

# BILKREDITT 1 LIMITED

(incorporated with limited liability in Ireland)

**NOK 3,965,000,000 Class A-1 Floating Rate Notes due June 2025 Issue Price: 100%**

**NOK 4,677,000,000 Class A-2 Floating Rate Notes due June 2025 Issue Price: 100%**

**NOK 2,013,440,000 Class B Floating Rate Notes due June 2025 Issue Price: 100%**

The Class A-1 Notes and the Class A-2 Notes (respectively, the "**Class A-1 Notes**" and the "**Class A-2 Notes**"; each a "**Sub-Class**" and together the "**Class A Notes**") and the Class B Notes (the Class A Notes and the Class B Notes each being a "**Class**" of Notes and together being the "**Notes**") issued by Bilkreditt 1 Limited (the "**Issuer**") are backed by a portfolio, purchased by the Issuer from Santander Consumer Bank AS (the "**Seller**"), of vehicle loans (the "**Purchased Auto Loans**") made by the Seller to finance the purchase of (i) motor vehicles (*motorvogn*) as defined in the Norwegian Road Traffic Act 1965 (including but not limited to cars, light commercial vehicles, motor homes and motor cycles), and (ii) other vehicles (*kjøretøy*) as defined in the Norwegian Road Traffic Act 1965 (including but not limited to caravans) (the "**Financed Vehicles**"). The Purchased Auto Loans may be secured by auto chattel mortgages (*salgs pant*), may have the benefit of (i) any applicable and assignable type of vehicle insurance (comprehensive, collision, medical insurance etc.), and (ii) credit protection insurance policies relating to the debtor's debt outstanding to the Seller pursuant to a Purchased Auto Loan (where the Seller has been named as beneficiary in respect of those claims), and may have the benefit of guarantees provided (in a small number of cases) by third parties (such security and other benefits, together with other related rights and proceeds, the "**Related Collateral**" and, together with the Purchased Auto Loans, the "**Portfolio**"). The Issuer will not acquire any auto loans or collateral from the Seller other than the Portfolio.

The Notes are issued pursuant to a Note Trust Deed dated the Note Issuance Date (as defined below) (the "**Note Trust Deed**") between the Issuer and Deutsche Trustee Company Limited as Note Trustee. The obligations of the Issuer under the Notes and other obligations will be secured by first-ranking security interests granted to Deutsche Trustee Company Limited (the "**Security Trustee**") in favour of the holders of the Notes (the "**Noteholders**") and the other Issuer Secured Parties (as defined below) pursuant to an English law security deed dated the Note Issuance Date (the "**Security Trust Deed**"), a Norwegian security agreement dated the Note Issuance Date (the "**Norwegian Security Agreement**"), and an Irish security deed of assignment dated the Note Issuance Date (the "**Irish Security Deed**"). Although the Notes will share in the same security, the Class A Notes will rank in priority to the Class B Notes in the event of the security being enforced (see "THE MAIN PROVISIONS OF THE SECURITY TRUST DEED"). The Issuer will, on the Note Issuance Date, purchase and acquire from the Seller the Portfolio pursuant to the provisions of Chapter 2V of the Norwegian Financial Institutions Act 1988 (*finansieringsvirksomhetsloven*) (the "**FIA**"). Certain characteristics of the Portfolio are described under "DESCRIPTION OF THE PORTFOLIO" herein.

The Class A Notes and the Class B Notes will each be issued at the issue price equal to 100% of their initial principal amount on 10 March 2011 (the "**Note Issuance Date**").

This Prospectus constitutes a prospectus for the purpose of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council (the "**Prospectus Directive**") in respect of asset-backed securities within the meaning of Article 2 (5) of the Commission Regulation (EC) No. 809/2004 of 29 April 2004 and the relevant implementing provisions in Ireland. The Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

Application has been made to the Irish Stock Exchange (the "**Irish Stock Exchange**") for the Class A Notes to be admitted to the Official List and trading on its regulated market. Upon approval of the Prospectus by the Central Bank, the Prospectus will be filed with the Irish Companies Registration Office in accordance with Regulation 38(1)(b) of the Prospectus (Directive 2003/71/EC) Regulations 2005. Such approval relates only to the Class A Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purpose of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. No application has been made to the Irish Stock Exchange for the Class B Notes to be admitted to the Official List.

Citibank International plc, HSBC Bank plc and Banco Santander, S.A. (together the "**Joint Lead Managers**") will subscribe for or, on a best efforts basis, procure subscriptions for, the Class A Notes and, to the extent they subscribe for and purchase any Class A Notes, will offer the Class A Notes from time to time, in negotiated transactions or otherwise, at varying prices to be determined at the time of the sale. The Class B Notes will be purchased by the Seller and will not be offered pursuant to this Prospectus. The Issuer will draw an advance under the Expenses Loan (as defined herein), to pay amongst other things, certain transaction structuring fees and expenses of the Issuer due to the Joint Lead Managers.

For a discussion of certain significant factors affecting investments in the Notes, see "RISK FACTORS". An investment in the Notes is suitable only for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment.

For reference to the definitions of capitalised words and phrases appearing herein, see "INDEX OF DEFINED TERMS".

**Arranger**

**SANTANDER**

**Joint Lead Managers**

**CITI**

**HSBC**

**SANTANDER**

The date of this prospectus is 8 March 2011.

The Class A-1 Notes and the Class A-2 Notes will each be initially represented by a temporary global note of the relevant Sub-Class in bearer form (each a "**Temporary Global Note**") without interest coupons attached. Each Temporary Global Note will be exchangeable, as described herein (see "OUTLINE OF THE TRANSACTION — The Notes — Form and Denomination"), for a permanent global note in bearer form which is recorded in the records of Euroclear and Clearstream Luxembourg (as defined below) (each, a "**Permanent Global Note**", and together with the Temporary Global Notes, (the "**Bearer Notes**") without interest coupons attached. Each Temporary Global Note will be exchangeable not earlier than 40 calendar days and not later than 180 calendar days after the Note Issuance Date, upon certification of non-U.S. beneficial ownership, for interests in a Permanent Global Note. The Bearer Notes will be deposited with a common safekeeper (the "**Common Safekeeper**") appointed by the operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream Luxembourg**" and, together with Euroclear, the "**Clearing Systems**") on or before the Note Issuance Date. The Common Safekeeper will hold the Bearer Notes in custody for Euroclear and Clearstream Luxembourg. The Bearer Notes may be transferred in book-entry form only. The Bearer Notes will be issued in denominations of NOK 1,000,000 or integral multiples of NOK 1,000 in excess thereof. The Global Notes will only be exchangeable for definitive securities in certain limited circumstances.

The Class B Notes will be issued in definitive registered form and initially represented by a single Note Certificate. Any Note Certificates later issued on any transfer or exchange will be issued in denominations of NOK 1,000,000 or integral multiples of NOK 1,000 in excess thereof.

See "NOTE CONDITIONS" — Form, Denomination and Title".

The Notes will be governed by English law.

Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank. The Issuer is not regulated by the Central Bank by virtue of the issue of the Notes.

THE NOTES REPRESENT OBLIGATIONS OF THE ISSUER ONLY AND DO NOT REPRESENT AN INTEREST IN OR OBLIGATION OF ANY OF THE JOINT LEAD MANAGERS, THE SELLER, THE SERVICER (IF DIFFERENT), THE SWAP COUNTERPARTY, THE NOTE TRUSTEE, THE SECURITY TRUSTEE, THE PRINCIPAL PAYING AGENT, THE CALCULATION AGENT, THE CASH ADMINISTRATOR, THE REGISTRAR, THE TRANSFER AGENT, THE LISTING AGENT, THE COMMON SAFEKEEPER OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (OTHER THAN THE ISSUER). NEITHER THE NOTES NOR THE UNDERLYING PORTFOLIO WILL BE INSURED OR GUARANTEED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR BY ANY OF THE JOINT LEAD MANAGERS, THE SELLER, THE SERVICER, THE SWAP COUNTERPARTY, THE NOTE TRUSTEE, THE SECURITY TRUSTEE, THE PRINCIPAL PAYING AGENT, THE CALCULATION AGENT, THE CASH ADMINISTRATOR, THE REGISTRAR, THE TRANSFER AGENT, THE LISTING AGENT, THE COMMON SAFEKEEPER OR ANY OF THE RESPECTIVE AFFILIATES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (OTHER THAN THE ISSUER) OR BY ANY OTHER PERSON OR ENTITY EXCEPT AS DESCRIBED HEREIN.

Class	Class Principal Amount (NOK)	Interest Rate	Issue Price	Expected Ratings (Fitch/DBRS)	Maturity Date	ISIN
A-1	3,965,000,000	NIBOR + 0.95%	100%	AAAsf / AAA(sf)	Payment Date falling in June 2025	XS0595990978
A-2	4,677,000,000	NIBOR + 0.95%	100%	AAAsf / AAA(sf)	Payment Date falling in June 2025	XS0595991273
B	2,013,440,000	NIBOR + 1.05%	100%	Unrated	Payment Date falling in June 2025	N/A

Interest on the Class A Notes will accrue on the outstanding principal amount of such Notes at a per annum rate equal to the sum of the Norwegian Inter-bank Offered Rate (NIBOR) for one month ("**NIBOR**") (in the case of the first Interest Period, the linear interpolation of between one and two month NIBOR) and 0.95% (the "**Class A Interest Margin**"). Interest on the Class B Notes will accrue on the outstanding principal amount at a per annum rate equal to the sum of NIBOR (in the case of the first Interest Period, the linear interpolation of between one and two month NIBOR) and 1.05% (the "**Class B Interest Margin**"). Interest will be payable in Norwegian kroner by reference to successive interest accrual periods (each, an "**Interest Period**") monthly in arrears on the twenty-fifth day of each calendar month, unless such date is not a Business Day, in which case the Payment Date shall be the next succeeding Business Day (each, a "**Payment Date**"). The first Payment Date will be the Payment Date falling on 26 April 2011. "**Business Day**" shall mean a day which is a London Banking Day, a New York Banking Day, an Oslo Banking Day and on which banks are open for general business in Dublin, Ireland and Madrid, Spain. See "NOTE CONDITIONS — Interest".

If any withholding or deduction for or on account of taxes should at any time apply to the Notes, payments of interest on, and principal in respect of, the Notes will be made subject to such withholding or deduction. The Notes will not provide for any gross-up or other payments in the event that payments on the Notes become subject to any such withholding or deduction on account of taxes. See "TAXATION".

Amortisation of the Notes will commence on the first Payment Date. See "NOTE CONDITIONS — Redemption".

The Notes will mature on the Payment Date falling in June 2025 (the "**Maturity Date**"), unless previously redeemed in full. In addition, the Notes will be subject to partial redemption, early redemption and/or optional redemption before the Maturity Date in specific circumstances and subject to certain conditions. See "NOTE CONDITIONS — Redemption".

The Class A Notes are expected, on issue, to be rated by DBRS, Inc. ("**DBRS**") and Fitch Ratings Limited ("**Fitch**" and, together with DBRS, the "**Rating Agencies**"). It is a condition of the issue of the Class A Notes that they are assigned the ratings indicated in the above table.

The rating assigned by DBRS to the Class A Notes addresses the likelihood that the holders of the Class A Notes (the "**Class A Noteholders**") will receive all payments to which they are entitled, as described herein, in respect of the Class A Notes. The rating of "AAA(sf)" is the highest rating that DBRS assigns to long-term structured finance obligations. The rating of the Class A Notes by Fitch addresses the likelihood that the Class A Noteholders will receive all payments to which they are entitled, as described herein, in respect of the Class A Notes. The rating of "AAAsf" is the highest rating that Fitch assigns to long-term obligations. Each rating takes into consideration the characteristics of the Portfolio and the structural, legal, tax and Issuer-related aspects associated with the Class A Notes.

However, the ratings assigned to the Class A Notes do not represent any assessment of the likelihood or level of principal prepayments prior to the Maturity Date. The ratings do not address the possibility that the Noteholders might suffer a lower than expected yield due to prepayments or amortisation or may fail to recoup their initial investments.

The ratings assigned to the Class A Notes should be evaluated independently against similar ratings of other types of securities. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal by the Rating Agencies at any time.

The Issuer has not requested a rating of the Class A Notes by any rating agency other than the Rating Agencies; there can be no assurance, however, as to whether any other rating agency will rate the Class A Notes or, if it does, what rating would be assigned by such other rating agency. The rating assigned to the Class A Notes by such other rating agency could be lower than the respective ratings assigned by the Rating Agencies.

Fitch is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009 indicating an intention to endorse its ratings, and DBRS is not established in the European Union but its European Union affiliate has applied for such registration, although in each case notification of the corresponding registration decision (including its ability to endorse each Rating Agency's ratings) has not yet been provided by the relevant competent authority.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation, unless the rating is provided by a credit rating agency operating in the European Union before 7 June, 2010 (the "EU CRA"), or a non-EU credit rating agency that is a member of the same group, where the EU CRA has submitted an application for registration in accordance with the CRA Regulation (or in the case of a non-EU affiliate, the EU CRA has in such application disclosed an intention to endorse the non-EU affiliate's ratings) and such registration (or, in the case of the non-EU rating, the ability to endorse the relevant non-EU affiliate's ratings) has not been refused.

The Issuer has not requested a rating of the Class B Notes by any rating agency.

The Seller will retain a material net economic interest of at least 5% in the Transaction on an ongoing basis as contemplated by Article 122a ("Article 122a") of Directive 2006/48/EC (as amended by Directive 2009/111/EC) (referred to as the Capital Requirements Directive). As at the Note Issuance Date, such interest will be comprised of the Subordinated Loan and an interest in the Class B Notes which is not less than 5% of the Principal Amount Outstanding of the Notes. Any change to the manner in which this interest is held will be notified to investors. Please refer to the section entitled "ARTICLE 122A OF THE CAPITAL REQUIREMENTS DIRECTIVE" for further information.

In this Prospectus, references to "Norwegian kroner" or "NOK" are to the lawful currency in Norway, and references to "euro", "Euro", "€" or "EUR" are to the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the EC Treaty.

The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

### **Responsibility for the contents of this Prospectus**

**The Issuer assumes responsibility for the information contained in this Prospectus except as otherwise stated herein and except that:**

- (i) **the Seller only is responsible for the information under "OUTLINE OF THE TRANSACTION – The Portfolio: Purchased Auto Loans and Related Collateral" on page 6, "OUTLINE OF THE TRANSACTION – Servicing of the Portfolio" on page 6, "RISK FACTORS – Reliance on Administration and Collection Procedures" on page 35, "CREDIT STRUCTURE – Purchased Auto Loan interest rates" on page 40, "CREDIT STRUCTURE — Cash collection arrangements" on page 40, "EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS" on page 141, "DESCRIPTION OF THE PORTFOLIO" on pages 94 to 95 (except for the information under "DESCRIPTION OF THE PORTFOLIO — Eligibility Criteria"), "CREDIT AND COLLECTION POLICY" on pages 142 to 145, and "THE SELLER"**

on pages 149 to 151; the Seller also accepts responsibility for the information contained in the section of this Prospectus headed "ARTICLE 122A OF THE CAPITAL REQUIREMENTS DIRECTIVE" (but not, for the avoidance of doubt, any information set out in the sections referred to therein);

- (ii) the Swap Counterparty only is responsible for the information under "THE SWAP COUNTERPARTY" on page 155;
- (iv) the Note Trustee and the Security Trustee only are responsible for the information in the last four paragraphs under "THE NOTE TRUSTEE AND THE SECURITY TRUSTEE" on page 156;
- (v) the Principal Paying Agent, the Calculation Agent, the Transfer Agent and the Cash Administrator only are responsible for the information under "THE PRINCIPAL PAYING AGENT, THE CALCULATION AGENT, THE TRANSFER AGENT AND THE CASH ADMINISTRATOR" on page 152;
- (vi) the Transaction Account Bank only is responsible for the information under "THE TRANSACTION ACCOUNT BANK" on page 154;
- (vii) the Registrar only is responsible for the information under "THE REGISTRAR" on page 157; and
- (viii) the Corporate Administrator only is responsible for the information under "THE CORPORATE ADMINISTRATOR" on page 153.

The Issuer hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Issuer is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Seller hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Seller is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Swap Counterparty hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Swap Counterparty is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Security Trustee hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Security Trustee is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Note Trustee hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Note Trustee is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Principal Paying Agent, the Calculation Agent, the Transfer Agent and the Cash Administrator hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Principal Paying Agent, the Calculation Agent, the Transfer Agent and the Cash Administrator, respectively, is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Transaction Account Bank hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Transaction Account Bank is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

**The Registrar hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Registrar is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.**

**The Corporate Administrator hereby declares that, to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), all information contained herein for which the Corporate Administrator is responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.**

*No person has been authorised to give any information or to make any representations, other than those contained in this Prospectus, in connection with the issue, offering, subscription or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the directors of the Issuer, the Note Trustee, the Security Trustee or any of the Joint Lead Managers.*

*Neither the delivery of this Prospectus nor any offering, sale or delivery of any Notes shall, under any circumstances, create any implication (i) that the information in this Prospectus is correct as of any time subsequent to the date hereof or, as the case may be, subsequent to the date on which this Prospectus has been most recently amended or supplemented, or (ii) that there has been no adverse change in the financial situation of the Issuer since the date of this Prospectus or, as the case may be, the date on which this Prospectus has been most recently amended or supplemented, or the date of the most recent financial information which is contained in this Prospectus by reference, or (iii) that any other information supplied in connection with the issue of the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

*Prospective purchasers of Notes should conduct such independent investigation and analysis as they deem appropriate to evaluate the merits and risks of an investment in the Notes. **If you are in doubt about the contents of this document, you should consult your stockbroker, bank manager, legal adviser, accountant or other financial adviser.** None of the Joint Lead Managers makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied by the Issuer in connection with the Notes and accept any responsibility or liability therefor. None of the Joint Lead Managers undertakes to review the financial condition or affairs of the Issuer or to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Lead Managers.*

*No action has been taken by the Issuer or any of the Joint Lead Managers other than as set out in this Prospectus that would permit a public offering of the Notes, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus (nor any part thereof) nor any other information memorandum, prospectus, form of application, advertisement, other offering material or other information may be issued, distributed or published in any country or jurisdiction except in compliance with applicable laws, orders, rules and regulations, and the Issuer and each of the Joint Lead Managers has represented that all offers and sales by it have been and will be made on such terms.*

*This Prospectus may be distributed and its contents disclosed only to the prospective investors to whom it is provided. By accepting delivery of this Prospectus, the prospective investors agree to these restrictions.*

*The distribution of this Prospectus (or any part thereof) and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part hereof) comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restriction.*

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. EACH OF THE JOINT LEAD MANAGERS HAS REPRESENTED AND AGREED THAT IT HAS NOT OFFERED AND SOLD THE NOTES, AND WILL NOT OFFER AND SELL THE NOTES (I) AS PART

OF ITS DISTRIBUTION AT ANY TIME AND (II) OTHERWISE UNTIL 40 CALENDAR DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL NOTES ONLY IN ACCORDANCE WITH RULE 903 OF THE REGULATIONS PROMULGATED UNDER THE SECURITIES ACT. NONE OF THE JOINT LEAD MANAGERS, THEIR RESPECTIVE AFFILIATES NOR ANY PERSONS ACTING ON ITS OR THEIR BEHALF HAVE ENGAGED OR WILL ENGAGE IN ANY DIRECTED SELLING EFFORTS WITH RESPECT TO THE NOTES, AND THEY HAVE COMPLIED AND WILL COMPLY WITH THE OFFERING RESTRICTIONS REQUIREMENTS OF REGULATIONS UNDER THE SECURITIES ACT. AT OR PRIOR TO CONFIRMATION OF SALE OF NOTES, EACH OF THE JOINT LEAD MANAGERS WILL HAVE SENT TO EACH DISTRIBUTOR, DEALER OR PERSON RECEIVING A SELLING CONCESSION, FEE OR OTHER REMUNERATION THAT PURCHASES NOTES FROM IT DURING THE RESTRICTED PERIOD A CONFIRMATION OR NOTICE TO SUBSTANTIALLY THE FOLLOWING EFFECT:

"THE SECURITIES COVERED HEREBY HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS BY ANY PERSON REFERRED TO IN RULE 903 (B)(2)(III)(X) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (Y) OTHERWISE UNTIL 40 CALENDAR DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF THE SECURITIES AS DETERMINED AND CERTIFIED BY THE JOINT LEAD MANAGERS, EXCEPT IN EITHER CASE IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT. TERMS USED ABOVE HAVE THE MEANING GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT."

TERMS USED IN THE FOREGOING PARAGRAPH HAVE THE MEANING GIVEN TO THEM BY REGULATIONS UNDER THE SECURITIES ACT.

EACH OF THE JOINT LEAD MANAGERS HAS REPRESENTED AND AGREED THAT:

- (A) EXCEPT TO THE EXTENT PERMITTED UNDER U.S. TREAS. REG. SECTION 1.163-5 (c)(2)(i)(D) (THE "TEFRA D RULES"), (X) IT HAS NOT OFFERED OR SOLD, AND DURING THE RESTRICTED PERIOD WILL NOT OFFER OR SELL, DIRECTLY OR INDIRECTLY, NOTES IN BEARER FORM TO A PERSON WHO IS WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO A UNITED STATES PERSON, AND (Y) IT HAS NOT DELIVERED AND WILL NOT DELIVER, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR ITS POSSESSIONS DEFINITIVE NOTES IN BEARER FORM THAT ARE SOLD DURING THE RESTRICTED PERIOD;
- (B) IT HAS AND THROUGHOUT THE RESTRICTED PERIOD WILL HAVE IN EFFECT PROCEDURES REASONABLY DESIGNED TO ENSURE THAT ITS EMPLOYEES OR AGENTS WHO ARE DIRECTLY ENGAGED IN SELLING NOTES IN BEARER FORM ARE AWARE THAT SUCH NOTES MAY NOT BE OFFERED OR SOLD DURING THE RESTRICTED PERIOD TO A PERSON WHO IS WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO A UNITED STATES PERSON, EXCEPT AS PERMITTED BY THE TEFRA D RULES;
- (C) IF IT WAS CONSIDERED A UNITED STATES PERSON, THAT IT IS ACQUIRING THE NOTES FOR PURPOSES OF RESALE IN CONNECTION WITH THEIR ORIGINAL ISSUANCE AND AGREES THAT IF IT RETAINS NOTES IN BEARER FORM FOR ITS OWN ACCOUNT, IT WILL ONLY DO SO IN ACCORDANCE WITH THE REQUIREMENTS OF U.S. TREAS. REG. SECTION 1.63-5 (c)(2)(i)(D)(6); AND
- (D) WITH RESPECT TO EACH AFFILIATE THAT ACQUIRES FROM IT NOTES IN BEARER FORM FOR THE PURPOSE OF OFFERING OR SELLING SUCH NOTES DURING THE RESTRICTED PERIOD THAT IT WILL EITHER (i) REPEAT AND CONFIRM THE REPRESENTATIONS AND AGREEMENTS CONTAINED IN SUB-CLAUSES (A), (B) AND (C); OR (ii) OBTAIN FROM SUCH AFFILIATE FOR THE BENEFIT OF THE ISSUER THE REPRESENTATIONS AND AGREEMENTS CONTAINED IN SUB-CLAUSES (A), (B) AND (C).

TERMS USED IN THE FOREGOING PARAGRAPH HAVE THE MEANINGS GIVEN TO THEM BY THE U.S. INTERNAL REVENUE CODE AND REGULATIONS THEREUNDER, INCLUDING THE TEFRA D RULES.

EACH OF THE JOINT LEAD MANAGERS HAS FURTHER REPRESENTED, WARRANTED AND AGREED THAT:

- (A) IT HAS ONLY COMMUNICATED OR CAUSED TO BE COMMUNICATED AND WILL ONLY COMMUNICATE OR CAUSE TO BE COMMUNICATED ANY INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 OF THE UNITED KINGDOM (THE "FSMA")) RECEIVED BY IT IN CONNECTION WITH THE ISSUE OF THE NOTES IN CIRCUMSTANCES IN WHICH SECTION 21 (1) OF THE FSMA DOES NOT APPLY TO THE ISSUER, AND
- (B) IT HAS COMPLIED AND WILL COMPLY WITH ALL APPLICABLE PROVISIONS OF THE FSMA WITH RESPECT TO ANYTHING DONE BY IT IN RELATION TO THE NOTES IN, FROM OR OTHERWISE INVOLVING THE UNITED KINGDOM.

IN THE FOREGOING PARAGRAPH, "UNITED KINGDOM" SHALL MEAN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND.

