The cash advances must be paid into an account in the issuer's name, or a VW bank account but with a sufficiently rated account bank. The cash in this account must be pledged to the issuer. The issuer will grant security over this account to the trustee for the benefit of the noteholders. If the rating on VW Bank is lowered below 'BBB', the bank will transfer cash to the issuer's account daily.

Bank account commingling risk will be addressed by downgrade language in line with Standard & Poor's criteria regarding the bank account provider.

As the debtors of the securitized loan contracts could potentially have cash deposits with VW Bank, there is the risk that borrowers could set off all or part of their payment obligation under the auto loans against claims they might have against the bank. While VW Bank is rated at least 'A-2', it will pay to the issuer any amounts set-off by borrowers. If the rating on VW Bank drops below 'A-2', VW Bank must fund the set-off risk reserve. This reserve will collateralize the set-off risk and will be adjusted monthly. However, the eligibility criteria will state that borrowers must not have deposits with VW Bank at the time when their loans are included in the transaction portfolio.

Collateral Description

The preliminary collateral pool backing the notes comprises 82,019 loans, with a total discounted principal balance of slightly above €1 billion, calculated using a discount rate of 5.50%. The largest single borrower concentration is 0.018% and the top 20 loans comprise 0.21% of the portfolio. The average outstanding balance is €1,192.

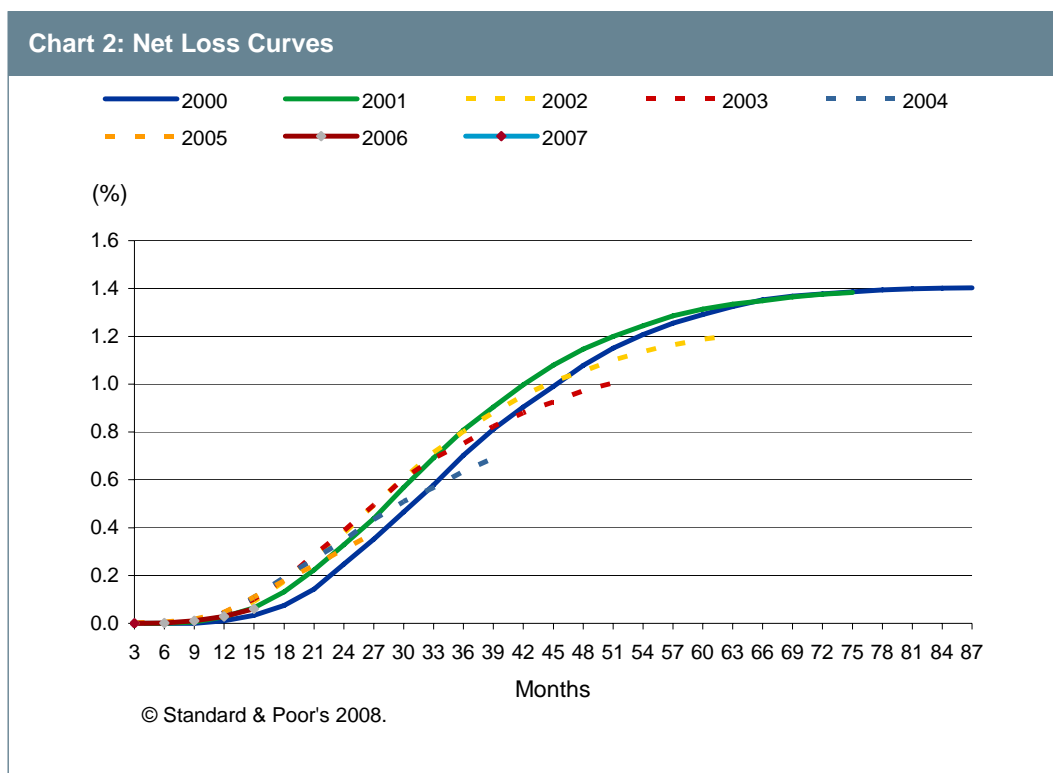
There are no maintenance components contained in the contracts sold, and no borrower is an affiliate of Volkswagen AG. Each borrower has paid at least two installments. This transaction contains both consumer loan contracts (73.2%) and business loan contracts (26.8%). Approximately 20.6% of loan contracts are amortizing and 79.4% incorporate a balloon feature.

Loans have an original maturity of between 20 and 72 months, and the remaining terms are between 18 and 60 months. The portfolio being securitized comprises predominantly Volkswagen, VW Nutzfahrzeuge, Audi vehicles, and some Seat and Skoda vehicles. The geographical distribution shows a diversified portfolio, with the highest concentration at 19.5% for residents in North Rhine Westphalia (see map).



