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

FREQUENTLY ASKED QUESTIONS - SUBMITTED WEEK ENDED 17 JANUARY 2014

**Q 11.1**

In calculating the Issuer's assets at 34-45% of its liabilities, presumably payments made or due to be made by FCIL form most, if not all, of the figures. Does the figure of 45% include monies due in the future and does the figure of 34% include monies due in the future at a discounted rate to reflect a desire to crystallise losses now?

As explained in Q 8.9, the subsequent RNS and Q 10.3, none of the calculated figures takes into account the time value of money for either assets or liabilities (ie sums due to and from the Issuer in the future are included at face value).

**Q 11.2**

You stated that the Issuer's books and records are in the possession of its lawyers in Luxembourg. Do you agree that it is normal practice for a liquidator to take possession of these records? Do you have a copy of this data or online access?

The Provisional Liquidators have taken steps to move the Issuer's books and records to the BDO offices in Luxembourg. Various regulatory issues had to be confirmed before the books and records could be moved from the offices of the Issuer's lawyers in Luxembourg to BDO's offices in Luxembourg.

The books and records of the company are predominantly in paper form.

**Q 11.3**

I had a redemption request refused by the Issuer in 2011. How do you consider my claim will rank with regard to Bondholders and other creditors?

Your claim's quantum and ranking relative to other Bondholders will remain unaffected by the refused redemption request. As explained in Q 9.5, we are unable to provide specific commentary on the relative ranking of Bondholders between each other at this point. How Bondholders rank relative to other unsecured creditors is also under investigation.

Please note that any queries in respect of the Bondholder meeting have been answered on the additional note on the website.