EACH OF THE JOINT LEAD MANAGERS HAS FURTHER REPRESENTED, WARRANTED AND AGREED THAT:

- (A) IT WILL NOT UNDERWRITE THE ISSUE OF, OR PLACE THE NOTES, OTHERWISE THAN IN CONFORMITY THAN WITH THE PROVISIONS OF S.I. NO. 60 OF 2007, EUROPEAN COMMUNITIES (MARKETS IN FINANCIAL INSTRUMENTS) REGULATIONS 2007 (MIFID REGULATIONS), INCLUDING, WITHOUT LIMITATION, PARTS 6,7, AND 12 THEREOF AND THE PROVISIONS OF THE INVESTOR COMPENSATION ACT 1998;
- (B) IT WILL NOT UNDERWRITE THE ISSUE OF, OR PLACE, THE NOTES, OTHERWISE THAN IN CONFORMITY WITH THE PROVISIONS OF THE CENTRAL BANK ACTS 1942 – 2010 (AS AMENDED) AND ANY CODES OF CONDUCT RULES MADE UNDER SECTION 177(1) THEREOF;
- (C) IT WILL NOT UNDERWRITE THE ISSUE OF, OR PLACE, OR DO ANYTHING IN IRELAND IN RESPECT OF THE NOTES OTHERWISE THAN IN CONFORMITY WITH THE PROVISIONS OF THE PROSPECTUS (DIRECTIVE 2003/71/EC) REGULATIONS 2005 AND ANY RULES ISSUED UNDER SECTION 51 OF THE IRISH INVESTMENT FUNDS, COMPANIES AND MISCELLANEOUS PROVISIONS ACT 2005 BY THE CENTRAL BANK OF IRELAND (THE "CENTRAL BANK");
- (D) IT WILL NOT UNDERWRITE THE ISSUE OF, PLACE OR OTHERWISE ACT IN IRELAND IN RESPECT OF THE NOTES, OTHERWISE THAN IN CONFORMITY WITH THE PROVISIONS OF THE MARKET ABUSE (DIRECTIVE 2003/6/EC) REGULATIONS 2005 AND ANY RULES ISSUED UNDER SECTION 34 OF THE IRISH INVESTMENT FUNDS, COMPANIES AND MISCELLANEOUS PROVISIONS ACT 2005 BY THE CENTRAL BANK; AND
- (E) TO THE EXTENT APPLICABLE IT HAS COMPLIED WITH AND WILL COMPLY WITH ALL APPLICABLE PROVISION OF THE IRISH COMPANIES ACTS 1963 – 2009.

*This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of an offer to buy any of the securities offered hereby in any circumstances in which such offer or solicitation is unlawful. This Prospectus does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. For a further description of certain restrictions on offerings and sales of the Notes and distribution of this Prospectus, or an invitation by, or on behalf of the Issuer or any of the Joint Lead Managers to subscribe for or to purchase any of the Notes (or of any part thereof), see "SUBSCRIPTION AND SALE".*

**An investment in the Notes is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result from such investment.**



**It should be remembered that the price of securities and the income from them can go down as well as up.**

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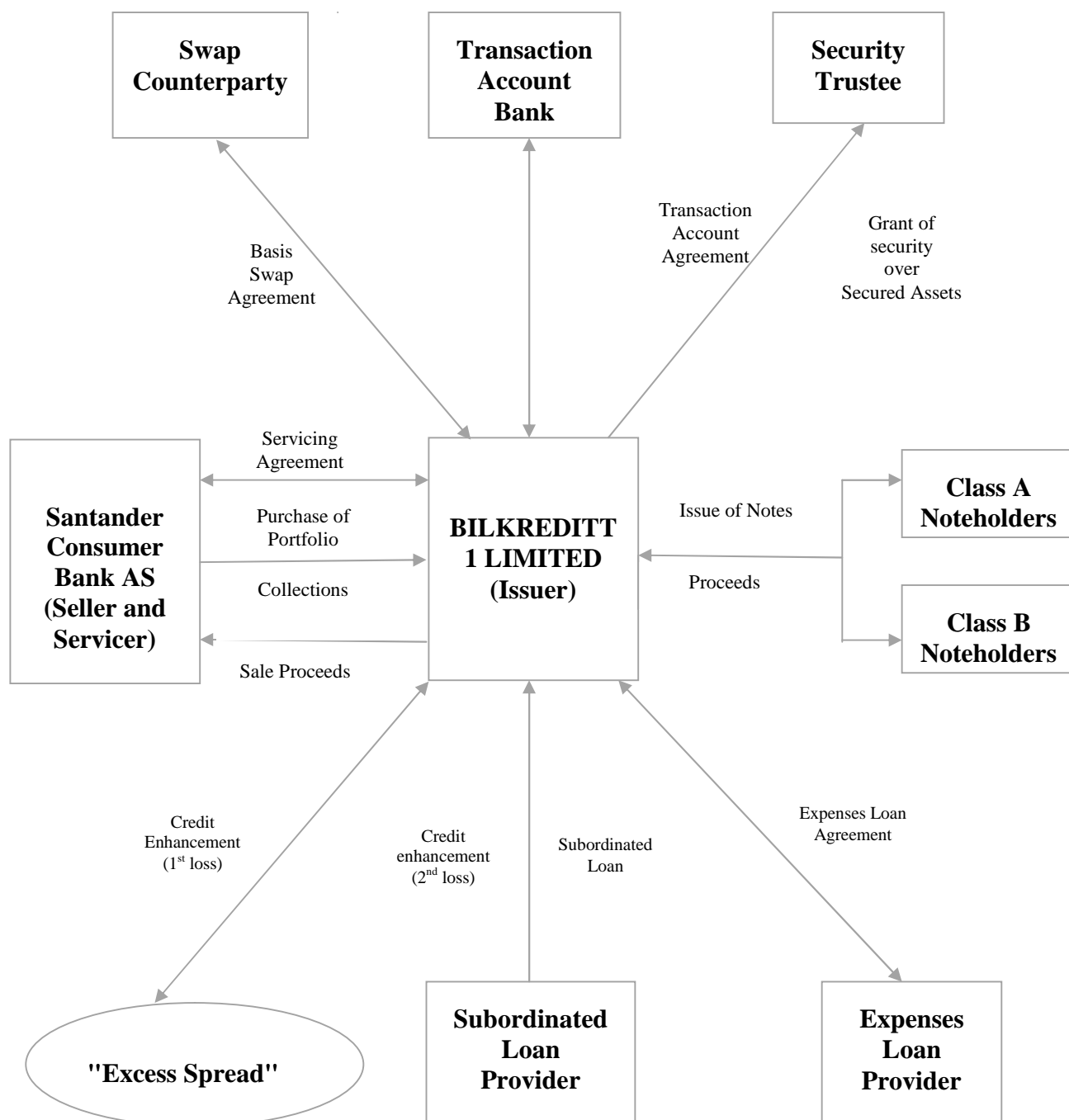
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## TRANSACTION STRUCTURE

### Structure Diagram

(as of the close of business on the Note Issuance Date)

This diagrammatic overview of the transaction structure is qualified in its entirety by reference to the more detailed information appearing elsewhere in this Prospectus.



## OUTLINE OF THE TRANSACTION

The following outline should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Prospectus. In the event of any inconsistency between this summary and the information provided elsewhere in this Prospectus, the latter shall prevail.

### THE PARTIES

<b>Issuer</b>	Bilkreditt 1 Limited, a special purpose company incorporated with limited liability under the laws of Ireland, which has its registered office at 5 Harbourmaster Place, IFSC, Dublin 1, Ireland, and which is authorised pursuant to the decision by the Financial Supervisory Authority of Norway (the " <b>FSAN</b> ") of 27 May 2010 (the " <b>Authorisation</b> ") as an issuer pursuant to the conditions set out in the Authorisation.
<b>Corporate Administrator</b>	Deutsche International Corporate Services (Ireland) Limited, 5 Harbourmaster Place, IFSC, Dublin 1, Ireland.
<b>Seller</b>	Santander Consumer Bank AS, Strandvn.18/P.O. Box 177, N-1325 Lysaker, Norway.
<b>Servicer</b>	The Portfolio will be serviced by the Seller (in this capacity, the " <b>Servicer</b> ").
<b>Note Trustee</b>	Deutsche Trustee Company Limited, Winchester House, 1 Great Winchester Street, London EC2N 2DB, England.
<b>Security Trustee</b>	Deutsche Trustee Company Limited, Winchester House, 1 Great Winchester Street, London EC2N 2DB, England.
<b>Expenses Loan Provider</b>	Santander Consumer Finance, S.A., Ciudad Grupo Santander, Avenida de Cantabria s/n, Dehesa Building, First Floor, 28660 Boadilla del Monte, Madrid, Spain.
<b>Liquidity Facility Provider</b>	Banco Santander, S.A.
<b>Subordinated Loan Provider</b>	The Seller.
<b>Swap Counterparty</b>	Banco Santander, S.A. (the " <b>Swap Counterparty</b> ").
<b>Collections Account Bank</b>	Skandinaviska Enskilda Banken AB (publ) (" <b>SEB</b> ").
<b>Transaction Account Bank</b>	Deutsche Bank AG, London Branch.
<b>Joint Lead Managers</b>	Citibank International plc, Citigroup Centre, 33 Canada Square, 3rd Floor, Canary Wharf, London E14 5LB,  HSBC Bank plc, 8 Canada Square, London E14 5HQ, and  Banco Santander, S.A., Paseo de Pereda 9-12, Santander, Spain.
<b>Principal Paying Agent, Calculation Agent, Transfer Agent, Cash Administrator and Common Safekeeper</b>	Deutsche Bank AG, London Branch.
<b>Registrar</b>	Deutsche Bank Luxembourg S.A.

**Listing Agent** A&L Listing Limited, IFSC, North Wall Quay, Dublin 1, Ireland.

**Rating Agencies** DBRS, Inc. or any successors ("**DBRS**") and Fitch Ratings Limited ("**Fitch**").

## THE NOTES

**The Transaction** The Seller will sell and assign the Portfolio to the Issuer on the Note Issuance Date pursuant to a purchase agreement entered into between the Issuer and the Seller (the "**Auto Portfolio Purchase Agreement**").

**Classes of Notes** The NOK 3,965,000,000 Class A-1 Floating Rate Notes and the NOK 4,677,000,000 Class A-2 Floating Rate Notes due on the Payment Date falling in June 2025 (respectively, the "**Class A-1 Notes**" and the "**Class A-2 Notes**" and together the "**Class A Notes**") and the NOK 2,013,440,000 Class B Floating Rate Notes due on the Payment Date falling in June 2025 (the "**Class B Notes**" and, together with the Class A Notes, the "**Notes**") will be backed by the Portfolio.

Following the issue of the Class A Notes and the Class B Notes, the Issuer will not issue any further Notes.

**Signing Date** 8 March 2011

**Note Issuance Date** 10 March 2011

**Form and denomination** The Class A-1 Notes and the Class A-2 Notes each will initially be represented by a Temporary Global Note of the relevant Sub-Class, in bearer form, without interest coupons attached (the "**Bearer Notes**"). Such Bearer Notes will be deposited with the Common Safekeeper and will only be exchangeable for definitive Bearer Notes in certain customary limited conditions. Each of the Class A Notes will be issued in the denomination of NOK 1,000,000 or an integral multiple of NOK 1,000 in excess thereof. Each Bearer Note will be in the form of a new global note.

The Class B Notes will initially be represented by a Note Certificate for the entire issue of NOK 2,013,440,000 of Class B Notes. Any further Note Certificates issued on any transfer or exchange will be issued in a minimum denomination of NOK 1,000,000 or an integral multiple of NOK 1,000 in excess thereof.

**Status and priority** The Notes constitute direct, secured and unconditional obligations of the Issuer (but shall be limited recourse obligations as provided in the terms and conditions of the Notes (the "**Note Conditions**"). The Class A Notes rank *pari passu* among themselves in respect of security. Following the occurrence of an Issuer Event of Default and delivery of an Enforcement Notice, the Class A Notes rank against all other current and future obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments. The Class B Notes rank *pari passu* among themselves in respect of security. Following the occurrence of an Issuer Event of Default and the delivery of an Enforcement Notice, the Class B Notes rank against all other current and future obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments. In accordance with the Post-Enforcement Priority of Payments, the Class A Notes rank as to

payments and as to security in priority to Class B Notes.

**Limited recourse**

All payment obligations of the Issuer under the Notes will be limited recourse obligations of the Issuer to pay only the amounts available for such payment from the Available Distribution Amount in accordance with the Priorities of Payment.

**Interest**

On each Payment Date, interest on each Note is payable monthly in arrears by applying the Reference Rate for the relevant Interest Period plus the relevant margin to the Note Principal Amount outstanding immediately prior to the relevant Payment Date (as these terms are defined in Note Condition 4 (*Interest*)) of such Note. With respect to the Class A Notes, the margin will be 0.95% per annum and, with respect to the Class B Notes, the margin will be 1.05% per annum.

The Interest Period with respect to each Payment Date will be the period commencing on (and including) the Payment Date immediately preceding such Payment Date and ending on (but excluding) such Payment Date with the first Interest Period commencing on (and including) the Note Issuance Date and ending on (but excluding) the first Payment Date.

Interest will be calculated on the basis of the actual number of days elapsed and a year of 360 days.

**Reference Rate**

NIBOR.

**Payment Dates**

Payments of principal and interest will be made to the Noteholders on the twenty-fifth day of each calendar month, unless such date is not a Business Day in which case the Payment Date shall be the next succeeding Business Day, and the first Payment Date will be the Payment Date falling in April 2011.

**Cut-Off Date**

"**Cut-Off Date**" shall mean the last day of each calendar month, beginning 31 January 2011, and the Cut-Off Date with respect to any Payment Date is the Cut-Off Date immediately preceding such Payment Date.

**Maturity Date**

Unless previously redeemed or purchased and cancelled as described herein, each Class of Notes will be redeemed in full on the Payment Date falling in June 2025, subject to the limitations set forth in Note Condition 2.5 (*Limited recourse and non-petition*). The Issuer will be under no obligation to make any payment under the Notes after the Maturity Date.

**Amortisation**

On each Payment Date, the Notes will be subject to redemption in accordance with the Pre-Enforcement Priority of Payments sequentially in the following order: first the Class A Notes until the Class A Notes have been redeemed in full, and thereafter the Class B Notes.

**Clean-up call**

On any Payment Date on which the Aggregate Outstanding Loan Principal Amount has been reduced to less than 10% of the Aggregate Outstanding Note Principal Amount as of the Note Issuance Date, the Seller will have, subject to certain requirements and prior notification to the FSAN, the option under the Auto Portfolio Purchase Agreement to repurchase all outstanding Purchased Auto Loans (together with any Related Collateral) held by the Issuer, and the Issuer shall, upon due exercise of such repurchase

option, redeem all (but not some only) of the Notes on the Early Redemption Date (as defined in Note Condition 5.3(a)(ii)). The purchase price for any such repurchase shall equal the sum of (A) the then current Aggregate Outstanding Loan Principal Amount plus (B) any Deemed Collections owed by the Seller and other Collections received by the Seller, as Servicer, and not otherwise paid to the Issuer, plus (C) any interest on the Purchased Auto Loans accrued until and outstanding on the Early Redemption Date (and not included in such Deemed Collections). Such repurchase and redemption may take place only if, among other things, the proceeds distributable as a result of such repurchase will be at least equal to the then Class A Principal Amount plus accrued interest thereon together with all amounts ranking prior thereto according to the Pre-Enforcement Priority of Payments.

### **Taxation**

All payments of principal of and interest on the Notes will be made free and clear of, and without any withholding or deduction for or on account of, tax (if any) applicable to the Notes under any applicable jurisdiction, unless such withholding or deduction is required by law. If any such withholding or deduction is imposed, the Issuer will not be obliged to pay any additional or further amounts as a result thereof.

### **Optional redemption for taxation reasons**

In the event that the Issuer is required by law to deduct or withhold certain taxes with respect to any payment under the Notes, the Notes may, at the option of the Issuer and subject to certain conditions, be redeemed in whole but not in part at their then outstanding aggregate Note Principal Amounts, together with accrued but unpaid interest (if any) to the date (which must be a Payment Date) fixed for redemption.

### **Secured Assets**

The obligations of the Issuer under the Notes will be secured by first ranking security interests granted to the Note Trustee for the benefit of the Noteholders and other Issuer Secured Parties:

(a) under Norwegian law in respect of (i) the Issuer's monetary claims under the Portfolio acquired by the Issuer pursuant to the Auto Portfolio Purchase Agreement, (ii) the Issuer's monetary claims under the other Norwegian law Transaction Documents, and (iii) the Issuer's right, title and interest in and to the Issuer Collections Account, all of which have been assigned and transferred by way of security or pledged to the Security Trustee pursuant to the Norwegian Security Agreement (collectively, the "**Norwegian Secured Assets**"); (b) under Irish law in respect of the Issuer's rights under the Corporate Administration Agreement in accordance with the Irish Security Deed (collectively, the "**Irish Secured Assets**"); and (c) under English law in respect of the Issuer's rights under the Note Trust Deed, the Basis Swap Agreement and certain other English law Transaction Documents and the rights of the Issuer in and to the Transaction Account, the Reserve Account and the Commingling Reserve Account (together the "**Issuer Secured Accounts**") in accordance with the Security Trust Deed (collectively, the "**English Secured Assets**"; together with the Norwegian Secured Assets and the Irish Secured Assets, the "**Secured Assets**").

After the occurrence of an Issuer Event of Default and the delivery of an Enforcement Notice, the Security Trustee will, subject to the terms of the Security Trust Deed, enforce or arrange for the enforcement of the Secured Assets and any credit in the Reserve Account and the Transaction Account and any proceeds obtained from the

enforcement of the Secured Assets pursuant to the Security Documents will be applied exclusively in accordance with the Post-Enforcement Priority of Payments.

The Security Trustee will not be able to exercise any rights in relation to the Portfolio beyond those which may be exercised by the Issuer. The Issuer's rights in relation to the Portfolio will be limited to the rights which the Seller had under the Loan Contracts and Related Collateral and applicable law to enforce the Purchased Auto Loans and Related Collateral. Enforcement against a Debtor can only take place in accordance with applicable enforcement legislation and provided that, among other things, the relevant Purchased Auto Loan is in default.

### **The Portfolio: Purchased Auto Loans and Related Collateral**

The Portfolio underlying the Notes consists of (i) Purchased Auto Loans evidenced by non-negotiable promissory notes (*enkelt gjeldsbrev*) (the "**Loan Contracts**") executed by certain debtors as borrowers (the "**Debtors**") for the purpose of financing the acquisition of the Financed Vehicles and (ii) the Related Collateral.

The Related Collateral includes, *inter alia*, any security interest in the Financed Vehicles obtained by the Seller as security for the Purchased Auto Loans, any guarantees given for the Purchased Auto Loans, the benefit of any vehicle insurance claims relating to the Financed Vehicles, and the benefit of any credit insurance claims relating to the Debtors' outstanding debt to the Seller pursuant to the Loan Contracts (where the Seller has been named as beneficiary in respect of those claims), in each case only to the extent, if any, that such interests, rights and benefits are assignable and any required third party consent or any other required consent has been obtained.

The Portfolio will be assigned and transferred to the Issuer on the Note Issuance Date pursuant to the Auto Portfolio Purchase Agreement.

The aggregate Principal Amount of the Portfolio as of the beginning of business (in Oslo, Norway) on 31 December 2010 was NOK 11,272,179,467.

### **Servicing of the Portfolio**

The Portfolio will be administered, collected and enforced by the Seller in its capacity as Servicer and on behalf of the Issuer under a servicing agreement with, *inter alia*, the Issuer (the "**Servicing Agreement**") dated on the Note Issuance Date, and upon termination of the appointment of the Servicer following the occurrence of a Servicer Termination Event, by a substitute servicer appointed by the Issuer. Any substitute servicer must be a credit institution licensed or passported to conduct banking activities in Norway and which has the experience or capability of administering assets similar to the Portfolio.

### **Servicer Termination Event**

"**Servicer Termination Event**" shall mean the occurrence of any of the following events:

1. the Servicer fails to remit to the Issuer any Collections received by it or to make any other payment required to be made by the Servicer to the Issuer pursuant to the Servicing Agreement, in each case, on or within three Business Days after the date when such remittance or payment is required to be made in accordance with the Servicing Agreement or, if no such due date is specified, the date of demand for



payment, *provided* however, that a delay or failure to make such a remittance or payment will not constitute a Servicer Termination Event if such delay or failure is caused by an event beyond the reasonable control of the Servicer, an act of God or other similar occurrence; or

2. the Servicer fails to perform any of its obligations (other than those referred to in paragraph 1 above) owed to the Issuer under the Servicing Agreement and such failure materially and adversely affects the rights of the Issuer or the Noteholders (as determined by the Note Trustee) and continues for (i) five Business Days in the case of failure by the Servicer to deliver any Monthly Report when due or (ii) 30 calendar days in the case of any other failure to perform, in each case after the date on which the Note Trustee gives written notice thereof to the Issuer and the Servicer or the Servicer otherwise has actual notice knowledge of such failure (whichever is earlier); provided however, that, subject to point 8 below, a delay or failure to perform any obligation will not constitute a Servicer Termination Event if such delay or failure is caused by an event beyond the reasonable control of the Servicer, an act of God or other similar occurrence; or
3. any of the representations and warranties made by the Servicer with respect to or in the Servicing Agreement or any Monthly Report or information transmitted is materially false or incorrect, such materiality to be determined by the Note Trustee; or
4. (A) proceedings are initiated against the Servicer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Servicer or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of the Servicer, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of the Servicer, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of the Servicer and (B) in any such case (other than the appointment of an administrator), the proceedings, application, appointment, possession or process is not discharged or discontinued within 30 days; or
5. any licence, authorisation or registration of the Servicer required with respect to the Servicing Agreement and the Services to be performed thereunder is revoked, restricted or made subject to any material conditions that would be reasonably likely to have a material adverse affect on the Servicer's ability to perform the Services; or
6. either (i) the Servicer's Owner ceases to own 100% of the then issued and outstanding shares of capital stock of the Servicer or (ii) a Servicer's Owner Downgrade 3 occurs; or

7. it is or becomes unlawful for the Servicer to perform or comply with any of its obligations under the Servicing Agreement; or
8. the Servicer is prevented or severely hindered for a period of 60 days or more from complying with its obligations under the Servicing Agreement as a result of a force majeure event and such force majeure event continues for 30 Business Days after written notice of such non-compliance has been given by the Issuer or the Note Trustee.

## **Collections**

Subject to the Pre-Enforcement Priority of Payments, the Collections received by the Seller or (if different) the Servicer on the Portfolio which form part of the Available Distribution Amount will be available for the payment of interest and principal on the Notes.

**"Collections"** shall mean, with respect to any Purchased Auto Loan and any Related Collateral:

- (a) all payments by or on behalf of any Debtor or any relevant guarantor or insurer in respect of principal, interest, fees, premiums, expenses or otherwise in respect of such Purchased Auto Loan or under the related Loan Contract, including, without limitation, all payments made by CPI Insurers to or for the benefit of the Seller under a CPI Policy with respect to such Purchased Auto Loan, and any and all proceeds from vehicle insurance policies relating to the Financed Vehicles, but excluding, however, any payments in respect of insurance premiums which are identifiable as such and not included in the Principal Amount of such Purchased Auto Loan;
- (b) all cash proceeds in relation to the enforcement of any Related Collateral, any proceeds from the sale of Defaulted Auto Loans (together with the relevant Related Collateral) received by the Servicer on behalf of the Issuer from any third party and any participation in extraordinary profits after realisation of the Related Collateral to which the Issuer is entitled under the relevant Loan Contract;
- (c) all amounts paid to the Issuer by or on behalf of the Seller in respect of any Deemed Collections; and
- (d) interest paid to the Issuer by the Seller or the Collections Account Bank on any Collections on deposit in the Collections Accounts.

## **Collection Period**

**"Collection Period"** shall mean, in relation to any Cut-Off Date, the period commencing on (but excluding) the Cut-Off Date immediately preceding such Cut-Off Date and ending on (and including) such Cut-Off Date and with respect to the first Payment Date the period that commenced on 31 January 2011 (excluding such date) and ends on 31 March 2011 (including such date).

## **Deemed Collections**

Pursuant to the Auto Portfolio Purchase Agreement, the Seller has undertaken to pay to the Issuer as a Deemed Collection the Outstanding Principal Amount (or the affected portion thereof) of any Purchased Auto Loan (plus accrued and unpaid interest) if such Purchased Auto Loan proves not to have been an Eligible Auto Loan on the Purchase Date, such Purchased Auto Loan becomes a

Disputed Auto Loan, such Purchased Auto Loan is rescheduled or modified other than in accordance with the Servicing Agreement or certain other events occur. In accordance with the terms of the Auto Portfolio Purchase Agreement, in certain circumstances the receipt by the Issuer of a Deemed Collection will result in the relevant Purchased Auto Loan and Related Collateral related thereto being automatically re-assigned to the Seller on the next Payment Date following the payment of the Deemed Collection.