Chart 2 shows the cumulative net losses that occurred for the entire pool during the period after the year of vintage. For example, for the 2000 vintage, at 36 months the data shows accumulated net losses for all loans originated in 2000 after three years.

Chart 2



Nature of the loan receivables

The purchased loan receivables are receivables from vehicle loan contracts originated by Volkswagen, Audi, SEAT, Skoda, and Volkswagen Nutzfahrzeuge dealers as agents, as well as by third parties.

The purchased loan receivables require monthly payments on interest and principal in exchange for the financing of a new or used vehicle. The transaction securitizes two types of loans: (i) the “classic credit” loan, which is being paid down over its life in equal monthly installments (amortizing loan), and (ii) the “auto credit” loan, where in addition to equal monthly installments, the loan is finally paid down by a last payment that is significantly higher than the monthly installments (balloon loans).

If the loan contracts provide for a final larger balloon payment, the borrower is entitled to settle the final balloon payment either by:

- Paying in cash;
- Selling the vehicle to the car dealer for a purchase price that equals the balloon payment. The dealer will settle the balloon payment on the borrower’s behalf. If the purchase price for the financed object is lower than the contractual balloon payment, the car dealer must pay the difference to settle the balloon payment; or
- Refinancing the balloon payment by concluding a new loan with VW Bank. VW Bank will settle the balloon payment from the funds of the new loan contract.

Standard & Poor's Stress Test

The rating analysis includes a conservative assessment of the credit risk inherent in the transaction. The credit enhancement is sized after analyzing the impact that various stress scenarios would have on the collateral.

Credit support for each class of notes issued by Driver Five was established based on the usual rating methodology for analyzing consumer finance transactions.

Standard & Poor's was provided with quarterly static net loss data starting from the first quarter of 2000. These numbers were provided for the four subportfolios: balloon loans for new cars, balloon loans for used cars, amortizing loans for new cars, and amortizing loans for used cars. The data received indicates that amortizing and balloon contracts for new vehicles are performing substantially better than those contracts for used vehicles. Base cases were derived for all four subportfolios, resulting in a weighted-average net loss for the whole portfolio of 1.24%.

The static net loss data indicates the actual write-offs after recoveries, including vehicle sale proceeds and other recovery sources. Standard & Poor's was not provided with separate recovery or prepayment data. To get to gross loss numbers, Standard & Poor's assumed a recovery rate of 50%.

Assumptions were made on the timing of defaults, delinquencies, and prepayment levels. These were based on the standard criteria for European consumer finance transactions and Standard & Poor's experience with similar types of assets in other securitizations. When stressing the gross loss base cases, balloon loans were treated more conservatively, to account for the overall higher default rates that could be observed for these products compared with the amortizing contracts (see tables 1 and 2 for the base cases and stresses used).

Table 1

<i>Base Cases Used</i>	
	<i>Gross default base cases (%)</i>
Balloon loans (new cars)	1.9
Balloon loans (used cars)	3.2
Amortizing loans (new cars)	1.2
Amortizing loans (used cars)	4.8

Table 2

<i>Stresses Used</i>		
<i>Rating</i>	<i>Gross default multipliers (x)</i>	<i>Recovery haircut (%)</i>
AAA	4 to 5	25 to 35
A+	2 to 3	10 to 20

To determine the impact of pro rata amortization, the cash flow modeling took the performance triggers into account. Losses that might arise due to prepayments were calculated for the different rating levels and added to the loss assumptions used in the cash flow modeling. The ratings address not only the availability of funds for full payment of interest and principal, but also the timeliness of these payments in accordance with the terms of the rated securities. Different runs of the cash flows were tested to control the timeliness of payments to noteholders. This was applied throughout the life of the transaction under different stress scenarios and corresponding to different rating levels.

Legal Issues—German Business Tax Reform 2008

On Jan. 1, 2008, the German Business Tax Reform Act 2008 introduced the so-called interest-stripping rules (*Zinsschranke*), which will limit the tax deductibility of interest. If applied, these limitations could potentially leave the issuer, a German taxpayer, exposed to additional tax liabilities based on a noncash profit.

The exact interpretation and application of the new law in practice remains somewhat unclear. Standard & Poor's expects to receive comfort in form of a legal opinion that the interest stripping-rules should not apply to the issuer. It has also conducted discussions with the Frankfurt tax authorities, which have confirmed (in a nonbinding manner) their intention, based on the reasoning of the law, not to apply the rules to certain types of securitization SPEs, which in Standard & Poor's view include the issuer.

