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ARM ASSET BACKED SECURITIES SA - PROVISIONAL LIQUIDATORS APPOINTED (THE 'ISSUER')

FREQUENTLY ASKED QUESTIONS - SUBMITTED WEEK ENDED 1 NOVEMBER 2013

Q 4.1

Are Tranche 9 Bondholders Pending Investors? I understand that Tranche 9 monies were used to pay coupon payments to all tranches, unlike Tranches 10 and 11 whose monies were frozen in the UK.

It is the Provisional Liquidators' understanding that Tranche 9-11 Bondholders are all Pending Investors. The Provisional Liquidators cannot confirm at this stage the extent to which the Pending Monies that exist relate to any individual tranche (or otherwise).

Until a conclusion has been reached in respect of the status the Pending Monies, the Provisional Liquidators will not be in a position to provide further clarification regarding the individual tranches within the Pending Monies group.

The Provisional Liquidators do see the Pending Monies as a key issue to be expedited.

Q 4.2

Is it your intention to run a vote of Bondholders to determine the constitution of the proposed *ad hoc* creditors' committee? What progress has been made towards the formation of a committee?

The Provisional Liquidators are keen to engage with Bondholders. The formation of any *ad hoc* committee would be a democratic process as the Provisional Liquidators wish to have a fully representative body of the Bondholders and other creditors.

Whether this is achieved by a full vote at a meeting of Bondholders/creditors or some other appropriate means acceptable to Bondholders/creditors is yet to be determined. The Provisional Liquidators are mindful of the proportionality of costs in this.

Currently, the Provisional Liquidators are awaiting the further announcement of the Financial Services Compensation Scheme which is understood to be due this month and legal advice on the relative rankings of the Bonds prior to considering further an *ad hoc* committee.

Q 4.3

Are you able to advise us on the status of the one remaining policy waiting to be transferred to FCIL?

Payments for the premium of the one remaining policy continue to be made by the Issuer.

Q 4.4

Who has been benefitting from interest earned on the Pending Monies?

The Pending Monies are currently held in non-interest bearing accounts as far as we understand. We intend to discuss this issue with the Financial Conduct Authority.

Q 4.5

I have been advised by my IFA that my fund administrator is still deducting interest from my account. If I surrender my contract with the administrator, will I lose the right to any funds which may be distributed to the Bondholders?

Bondholders with queries of this nature should seek the advice of their IFA or the Citizens Advice Bureau (<http://www.citizensadvice.org.uk/> or 08444 77 20 20).

The following questions are, we believe, already covered by current FAQs as published on our website on 16 October 2013, 21 October 2013 and 29 October 2013:

- Please advise us what we need to do to register our claim.