**"Deemed Collection"** shall mean in relation to any Purchased Auto Loan, an amount equal to:

(A) the Outstanding Principal Amount of such Purchased Auto Loan (or, as the context may require, the affected portion of such Outstanding Principal Amount, in each case before giving effect to an event described in this definition), plus accrued and unpaid interest on such Outstanding Principal Amount (or, as applicable, such portion) as of the date when the Seller makes payment to the Seller Collections Account or, as applicable, the Issuer Collections Account with respect to such Deemed Collection, if:

- (i) such Purchased Auto Loan proves not to have been an Eligible Auto Loan on the Purchase Date;
- (ii) such Purchased Auto Loan becomes a Disputed Auto Loan (irrespective of any subsequent court determination in respect thereof);
- (iii) such Purchased Auto Loan is rescheduled (including any extension of its maturity date) or otherwise substantially modified (in each case, other than as a result of a Payment Holiday or otherwise in accordance with the Servicing Agreement or the Credit and Collection Policy, provided that any extension of the maturity date of any Purchased Auto Loan to a date later than June 2023 shall result in a Deemed Collection with respect to that Auto Loan); or
- (iv) such Purchased Auto Loan is cancelled or otherwise ceases to exist for any reason other than full payment by the Debtor to the Servicer or the Issuer (for example, if the Debtor requests and the Servicer agrees to exchange the Financed Vehicle for a different Financed Vehicle and in connection therewith to replace it with a different Loan Contract covering the replacement Financed Vehicle);

and, in any such case described in (i) or (ii) above, the Seller does not cure such event or condition within 60 days after the day it receives notice from the Issuer or the Note Trustee or otherwise obtains knowledge of such event or condition; and

(B) the amount of any reduction of the Outstanding Principal Amount of any Purchased Auto Loan, accrued and unpaid interest or any other amount owed by a Debtor with respect

to such Purchased Auto Loan due to:

- (i) any set-off against the Seller or the Issuer (as the case may be) due to a counterclaim of the Debtor, or any set-off or equivalent action against the relevant Debtor by the Seller;
- (ii) any discount or other credit in favour of the Debtor (for the avoidance of doubt, the granting of a Payment Holiday to a Debtor shall not be classified as a credit); or
- (iii) any final and conclusive decision by a court or similar authority with binding effect on the parties, based on any reason (including but not limited to any non-compliance with the minimum cash down payment requirements (*forskrifter om minste kontantinnsats*) contained in the Norwegian Financial Agreements Act 1999 (as amended) and the Credit Agreement Regulations 2010).

#### **Defaulted Auto Loans**

Any Purchased Auto Loan (which is not a Disputed Auto Loan) which has (a) an amount equivalent to at least six Loan Instalments overdue as indicated in the Monthly Report for the preceding Collection Period (*provided*, however, that any Loan Instalment which has been deferred during a Payment Holiday shall to that extent not be treated as overdue) or (b) been written-off by the Servicer in accordance with the Credit and Collection Policy (a "**Defaulted Auto Loan**").

#### **Expenses Loan**

Pursuant to the Expenses Loan Agreement, the Expenses Loan Provider will make available to the Issuer an interest-bearing amortising funding loan (the "**Expenses Loan**") which will not be credit-linked to the Portfolio and which will, subject to certain conditions, be disbursed on the Note Issuance Date to provide the Issuer with the funds necessary to pay certain amounts payable on the Note Issuance Date under the Transaction Documents (including, without limitation, the fees, costs and expenses payable on the Note Issuance Date by the Issuer to the Joint Lead Managers and to other parties in connection with the offer and sale of the Notes) and certain other costs.

The Expenses Loan will be repaid in twenty four (24) instalments on each Payment Date following the Note Issuance Date. The Expenses Loan will be subject to partial repayment, early repayment or optional repayment in specific circumstances and subject to certain conditions.

The claims and rights of the Expenses Loan Provider for repayment of and otherwise in respect of the Expenses Loan will, however, be limited to the amounts received by the Issuer from time to time in respect of a fee (the "**Transaction Cost Fee**") to be paid by the Seller on each Payment Date in accordance with the Auto Portfolio Purchase Agreement (and which will not form part of the Available Distribution Amount).

#### **Collections Accounts**

Currently, the Debtors make payments on Auto Loans into one or more bank accounts in the name of the Seller at the Collections Account Bank (together with any additional or substitute accounts of the Seller at the Collections Account Bank as may be permitted under

the Transaction Documents, the "**Seller Collections Accounts**"). Following the purchase of the Portfolio by the Issuer, the Debtors will continue to make payments on the Purchased Auto Loans into the Seller Collections Accounts. It is contemplated that the Servicer will, on each Oslo Banking Day when any payments are received and credited to any Seller Collections Account, identify the portion, if any, of those payments that constitute Collections. Thereafter the Servicer may transfer such collections to an holding account in the name of the Seller at the Collections Account Bank. With respect to each Collection Period, on the third Business Day preceding the immediately following Payment Date (each a "**Transfer Date**"), the Seller will pay to the Transaction Account an amount equal to the Collections received during that Collection Period and not previously transferred to the Issuer Collections Account. The Seller shall pay the Issuer interest on the amount of those Collections, for each day from and including the Oslo Banking Day when it receives those Collections to but excluding the Transfer Date or other date on which it transfers those Collections to the Transaction Account or the Issuer Collections Account, at the same rate as the effective rate of interest received by the Seller on amounts held in the Seller Collections Accounts during the relevant period. Such interest shall be payable on each Transfer Date.

The Servicing Agreement will provide that, if a Servicer's Owner Downgrade 1 occurs, then (i) the Servicer shall (or, if the Seller is not the Servicer, the Seller shall), within 10 Business Days, deposit to the Commingling Reserve Account an amount equal to the Commingling Reserve Required Amount; and (ii) the Servicer will, within 10 Business Days, instruct the Collections Account Bank to transfer to the Issuer Collections Account within one Oslo Banking Day after receipt (or, in the case of exceptional circumstances causing an operational delay in the transfer, within three Oslo Banking Days after receipt) any and all Collections received from time to time in the Seller Collections Account.

The Servicing Agreement will further provide that, on the occurrence of (i) a Servicer's Owner Downgrade 2 or (ii) a Servicer Termination Event (each a "**Notification Event**"), the Issuer (or the Servicer or another person on its behalf) will direct the Debtors to make payments on Purchased Auto Loans to a specified account of the Issuer (the "**Issuer Collections Account**"; together with the Seller Collections Accounts, the "**Collections Accounts**") at the Collections Account Bank. On each Transfer Date, the Issuer will transfer the amounts on deposit in the Issuer Collections Account to the Transaction Account.

#### **Transaction Account**

"**Transaction Account**" shall mean a specified bank account held in the name of the Issuer at the Transaction Account Bank, as well as any other bank accounts specified as such by or on behalf of the Issuer or the Note Trustee in the future in addition to or as substitute for such Transaction Account in accordance with the Transaction Account Agreement and the Security Trust Deed. Payments will be made by the Issuer on the Payment Dates from amounts standing to the credit of the Transaction Account. The funds in the Transaction Account will be invested by the Issuer from time to time in Permitted Investments maturing before the next Payment Date.

#### **Reserve Fund**

The Notes will have the benefit of a cash balance held in the Reserve Account (the "**Reserve Fund**") which will provide limited protection against shortfalls in the amounts required to pay interest

and (to a certain extent) principal on the Notes and certain other amounts, as specified in the Pre-Enforcement Priority of Payments. Prior to the delivery of an Enforcement Notice, to the extent the Reserve Fund has been applied to meet the payment obligations of the Issuer in accordance with the Pre-Enforcement Priority of Payments, the Reserve Account will be replenished on each Payment Date, up to the Required Reserve Amount as determined as of the Cut-Off Date immediately preceding such Payment Date, by any excess funds of the Available Distribution Amount which are not used to meet the prior-ranking payment obligations of the Issuer in accordance with the Pre-Enforcement Priority of Payments.

On each Payment Date (prior to the delivery of an Enforcement Notice), to the extent that the amount credited to the Reserve Account exceeds the Required Reserve Amount for the Notes, the excess will be applied in accordance with items *twelfth* through *fifteenth* of the Pre-Enforcement Priority of Payments.

**Reserve Account**

**"Reserve Account"** shall mean a specified bank account held in the name of the Issuer at the Transaction Account Bank as well as any other bank accounts specified as such by or on behalf of the Issuer or the Note Trustee in the future in addition to or as a substitute for such Reserve Account in accordance with the Transaction Account Agreement and the Security Trust Deed. The Reserve Fund will be held in the Reserve Account. The funds in the Reserve Account will be invested by the Issuer from time to time in Permitted Investments maturing before the next Payment Date.

**Liquidity Facility Provider**

Banco Santander, S.A., a company incorporated under the laws of Spain, registered with the *Banco de España* (Bank of Spain) under number 0049, having its registered offices at Paseo de Pereda 9-12, Santander and Tax Identification Code A-39000013 (**"Banco Santander"**), or any other person for the time being acting as such, is the liquidity facility provider (in such capacity, the **"Liquidity Facility Provider"**) pursuant to the terms of a liquidity facility agreement dated on or about the Note Issuance Date between the Issuer, the Note Trustee, the Calculation Agent and the Liquidity Facility Provider (the **"Liquidity Facility Agreement"**).

**Subordinated Loan**

Pursuant to and in accordance with the terms of the Auto Portfolio Purchase Agreement, the Subordinated Loan Provider will make available to the Issuer an interest-bearing amortising loan which will be disbursed on the Note Issuance Date in order to fund the Reserve Account (the **"Subordinated Loan"**). The Subordinated Loan will be repaid in accordance with the Priorities of Payment.

**Required Reserve Amount**

Pursuant to the Auto Portfolio Purchase Agreement and the Note Conditions, the Required Reserve Amount will be equal to: (a) on the Note Issuance Date and as of any Cut-Off Date prior to (but excluding) the Amortisation Threshold Date, the Reserve Percentage of the aggregate initial Note Principal Amounts of all Notes; and (b) on the Cut-Off Date falling on the Amortisation Threshold Date and any Cut-Off Date following the Amortisation Threshold Date, the greatest of (i) two times the Reserve Percentage of the Aggregate Outstanding Note Principal Amount (after giving effect to any payment of Class A Notes Principal and Class B Notes Principal to be made in accordance with the Pre-Enforcement Priority of Payments on the Payment Date immediately following such Cut-Off Date); (ii) either (A) if a Reserve Shortfall occurred on any preceding Payment Date, an amount equal to the Required Reserve Amount as

of the Cut-Off Date immediately preceding that Payment Date, or (B) if, based on a Required Reserve Amount equal to the amount described in (b)(i) above, a Reserve Shortfall would occur on the Payment Date immediately following such Cut-Off Date, an amount equal to the Required Reserve Amount as most recently determined prior to such Cut-Off Date; and (iii) NOK 53,277,200 (being 0.5% of the Reserve Percentage of the aggregate initial Note Principal Amounts of all Notes).

**"Amortisation Threshold Date"** shall mean the first Cut-Off Date as of which the Aggregate Outstanding Note Principal Amount is less than 50% of the aggregate initial Note Principal Amounts of all Notes.

**"Reserve Shortfall"** shall occur if the credit standing to the Reserve Account as of any Payment Date, after filling the Reserve Account in accordance with item eleventh of the Pre-Enforcement Priority of Payments, falls short of the Required Reserve Amount as of the Cut-Off Date immediately preceding such Payment Date.

**"Reserve Percentage"** shall mean 1.5%.

#### **Available Distribution Amount**

**"Available Distribution Amount"** shall mean, with respect to any Cut-Off Date and the Collection Period ending on such Cut-Off Date, an amount calculated by the Servicer pursuant to the Servicing Agreement (or, if required, by the Calculation Agent pursuant to the Agency Agreement) as of such Cut-Off Date and notified to the Issuer, the Corporate Administrator, the Calculation Agent and the Note Trustee not later than on the Reporting Date following such Cut-Off Date, as the sum of:

1. the amounts standing to the credit of the Reserve Account as of such Cut-Off Date;
2. any Collections (including, for the avoidance of doubt, Deemed Collections paid by the Seller or (if different) the Servicer) received by the Seller or (if different) the Servicer during the Collection Period ending on such Cut-Off Date;
3. any amount paid by any Swap Counterparty to the Issuer under any Swap Transaction on or before and with respect to the Payment Date immediately following such Cut-Off Date (excluding, for the avoidance of doubt, any collateral posted by any Swap Counterparty under any Credit Support Annex and any interest thereon but including any enforcement proceeds from such collateral applied in satisfaction of payments due to the Issuer in accordance with the Basis Swap Agreement and such Credit Support Annex);
4. the amounts paid by the Seller to the Issuer during such period pursuant to the Auto Portfolio Purchase Agreement in respect of: (A) any stamp duty, registration and other similar taxes, (B) any taxes levied on the Issuer and any relevant parties involved in the financing of the Issuer due to the Issuer and such parties having entered into the Auto Portfolio Purchase Agreement, the other Transaction Documents or other agreements relating to the financing of the acquisition by the Issuer of the Purchased Auto Loans, (C) any liabilities, costs, claims and expenses which arise from the non-payment or the delayed payment of any taxes

- specified under (B) above, except for those penalties and interest charges which are attributable to the gross negligence of the Issuer, and (D) any additional amounts corresponding to sums which the Seller is required to deduct or withhold for or on account of tax with respect to all payments made by the Seller to the Issuer under the Auto Portfolio Purchase Agreement;
5. (i) any amounts paid by the Seller to the Issuer in respect of (A) any default interest on unpaid sums due by the Seller to the Issuer and (B) indemnities against any loss or expense, including legal fees, incurred by the Issuer as a consequence of any default of the Seller, in each case paid by the Seller to the Issuer pursuant to the Auto Portfolio Purchase Agreement, and (ii) any default interest and indemnities paid by the Servicer to the Issuer pursuant to the Servicing Agreement, in each case as collected during such Collection Period;
  6. any other amounts paid by the Seller to the Issuer under or with respect to the Auto Portfolio Purchase Agreement (other than the Subordinated Loan and any Transaction Cost Fee) or the Purchased Auto Loans or the Related Collateral and any other amounts paid by the Servicer to the Issuer under or with respect to the Servicing Agreement, the Purchased Auto Loans or the Related Collateral, in each case as paid to the Issuer and deposited to the Transaction Account during such Collection Period;
  7. any interest earned on and paid into any Issuer Secured Account or paid by the Seller or the Collections Account Bank to the Issuer in respect of Collections held in any Collections Account during such Collection Period;
  8. the amount of any drawing to be made (including any use of Cash Collateral) under and in accordance with the Liquidity Facility Agreement on the Payment Date next following such Cut-Off Date; and
  9. if applicable, any amount on deposit in the Commingling Reserve Account, to the extent provided in the Servicing Agreement and the Agency Agreement.

**Issuer's sources and uses of funds**

The Available Distribution Amount will be used by the Issuer to pay interest on and principal of the Notes and to pay any amounts due to the other creditors of the Issuer in accordance with the Priorities of Payment. The Issuer will use amounts received in respect of the Transaction Cost Fee under the Auto Portfolio Purchase Agreement exclusively to pay principal of and interest on the Expenses Loan.

**Pre-Enforcement Priority of Payments**

On each Payment Date prior to the delivery of an Enforcement Notice, the Available Distribution Amount as of the Cut-Off Date immediately preceding such Payment Date shall be applied in accordance with the following order of priorities:

*first*, to pay any obligation of the Issuer which is due and payable with respect to any taxes including corporation and trade tax under any applicable law (if any);

*second*, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses, indemnity payments and



other amounts due and payable to the Note Trustee and to the Security Trustee under the Transaction Documents;

*third*, to pay (*pari passu* with each other on a *pro rata* basis) any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses, indemnity payments and other amounts due and payable to the directors of the Issuer (properly incurred with respect to their duties), legal advisers or auditors of the Issuer, the Rating Agencies (including any ongoing monitoring fees), the Principal Paying Agent, the Calculation Agent, the Transfer Agent, the Registrar and the Cash Administrator under the Agency Agreement, the Corporate Administrator under the Corporate Administration Agreement, the Transaction Account Bank under the Transaction Account Agreement, the Collections Account Bank under the Issuer Collections Account Agreement, the Joint Lead Managers under the Subscription Agreement (excluding commissions and concessions (if any) which are payable to the Joint Lead Managers under the Subscription Agreement on the Note Issuance Date and which are to be paid by the Issuer by applying the funds disbursed to it under the Expenses Loan), the relevant stock exchange on which the Notes may be listed, any listing agent, any intermediary between the Issuer, the Noteholders and the relevant stock exchange, the Common Safekeeper and any other relevant party with respect to the issue of the Notes and any other amounts due and payable from the Issuer in connection with the establishment, liquidation or dissolution of the Issuer or any annual return, filing, registration and registered office or other company, licence or statutory fees in Ireland, and a reserved profit of the Issuer of EUR 1,000 annually;

*fourth*, to pay (*pari passu* with each other on a *pro rata* basis) any fees (including the Servicer Fee), costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the Servicer under the Servicing Agreement, and any such amounts due and payable to any substitute servicer (including any expenses, costs and fees incurred in the course of replacement) for the Purchased Auto Loans and the Related Collateral which may be appointed from time to time in accordance with the Auto Portfolio Purchase Agreement or the Servicing Agreement;

*fifth*, to pay any amount due and payable to the Swap Counterparty under the Swap Transaction, other than any termination payments due and payable to the Swap Counterparty under the Basis Swap Agreement if an event of default has occurred under the Basis Swap Agreement where the Swap Counterparty is the defaulting party;

*sixth*, to pay Class A Notes Interest due and payable on such Payment Date, *pro rata* on each Class A Note;

*seventh*, to pay any amounts due and payable by the Issuer to the Liquidity Facility Provider (or, as applicable, to replenish Cash Collateral deposited by the Liquidity Facility Provider following a Ratings Downgrade) under the Liquidity Facility Agreement;

*eighth*, to pay any Class A Notes Principal (*pro rata* on each Class A Note) in an amount equal to the excess, if any, of the Class A Principal Amount over the Class A Target Principal Amount as of such Cut-Off Date;

*ninth*, to pay Class B Notes Interest due and payable on such Payment Date, *pro rata* on each Class B Note;

*tenth*, only after the Class A Notes have been redeemed in full, to pay any Class B Notes Principal (*pro rata* on each Class B Note) in an amount equal to the excess, if any, of the Class B Principal Amount over the Class B Target Principal Amount as of such Cut-Off Date;

*eleventh*, to credit to and fill the Reserve Account with effect as from such Payment Date up to the amount of the Required Reserve Amount as of such Cut-Off Date;

*twelfth*, to pay first, interest (including any deferred interest) due and payable to the Subordinated Loan Provider on the Subordinated Loan and thereafter, outstanding principal on the Subordinated Loan in the event of any reduction of the Required Reserve Amount from time to time (if any) in accordance with the provisions of the Auto Portfolio Purchase Agreement, in an amount (if any) which is equal to the difference between the amount of the Required Reserve Amount as of the Cut-Off Date immediately preceding such Cut-Off Date and the Required Reserve Amount as of such Cut-Off Date, but in no event more than the difference between the actual credit then standing to the Reserve Account as of such Cut-Off Date and the Required Reserve Amount as of such Cut-Off Date (and if such difference is negative, it shall be deemed to be zero);

*thirteenth*, to pay any termination payments due and payable to the Swap Counterparty under the Swap Transaction if an event of default has occurred under the Basis Swap Agreement and where the Swap Counterparty is the defaulting party;

*fourteenth*, to pay any amounts due and payable by the Issuer to the Seller under the Auto Portfolio Purchase Agreement in respect of (i) any tax credit, relief, remission or repayment received by the Issuer on account of any tax or additional amount paid by the Seller, or (ii) any Deemed Collection paid by the Seller for a Disputed Auto Loan which proves subsequently, as determined by a final judgment not subject to appeal, to be an enforceable Purchased Auto Loan, or otherwise (including, for the avoidance of doubt, any claims of the Seller against the Issuer for breach of obligation) under the Auto Portfolio Purchase Agreement or other Transaction Documents; and

*fifteenth*, to pay any remaining amount to the Seller as a deferred purchase price in accordance with the terms of the Auto Portfolio Purchase Agreement.

When amounts are due to be paid on a "*pro rata basis*", to the extent sufficient funds are not available to make all payments of such amounts within the same priority, the amounts will be distributed proportionately between the owed recipients according to each owed recipient's share in the total amount owed to all participants within that priority.

#### **Issuer Event of Default**

An "**Issuer Event of Default**" shall occur when:

- (i) the Issuer becomes subject to Insolvency Proceedings (as defined below); or
- (ii) the Issuer fails to pay on any Payment Date or the Maturity Date, as applicable, any interest or principal then due and

payable in respect of any Notes and such failure continues for five Business Days; *provided* that such a failure to pay with respect to interest or principal of the Class B Notes or, prior to the Maturity Date, with respect to principal of the Class A Notes, will only constitute an Issuer Event of Default if the Available Distribution Amount as of the immediately preceding Cut-Off Date would have been sufficient to pay such amounts in full in accordance with the applicable Priority of Payments; or

- (iii) the Issuer fails to pay or perform, as applicable, when and as due any other obligation under the Transaction Documents (in the case of any payment obligation with respect to any Payment Date, to the extent the Available Distribution Amount as of the immediately preceding Cut-Off Date would have been sufficient to pay such amounts in accordance with the applicable Priority of Payments), other than any obligation referred to in paragraph (ii) of this definition and in items *twelfth*, *fourteenth* and *fifteenth* of the Pre-Enforcement Priority of Payments, and such failure continues for 30 calendar days after the date on which the Note Trustee gives written notice thereof to the Issuer or the Issuer otherwise has actual knowledge of such failure (whichever is earlier); or
- (iv) a distress, execution, attachment or other legal process is levied or enforced upon or sued out against all or any substantial part of the assets of the Issuer and is not discharged or does not otherwise cease to apply within 60 calendar days of being levied, enforced or sued out or legal proceedings are commenced for any of the aforesaid, or the Issuer makes a conveyance or assignment for the benefit of its creditors generally.

For the avoidance of doubt, interest and principal on Notes other than interest on the Class A Notes will not be due and payable on any Payment Date prior to the Maturity Date except to the extent there are sufficient funds in the Available Distribution Amount to pay such amounts in accordance with the Pre-Enforcement Priority of Payments.

**Post-Enforcement Priority of Payments**

After delivery of an Enforcement Notice, on any Payment Date any amounts standing to the credit of the Transaction Account and the Reserve Account shall be applied in the following order towards fulfilling the payment obligations of the Issuer, in each case only to the extent payments of a higher priority have been made in full:

*first*, to pay any obligation of the Issuer with respect to corporation and trade tax under any applicable law (if any) which is due and payable and which, pursuant to applicable law, is payable in priority to Transaction Secured Obligations;

*second*, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), indemnity payments, expenses and other amounts due and payable to the Note Trustee, the Security Trustee, any Receiver, manager or administrative receiver under the Transaction Documents appointed in respect of the Issuer;

*third*, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, indemnity payments, expenses and other amounts due and payable to the Principal Paying Agent, the Calculation Agent, the Registrar, the Transfer Agent and the Cash Administrator under the Agency Agreement, the Corporate Administrator under the Corporate Administration Agreement, the Transaction Account Bank under the Transaction Account Agreement and the Collections Account Bank under the Issuer Collections Account Agreement;

*fourth*, to pay *pari passu* with each other on a *pro rata* basis any fees (including the Servicer Fee), costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the Servicer under the Servicing Agreement, and any such amounts due to any substitute servicer (including any expenses, costs and fees incurred in the course of replacement) for the Purchased Auto Loans and the Related Collateral which may be appointed from time to time in accordance with the Auto Portfolio Purchase Agreement or the Servicing Agreement;

*fifth*, to pay any amounts due and payable to the Swap Counterparty under the Swap Transaction, other than any termination payments due and payable to the Swap Counterparty under the Basis Swap Agreement if an event of default has occurred under the Basis Swap Agreement where the Swap Counterparty is the defaulting party;

*sixth*, to pay Class A Notes Interest due and payable on such Payment Date, *pro rata* on each Class A Note;

*seventh*, to pay any amounts due and payable by the Issuer to the Liquidity Facility Provider (or, as applicable, to replenish Cash Collateral deposited by the Liquidity Facility Provider following a Ratings Downgrade) under the Liquidity Facility Agreement;

*eighth*, to pay any Class A Notes Principal as of such Payment Date, *pro rata* on each Class A Note;

*ninth*, only after the Class A Notes have been redeemed in full, to pay Class B Notes Interest due and payable on such Payment Date, *pro rata* on each Class B Note;

*tenth*, to pay any Class B Notes Principal as of such Payment Date, *pro rata* on each Class B Note;

*eleventh*, to pay interest (including any deferred interest) due and payable to the Subordinated Loan Provider under the Auto Portfolio Purchase Agreement in respect of the Subordinated Loan;

*twelfth*, to pay any termination payments due and payable to the Swap Counterparty under the Swap Transaction if an event of default has occurred under the Basis Swap Agreement where the Swap Counterparty is the defaulting party;

*thirteenth*, to pay any amounts due and payable by the Issuer to the Seller under the Auto Portfolio Purchase Agreement in respect of (i) any tax credit, relief, remission or repayment received by the Issuer on account of any tax or additional amount paid by the Seller or (ii) any Deemed Collection paid by the Seller for a Disputed Auto Loan which proves subsequently, as determined by a final judgement not subject to appeal, to be an enforceable Purchased Auto Loan, or

otherwise (including, for the avoidance of doubt, any claims of the Seller against the Issuer for breach of obligation) under the Auto Portfolio Purchase Agreement or other Transaction Documents; and

*fourteenth*, to repay outstanding principal due and payable to the Subordinated Loan Provider on the Subordinated Loan under the Auto Portfolio Purchase Agreement; and

*fifteenth*, to pay any remaining amount to the Seller as a deferred purchase price in accordance with the terms of the Auto Portfolio Purchase Agreement.