Key Performance Indicators

Standard & Poor's will monitor the performance of the transaction, checking for:

- Any change in the portfolio composition due to amortization, prepayments, and defaults in the pool;
- The recovery proceeds; and
- The build up of overcollateralization during the life of the transaction.

Criteria Referenced

- "Revised Framework For Applying Counterparty And Supporting Party Criteria" (published May 8, 2007)
- "European Legal Criteria for Structured Finance Transactions" (published on March 23, 2005).
- "European Consumer Finance Criteria" (published in March 2000).
- "**Auto Loan Criteria**" (published in 1999).

Related Articles

- "Changes Made, But Challenges Remain: Key Issues Surrounding German True-Sale ABS" (published on Jan. 30, 2006).
- "European Auto ABS Performance Report" (published quarterly).
- "German Finance Ministry Addresses Effect of Paragraph 13c of VAT Act on German Securitizations" (published on July 7, 2004).
- "Why Structured Finance Ratings Can Change Over Time" (published on July 27, 2006).
- "Default Modelling for European Consumer Asset-Backed Securitizations" (published on June 23, 2003).
- "Germany Securitization Outlook H2 2007—Strong Performance Should Continue" (published on Aug. 9, 2007).

All criteria and related articles are available on RatingsDirect, the real-time Web-based source for Standard & Poor's credit ratings, research, and risk analysis, at www.ratingsdirect.com. The criteria can also be found on Standard & Poor's Web site at www.standardandpoors.com.

Key Contacts

SF Investor Hotline	(44) 20-7176-3223
Client Support Europe	(44) 20-7176-7176
Press Office Hotline	(44) 20-7176-3605 or media_europe@standardandpoors.com

Local media contact numbers

Paris	(33) 1-4420-6657
Frankfurt	(49) 69-33-999-225
Stockholm	(46) 8-440-5914
Moscow	(7) 495-783-4017

Published by Standard & Poor's, a Division of The McGraw-Hill Companies, Inc. Executive offices: 1221 Avenue of the Americas, New York, NY 10020. Editorial offices: 55 Water Street, New York, NY 10041. Subscriber services: (1) 212-438-7280. Copyright 2008 by The McGraw-Hill Companies, Inc. Reproduction in whole or in part prohibited except by permission. All rights reserved. Information has been obtained by Standard & Poor's from sources believed to be reliable. However, because of the possibility of human or mechanical error by our sources, Standard & Poor's or others, Standard & Poor's does not guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions or the result obtained from the use of such information. Ratings are statements of opinion, not statements of fact or recommendations to buy, hold, or sell any securities.

Standard & Poor's uses billing and contact data collected from subscribers for billing and order fulfillment purposes, and occasionally to inform subscribers about products or services from Standard & Poor's, our parent, The McGraw-Hill Companies, and reputable third parties that may be of interest to them. All subscriber billing and contact data collected is stored in a secure database in the U.S. and access is limited to authorized persons. If you would prefer not to have your information used as outlined in this notice, if you wish to review your information for accuracy, or for more information on our privacy practices, please call us at (1) 212-438-7280 or write us at: privacy@standardandpoors.com. For more information about The McGraw-Hill Companies Privacy Policy please visit www.mcgraw-hill.com/privacy.html.

Analytic services provided by Standard & Poor's Ratings Services ("Ratings Services") are the result of separate activities designed to preserve the independence and objectivity of ratings opinions. Credit ratings issued by Ratings Services are solely statements of opinion and not statements of fact or recommendations to purchase, hold, or sell any securities or make any other investment decisions. Accordingly, any user of credit ratings issued by Ratings Services should not rely on any such ratings or other opinion issued by Ratings Services in making any investment decision. Ratings are based on information received by Ratings Services. Other divisions of Standard & Poor's may have information that is not available to Ratings Services. Standard & Poor's has established policies and procedures to maintain the confidentiality of non-public information received during the ratings process.

Ratings Services receives compensation for its ratings. Such compensation is normally paid either by the issuers of such securities or by the underwriters participating in the distribution thereof. The fees generally vary from US\$2,000 to over US\$1,500,000. While Standard & Poor's reserves the right to disseminate the rating, it receives no payment for doing so, except for subscriptions to its publications.

Permissions: To reprint, translate, or quote Standard & Poor's publications, contact: Client Services, 55 Water Street, New York, NY 10041; (1) 212-438-7280; or by e-mail to: research_request@standardandpoors.com.