When amounts are due to be paid on a "*pro rata basis*", to the extent sufficient funds are not available to make all payments of such amounts within the same priority, the amounts will be distributed proportionately between the owed recipients according to each owed recipient's share in the total amount owed to all participants within that priority.

### **Basis Swap Agreement**

The Issuer will enter into an ISDA master agreement (including the Schedule thereto, the related confirmations and together with any related Credit Support Annex) on the Note Issuance Date with the Swap Counterparty (the "**Basis Swap Agreement**"). Pursuant to the Basis Swap Agreement, the Issuer will hedge the basis risk arising from the mismatch between the interest basis under the Loan Contracts and NIBOR.

### **Ratings**

The Class A Notes are expected on issue to be assigned a long-term rating of AAA(sf) by DBRS and a long-term rating of AAAsf by Fitch. The Class B Notes are expected on issue to be unrated.

Fitch is established in the European Union and has applied to be registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 as a credit rating agency. DBRS is not established in the European Union but its European affiliate has applied to be so registered.

### **Listing**

Application has been made to the Irish Stock Exchange for the Class A Notes to be admitted to the Official List and trading on its regulated market.

The estimated total expenses related to the admission to trading is €6,000.

The Class B Notes will not be listed or submitted to trading on an exchange.

### **Clearing**

Euroclear and Clearstream Luxembourg.

### **Governing Law**

The Notes, the Note Trust Deed, the Subscription Agreement and the other Transaction Documents other than the Auto Portfolio Purchase Agreement, the Norwegian Security Agreement, the Issuer Collections Account Agreement, the Servicing Agreement, the Corporate Administration Agreement and the Irish Security Deed will be governed by, and construed in accordance with, English law. The Auto Portfolio Purchase Agreement, the Norwegian Security Agreement, the Servicing Agreement and the Issuer Collections Account Agreement will be governed by, and construed in accordance with, Norwegian law. The Corporate Administration Agreement and the Irish Security Deed will be governed by, and

construed in accordance with, Irish law.

**Transaction Documents**

The Auto Portfolio Purchase Agreement, the Servicing Agreement, the Norwegian Security Agreement, the Irish Security Deed, the Security Trust Deed, the Basis Swap Agreement, the Liquidity Facility Agreement, the Corporate Administration Agreement, the Transaction Account Agreement, the Issuer Collections Account Agreement, the Expenses Loan Agreement, the Note Trust Deed, the Agency Agreement, the Subscription Agreement and any amendments, supplements, terminations or replacements relating to any such documents.

## RISK FACTORS

The following is a summary of certain factors which prospective investors should consider before deciding to purchase the Notes. The following statements are not exhaustive; prospective investors are requested to consider all the information in this Prospectus (including "Legal Matters – Norway"), make such other enquiries and investigations as they consider appropriate and reach their own views prior to making any investment decisions.

### Credit aspects of the Transaction and other considerations relating to the Notes

#### *Liability under the Notes, limited recourse*

The Notes represent obligations of the Issuer only, and do not represent obligations of, and are not guaranteed by, any other person or entity. In particular, the Notes do not represent obligations of, and will not be guaranteed by, any of the Seller, the Servicer (if different), the Note Trustee, the Security Trustee, the Swap Counterparty, the Principal Paying Agent, the Calculation Agent, the Cash Administrator, the Joint Lead Managers, the Listing Agent, the Registrar, the Transfer Agent, the Common Safekeeper or any of their respective Affiliates or any Affiliate of the Issuer or any other party (other than the Issuer) to the Transaction Documents or any other third person or entity other than the Issuer. No person other than the Issuer will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

**Prior to the delivery of an Enforcement Notice, all payment obligations of the Issuer under the Notes constitute exclusive obligations to pay out on each Payment Date the Available Distribution Amount determined as of the Cut-Off Date immediately preceding such Payment Date in accordance with the Pre-Enforcement Priority of Payments. After the delivery of an Enforcement Notice, all payment obligations of the Issuer under the Notes constitute exclusive obligations to pay out the credit standing to the Transaction Account and the Reserve Account and, following enforcement of the Secured Assets, and upon receipt, the proceeds of the Secured Assets in accordance with the Post-Enforcement Priority of Payments.** If, following enforcement of the Secured Assets, the proceeds of such enforcement prove ultimately insufficient, after payment of all claims ranking in priority to amounts due under the Notes, to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes, any shortfall arising will be extinguished and the Noteholders will neither have any further claim against the Issuer in respect of any such amounts nor have recourse to any other person for the loss sustained. **The enforcement of the Secured Assets by the Security Trustee is the only remedy available to the Noteholders for the purpose of recovering amounts payable in respect of the Notes. The Security Trustee will not be able to exercise any rights in relation to the Portfolio beyond those which may be exercised by the Issuer. The Issuer's rights in relation to the Portfolio will be limited to the rights which the Seller had under the Loan Contracts and Related Collateral and applicable law to enforce the Purchased Auto Loans and Related Collateral. Enforcement against a Debtor can only take place if, among other things, the relevant Purchased Auto Loan is in default.**

Such assets and proceeds will be deemed to be "ultimately insufficient" at such time as no further assets of the Issuer are available and no further proceeds can be realised therefrom to satisfy any outstanding claim of the Noteholders, and neither assets nor proceeds will be so available thereafter.

#### *Non-existence of the Purchased Auto Loans and/or Related Collateral*

Pursuant to the terms of the Auto Portfolio Purchase Agreement, the Issuer retains the right to bring indemnification claims against the Seller, but no other person, against the risk that the Purchased Auto Loans and/or the Related Collateral do not exist or cease to exist without encumbrance. The Seller has agreed in the Auto Portfolio Purchase Agreement that, if the Loan Contract relating to a Purchased Auto Loan and/or the underlying security document in respect of the Related Collateral proves not to have been legally valid as of the Purchase Date, the Seller will pay to the Issuer a Deemed Collection in an amount equal to the Outstanding Principal Amount of such Purchased Auto Loan (or the affected portion thereof) plus accrued and unpaid interest to the date of payment by the Seller to the Seller Collections Account of, if applicable, the Issuer Collections Account.

### *Limited resources of the Issuer*

The Issuer is a special purpose financing entity with no business operations other than the issue of the Notes and acquiring, owning and collecting and financing the Portfolio.

Therefore, the ability of the Issuer to meet its obligations under the Notes will depend, *inter alia*, upon its receipt of

- payments of principal and interest and certain other payments received under the Purchased Auto Loans pursuant to the Servicing Agreement and the Auto Portfolio Purchase Agreement;
- Deemed Collections (if due) received from the Seller;
- funds (if due) from the Swap Counterparty under the Basis Swap Agreement;
- interest earned on the Issuer Secured Accounts and the Issuer Collections Account;
- amounts paid by any third party as purchase prices for Defaulted Auto Loans and any relevant Related Collateral;
- payments (if any) under the other Transaction Documents in accordance with the terms thereof (excluding the Transaction Cost Fee);
- interest payments from the Seller or the Collections Account Bank with respect to monies held in the Collections Accounts;
- amounts, if any, to be drawn by the Issuer (including any use of Cash Collateral) under and in accordance with the Liquidity Facility Agreement; and
- amounts, if any, on deposit in the Commingling Reserve Account, to the extent provided in the Servicing Agreement and the Agency Agreement.

Other than the foregoing, the Issuer will have no funds available to meet its obligations under the Notes.

### *Subordination*

The Issuer's obligations under the Basis Swap Agreement will be secured by the Secured Assets and such obligations (excluding termination payments due to the Swap Counterparty because of an event of default relating to it) will rank, in respect of payment and security after the delivery of an Enforcement Notice, senior to the Issuer's obligations under the Notes. See "THE MAIN PROVISIONS OF THE SECURITY TRUST DEED – Post-Enforcement Priority of Payments".

### *Interest rate risk*

Payments made to the Seller by any Debtor under a Loan Contract comprise monthly amounts calculated with respect to a floating interest rate which may be different from NIBOR. However, payments of interest on the Notes are calculated with respect to NIBOR plus a margin. To ensure that the Issuer will not be exposed to any material interest rate discrepancy, the Issuer and the Swap Counterparty have entered into the Basis Swap Agreement under which on each Payment Date the Issuer will make payments by reference to the weighted average rate of return on principal (including interest, fees and other non-principal payments) under the Loan Contracts with respect to Purchased Auto Loans and the Swap Counterparty will make payments by reference to NIBOR, as applicable, in each case calculated with respect to the average aggregate principal amount of Purchased Auto Loans (other than Defaulted Auto Loans) outstanding during the related Collection Period.

A default by the Swap Counterparty on its obligations under the Basis Swap Agreement may lead to the Issuer not having sufficient funds to meet its obligations to pay interest on the Notes. See "CREDIT STRUCTURE — Basis Swap Agreement" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Basis Swap Agreement".



### *Non-availability of subordinated loans or other support payments*

After the Note Issuance Date, the Issuer will not be entitled to any further drawings under the Subordinated Loan to fill or re-fill the Reserve Account up to the Required Reserve Amount or otherwise to make payments in respect of principal or interest on the Notes. See "CREDIT STRUCTURE — Subordinated Loan".

### *Conflicts of interest*

Each Joint Lead Manager will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its Affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. Each Joint Lead Manager may enter into business dealings from which it may derive revenues and profits without any duty to account for them in connection with this transaction.

Santander Consumer Bank AS is acting in a number of capacities in connection with this transaction. Santander Consumer Bank AS will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its Affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. Santander Consumer Bank AS, in its various capacities in connection with this transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account for them in connection with this transaction.

Deutsche Bank AG, London Branch is acting in a number of capacities in connection with this transaction. Deutsche Bank AG, London Branch will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its Affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. Deutsche Bank AG, London Branch, in its various capacities in connection with this transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account for them in connection with this transaction.

Deutsche Trustee Company Limited is acting in a number of capacities in connection with this transaction. Deutsche Trustee Company Limited will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its Affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. Deutsche Trustee Company Limited, in its various capacities as note trustee for the Noteholders and as transaction security trustee in connection with this transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account for them in connection with this transaction.

Skandinaviska Enskilda Banken AB (publ) will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its Affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. Skandinaviska Enskilda Banken AB (publ), in its capacity as Collections Account Bank in connection with this transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account for them in connection with this transaction.

Deutsche International Corporate Services (Ireland) Limited will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its Affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. Deutsche International Corporate Services (Ireland) Limited, in its capacity as Corporate Administrator in connection with this transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account for them in connection with this transaction.

Citibank International plc will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its Affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. Citibank International plc, in its capacity as a Joint Lead Manager

in connection with this transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account for them in connection with this transaction.

HSBC Bank plc will have only those duties and responsibilities expressly agreed to by it in the Transaction Documents to which it is a party and will not, by virtue of its or any of its Affiliates' acting in any other capacity, be deemed to have any other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided therein. HSBC Bank plc, in its capacity as a Joint Lead Manager in connection with this transaction, may enter into business dealings from which it may derive revenues and profits without any duty to account for them in connection with this transaction.

The Servicer may hold and/or service claims against the Debtors other than those related to the Portfolio. The interests or obligations of the Servicer in its respective capacities with respect to such other claims may in certain aspects conflict with the interests of the Noteholders.

#### *Ratings of Class A Notes*

Each rating assigned to the Class A Notes by the Rating Agencies takes into consideration the structural and legal aspects associated with the Class A Notes and the Portfolio, the credit quality of the Portfolio, the extent to which the Debtors' payments under the Purchased Auto Loans are adequate to make the payments required under the Class A Notes as well as other relevant features of the structure, including, *inter alia*, the credit situation of the Swap Counterparty, the Transaction Account Bank, the Seller and the Servicer (if different). Each Rating Agency's rating reflects only the view of that Rating Agency. In particular, the rating assigned by DBRS to the Class A Notes addresses the likelihood that the Class A Noteholders will receive all payments to which they are entitled, as described herein, in respect of the Class A Notes. The rating assigned by Fitch to the Class A Notes addresses the likelihood of full and timely payment to the Class A Noteholders of all payments of interest on the Class A Notes on each Payment Date and the ultimate payment of principal on the Maturity Date of the Class A Notes.

The Issuer has not requested a rating of the Notes by any rating agency other than the Rating Agencies. However, rating organisations other than the Rating Agencies may seek to rate the Notes and, if such "**shadow ratings**" or "**unsolicited ratings**" are lower than the comparable ratings assigned the Notes by the Rating Agencies, such shadow or unsolicited ratings could have an adverse effect on the value of the Notes. Future events, including events affecting the Swap Counterparty, the Transaction Account Bank, the Seller and the Servicer (if different) could also have an adverse effect on the rating of any Class of Notes.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organisation. The ratings assigned to the Notes should be evaluated independently from similar ratings on other types of securities. There is no assurance that the ratings will continue for any period of time or that they will not be lowered, reviewed, suspended or withdrawn by the Rating Agencies. In the event that the ratings initially assigned to the Notes by the Rating Agencies are subsequently withdrawn or lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement to the Class A Notes.

#### *Resolutions of Noteholders*

The Class A Notes and the Class B Notes provide for resolutions of Noteholders of such Class to be passed by vote taken and passed at a Meeting of the Noteholders or by a written resolution. Each Noteholder is subject to the risk of being outvoted. As resolutions properly adopted are binding on all Noteholders of such Class, certain rights of such Noteholders against the Issuer under the Note Conditions may be amended or reduced or even cancelled.

#### *Enforcement by the Note Trustee and the Security Trustee*

The Note Trustee will act as the representative of the Noteholders and as such is able to claim and enforce or procure the enforcement of the rights of all the Noteholders. A Noteholder will not have an individual right to pursue and enforce its rights under the Note Conditions against the Issuer, except in limited circumstances where (i) a specified percentage of Noteholders instruct the Note Trustee to take any such action and the Note Trustee fails to do so (or fails to so instruct the Security Trustee) within a reasonable period and the failure is continuing or (ii) (as determined by a court of competent jurisdiction in a decision not subject to appeal) applicable law requires that the Noteholders exercise their rights individually and not through the Note Trustee.

Upon enforcement of the security for the Notes by the Security Trustee, the proceeds of such enforcement may be insufficient, after payment of all other claims ranking in priority to and *pari passu* with amounts due under the Notes, to pay in full all principal and interest due on the Notes.

#### *Absence of secondary market liquidity and market value of Notes*

Although application will be made to the Irish Stock Exchange for the Class A Notes to be admitted to the Official List and traded on its regulated market, there is currently no secondary market for the Class A Notes. There can be no assurance that a secondary market for the Class A Notes will develop or that a market will develop for the Class A Notes or, if it develops, that it will provide Class A Noteholders with liquidity of investment, or that it will continue for the whole life of the Class A Notes. Further, the secondary markets are currently experiencing severe disruptions resulting from reduced investor demand for asset-backed securities and increased investor yield requirements for those securities. As a result, the secondary market for asset-backed securities is experiencing extremely limited liquidity. These conditions may continue or worsen in the future. Limited liquidity in the secondary market for asset-backed securities has had a severe adverse effect on the market value of asset-backed securities. Limited liquidity in the secondary market may continue to have a severe adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Consequently, any purchaser of the Class A Notes must be prepared to hold such Class A Notes for an indefinite period of time or until final redemption or maturity of such Class A Notes. The market values of the Class A Notes are likely to fluctuate. Any such fluctuation may be significant and could result in significant losses to investors in the Class A Notes. In addition, the forced sale into the market of asset-backed securities held by structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities that are currently experiencing funding difficulties could adversely affect an investor's ability to sell, and/or the price an investor receives for, the Class A Notes in the secondary market. The Joint Lead Managers are under no obligation to assist in the resale of the Notes.

#### *Eurosystem eligibility*

The Notes are not intended to be Eurosystem-eligible and at the date of this Prospectus, are not Eurosystem-eligible since they are not denominated in Euros. This means that although the Notes are intended upon issue to be deposited with the Common Safekeeper, the Notes will not automatically be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem ("**Eurosystem eligible collateral**") at any or all times during their life amended from time to time.

The Issuer gives no representation, warranty, confirmation or guarantee to any investor in the Notes that the Notes will, either upon issue, or any or at all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any prospective investor in the Notes should consult their professional advisers with respect to whether or not the Notes constitute Eurosystem eligible collateral at any point of time during the life of the Notes.

#### *Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes*

In Europe, the US and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Class A Notes are responsible for analysing their own regulatory position and none of the Issuer, the Joint Lead Managers, the Seller nor any other party to the Transaction Documents makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Closing Date or at any time in the future.

In particular, investors should be aware of Article 122a of the Capital Requirements Directive (the "**CRD**") (and any implementing rules in relation to a relevant jurisdiction) which applies, in general, to newly issued asset-backed securities after 31 December 2010. Article 122a, among other things, restricts an EU regulated credit institution from investing in a securitisation unless the originator, sponsor or original lender in respect of that securitisation has explicitly disclosed to the EU regulated credit institution that it will retain, on an ongoing basis, a net economic interest of not less than 5 per cent. in that securitisation as contemplated by Article 122a.

Article 122a also requires an EU regulated credit institution to be able to demonstrate that it has undertaken certain due diligence in respect of, amongst other things, the securitisation position it has acquired and the underlying exposures and that procedures have been established for such due diligence to be conducted on an ongoing basis. Failure to comply with one or more of the requirements set out in Article 122a will result in the imposition of a penal capital charge on the investment made in the securitisation by the relevant investor.

Article 122a applies in respect of the Class A Notes so investors which are EU regulated credit institutions (or affiliates of such credit institutions subject to consolidated supervision) should therefore make themselves aware of the requirements of Article 122a (and any implementing rules in relation to a relevant jurisdiction) in addition to any other regulatory requirements applicable to them with respect to their investment in the Class A Notes. Relevant investors are required to independently assess and determine the sufficiency of the information described in this Prospectus and in any servicer's report and/or investor reports made available and/or provided in relation to the securitisation for the purpose of complying with Article 122a and none of the Issuer, the Joint Lead Managers nor any other party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes.

There remains considerable uncertainty with respect to Article 122a and it is not clear what will be required to demonstrate compliance to national regulators. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory capital charges for non-compliance with Article 122a and any implementing rules in a relevant jurisdiction should seek guidance from their regulator. Similar requirements to those set out in Article 122a are expected to be implemented for other EU regulated investors (such as investment firms, insurance and reinsurance undertakings and certain hedge fund managers) in the future.

Article 122a of the CRD and any other changes to the regulation or regulatory treatment of the Class A Notes (or to the regulatory capital framework in general) for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

### **Taxation of the Issuer in Norway**

The following should be read in conjunction with "TAXATION — Taxation in Norway" below.

#### *Liability of the Issuer to Norwegian taxes on profits*

If the Issuer is treated as tax resident in Norway, or if it is not tax resident in Norway but receives income derived from a business or participation in a business which is carried out or managed in Norway, then it will be subject to Norwegian corporate tax at a rate of 28% on its net income (or, as applicable, that option of its net income which derived from its business in Norway). If such tax applies then the Issuer will have less money available for payment of the Notes.

Pursuant to Norwegian tax law, the Issuer would be considered as tax resident in Norway if the Issuer was considered as effectively managed from Norway at board level. It will be up to the tax authorities, and eventually the courts, to determine whether the Issuer is effectively managed from Norway at board level.

Provided that (i) the Issuer is not incorporated in Norway, (ii) the Issuer does not at any time have an office or other permanent establishment in Norway, (iii) at least a majority of the members of the board of directors of the Issuer are not Norwegian residents, (iv) all directors' meetings and shareholders' meetings of the Issuer are held outside Norway, and (v) all decisions of the directors and shareholders of the Issuer are made outside Norway, the Issuer should not be considered as tax resident in Norway. The Issuer intends that all of these criteria will be met and that on this basis it will not be considered tax resident in Norway. However, these criteria are subject to further interpretation and case-by-case application by Norwegian tax authorities and it is therefore difficult to make an absolute determination that the Issuer is not tax resident in Norway.

According to the Norwegian Tax Act (Act No.14 of 26 March 1999) on taxation of wealth and income (*skatteloven*), companies which are not tax resident in Norway are still liable to pay tax on income derived from a business or participation in a business which is carried out or managed in Norway. However, in accordance with the terms of the double tax treaty in force between Norway and Ireland (the "**Treaty**"), a company resident in Ireland, as a general rule, is only taxable in Ireland. Whilst the Seller does not currently provide services of the kind contemplated by the Servicing Agreement for third parties, it does currently carry out similar services

for its own loans and on this basis the provision of its services to the Issuer should not be considered as being outside of its ordinary course of business.

A permanent establishment in Norway for a company could be established by the company:

- (a) having an office or other fixed place of business in Norway, or
- (b) having employees acting as agents for the company in Norway.

The Issuer (a private company limited by shares and tax resident in Ireland and therefore expected to be entitled to the benefits under the Treaty) does not have and will not have any office or any other fixed place of business in Norway. Therefore, permanent establishment will not be established on the basis of rule (a) above. However, regarding rule (b), where a person is acting on behalf of a company and has, and habitually exercises, an authority to conclude contracts on behalf of the company in a contracting state (in this case Norway), that company will according to the Treaty be deemed to have a permanent establishment in that state (i.e. Norway) in respect of any activities which that person undertakes for the company, unless that person is an agent of an independent status. The assignment of the Purchased Auto Loans is completed at a determined point in time and the Seller does not have any authority to enter into new auto loans on behalf of the Issuer. However, pursuant to the Servicing Agreement, the Servicer will have the authority (for reasons provided in the Credit and Collection Policy), in accordance with the Credit and Collection Policy, to grant "payment holidays" and otherwise to change the terms to maturity of Purchased Auto Loans. As long as the authority of the Servicer to amend the terms of the Purchased Auto Loans only relates to the granting of payment holidays and changing the term to maturity of Purchased Auto Loans and does not include any authority to increase the Principal Amount of a Purchased Auto Loan (other than by capitalisation of interest falling due during a payment holiday period in accordance with the terms of such Purchased Auto Loans), such authority should not be treated as "authority to conclude contracts in the name of" the Issuer and, therefore, the Issuer does not have a permanent establishment in Norway.

Even if the Servicer were deemed to have "authority to conclude contracts in the name of" the Issuer, it could be argued that the Servicer should be considered an "agent of an independent status to whom paragraph 6 applies". Pursuant to paragraph 6 of Article 5 of the Treaty, "An enterprise of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business in that other State through a broker, general commission agent or any other agent of an independent status, provided that such persons are acting in the ordinary course of their business." The OECD Commentary to paragraph 6 of Article 5 contains further guidance. In Article 5 – 38.3, it is stated that the fact that the agent is not subject to detailed instructions from the principal as to the conduct of the work indicates independence, and the same applies if the principal is relying on the skills and knowledge of the agent – "An independent agent will typically be responsible to his principal for the results of his work but not subject to significant control with respect to the manner in which that work is carried out. He will not be subject to detailed instructions from the principal as to the conduct of the work. The fact that the principal is relying on the special skill and knowledge of the agent is an indication of independence."

The OECD Commentary also provides guidance on what shall be regarded as "in the ordinary course of business". In Article 5 – 38.8, the following is stated: "In deciding whether or not the particular activities fall within or outside the ordinary course of business of an agent, one would examine the business activities customarily carried out within the agent's trade as a broker, commission agent or other independent agent rather than the other business activities carried out by that agent. Whilst the comparison normally should be made with the activities customary to the agent's trade, other complementary tests may in certain circumstances be used concurrently or alternatively, for example where the agent's activities do not relate to a common trade."

The Servicer does not currently carry out similar services for other third parties as it does for the Issuer under the Servicing Agreement. The fact that the Servicer carries out similar services for its own loans should not indicate that the activities it carries out for the Issuer under the Servicing Agreement are outside the ordinary course of business for the Servicer.

There are, therefore, good and valid reasons not to treat the Issuer as being tax resident in Norway or having any tax liability in Norway on the basis of the activities carried out by the Servicer in Norway.

## VAT

Value added tax ("VAT") is charged in Norway at a standard rate of 25% and applied to the sales of goods and provision of services. If VAT applies regarding the sale of the Auto Loans and the Related Security or to provision of services by the Servicer under the Servicing Agreement and if no redemption applies, then the Issuer may be liable for VAT charges and, if so, payment of back charges could reduce the Available Distribution Amount and possibly result in a shortfall in the amounts available to pay amounts due to Noteholders.

However, according to Section 3-6(e) of the Norwegian Value Added Tax Act (Act No. 58 of 19 June 2009 relating to value added tax (*merverdiavgiftsloven*)), the sale of financial instruments is exempt from VAT. According to a statement given by the Norwegian Directorate of Taxes to FNO Finance Norway on 13 April 2005, the sale of a loan portfolio from a bank to a special purpose vehicle in connection with a securitisation is considered to be covered by the VAT exemption for financial instruments. Therefore, the sale of the Purchased Auto Loans from the Seller to the Purchaser should not be subject to VAT in Norway.

Further, in the above mentioned statement from the Directorate of Taxes, the Directorate concluded that collection agent services in connection with securitisation are not covered by the VAT exemption for financial services, but should be considered as taxable administrative services. This implies that the domestic sale of such services is subject to VAT at a rate of 25% (which applies to all services supplied by businesses established in Norway). However, an exemption (zero-rate) applies to the export sales of services, provided that the services are capable of delivery from a remote location (i.e. they are intangible services and the provision of the services, by its nature, is difficult to associate with a particular physical location) and the recipient of the services is a business or a public institution resident abroad. The collection services to be provided by the Servicer pursuant to the Servicing Agreement should be covered by this exemption and, therefore, no Norwegian VAT should be charged on the service fee charged by the Servicer.

### *No gross-up for taxes*

If required by law, any payments under the Notes will only be made after deduction of any applicable withholding taxes and other deductions. The Issuer will not be required to pay additional amounts in respect of any withholding or other deduction for or on account of any present or future taxes, duties or charges of whatever nature. See "CONDITIONS OF THE NOTES — Taxes". In such event, subject to certain conditions, the Issuer will be entitled (but will have no obligation) to redeem the Notes in whole but not in part at their aggregate Note Principal Amount plus accrued and unpaid interest, if any, to the date (which must be a Payment Date) fixed for redemption. See "CONDITIONS OF THE NOTES — Redemption — Optional Redemption for Taxation Reasons".

## **Legal structure**

### *Insolvency law*

Under Norwegian bankruptcy law, a creditor who holds a perfected security right in any Purchased Auto Loans or Related Collateral will have a preferential right to proceeds derived from the realisation of such Purchased Auto Loans and Related Collateral. Enforcement and realisation of perfected security rights are subject in Norway to the provisions of the Norwegian Enforcement Act 1992 (*tvangsfullbyrdelsesloven*) (the "**Enforcement Act**"). Please refer to "RISK FACTORS — Enforcement of Purchased Auto Loans and Related Collateral" and "RISK FACTORS — Distribution of Collections from the Seller to the Issuer — Risks in event of the Seller's insolvency".

In the event that a Debtor defaults on a Purchased Auto Loan, and the value of the relevant Related Collateral is insufficient to recover all or any of the remaining Outstanding Principal Amount of that Purchased Auto Loan, then the Issuer or the Security Trustee (as the case may be) will have an unsecured claim against the Debtor for any residual debt exceeding the value of the Related Collateral. If the Debtor enters into bankruptcy or similar proceedings, the Issuer's (or Security Trustee's) unsecured claim against the Debtor may be reduced by law and this may lead to the Issuer not having sufficient funds to meet all of its obligations to pay interest on the Notes.

If a Debtor goes into bankruptcy, the bankruptcy estate will have a first priority lien on all the Debtor's pledged assets, limited however to 5 % of the value of such asset. This may affect auto chattel mortgages granted by the Debtor in connection with the Auto Loan. For instance, if the Debtor has granted an auto chattel mortgage over

an auto worth NOK 100,000, then the bankruptcy estate will have a first priority lien limited to NOK 5,000 in the auto, and the auto chattel mortgagee will have a secured claim over the rest.

#### *Assignment of Purchased Auto Loans to Issuer*

As a general rule under Norwegian law, non-negotiable debt claims (*enkle pengekrav*), such as the Purchased Auto Loans, can be freely assigned by way of ownership or security, unless prohibited by law or contract. Financial institutions such as the Seller must in general obtain an explicit consent from the debtor before assigning a loan to a non-financial institution. However, following the enactment of the Norwegian securitisation rules in 2004, a financial institution seller can rely on a debtor's passive consent with respect to a securitisation involving a sale of the debtor's loan, provided that the debtor has been notified about the securitisation and has been given a reasonable time period (in no event shorter than three weeks) to object to the sale and transfer of the loan. If no objection has been raised by the debtor at the end of this period, the debtor is regarded as having consented to the sale and transfer of the loan.

Pursuant to the Auto Portfolio Purchase Agreement, the Seller has warranted to the Issuer that the Loan Contracts documenting the Purchased Auto Loans are non-negotiable promissory notes which are assignable and based on certain standard forms. Some of these standard forms contain assignability provisions which state that if the borrower is a consumer, the Seller may only assign the Auto Loan to a "financial institution or a similar entity". While the Issuer is not a "financial institution or similar entity", there are in the Seller's view, good and valid reasons for claiming that the assignability provisions should not be interpreted to prevent the Seller and the Issuer from relying on the passive consent rule set out in the Norwegian securitisation rules. First, the assignability provisions contained in the Loan Contracts are typical "boilerplate" language, and a debtor may in any event consent to an assignment to a non-financial institution. Second, the assignability provisions in the Loan Contracts do not specify the form of debtor's consent, and can be interpreted that the Seller and the Issuer may rely on the passive consent rule.

The Seller has issued notifications about the securitisation to each individual Debtor as discussed above and has undertaken to procure that, when completed in accordance with the Auto Portfolio Purchase Agreement, the sale and transfer of the Portfolio obtains legal perfection by virtue of a second notification to be issued to each of the Debtors on or about the Purchase Date.

If, notwithstanding the reasons and the notifications described above, the sale and transfer of Auto Loans by the Seller to the Issuer does not comply with the provisions of the relevant Loan Contracts and applicable law, then the Debtors may, pursuant to Norwegian law, refuse to acknowledge the Issuer's creditor rights with respect to those Auto Loans and will be entitled to continue to make payments on those Auto Loans directly to the Seller, notwithstanding a Servicer Termination Event such as the Seller's insolvency.

This could limit the Issuer's rights with respect to such Auto Loans in the event of the Seller's insolvency or other circumstances, and possibly result in a shortfall in funds available to make payments on the Notes.

#### *Assignment of Related Collateral to Issuer*

The Purchased Auto Loans are secured by various types of security rights granted in favour of the Seller. If these are not validly transferred to the Issuer together with the Purchased Auto Loans, the Issuer's ability to recover the Purchased Auto Loans could be adversely affected, and this could result in a shortfall in funds available to make payments on the Notes.

Under Norwegian law, security rights are generally assignable together with the underlying debt claim they relate to, unless prohibited by law or contract. When a debt claim and pertinent security right(s) are collectively assigned by way of ownership, the perfection rules applicable to the debt claim will as a general rule apply also to the assignment of the security rights. Since the transfer of the Purchased Auto Loans to the Issuer obtains legal perfection through notification to the relevant Debtors, the transfer of the Related Collateral will be perfected the same way. However, some additional requirements apply with respect to insurance claims, as described below.

For approximately 98% of the Purchased Auto Loans (as at 31 December 2010), the Debtors are contractually obligated towards the Seller to maintain "full coverage" vehicle insurance (comprehensive, collision damages etc.) over the Financed Vehicle, and to ensure that the Seller is named as co-insured in the insurance policy. Under Norwegian law, absent any contractual provisions to the contrary, the Seller may freely assign to the

Issuer its monetary rights as co-insured under any applicable vehicle insurance. Such assignment is perfected against the Seller's creditors by notifying the relevant insurance company. The Seller does not maintain updated databases over vehicle insurances taken out by Debtors and is therefore not able to confirm whether the Seller is named as co-insured under those insurances, and whether the monetary benefit thereunder can be freely assigned. Accordingly, the Seller's ability to assign its contingent claims as co-insured under vehicle insurances may be limited, and neither the Seller nor the Issuer will take any measures to identify and/or notify relevant vehicle insurance companies about the assignment of contingent vehicle insurance claims from the Seller to the Issuer. Further, depending on the terms and conditions of the relevant vehicle insurance policy, the Seller's rights as co-insured may in any event be void in certain scenarios, e.g. in cases where the Debtor's insurance claim is void or reduced because of a violation of the terms and conditions of the policy (e.g. drunk driving, reckless speeding, etc.) or where the Purchased Auto Loan has been granted in violation of statutory rules regarding minimum requirements for cash down payments by consumers when purchasing a credit-financed chattel (for information about these requirements, see "RISK FACTORS — Norwegian rules on minimum down payments in connection with the purchase of credit-financed chattels", and "RISK FACTORS — Enforcement of Purchased Auto Loans and Related Collateral").

For approximately 19% of the Purchased Auto Loans (as at 31 December 2010), the Debtors have taken out credit protection insurance (each a "**CPI Policy**") in connection with their acquisition of Financed Vehicles. These CPI Policies have been sold by the Seller and underwritten by certain insurance companies (the "**CPI Insurers**"). The agreements between the Seller and the CPI Insurers provide that the Seller, subject to certain conditions, may be entitled to a payment from the CPI Insurers if an insured Debtor dies. The Seller's claim in the event of a Debtor's death is a contingent monetary claim which can be assigned by way of ownership to the Issuer. Such assignment is perfected against the Seller's creditors by notifying the relevant CPI Insurer.

Failure to validly transfer such Related Collateral to the Issuer may mean that the Issuer's ability to make payments under the Notes is adversely affected.

#### *Grant of security over Portfolio by the Issuer to the Security Trustee*

Pursuant to the Security Documents, the Issuer will grant security over its assets, including the Portfolio, in favour of the Security Trustee. It is not entirely clear from Norwegian private international law whether the Issuer's grant of security over the Portfolio in favour of the Security Trustee will have to comply with Norwegian law, for instance Norwegian security rights legislation. However, pursuant to Norwegian law, the following risk factors should be observed.

Under Norwegian law, the Issuer may grant security over its assets to the extent allowed by law and contract. No contractual restrictions in the Loan Contracts, the documents relating to the Related Collateral, or any other related documents have been identified which could restrict the Issuer's ability to grant a security over the Portfolio in favour of the Security Trustee.

With respect to the Issuer's Purchased Auto Loans, these may be pledged in favour of the Security Trustee and such pledge will obtain legal perfection by virtue of notification to the relevant Debtor. The same is the case for security assignments of contingent third party guarantee claims and insurance claims; however, in these cases it is also advisable to notify the relevant guarantor and/or insurance company. Such notification has been issued to certain, but not all, of these third parties.

The Issuer's assignment of auto chattel mortgages to the Security Trustee by way of security means that the Security Trustee is granted a sub-mortgage over such auto chattel mortgages. The ability to create sub-mortgages over auto chattel mortgages pursuant to Norwegian law is not entirely clear, but a preponderance of relevant sources of Norwegian law suggest that such sub-mortgages can be created. The same legal sources suggest that an auto chattel sub-mortgage obtains legal perfection by virtue of notification to the relevant Debtor.

Accordingly, it is expected that the Security Trustee will have a perfected security interest in the Purchased Auto Loans (by virtue of notification to the Debtors), but its security interest in certain of the Related Collateral may not be fully perfected in accordance with Norwegian law. To the extent, if any, that the Security Trustee's security interest in Related Collateral has not been perfected, the Security Trustee may be unable to enforce its rights over the relevant Related Collateral following an Issuer Event of Default. However, this issue would not prevent the Issuer from enforcing rights under such Related Collateral to the extent it has a valid assignment of such rights.



### *Existing rights of Debtors*

Following the Purchase Date, a Debtor will be entitled to invoke the same objections and defences (including set-off and counterclaim) relating to a Purchased Auto Loan against the Issuer or the Security Trustee (as the case may be, depending on whether there is an enforcement situation) as the Debtor was entitled to invoke against the Seller prior to the Purchase Date. This is because when a Norwegian financial institution such as the Seller assigns a loan by way of ownership, the assignee (here, the Issuer) becomes the new creditor for the loan on the same terms as the Seller. If a Debtor has claims against the Seller which can be brought against the Issuer or the Security Trustee, this could reduce the amounts available to make payments on the Notes.

If a Purchased Auto Loan was granted pursuant to an agreement between the Seller and the seller of the relevant Financed Vehicle, the Debtor is, pursuant to Section 54b of the FAA, able to direct against the Seller any claim the Debtor may have against the seller of the Financed Vehicle as a result of the purchase. Such claim must be a commercial claim which exists against the seller of the relevant Financed Vehicle pursuant to the sales contract and any applicable law of sales, e.g. claims relating to a Financed Vehicle defect. This means that, for example, claims relating to a personal injury cannot be brought against the Seller, even if the personal injury is caused by, or in connection with, the use of the Financed Vehicle. The Debtor can only bring monetary claims against the Seller, and not claims for specific performance. Finally, the Seller's liability pursuant to Section 54b is limited to the amount the Seller has received from the relevant Debtor in connection with the sale of the relevant Financed Vehicle. This means that the Seller's liability pursuant to Section 54b can never exceed the total amount repayable to the Seller pursuant to the relevant Purchased Auto Loan. The Seller has warranted that it is not aware that any Debtor has asserted any legal action, lien, right of rescission, counterclaim, set-off, right to contest or defence against the Seller in relation to any claim or potential claim the Debtor has or may have against an auto seller.

Therefore following the Purchase Date, the Issuer and/or the Security Trustee, (as applicable), will be exposed to the same liability in respect of such claims as the Seller, and while their liability will be limited to the same extent as the Seller's liability such claims may adversely affect the Issuer's ability to make payments under the Notes.

If a Debtor holds a savings account with the Seller, the Debtor is entitled to set-off any amount standing to the credit of that account at the time the Debtor is notified about the completed sale of the relevant Purchased Auto Loan against remaining instalments on such Purchased Auto Loan (cf. Section 26 in Act No.1 of 17 February 1939 relating to promissory notes and other types of claims (*Gjeldsbrevlova*)) (therefore potentially resulting in a shortfall of funds available to make payments on the Notes). Such set-off would most likely only be exercised by the Debtor if the Seller is placed under public administration (i.e. becomes insolvent) and the deposit standing to the credit of the relevant Debtor's bank account was greater than the amount covered by the Norwegian Banks' Guarantee Fund (*Bankenes sikringsfond*) (currently up to NOK 2 million) at the time the Debtor was notified about the completed sale of the loan. If a Debtor deposits money with the Seller after gaining knowledge of the completed sale of the Purchased Auto Loan, claims relating to that deposit cannot be set off against the relevant Purchased Auto Loan.

### *Norwegian rules on minimum down payments in connection with the purchase of credit-financed chattels*

The Seller's non-compliance with Norwegian regulatory requirements regarding minimum down payments (*forskrifter om minste kontantinnsats*) could in some circumstances result in (i) the inability of the Servicer, Issuer and/or the Security Trustee to rely on simplified enforcement procedures following a default by a Debtor under its Loan Contract; and/or (ii) loss of rights under certain types of Related Collateral.

Norwegian law contains rules on minimum requirements for cash down payments by a consumer which is a purchaser of a credit financed chattel (the "**Rules**"). The Rules apply in situations where the Seller has granted the Auto Loan pursuant to an agreement with the seller of the auto (as discussed under "RISK FACTORS – Existing rights of Debtors"). When applicable, the Rules provide that the consumer purchaser must make a cash down payment of at least 35% of the total price for the chattel (the "**Down Payment**"). The Down Payment may not be financed through a credit from the auto seller, or from a third party lender on the basis of an agreement between the auto seller and the third party lender.

The Rules are applicable to approximately 75 % of the Purchased Auto Loans, most of which have been granted without a 35% down payment having been made by the customer.

According to statements in the Norwegian preparatory works, a violation of the Rules will not in itself give the Debtor a basis for alleging that the Purchased Auto Loan is invalid, or that the Debtor is not (fully or partially) obligated to repay the loan. Further, a violation of the Rules will not invalidate a legally perfected chattel mortgage over the Financed Vehicle, or any other Related Collateral. This applies with respect to the entire Purchased Auto Loan, including the part of the loan which covers the Down Payment the Debtor should have paid itself. The Issuer is not aware of any court decision where a loan has been annulled or reduced as a direct result of a violation of the Rules. See, however, "RISK FACTORS – Possibility of "unfair contract terms" scrutiny by Norwegian courts".

While neither the Financial Supervisory Authority of Norway ("**FSAN**") nor any other regulatory body may annul or revise credits granted in violation of the Rules, a violation of the Rules means that the simplified enforcement procedure (see "RISK FACTORS — Enforcement of Purchased Auto Loans and Related Collateral") will not be available. It may also result in the annulment of certain Issuer Secured Party rights pursuant to certain vehicle insurance policies taken out by Debtors over the Financed Vehicles. See "RISK FACTORS — Assignment of Related Collateral to Issuer".

#### *Enforcement of Purchased Auto Loans and Related Collateral*

In the event of a Debtor's default on a Purchased Auto Loan, the Issuer or the Security Trustee (as the case may be) may have to enforce such Purchased Auto Loan and any Related Collateral against the Debtor. Pursuant to the Servicing Agreement, the Servicer will assist the Issuer or the Security Trustee with all practical matters in enforcing such claim on their behalf and in their name. If for any reason the Issuer or the Security Trustee (with the aid of the Servicer) is unable to enforce the Purchased Auto Loan against the defaulting Debtor, this could result in a shortfall of funds available to make payments on the Notes.

Ultimately, enforcement of a claim in Norway requires the assistance of the Norwegian enforcement authorities. In order for a debt claim to be enforceable, a default must have occurred pursuant to the terms of the relevant loan. If a default has occurred, a non-secured creditor will in many cases have to file suit and obtain a court judgment in order to petition the Norwegian enforcement authorities to enforce the claim against the debtor. However, if the debtor has undertaken in writing that the claim can be enforced without prior judgment, then the creditor may petition the enforcement authorities directly upon a default. The Seller's standard form Loan Contracts contain such undertakings, meaning that a defaulted Purchased Auto Loan can be enforced with the aid of the enforcement authorities without obtaining a prior court judgment. Following a petition from a creditor to enforce a claim, the enforcement authorities will, if they consider the claim warranted after having given the debtor a chance to defend itself against the claim, register attachments (*utlegg*) over the debtor's assets to the extent necessary to secure the claim. Thereafter, the attached assets can be realised through a forced public auction process (*tvangssalg*). If, however, the debtor disputes the decision of the enforcement authorities, the debtor may demand that the enforcement matter be deferred to the courts for decision. For these reasons, enforcement of a disputed claim in Norway pursuant to the Enforcement Act can take considerable time, depending on jurisdiction.

Pursuant to Norwegian law, there is a simplified enforcement process for validly perfected auto chattel mortgagees which allows the mortgagee to take possession of the Financed Vehicle with the assistance of Norwegian enforcement authorities, without first obtaining a court judgment and with no requirement for a forced public auction. However, in so far as any of the Purchased Auto Loans were provided in breach of the above-mentioned minimum down payment rules, the Issuer cannot rely on the simplified enforcement procedure. The simplified process can, therefore, not be used for the majority of the auto chattel mortgages related to Purchased Auto Loans. Such auto chattel mortgages can still be enforced in the courts (although court proceedings could make the enforcement procedure more cumbersome, expensive and time consuming) and the chattel mortgagee may also be able to repossess the Financed Vehicle through an agreement with the Debtor, as long as such agreement is entered into after the default has occurred.

#### *Possibility of "unfair contract terms" scrutiny by Norwegian courts*

Pursuant to section 36 of the Norwegian Contracts Act ("**Section 36**"), Norwegian courts have a general discretion to annul or revise "unfair contract terms" based on specific circumstances. The courts may take into consideration circumstances which were present at the time of the agreement as well as subsequent circumstances. A violation of the Rules is one factor which can be taken into account.

According to Norwegian preparatory works, case law and legal theory, the threshold for annulling or revising "unfair contract terms" is high. No cases where a court of law has annulled or reduced a consumer's debt pursuant to Section 36 due to a violation of the Rules have been identified. However, there is one known case which went before the Complaints Board for Consumers in Banking, Finance and Mutual Fund Matters in Norway, in which the Board held that a consumer borrower who had borrowed money to purchase a car was entitled to a reduction of 50% of his remaining debt to the lender concerned pursuant to Section 36. However, the case can be distinguished by its facts. It was not the breach of the Rules itself which led the Board to reach its conclusion, but the fact that the Rules had been violated formed part of the Board's reasoning.

Based on the foregoing, Section 36 should only be applied in cases where its application is warranted by other factors in addition to a breach of the Rules. However, as Section 36 provides Norwegian courts with a discretionary power to annul or revise "unreasonable" contracts, there will be some risk inherent in relation to the application of Section 36 to Purchased Auto Loans which have been granted in violation of the Rules.

#### *Duration of effectiveness of a chattel mortgage (salgs pant)*

Under Norwegian law, the duration of a chattel mortgage is limited to a maximum of five years, estimated from the day the chattel was delivered to the borrower (Section 3-21 of the Pledge Act). After this time period the chattel mortgage will be void, unless the mortgagee has taken certain steps to enforce the chattel mortgage before the expiry date.

The expiry of the chattel mortgage does not affect the underlying loan. If the loan's duration is more than five years, it will no longer be secured when the chattel mortgage has expired.

As at 31 December 2010, less than 1.5% of the Purchased Auto Loans have been "on book" for five years or longer. The effect of Section 3-21 of the Pledge Act is limited by the fact that, at the time when the chattel mortgage relating to a particular Purchased Auto Loan becomes ineffective, the ratio of the remaining debt owed on such Purchased Auto Loan to the initial principal amount of that Auto Loan would be relatively small.

However, the fact that such Purchased Auto Loans will not be secured after the expiry of such a period may adversely affect the amount of funds available to the Issuer to make payments under the Notes.

#### *Distribution of Collections from the Seller to the Issuer – risks in event of the Seller's insolvency*

Currently, the Debtors make payments on Auto Loans into one or more bank accounts in the name of the Seller at Skandinaviska Enskilda Banken AB (publ) (the "**Collections Account Bank**") (together with any additional or substitute accounts of the Seller at the Collections Account Bank as may be permitted under the Transaction Documents, the "**Seller Collections Accounts**"). Following the purchase of the Portfolio by the Issuer, the Debtors will continue to make payments on the Purchased Auto Loans into the Seller Collections Accounts. It is contemplated that the Seller (acting as Servicer) will, on each Oslo Banking Day when any payments are received and credited to any Seller Collections Account, identify the portion, if any, of those payments that constitute Collections. With respect to each Collection Period, on the third Business Day preceding the immediately following Payment Date (each a "**Transfer Date**"), the Seller (acting as Servicer) will pay to the Transaction Account an amount equal to the Collections received during that Collection Period. The Seller (acting as Servicer) shall pay to the Issuer interest on the amount of those Collections, for each day from the Oslo Banking Day when it received those Collections until the date on which it transfers those Collections to the Issuer Collections Account or the Transaction Account, at the same rate as the effective rate of interest received by the Seller on amounts held in the Seller Collections Account during the relevant period.

If the Seller becomes insolvent and is placed under public administration, the public administration board will gain control over all assets in the Seller's possession, including funds credited to the Seller Collections Accounts and other bank accounts of the Seller. Since both Collections and other monies of the Seller will be credited to the Seller Collections Account and utilised by the Seller in its ordinary course of business, the Collections will be legally deemed as commingled with the Seller's other funds and the Issuer will not be able to claim a preferential right to funds held by the Seller if and when the Seller is placed under public administration.

Pursuant to the Servicing Agreement, if a Servicer Termination Event occurs (and whether or not the Note Trustee terminates the Servicer's appointment), or if the Seller's 100% owner's long term debt is no longer rated at least investment grade by Fitch, the Purchaser or the Note Trustee may give notice or require the Servicer to give notice to the Debtors, instructing them to make payments to an account in the name of the Issuer subject to

security in favour of the Security Trustee. However, to the extent Collections have not been redirected and the Seller becomes subject to public administration, Collections received in the Seller Collections Account may not be available for the Issuer to make payments on the Notes. See "RISK FACTORS — Risk of late forwarding of payments received by the Servicer").

#### *Limitations with respect to Debtor personal data*

Debtors' personal data is protected by Norwegian personal data legislation (mainly the Norwegian Personal Data Act and pertinent regulations). Further, the Seller being a Norwegian financial institution is bound by Norwegian statutory regulations regarding banking secrecy, prohibiting the transfer of confidential customer data to any third party. Based on *inter alia* statements in the FIA's preparatory works, the transfer of the customer information which is being transferred to the Issuer and which is displayed in the Loan Contracts relating to the Purchased Auto Loans is in compliance with the Norwegian statutory regulations on banking secrecy, and no consents from the Debtors are needed. This customer information includes the name of the Debtors, the loan amount, the personal identification number of the Debtors, the Debtors' addresses, information concerning certain security rights for the loan and the loan amount. However, other information about the Debtors and/or their loans (being information not required by the Issuer as part of the securitisation) can only be transferred to the Issuer upon consent from the Debtors.

If the Servicing Agreement with the Issuer is terminated, it will be necessary to appoint a new servicer for the Portfolio. Pursuant to Section 2-38 of the FIA, only a credit institution licensed or passported to conduct banking activities in Norway and which has the experience or capability of administering assets similar to the Portfolio may act as substitute servicers for the Portfolio. The Issuer will not be able to itself act as servicer. If a bank is validly appointed as substitute servicer, then logically the Seller will be entitled to transfer confidential information about the Debtors and the Portfolio to the substitute servicer without explicit consent from the Debtors on the basis that the substitute servicer would be a financial institution which would be subject to the same Norwegian bank confidentiality rules as the Seller. However, there is no Norwegian legislation, regulatory guidelines or other legal sources available to expressly confirm this view, so the position is somewhat uncertain.

If relevant legislation relating to the transfer and processing of Debtors' personal data is not properly observed, this could lead to administrative sanctions against the Seller, the Issuer and/or the Security Trustee (as the case may be). Further, this could also affect the amount of funds available to make payment on the Notes.

#### *Change of law*

The structure of the Auto Portfolio Purchase Agreement, the Servicing Agreement, the Norwegian Security Agreement and the Issuer Collections Account Agreement are based on Norwegian law, in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change of Norwegian law or administrative practice after the date of this Prospectus.

The structure of the Corporate Administration Agreement and the Irish Security Deed are based on Irish law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change of Irish law or administrative practice after the date of this Prospectus.

The structure of the Basis Swap Agreement, the Subscription Agreement, the Expenses Loan Agreement, the Agency Agreement, the Note Trust Deed, the Notes, the Transaction Account Agreement and the Security Trust Deed are based on English law and the Notes are governed by English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change of English law or administrative practice after the date of this Prospectus.

### **Commercial risks**

#### *Basis Swap Agreement*

If the Swap Counterparty defaults in respect of its obligations under the Basis Swap Agreement which results in a termination of the Basis Swap Agreement, the Issuer will be obliged to enter into a replacement arrangement with another appropriately rated entity. A failure to enter into such a replacement arrangement may result in a downgrading of the rating of any Class of Notes. If a replacement arrangement is able to be put in place, its terms may be less favourable than those in the original arrangement due, for example, to changes in economic

conditions. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Basis Swap Agreement".

#### *Reliance on representations and warranties*

If the Portfolio does not correspond, in whole or in part, to the representations and warranties made by the Seller in the Auto Portfolio Purchase Agreement, the Issuer has certain rights of recourse against the Seller. These rights are not collateralised with respect to the Seller. Consequently, a risk of loss exists in the event that such a representation or warranty is breached. This could potentially cause the Issuer to default under the Notes.

#### *Reliance on administration and collection procedures*

The Servicer will carry out the administration, collection and enforcement of the Portfolio in accordance with the Servicing Agreement, the Loan Contracts, the contracts relating to Related Collateral and applicable law. However, Norwegian law provides that if a Debtor has defaulted under a Purchased Auto Loan, the Servicer will not be able to enforce such a loan against the Debtor in its own name. Instead, the Issuer or the Security Trustee would be the party which would formally enforce the claim.

Accordingly, the Noteholders are relying on the business judgement and practices of the Servicer when enforcing claims against the Debtors, including taking decisions with respect to enforcement in respect of the Portfolio. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement" and "CREDIT AND COLLECTION POLICY".

#### *Replacement of the Servicer*

If the appointment of the Servicer is terminated, the Issuer may appoint a substitute servicer pursuant to the Servicing Agreement. Any substitute servicer which may replace the Servicer in accordance with the terms of the Servicing Agreement would have to be a bank as per FIA Section 2-38. Further, any substitute servicer may charge a servicing fee on a basis different from that of the Servicer. Both the failure to appoint a replacement servicer in the event that the Servicer can no longer perform its agreed function and/or the charging by a substitute servicer of a servicing fee greater than that charged by the Servicer may result in a shortfall in funds available to make payments on the Notes. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Auto Portfolio Purchase Agreement" and "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement".

#### *No independent investigation and limited information*

None of the Joint Lead Managers, the Note Trustee, the Security Trustee nor the Issuer has undertaken or will undertake any investigations, searches or other actions to verify the details of the Portfolio or any value of the Related Collateral or to establish the creditworthiness of any Debtor or any other party to the Transaction Documents. Each such person will rely solely on the accuracy of the representations and warranties given by the Seller to the Issuer in the Auto Portfolio Purchase Agreement in respect of, *inter alia*, the Purchased Auto Loans, the Debtors, the Loan Contracts underlying the Purchased Auto Loans and the Related Collateral, including, without limitation, any security interests in the Financed Vehicles. The monetary benefit of all such representations and warranties given to the Issuer will be assigned by way of security by the Issuer in favour of the Security Trustee under the Norwegian Security Agreement and the Irish Security Deed.

The Seller is subject to general bank confidentiality and data protection laws and is under no obligation to, and will not provide the Joint Lead Managers, the Note Trustee the Security Trustee nor the Issuer with financial or other information specific to individual Debtors, underlying Loan Contracts and/or the Related Collateral unless permitted by law.

The Joint Lead Managers, the Note Trustee, the Security Trustee and the Issuer will only be supplied with general information in relation to the aggregate of the Debtors and the underlying Loan Contracts, always subject to applicable bank confidentiality and data protection laws.

Further, none of the Joint Lead Managers, the Note Trustee, the Security Trustee nor the Issuer will have any right to inspect the internal records of the Seller.

The primary remedy of the Note Trustee and the Issuer for breaches of any warranty with respect to, inter alia, the enforceability of the Purchased Auto Loans, the existence of the Related Collateral, the absence of material litigation with respect to the Seller, the transfer of free title to the Issuer and the compliance of the Purchased Auto Loans with the Eligibility Criteria will be to require the Seller to pay Deemed Collections in an amount equal to the then Outstanding Principal Amount of such Purchased Auto Loans (or the affected portion thereof) plus accrued and unpaid interest thereon. With respect to breaches of warranties under the Auto Portfolio Purchase Agreement generally, the Seller is obliged to indemnify the Issuer against any Losses directly resulting from such breaches.

#### *Risk of losses on the Portfolio*

The risk to the Class A Noteholders that they will not receive the maximum amount due to them under the Class A Notes as stated on the cover page of this Prospectus is mitigated by the subordination of the Class B Notes to the Class A Notes, as well as by the amounts credited to the Reserve Account which will be available on any Payment Date to meet certain obligations of the Issuer including its obligations under the Class A Notes, in accordance with the Pre-Enforcement Priority of Payments.

However, there is no assurance that the Class A Noteholders will receive for each Class A Note the total initial Note Principal Amount plus interest as stated in the Note Conditions nor that the distributions and amortisations which are made will correspond to the monthly payments originally agreed upon in the underlying Loan Contracts.

#### *Limited availability of the Reserve Fund in respect of interest and principal due on the Notes*

Prior to the delivery of an Enforcement Notice, in the event of shortfalls under the Purchased Auto Loans, amounts from the Reserve Account may only be drawn to reduce shortfalls with respect to interest and principal due under the Class A Notes in accordance with the Pre-Enforcement Priority of Payments.

#### *Risk of early repayment*

In the event that the Loan Contracts underlying the Purchased Auto Loans are prematurely terminated or otherwise settled early, the Noteholders will (barring the loss of some or all of the Purchased Auto Loans) be repaid the principal which they invested, but will receive interest for a shorter period than that provided in the respective Loan Contracts.

#### *Risk of late payment due to deferral of Purchased Auto Loans*

Under the Servicing Agreement, the Servicer may, in specific circumstances and in its sole discretion, grant a deferral of the date on which certain payments are due under the Loan Contracts. This results in a risk of late payment of instalments pursuant to the Loan Contracts underlying the Purchased Auto Loans.

#### *Risk of late forwarding of payments received by the Servicer*

The Seller, as Servicer, will receive and hold Collections in the Seller Collection Accounts before sending them to the Issuer for deposit to the Transaction Account on each Transfer Date. See "RISK FACTORS – Distribution of Collections from the Seller to the Issuer – risks in event of the Seller's insolvency".

No assurance can be given that the Servicer will promptly forward all amounts collected from Debtors pursuant to the relevant Loan Contracts to the Issuer in respect of a particular Collection Period in accordance with the Servicing Agreement. Except under specific circumstances as provided in the Servicing Agreement, no specific cash reserve will be established to avoid any resulting shortfall in the payments of principal and interest by the Issuer in respect of the Notes on the Payment Date immediately following such Collection Period. Consequently, any Collections that are forwarded late will only be paid to the Noteholders on the subsequent Payment Date. Pursuant to the Servicing Agreement, if the Servicer fails to remit Collections or make any other payment due under the Servicing Agreement at the latest on the third Business Day after its due date, or, in the event no due date has been determined, within three (3) Business Days after the demand for payment, the Issuer may terminate the appointment of the Servicer and appoint a substitute servicer. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Servicing Agreement".

### *Creditworthiness of parties to the Transaction Documents*

The ability of the Issuer to meet its obligations under the Notes will be dependent on the performance of the duties by each party to the Transaction Documents.

No assurance can be given that the creditworthiness of the parties to the Transaction Documents, in particular the Servicer, will not deteriorate in the future. This may affect the performance of their respective obligations under the respective Transaction Documents. In particular, it may affect the administration, collection and enforcement of the Purchased Auto Loans by the Servicer in accordance with the Servicing Agreement.

### *Sharing with other creditors*

The proceeds of enforcement and collection of the Secured Assets created by the Issuer in favour of the Security Trustee will be used in accordance with the Post-Enforcement Priority of Payments to satisfy claims of all Issuer Secured Parties thereunder. The claims of certain creditors will be settled ahead of those of the Noteholders in accordance with the Post-Enforcement Priority of Payments. See "THE MAIN PROVISIONS OF THE SECURITY TRUST DEED – Post-Enforcement Priority of Payments".

### *Priorities of payment in counterparty's insolvency*

The validity of certain contractual priorities of payments similar to those contemplated in this transaction has been challenged recently in the English and U.S. courts. Though the insolvency laws of those countries would not likely apply to the Transaction given its current parties, a similar issue might arise under other applicable laws.

The hearings have arisen due to the insolvency of a secured creditor (in that case a swap counterparty) and have considered whether such payment priorities (under which the priority of swap termination payments depends on whether termination resulted from the swap counterparty's default) breach the "anti-deprivation" principle under English and U.S. insolvency law. This principle prevents a party from agreeing to a provision that deprives its creditors of an asset upon its insolvency.

Parties representing the estate of an insolvent swap counterparty argued that where a secured creditor subordinates itself to noteholders in the event of its insolvency, that secured creditor effectively deprives its own creditors. The English Court of Appeal in *Perpetual Trustee Co Ltd v BNY Corporate Trustee Services Ltd*, [2009] EWCA Civ 1160, dismissed this argument and upheld the validity of the priorities of payment, stating that the anti-deprivation principle was not breached by such provisions. However, the insolvent party has been granted leave to appeal the decision to the Supreme Court and the question of the validity of the payment priorities will therefore be considered again. In the U.S., Judge Peck of the U.S. Bankruptcy Court for the Southern District of New York has granted Lehman Brothers Special Finance Inc.'s ("**LBSF**") motion for summary judgement to the effect that the provisions do infringe the anti-deprivation principle in a U.S. insolvency. Judge Peck acknowledged that this has resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". BNY Corporate Trustee Services Ltd has been allowed to appeal.

Given the current state of U.S. and English law, this is likely to be an area of continued judicial focus particularly in respect of multi-jurisdictional insolvencies. If the issue was raised and an unfavourable decision was rendered under Spanish law or other insolvency law affecting either of the Swap Counterparties, this could adversely affect the Issuer's ability to make payments on the Notes.

### *Preferred creditors under Irish law*

Under Irish law, upon the insolvency of an Irish incorporated company such as the Issuer, when applying the proceeds of assets subject to fixed security which may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by an examiner of the company (which may include any borrowing made by any examiner to fund the Issuer's requirements for the duration of this appointment) which have been approved by the Irish courts. See "Examinership".

The holder of a fixed security over the book debts of an Irish tax resident company (which would include the money standing to the credit of the accounts of the Issuer) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those which the holder of the fixed security thereafter receives in payment of debts due to it by the company. Where the holder of the security has given notice to the Irish Revenue Commissioners of the creation of the security within 21 days of its creation, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issuance of a notice by the Irish Revenue Commissioners to the holder of fixed security.

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding tax whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

In relation to the disposal of assets of an Irish tax resident company which are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

The essence of a fixed charge is that the person creating the charge does not have liberty to deal with the assets which are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to the Issuer any security constituted by the Irish Security Deed, the Security Trust Deed and the Norwegian Security Agreement may operate as a floating, rather than a fixed charge

In particular, the Irish courts have held that in order to create a fixed charge on Auto Loans it is necessary to oblige the chargor to pay the proceeds of collection of the Auto Loans into a designated bank account and to prohibit the chargor from withdrawing or otherwise dealing with the monies standing to the credit of such account without the consent of the chargee.

Depending on the level of control actually exercised by the chargor, it is possible that security created by the Issuer under the Irish Security Deed, the Security Trust Deed and the Norwegian Security Agreement would be regarded by the Irish courts a floating charge. Under Irish law, floating charges have certain weaknesses including the following:

- (i) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set off;
- (ii) they rank after certain preferential creditors, such as claims of employees and certain taxes on winding up;
- (iii) they rank after certain insolvency remuneration expenses and liabilities;
- (iv) the examiner of a company has certain rights to deal with the property covered by the floating charges; and
- (v) they rank after fixed charges.

### *Examinership*



Examination is a court procedure available under the Companies (Amendment) Act 1990, as amended (the "**1990 Act**") to facilitate the survival of Irish companies in financial difficulties.

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after this appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to this appointment. Furthermore, the examiner may sell assets, the subject of a fixed charge. However, if such power is exercised the examiner must account to the holders of the fixed charge for the amount realised and discharge the amount due to the holders of the fixed charge out of the proceeds of the sale.

During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court when at least one class of creditors has voted in favour of the proposals and the Irish High Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Security Trustee represented the majority in number and value of claims within the secured creditor class (which would be likely given the restrictions agreed to by the Issuer in the Note Conditions), the Security Trustee would be in a position to reject any proposal not in favour of the Noteholders. The Security Trustee would also be entitled to argue at the Irish High Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Noteholders, especially if such proposals included a writing down to the value of amounts due by the Issuer to the Noteholders or resulted in Noteholders receiving less than they would have if the Issuer was wound up. The primary risks to the holders of Notes if an examiner were appointed to the Issuer are as follows:

- (a) the potential for a compromise or scheme of arrangement being approved involving the writing down or rescheduling of the debt due by the Issuer to the Noteholders as secured by the Security Documents;
- (b) the potential for the examiner to seek to set aside any negative pledge in the Transaction Documents prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- (c) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the Irish High Court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable to each of the Noteholders under the Notes or the other Transaction Documents and which are secured by the security granted pursuant to the Security Documents.

#### **Other risks**

The Issuer believes that the risks described above are the principal risks inherent in the transaction for the Noteholder, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the above statements regarding the risk of holding the Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Prospectus lessen some of these risks for the Noteholders, there can be no assurance that these measures will be sufficient to ensure payment to Noteholders of interest, principal or any other amounts on or in connection with the Notes on a timely basis or at all.

## CREDIT STRUCTURE

### Purchased Auto Loan interest rates

The Purchased Auto Loans include (i) annuity loans under which instalments are calculated on the basis of (approximately) equal monthly periods during the life of each loan, (ii) Balloon Loans under which the final instalment may be substantially higher than the previous instalments and (iii) serial loans under which monthly principal payments remain the same throughout the life of each loan and the portion of each monthly payment which consists of interest may vary each month depending on the interest rate and (declining) loan balance. Each instalment is comprised of a portion allocable to interest and a portion allocable to principal under such loan.

### Cash collection arrangements

Payments by the Debtors under the Purchased Auto Loans are due on a monthly basis on the same day each month (subject to business day adjustment). Under the majority of the Purchased Auto Loans, the Debtor can choose the date each month on which payments are to be made.

The majority of Debtors have payment dates falling throughout the month, with the most popular payment dates falling on the first, fifteenth, twentieth and twenty-fifth of the month, interest being payable in arrears.

Following the purchase of the Portfolio by the Issuer, the Debtors will continue to make payments on the Purchased Auto Loans into the Seller Collections Accounts. It is contemplated that the Servicer will, on each Oslo Banking Day when any payments are received and credited to any Seller Collections Account, identify the portion, if any, of those payments that constitute Collections. With respect to each Collection Period, on the third Business Day preceding the immediately following Payment Date (each a "**Transfer Date**"), the Seller will pay to the Transaction Account an amount equal to the Collections received during that Collection Period. The Seller shall pay the Issuer interest on the amount of those Collections, for each day from that Oslo Banking Day until the date on which it transfers those Collections to the Transaction Account, at the same rate as the effective rate of interest received by the Seller on amounts held in the Seller Collections Accounts during the relevant period. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – Servicing Agreement" and "THE TRANSACTION ACCOUNT AND THE RESERVE ACCOUNT".

The Servicing Agreement will provide that, if a Servicer's Owner Downgrade 1 occurs, then (i) the Servicer shall (or, if the Seller is not the Servicer, the Seller shall), within 10 Business Days, deposit to the Commingling Reserve Account an amount equal to the Commingling Reserve Required Amount; and (ii) the Servicer will, within 10 Business Days, instruct the Collections Account Bank to transfer to the Issuer Collections Account within one Oslo Banking Day after receipt (or, in the case of exceptional circumstances causing an operational delay in the transfer, within three Oslo Banking Days after receipt) any and all Collections received from time to time in the Seller Collections Account.

If as of any Cut-Off Date the amount standing to the credit of the Commingling Reserve Account exceeds the Commingling Reserve Required Amount, then an amount equal to such excess shall be released to the Servicer (or the Seller as applicable) on the immediately following Payment Date. If, on and after the occurrence of a Servicer Termination Event of the type described in paragraph (d) of the definition of that term, the Servicer (or the Seller as applicable) holds any Collections, the Calculation Agent, pursuant to the Agency Agreement, and the Note Trustee will treat an equivalent amount of the funds standing to the credit of the Commingling Reserve Account as part of the Available Distribution Amount. On the Discharge Date or, if earlier, on the first Business Day falling not less than two months following the earlier of (i) the date of any notice given to the Debtors to make payments on Purchased Auto Loans to the Issuer Collections Account and (ii) the appointment of a substitute servicer on a Servicer Termination Event, any amount standing to the credit of the Commingling Reserve Account shall be released to the Servicer (or the Seller, as applicable).

The Servicing Agreement will further provide that, on the occurrence of (i) a Servicer's Event Downgrade 2 or (ii) a Servicer Termination Event (each a "**Notification Event**"), the Issuer (or the Servicer or another person on its behalf) will direct the Debtors to make payments on Purchased Auto Loans to a specified account of the Issuer (the "**Issuer Collections Account**"; together with the Seller Collections Accounts, the "**Collections Accounts**") at the Collections Account Bank. On each Transfer Date, the Issuer will transfer the amounts on deposit in the Issuer Collections Account to the Transaction Account.

The Servicer will keep ledgers which identify all amounts paid into the Transaction Account and the Reserve Account which represent the Available Distribution Amount.

If at any time a Ratings Downgrade has occurred with respect to the Transaction Account Bank, the Issuer will be required, within thirty (30) calendar days after the Ratings Downgrade, to transfer any amounts credited to the Issuer Secured Accounts, at no cost to the Issuer, to an alternative bank with at least the Required Ratings. The alternative bank will need to (i) enter into a Transaction Account Agreement prior to the transfer and (ii) accede to the Security Trust Deed.

**"Ratings Downgrade"** shall mean, at any time, with respect to any person, either (a) any of the ratings assigned by the Rating Agencies to the debt obligations of that person have been downgraded or withdrawn so that that person no longer has the Required Ratings or (b) such debt obligations are no longer rated by any of the Rating Agencies.

**"Required Ratings"** shall mean, with respect to any person, that:

- (a) the short-term unsecured, unsubordinated and unguaranteed debt obligations of that person are assigned a rating of at least F1 (or its replacement) by Fitch (and have not been rated F1 and placed on "rating watch negative" by Fitch) and R-1 (middle) (or its replacement) by DBRS; and
- (b) the long-term unsecured, unsubordinated and unguaranteed debt obligations of that person are assigned a rating of at least A (or its replacement) by Fitch (and have not been rated A and placed on "rating watch negative" by Fitch) and A (or its replacement) by DBRS.

#### **Available Distribution Amount**

The Available Distribution Amount (as defined below) will be calculated as at each Cut-Off Date with respect to the Collection Period ending on such Cut-Off Date for the purpose of determining, *inter alia*, the amount to be applied under the Pre-Enforcement Priority of Payments on the immediately following Payment Date.

The Available Distribution Amount is defined in Schedule 5 to the Security Trust Deed. See "CERTAIN DEFINITIONS — Available Distribution Amount".

The amounts to be applied under the Pre-Enforcement Priority of Payments will vary during the life of the transaction as a result of possible variations in the amount of Collections and certain costs and expenses of the Issuer.

The amount of Collections received by the Issuer under the Auto Portfolio Purchase Agreement will vary during the life of the Notes as a result of the level of delinquencies, defaults, repayments and prepayments in respect of, *inter alia*, the Purchased Auto Loans. The effect of such variations could lead to drawings, and the replenishment of such drawings, from the Reserve Account.

#### **Pre-Enforcement Priority of Payments**

The Available Distribution Amount will, pursuant to the Note Conditions and Security Trust Deed, be applied as of each Payment Date in accordance with the Pre-Enforcement Priority of Payments.

The Pre-Enforcement Priority of Payments is set out in Note Condition 2.3 (*Pre-Enforcement Priority of Payments*).

The amount of interest and principal payable under the Notes on each Payment Date will depend primarily on the amount of Collections received by the Issuer during the Collection Period immediately preceding such Payment Date and certain costs and expenses of the Issuer. See "NOTE CONDITIONS — Status, Security and Priority — Pre-Enforcement Priority of Payments".

Payments to satisfy amounts due to third parties (other than pursuant to the Transaction Documents) and payable in connection with the Issuer's business may be made from the Transaction Account and the Reserve Account other than on a Payment Date.

### **Residual payment to the Seller**

On each Payment Date, the difference (if any) between the Available Distribution Amount and the sum of all amounts payable or to be applied (as the case may be) by the Issuer under items *first to fourteenth* (inclusive) of the Pre-Enforcement Priority of Payments with respect to the Cut-Off Date immediately preceding such Payment Date shall be disbursed to the Seller as residual payment in accordance with and subject to the Pre-Enforcement Priority of Payments.

### **Post-Enforcement Priority of Payments**

After the delivery of an Enforcement Notice prior to the full discharge of all Transaction Secured Obligations, any amounts payable by the Issuer or, in the case of enforcement of the Secured Assets, by the Security Trustee will be paid to the Note Trustee to be applied in accordance with the Post-Enforcement Priority of Payments set out in Schedule 4 (*Post-Enforcement Priority of Payments*) of the Security Trust Deed. See "THE MAIN PROVISIONS OF THE SECURITY TRUST DEED – Post-Enforcement Priority of Payments".

### **Reserve Account**

On the Note Issuance Date, an amount equal to NOK 159,831,600 (equal to the Required Reserve Amount) will be credited to the Reserve Account.

Prior to the delivery of an Enforcement Notice, the amount credited to the Reserve Account as of the Cut-Off Date immediately preceding any Payment Date will be available to meet items *first to ninth* (inclusive) of the Pre-Enforcement Priority of Payments.

If and to the extent that the Available Distribution Amount on any Payment Date exceeds the amounts required to meet the items ranking higher than item *eleventh* in the Pre-Enforcement Priority of Payments, the excess amount will be applied to credit, or if a drawing has been made, to replenish, the Reserve Account until the balance standing to the credit of the Reserve Account equals the Required Reserve Amount.

Pursuant to the Auto Portfolio Purchase Agreement and the Note Conditions, the Required Reserve Amount will be equal to:

- (a) on the Note Issuance Date and as of any Cut-Off Date prior to (but excluding) the Amortisation Threshold Date, an amount equal to the Reserve Percentage of the aggregate initial Note Principal Amounts of all Notes; and
- (b) on the Cut-Off Date falling on the Amortisation Threshold Date and any Cut-Off Date following the Amortisation Threshold Date, the greatest of (i) two times the Reserve Percentage of the Aggregate Outstanding Note Principal Amount (after giving effect to any payment of Class A Notes Principal and Class B Notes Principal to be made in accordance with the Pre-Enforcement Priority of Payments on the Payment Date immediately following such Cut-Off Date); (ii) either (A) if a Reserve Shortfall occurred on any preceding Payment Date, an amount equal to the Required Reserve Amount as of the Cut-Off Date immediately preceding that Payment Date, or (B) if, based on a Required Reserve Amount equal to the amount described in (b)(i) above, a Reserve Shortfall would occur on the Payment Date immediately following such Cut-Off Date, an amount equal to the Required Reserve Amount as most recently determined prior to such Cut-Off Date; and (iii) NOK 53,277,200 (being 0.5% of the aggregate initial Note Principal Amounts of all Notes);

**"Amortisation Threshold Date"** shall mean the first Cut-Off Date as of which the Aggregate Outstanding Note Principal Amount is less than 50% of the aggregate initial Note Principal Amounts of all Notes;

A **"Reserve Shortfall"** shall occur if the credit standing to the Reserve Account as of any Payment Date, after filling the Reserve Account in accordance with item *eleventh* of the Pre-Enforcement Priority of Payments, falls short of the Required Reserve Amount as of the Cut-Off Date immediately preceding such Payment Date.

**"Reserve Percentage"** shall mean 1.5%.

After all amounts of interest and principal due in respect of the Class A Notes have been paid, the Required Reserve Amount will be reduced to zero.

## **Basis Swap Agreement**

The interest rate payable by the Issuer with respect to the Notes is calculated as the sum of NIBOR and a margin as set out in the Note Conditions. The Loans bear interest at rates which may be different from NIBOR. The Issuer has hedged this interest rate basis exposure by entering into the Basis Swap Agreement with the Swap Counterparty.

Under the Basis Swap Agreement, on each Payment Date the Issuer will make payments to the Swap Counterparty based on a floating rate (the "**Weighted Average Loan Return**") corresponding to the weighted average rate of return on principal (based on actual interest and fee Collections and Capitalised Interest divided by principal) with respect to the Purchased Auto Loans (other than Defaulted Auto Loans), applied to the arithmetic average of the Aggregate Outstanding Loan Principal Amounts as of the most recent Cut-Off Date and as of the next preceding Cut-Off Date (the "**Calculation Amount**") and the Swap Counterparty will pay a floating rate equal to NIBOR as set by the Swap Counterparty in respect of the Interest Period immediately preceding such Payment Date, plus a margin equal to (i) 2.8% plus (ii) the weighted average of the Class A margin and the Class B margin (weighted according to the Class A Principal Amount and the Class B Principal Amount) applied to the same Calculation Amount. Payments under the Basis Swap Agreement will be made on a net basis. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Basis Swap Agreement".

The Basis Swap Agreement will also provide for limited deferral in whole or part of payments otherwise due by the Issuer to the Swap Counterparty on a Payment Date in the unlikely event that, due to Payment Holidays, the Available Distribution Amount on that Payment Date would be less than the amount needed to make such payments otherwise due. In such event, the Swap Counterparty will still be obligated to make the corresponding payment due from the Swap Counterparty to the Issuer based on NIBOR. After any such deferral, the Issuer will be obligated to pay to the Swap Counterparty on the next Payment Date or any following Payment Date, to the extent of the Available Distribution Amount available for such purpose, the deferred amount and interest on the deferred amount at NIBOR for the period during which it was outstanding.

Pursuant to the Basis Swap Agreement, if and so long as the short-term or long-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty are assigned a rating lower than the Required Ratings (as defined below) or any such Required Rating is withdrawn by any Rating Agency, then the Swap Counterparty will be obliged, within fourteen (14) calendar days, at its own cost, to post collateral for its obligations in accordance with the provisions of the Credit Support Annex, and in addition, will be obliged, within thirty (30) calendar days, at its cost, to either (i) obtain a guarantee of its obligations under the Basis Swap Agreement from a third party with the Required Ratings; (ii) transfer all of its rights and obligations under the Basis Swap Agreement to a third party with the Required Ratings or (iii) take such other actions as a result of which the Class A Notes will be rated by the Rating Agencies at the same level as immediately prior to such event.

Failure by the Swap Counterparty to comply with any of the aforementioned requirements will constitute a reason for termination by the Issuer of the Basis Swap Agreement in accordance with the conditions thereof. Where the Swap Counterparty provides collateral in accordance with the provisions of the Credit Support Annex, such collateral or interest thereon will not form part of the Available Distribution Amount (other than collateral amounts applied in satisfaction of termination payments due to the Issuer following the designation of an early termination date under the Basis Swap Agreement). See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Basis Swap Agreement" and "THE SWAP COUNTERPARTY".

## **Credit enhancement**

As, on the Note Issuance Date, the average interest rate under the Loan Contracts exceeds the average interest rate of the Class A Notes, it is expected that the Available Distribution Amount on each Payment Date will exceed the amounts required to pay Class A Notes Interest and the items ranking higher than Class A Notes Interest in the Pre-Enforcement Priority of Payments and that over the life of the Transaction the sum of the Available Distribution Amounts will exceed the amounts needed to pay items *first* through *sixth* in the Pre-Enforcement Priority of Payments, to pay the Class A Notes Interest and to repay the Class A Principal Amount in full.

Prior to the delivery of an Enforcement Notice, the Class A Notes have the benefit of credit enhancement provided through the subordination of the Class B Notes and through the Reserve Fund.

The Class B Notes have the benefit of credit enhancement provided through the Reserve Fund.

Following the delivery of an Enforcement Notice, the Class A Notes have the benefit of credit enhancement provided through the subordination, both as to payment of interest and principal and on enforcement of the Secured Assets, of the Class B Notes. Following the delivery of an Enforcement Notice, the Reserve Fund will be included in the Available Distribution Amount and applied on the next Payment Date in accordance with the Post-Enforcement Priority of Payments.

### **Subordinated Loan**

The Subordinated Loan Provider has made available to the Issuer on or prior to the Purchase Date a subordinated loan facility (the "**Subordinated Loan**") in the principal amount of NOK 159,831,600 which has been utilised for the purpose of funding the Reserve Account.

The obligations of the Issuer under the Subordinated Loan are subordinated to the obligations of the Issuer under the Class A Notes and, following delivery of an Enforcement Notice, rank against the Class A Notes and all other obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments.

Prior to the delivery of an Enforcement Notice, interest under the Subordinated Loan will be payable by the Issuer monthly in arrear on each Payment Date, subject to and in accordance with the Pre-Enforcement Priority of Payments. The principal amount outstanding and unpaid on the Subordinated Loan will be repaid by the Issuer out of reductions in the amount of the Required Reserve Amount in accordance with the Pre-Enforcement Priority of Payments.

### **Expenses Loan**

The Expenses Loan Provider has made available to the Issuer on or prior to the Purchase Date an interest-bearing amortising Expenses Loan facility (the "**Expenses Loan**") in the principal amount of NOK 21,088,800 which is not credit-linked to the Portfolio and which will, subject to certain conditions, be disbursed on the Note Issuance Date for the purpose of providing the Issuer with the funds necessary to pay certain amounts payable by it on the Note Issuance Date under the Transaction Documents (including, without limitation, the fees, costs and expenses payable on the Note Issuance Date to the Joint Lead Managers and to other parties in connection with the offer and sale of the Notes) and certain other costs.

The Expenses Loan will be repaid in twenty-four (24) instalments on each Payment Date following the Note Issuance Date. The Expenses Loan will be subject to partial repayment, early repayment or optional repayment in specific circumstances and subject to certain conditions.

The claims and rights of the Expenses Loan Provider for repayment of and otherwise in respect of the Expenses Loan will, however, be limited to the amounts received by the Issuer from time to time in respect of a fee (the "**Transaction Cost Fee**") to be paid by the Seller on each Payment Date in accordance with the Auto Portfolio Purchase Agreement (and which will not form part of the Available Distribution Amount).

See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Expenses Loan Agreement".

### **Liquidity Facility Agreement**

The Liquidity Facility Provider has agreed to provide liquidity support in a maximum amount of NOK 319,663,200 (being 3.0% of the initial aggregate principal amount of the Notes) at any time outstanding in the event that the Available Distribution Amount with respect to any Payment Date (excluding the amount to be drawn down under the Liquidity Facility Agreement) would not be sufficient to make the payments falling due on that Payment Date under items *first* to *sixth* to of the Pre-Enforcement Priority of Payments, including any amounts due and payable by the Issuer on that Payment Date in respect of interest on the Class A Notes. In particular, subject to the terms of the Liquidity Facility Agreement, the Liquidity Facility Provider has agreed to credit to the Transaction Account, on the third Business Day immediately preceding any Payment Date in relation to which the Calculation Agent has notified the Liquidity Facility Provider of a shortfall in funds sufficient to make such payments on that Payment Date, an amount equal to such shortfall.

If, at any time, a Ratings Downgrade has occurred in respect of the Liquidity Facility Provider, the Liquidity Facility Provider undertakes to the Issuer that it shall either (a) assign or transfer all its rights, benefits and obligations under the Liquidity Facility Agreement to a bank or financial intermediary passported to perform banking activities in Ireland that (i) meets the applicable Required Ratings, (ii) enters into a liquidity facility agreement on substantially the same terms as the Liquidity Facility Agreement and (iii) accedes to the Security Trust Deed all by no later than 30 calendar days from the date on which the Ratings Downgrade took place if the Liquidity Facility provider fails to provide Cash Collateral, or (b) deposit an amount equal to the Available Facility into the Transaction Account by no later than 14 calendar days from the date on which the Ratings Downgrade took place. The Liquidity Facility Provider may take any of these actions without the prior written consent of either the Issuer and/or the Note Trustee.

## NOTE CONDITIONS

The floating rate secured notes of Bilkreditt 1 Limited (the "**Issuer**") will be issued on or about 10 March 2011 (the "**Note Issuance Date**") and will comprise of the NOK 3,965,000,000 Class A-1 Floating Rate Secured Notes due June 2025 (the "**Class A-1 Notes**"), the NOK 4,677,000,000 Class A-2 Floating Rate Secured Notes due June 2025 (the "**Class A-2 Notes**" and together with the Class A-1 Notes the "**Class A Notes**") and the NOK 2,013,440,000 Class B Floating Rate Secured Notes due June 2025 (the "**Class B Notes**" and, together with the Class A Notes, the "**Notes**").

Application has been made to the Irish Stock Exchange for the Class A Notes to be admitted to the Official List and trading on its regulated market.

The Notes are constituted by a note trust deed dated the Note Issuance Date (the "**Note Trust Deed**" as amended or supplemented from time to time) between the Issuer and Deutsche Trustee Company Limited as note trustee (the "**Note Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Note Trust Deed). The Notes will have the benefit of an agency agreement dated the Note Issuance Date (the "**Agency Agreement**" as amended or supplemented from time to time) between the Issuer and the Note Trustee with Deutsche Bank AG, London Branch as principal paying agent, calculation agent, cash administrator and transfer agent (the "**Principal Paying Agent**", "**Calculation Agent**", "**Cash Administrator**" and "**Transfer Agent**"), Deutsche Bank Luxembourg S.A. as registrar (the "**Registrar**" and together with the Principal Paying Agent, the Calculation Agent, the Cash Administrator and the Transfer Agent, the "**Agents**", which expression includes any successor, principal paying agent, calculation agent, cash administrator, transfer agent or registrar appointed from time to time in connection with the Notes).

These conditions (the "**Note Conditions**") include summaries of, and are subject to, the detailed provisions of the following agreements, dated the Note Issuance Date and as amended and supplemented from time to time: the Note Trust Deed (which includes the forms of the Notes), the Agency Agreement, an English law security trust deed (the "**Security Trust Deed**") between, inter alia, the Issuer and Deutsche Trustee Company Limited as security trustee (the "**Security Trustee**"), a Norwegian security agreement between the Issuer and the Security Trustee (the "**Norwegian Security Agreement**") and an Irish security deed of assignment between the Issuer and the Security Trustee (the "**Irish Security Deed**"). Copies of the Note Trust Deed, the Security Trust Deed, the Agency Agreement, the Norwegian Security Agreement and Irish Security Deed and the other Transaction Documents are available for inspection during usual business hours at the specified office of the Principal Paying Agent.

The holders of the Notes (the "**Noteholders**") and, to the extent Definitive Notes are issued, the holders (the "**Receiptholders**") of the related principal receipts (the "**Receipts**"), and the holders of the interest coupons (the "**Couponholders**" and the "**Coupons**" (and the talons for further coupons, the "**Talons**") respectively) are entitled to the benefit of the Note Trust Deed and are bound by, and are deemed to have notice of, the provisions of the Note Trust Deed, the Security Trust Deed, the Agency Agreement, the Norwegian Security Agreement and the Irish Security Deed.

### 1. FORM, DENOMINATION AND TITLE

#### 1.1 Form

The Class A Notes (together, the "**Bearer Notes**") are in bearer form and initially represented by a Temporary Global Note without Coupons or receipts attached.

Interests in the Temporary Global Note may be exchanged for interests in the Permanent Global Note in accordance with the provisions of the Temporary Global Note.

The Class B Notes are in registered form and represented by one or more Note Certificates.

#### 1.2 Denomination

The Notes will be issued in the denomination of NOK 1,000,000 and integral multiples of NOK 1,000 in excess thereof.



### 1.3 Title

Title to the Bearer Notes, Receipts, Coupons and Talons will pass by delivery. The holder of any Note, Receipt, Coupon or Talon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (including the making of a payment whether or not any payment is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder.

Title to the Class B Notes shall pass by registration of transfer in the Register. The person(s) in whose name any Class B Note is registered in the Register shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such holder. All Note Certificates issued upon any registration of a transfer or exchange of Class B Notes shall be the valid obligations of the Issuer, evidencing the same obligation, and entitled to the same benefits Note certificates surrendered upon such registration of the transfer or exchange.

Every Note Certificate presented or surrendered for registration of a transfer or for exchange shall (if so required by the Issuer or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Trustee, the Registrar and the relevant Transfer Agent duly executed by the holder thereof or his attorney duly authorised in writing together with such evidence as the Registrar or the Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a holder are being transferred) the principal amount of the balance of Notes not transferred each amounts to at least NOK 1,000,000 and integral multiples of NOK 1,000 in excess of such amount. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.

## 2. STATUS, SECURITY AND PRIORITY

### 2.1 Status and relationship between the Classes of Notes

The Notes constitute direct, secured and (subject to Note Condition 2.5 (*Limited recourse and non petition*)) unconditional obligations of the Issuer. The obligations of the Issuer under the Class A Notes rank *pari passu* amongst themselves without priority or preference. Following delivery of an Enforcement Notice (as defined in Note Condition 12 (*Events of Default*)), the obligations of the Issuer under the Class A Notes rank against all other current and future obligations of the Issuer in accordance with the post-enforcement priority of payments (the "**Post-Enforcement Priority of Payments**") set out in Schedule 4 (*Post- Enforcement Priority of Payments*) of the Security Trust Deed.

The obligations of the Issuer under the Class B Notes rank *pari passu* amongst themselves without priority or preference. Following delivery of an Enforcement Notice the obligations of the Issuer under the Class B Notes rank against all other current and future obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments.

### 2.2 Security

As security for the payment and discharge of the Transaction Secured Obligations, the Issuer has:

- (a) pursuant to the Norwegian Security Agreement, pledged by first priority to the Security Trustee (i) the Issuer's monetary claims under the Purchased Auto Loans and the Related Collateral acquired by the Issuer pursuant to the Auto Portfolio Purchase Agreement, (ii) the Issuer's monetary claims under the other Norwegian law Transaction Documents, and (iii) the Issuer's right, title and interest in and to the Issuer Collections Account (the "**Norwegian Secured Assets**");
- (b) pursuant to the Irish Security Deed, assigned absolutely all its present and future rights, title and interest in relation to the Corporate Administration Agreement to the Security Trustee (the "**Irish Secured Assets**"); and

- (c) pursuant to the Security Trust Deed, granted (i) an assignment with full title guarantee of all of its rights under the Assigned Documents, (ii) a first fixed charge over all of the Issuer's rights, amounts, benefits and securities standing to the credit, or deposited in, Issuer Secured Accounts and the indebtedness represented by them and (iii) a first floating charge with full title guarantee over the whole of the Issuer's undertaking and all of its property, assets and rights whatsoever and wheresoever present and future (other than amounts standing to the credit of, or deposited in, the Share Capital Account) from time to time (collectively the "**English Secured Assets**" and together with the Norwegian Secured Assets, the Irish Secured Assets, the Irish Security Deed and the Norwegian Secured Agreement, the "**Secured Assets**").

### 2.3 **Pre-Enforcement Priority of Payments**

On each Payment Date prior to the delivery of an Enforcement Notice, the Available Distribution Amount as of the Cut-Off Date immediately preceding such Payment Date shall be applied in accordance with the following order of priorities:

*first*, to pay any obligation of the Issuer which is due and payable with respect to any taxes including corporation and trade tax under any applicable law (if any);

*second*, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses, indemnity payments and other amounts due and payable to the Note Trustee and the Security Trustee under the Transaction Documents;

*third*, to pay (*pari passu* with each other on a *pro rata* basis) any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses, indemnity payments and other amounts due and payable to the directors of the Issuer (properly incurred with respect to their duties), legal advisers or auditors of the Issuer, the Rating Agencies (including any ongoing monitoring fees), the Principal Paying Agent, the Calculation Agent, the Registrar, the Transfer Agent and the Cash Administrator under the Agency Agreement, the Corporate Administrator under the Corporate Administration Agreement, the Transaction Account Bank under the Transaction Account Agreement, the Collections Account Bank under the Issuer Collections Account Agreement, the Joint Lead Managers under the Subscription Agreement (excluding commissions and concessions (if any) which are payable to the Joint Lead Managers under the Subscription Agreement on the Note Issuance Date and which are to be paid by the Issuer by applying the funds disbursed to it under the Expenses Loan), the relevant stock exchange on which the Notes may be listed, any listing agent, any intermediary between the Issuer, the Noteholders and the relevant stock exchange, the Common Safekeeper and any other relevant party with respect to the issue of the Notes and any other amounts due and payable from the Issuer in connection with the establishment, liquidation or dissolution of the Issuer or any annual return, filing, registration and registered office or other company, licence or statutory fees in Ireland, and a reserved profit of the Issuer of EUR 1,000 annually;

*fourth*, to pay (*pari passu* with each other on a *pro rata* basis) any fees (including the Servicer Fee), costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the Servicer under the Servicing Agreement, and any such amounts due and payable to any substitute servicer (including any expenses, costs and fees incurred in the course of replacement) for the Purchased Auto Loans and the Related Collateral which may be appointed from time to time in accordance with the Auto Portfolio Purchase Agreement or the Servicing Agreement;

*fifth*, to pay any amounts due and payable to the Swap Counterparty under the Swap Transaction, other than any termination payments due and payable to the Swap Counterparty under the Basis Swap Agreement if an event of default has occurred under the Basis Swap Agreement where the Swap Counterparty is the defaulting party;

*sixth*, to pay Class A Notes Interest due and payable on such Payment Date, *pro rata* on each Class A Note;

*seventh*, to pay any amounts due and payable by the Issuer to the Liquidity Facility Provider (or, as applicable, to replenish Cash Collateral deposited by the Liquidity Facility Provider following a Ratings Downgrade) under the Liquidity Facility Agreement;

*eighth*, to pay any Class A Notes Principal (*pro rata* on each Class A Note) in an amount equal to the excess, if any, of the Class A Principal Amount over the Class A Target Principal Amount as of such Cut-Off Date;

*ninth*, to pay Class B Notes Interest due and payable on such Payment Date, *pro rata* on each Class B Note;

*tenth*, only after the Class A Notes have been redeemed in full, to pay any Class B Notes Principal (*pro rata* on each Class B Note) in an amount equal to the excess, if any, of the Class B Principal Amount over the Class B Target Principal Amount as of such Cut-Off Date;

*eleventh*, to credit to and fill the Reserve Account with effect as from such Payment Date up to the amount of the Required Reserve Amount as of such Cut-Off Date;

*twelfth*, to pay first, interest (including any deferred interest) due and payable to the Subordinated Loan Provider on the Subordinated Loan and thereafter, outstanding principal on the Subordinated Loan in the event of any reduction of the Required Reserve Amount from time to time (if any) in accordance with the provisions of the Auto Portfolio Purchase Agreement, in an amount (if any) which is equal to the difference between the amount of the Required Reserve Amount as of the Cut-Off Date immediately preceding such Cut-Off Date and the Required Reserve Amount as of such Cut-Off Date, but in no event more than the difference between the actual credit then standing to the Reserve Account as of such Cut-Off Date and the Required Reserve Amount as of such Cut-Off Date (and if such difference is negative, it shall be deemed to be zero);

*thirteenth*, to pay (*pari passu* with each other on a *pro rata* basis) any termination payments due and payable to the Swap Counterparty under the Swap Transaction if an event of default has occurred under the Basis Swap Agreement and where the Swap Counterparty is the defaulting party;

*fourteenth*, to pay any amounts due and payable by the Issuer to the Seller under the Auto Portfolio Purchase Agreement in respect of (i) any tax credit, relief, remission or repayment received by the Issuer on account of any tax or additional amount paid by the Seller, or (ii) any Deemed Collection paid by the Seller for a Disputed Auto Loan which proves subsequently, as determined by a final judgment not subject to appeal, to be an enforceable Purchased Auto Loan, or otherwise (including, for the avoidance of doubt, any claims of the Seller against the Issuer for breach of obligation) under the Auto Portfolio Purchase Agreement or other Transaction Documents; and

*fifteenth*, to pay any remaining amount to the Seller as a deferred purchase price in accordance with the terms of the Auto Portfolio Purchase Agreement.

When amounts are due to be paid on a "*pro rata basis*", to the extent sufficient funds are not available to make all payments of such amounts within the same priority, the amounts will be distributed proportionately between the owed recipients according to each owed recipient's share in the total amount owed to all participants within that priority.

## 2.4 **Post-Enforcement Priority of Payments**

After delivery of an Enforcement Notice, on any Payment Date any amounts standing to the credit of the Transaction Account and the Reserve Account shall be applied in the following order towards fulfilling the payment obligations of the Issuer, in each case only to the extent payments of a higher priority have been made in full:

*first*, to pay any obligation of the Issuer with respect to corporation and trade tax under any applicable law (if any) which is due and payable and which, pursuant to applicable law, is payable in priority to Transaction Secured Obligations;

*second*, to pay any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other

general taxes due and payable in the ordinary course of business), indemnity payments, expenses and other amounts due and payable to the Note Trustee, the Security Trustee, any Receiver, manager or administrative receiver under the Transaction Documents appointed in respect of the Issuer;

*third*, to pay *pari passu* with each other on a *pro rata* basis any fees, costs, indemnity payments, expenses and other amounts due and payable to the Principal Paying Agent, the Calculation Agent, the Registrar, the Transfer Agent and the Cash Administrator under the Agency Agreement, the Corporate Administrator under the Corporate Administration Agreement, the Transaction Account Bank under the Transaction Account Agreement and the Collections Account Bank under the Issuer Collections Account Agreement;

*fourth*, to pay *pari passu* with each other on a *pro rata* basis any fees (including the Servicer Fee), costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the Servicer under the Servicing Agreement, and any such amounts due to any substitute servicer (including any expenses, costs and fees incurred in the course of replacement) for the Purchased Auto Loans and the Related Collateral which may be appointed from time to time in accordance with the Auto Portfolio Purchase Agreement or the Servicing Agreement;

*fifth*, to pay any amounts due and payable to the Swap Counterparty under the Swap Transaction, other than any termination payments due and payable to the Swap Counterparty under the Basis Swap Agreement if an event of default has occurred under the Basis Swap Agreement where the Swap Counterparty is the defaulting party;

*sixth*, to pay Class A Notes Interest due and payable on such Payment Date, *pro rata* on each Class A Note;

*seventh*, to pay any amounts due and payable by the Issuer to the Liquidity Facility Provider (or, as applicable, to replenish Cash Collateral deposited by the Liquidity Facility Provider following a Ratings Downgrade) under the Liquidity Facility Agreement;

*eighth*, to pay any Class A Notes Principal as of such Payment Date, *pro rata* on each Class A Note;

*ninth*, only after the Class A Notes have been redeemed in full, to pay Class B Notes Interest due and payable on such Payment Date, *pro rata* on each Class B Note;

*tenth*, to pay any Class B Notes Principal as of such Payment Date, *pro rata* on each Class B Note;

*eleventh*, to pay interest (including any deferred interest) due and payable to the Subordinated Loan Provider under the Auto Portfolio Purchase Agreement in respect of the Subordinated Loan;

*twelfth*, to pay any termination payments due and payable to the Swap Counterparty under the Swap Transaction if an event of default has occurred under the Basis Swap Agreement where the Swap Counterparty is the defaulting party;

*thirteenth*, to pay any amounts due and payable by the Issuer to the Seller under the Auto Portfolio Purchase Agreement in respect of (i) any tax credit, relief, remission or repayment received by the Issuer on account of any tax or additional amount paid by the Seller or (ii) any Deemed Collection paid by the Seller for a Disputed Auto Loan which proves subsequently, as determined by a final judgement not subject to appeal, to be an enforceable Purchased Auto Loan, or otherwise (including, for the avoidance of doubt, any claims of the Seller against the Issuer for breach of obligation) under the Auto Portfolio Purchase Agreement or other Transaction Documents;

*fourteenth*, to repay outstanding principal due and payable to the Subordinated Loan Provider on the Subordinated Loan under the Auto Portfolio Purchase Agreement; and

*fifteenth*, to pay any remaining amount to the Seller as a deferred purchase price in accordance with the terms of the Auto Portfolio Purchase Agreement.

When amounts are due to be paid on a "*pro rata basis*", to the extent sufficient funds are not available

to make all payments of such amounts within the same priority, the amounts will be distributed proportionately between the owed recipients according to each owed recipient's share in the total amount owed to all participants within that priority.

## 2.5 Limited recourse and non petition

- (a) All payment obligations of the Issuer under the Notes constitute limited recourse obligations to pay solely of the Issuer and therefore the Noteholders will have a claim under the Notes against the Issuer only to the extent of the Available Distribution Amount which includes, *inter alia*, amounts received by the Issuer on the Portfolio and under Transaction Documents. Such funds will be generated by, and limited to, the lesser of (i) the nominal amount of such payment which would be due and payable at such time in accordance with the applicable Priority of Payments or the Notes or the relevant Transaction Documents, as applicable, (ii) the actual amount received or recovered, at such time, by or on behalf of the Issuer in respect of the Collections and the other Secured Assets and which the Issuer is entitled, at such time, to apply, in accordance with the applicable Priority of Payments, in satisfaction of such payment (or in relation to the Expenses Loan, the Transaction Cost Fee). Upon and after the enforcement of the Security and realisation of all the Secured Assets, to the extent that the actual amounts received or recovered as per (ii) above are less than the nominal amounts due and payable as per (i) above, the Issuer's obligations in respect to the unpaid amount shall be automatically extinguished and the Issuer Secured Parties shall have no further claim against the Issuer. Provided that, prior to the delivery of an Enforcement Notice, the Available Distribution Amount shall be applied in accordance with the Pre-Enforcement Priority of Payment (Note Condition 2.3 (*Pre-Enforcement Priority of Payment*)) and after the delivery of an Enforcement Notice, any amounts standing to the credit of the Transaction Account and the Reserve Account shall be applied in accordance with the Post-Enforcement Priority of Payments (Note Condition 2.4 (*Post-Enforcement Priority of Payments*)). The Notes shall not give rise to any payment obligation in excess of the foregoing and recourse shall be limited accordingly.
- (b) The Transaction Account Bank shall hold all monies paid to it in the Transaction Account and the Reserve Account or, as and if applicable, in the Commingling Reserve Account.
- (c) The Issuer shall exercise all of its rights and obligations under the Transaction Documents with due care such that obligations under the Notes may be performed to the fullest extent possible.
- (d) None of the Note Trustee, Security Trustee nor the Noteholders shall be entitled to institute against the Issuer any action or commence any proceedings against the Issuer to recover any amounts due and payable by the Issuer under the Transaction Documents except as permitted by the provisions in the Transaction Documents.

## 2.6 Shortfall after application of proceeds

To the extent that such assets, or the proceeds of realisation thereof, after payment of all claims ranking in priority to the Class A Notes, prove ultimately insufficient to satisfy the claims of all Class A Noteholders in full, then any shortfall arising therefrom shall be extinguished and neither any Noteholder nor the Note Trustee or the Security Trustee shall have any further claims against the Issuer. Such assets and proceeds shall be deemed to be "ultimately insufficient" at such time as no further assets of the Issuer are available and no further proceeds can be realised therefrom to satisfy any outstanding claim of the Noteholders, and neither assets nor proceeds shall be so available thereafter.

## 2.7 Enforcement of the Security

- (a) The Notes are secured by the Security.
- (b) The Security will become enforceable upon delivery by the Note Trustee of an Enforcement Notice in accordance with Note Condition 12 (*Events of Default*) subject to the matters referred to in Condition 13 (*Proceedings*) and receipt by the Security Trustee of written instructions from the Note Trustee to take enforcement action.

- (b) If the security has become enforceable, subject to the Security Trustee being indemnified and/or secured and/or pre-funded to its satisfaction, the Security Trustee shall take such action as it instructed to enforce its rights under the Security Documents.
- (c) Only the Security Trustee (acting on the instructions of the Note Trustee) may pursue the remedies available under the Security Documents to enforce the rights of the Noteholders in respect of the Secured Assets and no Noteholder is entitled to proceed against the Issuer unless (i) the Note Trustee, having become bound to do so, fails to take action against the Issuer, or fails to instruct the Security Trustee to enforce any of the Security, within a reasonable time and such failure is continuing or (ii) (as determined by a court of competent jurisdiction in a decision not subject to appeal) Norwegian law requires that the Noteholders exercise their rights individually and not through the Note Trustee.
- (d) Having realised the security and the Note Trustee having distributed the net proceeds in accordance with this Note Condition 2, neither the Security Trustee, the Note Trustee nor any Noteholder may take any further steps against the Issuer to recover any sums still unpaid (other than in relation to interest) and any such liability (other than in relation to interest) shall be extinguished.

## 2.8 Obligations of the Issuer only

The Notes represent obligations of the Issuer only and do not represent an interest in or obligation of the Security Trustee, the Note Trustee and any other party to the Transaction Documents or any other third party.

## 3. GENERAL COVENANTS OF THE ISSUER

As long as any Notes are Outstanding, the Issuer shall not be entitled, without the prior consent of the Note Trustee, to engage in or undertake any of the activities or transactions specified in Clause 6 (*Negative pledge, disposals and security interests*) and Clause 7 (*Other covenants of general application*) of the Security Trust Deed, and in particular the Issuer agrees not to:

- (a) Negative pledge
 

at any time prior to the Discharge Date, create or permit to subsist any Security Interest over any Secured Asset other than pursuant to and in accordance with the Transaction Documents.
- (b) No disposals
 

at any time prior to the Discharge Date, dispose of (or agree to dispose of) any Secured Asset except as expressly permitted by the Transaction Documents.
- (c) Dividends or distributions
 

except with respect to any dividends payable to the Share Trustee arising from the Issuer fees of €1,00 per month, pay any dividend or make any other distribution or return or repay any equity capital to any shareholders, or increase its share capital save as required by applicable law.
- (d) Subsidiaries
 

have any subsidiaries or any employees or premises.
- (e) Borrowings
 

incur any indebtedness in respect of borrowed money whatsoever or give any guarantee in respect of indebtedness or of any obligation of any person, save as provided in the Transaction Documents.

(f) Merge

consolidate or merge with any other person or convey or transfer all or substantially all of its properties or assets to any other person.

(g) Other

amend, terminate, discharge, or exercise any powers of consent or waiver pursuant to the terms of any of the other Transaction Documents to which it is a party, or permit any party to any of the Transaction Documents to which it is a party to be released from its obligations thereunder.

In giving any consent to the foregoing, the Note Trustee may require the Issuer to make such modifications or additions to the provisions of any of the Transaction Documents or may impose such other conditions or requirements as the Note Trustee may determine.

The Note Trustee shall not be responsible for monitoring, nor liable for any failure to monitor compliance by the Issuer with the above covenants and will be entitled to rely upon certificates signed on behalf of the Issuer as to compliance.

#### 4. INTEREST

##### 4.1 Interest calculation

Subject to the limitations set forth in Note Condition 2.5 (*Limited recourse and non petition*) and, in particular, subject to the Pre-Enforcement Priority of Payment and, after the delivery of an Enforcement Notice, the Post-Enforcement Priority of Payments, each Note shall bear interest on its Note Principal Amount from (and including) the Note Issuance Date until (but excluding) the day on which such Note has been redeemed in full.

##### 4.2 Payment Dates

Interest shall become due and payable monthly in arrear on the twenty-fifth day of each calendar month or, if such day is not a Business Day, on the next succeeding Business Day, commencing on 26 April 2011 (each such day, a "**Payment Date**").

##### 4.3 Interest Amount

The amount of interest payable by the Issuer in respect of each Note on any Payment Date (the "**Interest Amount**") shall be calculated by applying the relevant Interest Rate (as defined in Note Condition 4.5 (*Interest Rate*)), for the relevant Interest Period (as defined in Note Condition 4.4 (*Interest Period*)) to the Note Principal Amount Outstanding immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Period divided by 360 and rounding the result to the nearest NOK 1.0, (with NOK 0.5 being rounded upwards). "**Class A Notes Interest**" shall mean the aggregate Interest Amount payable (including any Interest Shortfall) in respect of all Class A Notes on any date and "**Class B Notes Interest**" shall mean the aggregate Interest Amount payable (including any Interest Shortfall) in respect of all Class B Notes on any date.

The "**Note Principal Amount**" of any Note as of any date shall equal the initial principal amount of that Note (in the aggregate amount of NOK 3,965,000,000 in respect of the Class A-1 Notes, NOK 4,677,000,000 in respect of the Class A-2 Notes, and NOK 2,013,440,000 in respect of the Class B Notes), in each case as reduced by all amounts paid prior to such date on such Note in respect of principal. "**Class A Principal Amount**" shall mean, as of any date, the sum of the Note Principal Amounts of all Outstanding Class A Notes, and "**Class B Principal Amount**" shall mean, as of any date, the sum of the Note Principal Amounts of all Outstanding Class B Notes. Each of the Class A Principal Amount and the Class B Principal Amount is referred to herein as a "**Class Principal Amount**".

#### 4.4 **Interest Period**

**"Interest Period"** shall mean, in respect of the first Payment Date, the period commencing on (and including) the Note Issuance Date and ending on (but excluding) the first Payment Date and in respect of any subsequent Payment Date, the period commencing on (and including) a Payment Date and ending on (but excluding) the immediately following Payment Date.

#### 4.5 **Interest Rate**

The interest rate payable on any Note for each Interest Period (each, an **"Interest Rate"**) shall be:

- (i) in the case of the Class A-1 Notes, NIBOR plus 0.95% per annum (the **"Class A Interest Margin"**),
- (ii) in the case of the Class A-2 Notes, NIBOR plus the Class A Interest Margin,
- (iii) in the case of the Class B Notes, NIBOR plus 1.05 % per annum.

This Note Condition 4.5 shall be without prejudice to the application of any higher interest under applicable mandatory law.

#### 4.6 **Notifications**

The Calculation Agent shall, as soon as practicable on or after each NIBOR Determination Date, determine the relevant Interest Period, Interest Shortfall, Interest Rate, Interest Amount and Payment Date with respect to each Note and shall notify the Principal Paying Agent. The Principal Paying Agent shall notify such information (i) to the Issuer, the Note Trustee, the Cash Administrator, the Swap Counterparty and the Corporate Administrator and (ii) on behalf of the Issuer, by means of notification in accordance with Note Condition 16 (*Notices to Noteholders*), the Noteholders and as long as any Notes are listed on the Official List and traded on the regulated market of the Irish Stock Exchange, to the Irish Stock Exchange. In the event that such notification is required to be given to the Irish Stock Exchange, this notification shall be given no later than the close of the first Business Day following the relevant NIBOR Determination Date.

#### 4.7 **Interest Shortfall**

Accrued interest not distributed on any Payment Date related to the Interest Period in which it accrued, will be an **"Interest Shortfall"** with respect to the relevant Note. An Interest Shortfall shall become due and payable on the next Payment Date and on any following Payment Date (subject to Note Condition 2.5 (*Limited recourse and non petition*)) until it is reduced to zero. Interest shall not accrue on Interest Shortfalls at any time.

### 5. **REDEMPTION**

#### 5.1 **Amortisation**

Subject to the limitations set forth in Note Condition 2.5 (*Limited recourse and non petition*) and, in particular, subject to the Post- Enforcement Priority of Payments, the Class A Notes and, after the Class A Notes have been redeemed in full, the Class B Notes, in this order sequentially, shall be redeemed on each Payment Date in an amount as determined in accordance with the Pre-Enforcement Priority of Payments; provided that the Class A Notes and Class B Notes, Class A-1 Notes and Class A-2 Notes, shall be redeemed on each Payment Date in an aggregate amount equal to the redemption amount allocated to the relevant Class or Sub-Class divided by the number of Notes in such Class or Sub-Class.

#### 5.2 **Maturity Date**

On the Payment Date falling in June 2025 (the **"Maturity Date"**), each Class A Note shall, unless previously redeemed or purchased and cancelled, be redeemed in full at its Note Principal Amount and, after all Class A Notes have been redeemed in full, each Class B Note shall, unless previously



redeemed or purchased and cancelled, be redeemed in full at its Note Principal Amount, subject to the availability of funds pursuant to the Pre-Enforcement Priority of Payments. In the event of insufficient funds pursuant to the Pre-Enforcement Priority of Payments, any Outstanding Note shall be redeemed on the next Payment Date and on any following Payment Date in accordance with and subject to the limitations set forth in Note Condition 2.5 (*Limited recourse and non petition*) until each Note has been redeemed in full.

### 5.3 Early redemption – clean-up call

- (a) On any Payment Date on which the Aggregate Outstanding Loan Principal Amount has been reduced to less than 10% of the Aggregate Outstanding Note Principal Amount as of the Note Issuance Date, the Seller shall have, subject to certain requirements and prior notification to the FSAN, the option under the Auto Portfolio Purchase Agreement to repurchase all outstanding Purchased Auto Loans (together with any Related Collateral) held by the Issuer (and the proceeds from such repurchase shall constitute Collections), subject to the following requirements:
- (i) the proceeds distributable as a result of such repurchase on the Early Redemption Date being at least equal to the then aggregate Note Principal Amount of all Class A Notes plus accrued but unpaid interest thereon together with all amounts ranking prior thereto according to the Pre-Enforcement Priority of Payments;
  - (ii) the Seller having advised the Issuer and the Issuer giving notice to the Note Trustee and the Noteholders in accordance with Note Condition 16 (*Notices to Noteholders*) of its intention to exercise the repurchase option at least 30 days prior to the contemplated redemption date, which shall be a Payment Date (the "**Early Redemption Date**");
  - (iii) the Seller having provided, prior to giving such notice in Note Condition 5.3(a)(ii), to the Note Trustee a certificate signed by the chairman of the board or the sole director of the Issuer (as applicable) to the effect that it will have the funds on such Early Redemption Date to discharge all its obligations under the Class A Notes and any obligations ranking in priority thereto; and
  - (iv) the repurchase price to be paid by the Seller being equal to the sum of (A) the then current Aggregate Outstanding Loan Principal Amount, plus (B) any Deemed Collections owed by the Seller and other Collections received by the Seller, as Servicer, and not otherwise paid to the Issuer, plus (C) any interest on the Purchased Auto Loans accrued until and outstanding on the Early Redemption Date (and not included in such Deemed Collections).
- (b) In the event that all of the conditions set out in Note Condition 5.3(a) are met, the Issuer may, at its option, apply the proceeds from such repurchase to redeem all (but not some only) of the Notes at their then outstanding Note Principal Amounts together with accrued but unpaid interest thereon prior to the Early Redemption Date, or, if less in the case of the Class B Notes, at an amount equal to the amount available to pay the outstanding Note Principal Amount and unpaid interest thereon on the Early Redemption Date pursuant to the applicable Priority of Payments.
- (c) Early redemption of the Class A Notes pursuant to this Note Condition 5.3 shall not be permitted if the sum of the repurchase price determined pursuant to Note Condition 5.3(a)(iii) is not sufficient (together with any other monies included in the Available Distribution Amount) to fully satisfy the obligations of the condition specified in Note Condition 5.3(a)(i).
- (d) Upon payment in full to the Noteholders of the redemption amounts specified in Note Condition 5.3(b), the Noteholders shall not receive any further payments of interest on or principal of the Notes.

#### 5.4 **Optional redemption for taxation reasons**

If the Issuer is or becomes at any time required by law to deduct or withhold, in respect of any payment under the Notes, current or future taxes, levies or governmental charges, regardless of their nature, which are imposed under any applicable system of law or in any country which claims fiscal jurisdiction by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, the Issuer shall immediately inform the Note Trustee accordingly and shall determine within 20 calendar days of such circumstance occurring whether it would be practicable to arrange for the substitution of the Issuer in accordance with Note Condition 11 (*Substitution of the Issuer*) or to change its tax residence to another jurisdiction approved by the FSAN and by the Note Trustee. The Note Trustee shall notify the Issuer within 15 calendar days whether it approves any such proposed change of tax residence and shall not give approval to a proposed change of tax residence unless (i) it has received a legal opinion (in form and substance satisfactory to the Note Trustee) from a firm of lawyers of international repute (approved in writing by the Note Trustee) opining on the relevant change in law or interpretation or administration thereof, (ii) Fitch has confirmed in writing that such substitution or change of the tax residence of the Issuer would not result in a downgrading or withdrawal of the then current ratings of any Class of Notes, (iii) DBRS has confirmed in writing that such substitution or change of the tax residence of the Issuer would not result in a downgrading or withdrawal of the then current ratings of any Class of Notes, (iv) all applicable laws, regulations and other mandatory conditions are observed and complied with and (v) it has received a certificate from the chairman of the board of directors or the sole director of the Issuer (as applicable) stating that the obligation to make such a deduction or withholding of tax or the suffering by the Issuer of such deduction or withholding of tax cannot be avoided or, as the case may be, will apply on the next Payment Date and cannot be avoided by the Issuer taking reasonable endeavours. If the Issuer determines that any of such measures would be practicable, it shall (i) provide the Note Trustee with legal opinions in respect of such substitution in form and substance satisfactory to it; and (ii) effect such substitution in accordance with Note Condition 11 (*Substitution of the Issuer*) or (as relevant) such change of tax residence within 60 calendar days from such determination. If, however, it determines within 20 calendar days of such circumstance occurring that none of such measures would be practicable or if, having determined that any of such measures would be practicable (and having certified to the Note Trustee such determination), it is unable so to avoid such deduction or withholding within such further period of 60 calendar days, then the Issuer shall be entitled at its option (but shall have no obligation) to fully redeem all (but not some only) of the Notes, upon not more than 60 calendar days' nor less than 30 calendar days' notice of redemption given to the Note Trustee, to the Principal Paying Agent and, in accordance with Note Condition 16 (*Notices to Noteholders*), the Noteholders, at their then aggregate Outstanding Note Principal Amounts, together with accrued but unpaid interest (if any) to the date (which must be a Payment Date) fixed for redemption. Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

#### 6. **NOTIFICATIONS**

The Principal Paying Agent shall notify the Issuer, the Note Trustee, the Swap Counterparty, the Corporate Administrator, the Cash Administrator and, on behalf of the Issuer, by means of notification in accordance with Note Condition 16 (*Notices to Noteholders*), the Noteholders, and for so long as any of the Notes are listed on the Official List and traded on the regulated market of the Irish Stock Exchange, the Irish Stock Exchange:

- (i) with respect to each Payment Date, of the Interest Amount pursuant to Note Condition 4.1 (*Interest calculation*);
- (ii) with respect to each Payment Date, of the Interest Period pursuant to Note Condition 4.4 (*Interest Period*);
- (iii) with respect to each Payment Date, of the Interest Rate pursuant to Note Condition 4.5 (*Interest Rate*);
- (iv) with respect to each Payment Date, of the amount of Interest Shortfall pursuant to Note Condition 4.7 (*Interest Shortfall*), if any;

- (v) with respect to each Payment Date, of the amount of principal on each Class A Note and each Class B Note pursuant to Note Condition 5 (*Redemption*) to be paid on such Payment Date and, if applicable, that such Payment Date constitutes a Servicer Disruption Date;
- (vi) with respect to each Payment Date, of the Note Principal Amount of each Class A Note and each Class B Note and, the Class A Principal Amount and the Class B Principal Amount as from such Payment Date; and
- (vii) in the event the payments to be made on a Payment Date constitute the final payment with respect to Notes pursuant to Note Condition 5.2 (*Maturity Date*) Note Condition 5.3 (*Early Redemption - clean-up call*) or Note Condition 5.4 (*Optional Redemption for taxation reasons*), of the fact that such is the final payment.

In each case, such notification shall be given by the Principal Paying Agent no later than the close of the first Business Day following the NIBOR Determination Date preceding the relevant Payment Date.

## 7. AGENTS

### 7.1 Appointment of Agents

The Issuer has appointed the Agents pursuant to the Agency Agreement.

### 7.2 Replacement of the Agents

The Issuer shall procure that for as long as any Notes are Outstanding there shall always be a Principal Paying Agent, a Registrar, a Transfer Agent, a Calculation Agent and a Cash Administrator to perform the functions assigned to it in these Note Conditions. The Issuer may at any time, by giving not less than thirty (30) calendar days' notice by publication in accordance with Note Condition 16 (*Notices to Noteholders*), replace any of the Agents with one or more other banks or other financial institutions which assume such functions in accordance with the Agency Agreement.

### 7.3 Calculations binding

All Interest Rates and Interest Amounts determined and other calculations and determinations made by the Principal Paying Agent and the Calculation Agent for the purposes of these Note Conditions shall, in the absence of manifest error, be final and binding.

### 7.4 Relationship of the Agents

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Note Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

### 7.5 Variation of appointment

The initial Agents and their initial Specified Offices are listed below. The Issuer reserves the right (with the prior written approval of the Note Trustee) to vary or terminate the appointment of any Agent and to appoint a successor calculation agent, principal paying agent, registrar, transfer agent or cash administrator at any time, having given not less than 30 calendar days prior notice to such Agent.

## 8. PAYMENTS IN RESPECT OF THE NOTES

### 8.1 Class A Notes

Payments of principal in respect of Bearer Notes shall be made only against:

- (a) (in the case of final redemption, provided that payment is made in full) presentation and surrender of the relevant Notes; and

- (b) in respect of any Note Principal Payment which becomes due on a Payment Date, presentation and (in the case of payment in full) surrender of the appropriate Receipts,

at the Specified Office of the Principal Paying Agent.

Payments of interest in respect of Bearer Notes shall, subject to Condition 8.5 (*Cancellation of Coupons*), be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of the Principal Paying Agent in the manner described above.

## 8.2 **Class B Notes**

Payments of principal in respect of the Class B Notes shall be made only against presentation and (in the case of payment in full) surrender of the relevant Note Certificate at the specified office of the Transfer Agent or Registrar.

Payments of interest in respect of the Class B Notes shall be made only to the persons shown on the Register on the fifteenth day before due payment thereof.

## 8.3 **Subject to law**

All payments in respect of the Bearer Notes are subject in each case to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

## 8.4 **Cancellation of Receipts**

On the due date for final redemption of any Note pursuant to Condition 5.2 (*Maturity Date*) or early redemption of such Note pursuant to Condition 5.3 (*Early Redemption-clean-up call*), Condition 5.4 (*Optional redemption for taxation reasons*), or Condition 12 (*Events of Default*), all unmatured Receipts relating thereto (whether or not still attached) shall become void, any later scheduled interest payments will be cancelled and no payment will be made in respect thereof.

## 8.5 **Cancellation of Coupons**

On the due date for final redemption of any Bearer Note pursuant to Condition 5.2 (*Maturity Date*) or early redemption of such Note pursuant to Condition 5.3 (*Early Redemption-clean-up call*), Condition 5.4 (*Optional redemption for taxation reasons*), or Condition 12 (*Events of Default*) all unmatured Coupons relating thereto (whether or not still attached) shall become void, any scheduled payments of interest will be cancelled and no payment will be made in respect thereof.

## 8.6 **Payment on a Business Day**

If any date for payment in respect of a Note, Receipt or Coupon is on a day which is not a Business Day in the place of presentation, payment shall not be made on such day but on the next succeeding Business Day in such place and no further interest or other payment in respect of any such delay shall be due in respect of such Note.

## 8.7 **Payments on un-matured Coupons**

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of the Principal Paying Agent.

## 8.8 **Partial payment**

If the Principal Paying Agent makes a partial payment in respect of any Bearer Note presented to it for payment, the Principal Paying Agent will endorse on such Note a statement indicating the amount and date of such payment.

## 8.9 **Coupons after the Payment Date**

On or after the Payment Date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 9 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

## 9. **PRESCRIPTION**

Claims for principal and interest shall become void unless presented for payment within a period of 10 years from the Relevant Date in respect of payment of principal and five years in respect of payment of interest. After the date on which a Note becomes void in its entirety, no claim may be made in respect thereof. In this Note Condition 9, the "**Relevant Date**" in respect of a Note is the date on which a payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of all the Notes due on or before that date has not been duly received by the Principal Paying Agent or the Note Trustee on or prior to such date) the date on which the full amount of such monies having been so received, notice to that effect is duly given to the Noteholders in accordance with Note Condition 16 (*Notices to Noteholders*).

## 10. **TAXES**

Payments shall only be made by the Issuer after the deduction and withholding of current or future taxes, levies or governmental charges, regardless of their nature, which are imposed, levied or collected (collectively, "**taxes**") under any applicable system of law or in any country which claims fiscal jurisdiction by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, to the extent that such deduction or withholding is required by law. The Issuer shall account for the deducted or withheld taxes with the competent government agencies and shall, upon request of a Noteholder, provide proof thereof. The Issuer is not obliged to pay any additional amounts as compensation for taxes.

## 11. **SUBSTITUTION OF THE ISSUER**

### 11.1 **Substitution of the Issuer**

If, in the determination of the Issuer, as a result of any enactment of or supplement or amendment to, or change in, the laws of any relevant jurisdiction or as a result of an official communication of previously not existing or not publicly available official interpretation, or a change in the official interpretation, implementation or application of such laws that becomes effective on or after the Note Issuance Date:

- (a) any of the Issuer, the Seller, the Servicer or the Swap Counterparty would, for reasons beyond its control, and after taking reasonable measures (such measures not involving any material additional payment or other expenses), be materially restricted from performing any of its obligations under the Notes or the other Transaction Documents to which it is a party; or
- (b) any of the Issuer, the Seller, the Servicer, the Swap Counterparty would, for reasons beyond its control, and after taking reasonable measures (such measures not involving any material additional payment or other expenses), (x) be required to make any tax withholding or deduction in respect of any payments on the Notes and/or the other Transaction Documents to which it is a party or (y) would not be entitled to relief for tax purposes for any amount which it is obliged to pay, or would be treated as receiving for tax purposes an amount which it is not entitled to receive, in each case under the Notes or the other Transaction Documents,

then, without prejudice to the Note Condition 5.4 (*Optional Redemption for taxation reasons*) the Issuer shall immediately inform the Note Trustee accordingly and shall, in order to avoid the relevant event described in paragraph (a) or, if it determines it would be practicable as provided in Note Condition 5.4 (*Optional redemption for taxation reasons*), to avoid the event in paragraph (b), arrange the substitution of the Issuer with a company incorporated in another jurisdiction in accordance with the terms of the Note Trust Deed.

## 11.2 **New Issuer**

The Note Trustee may, without the consent of the Noteholders, the Receiptholders, the Couponholders or any other Secured Creditor, subject to the conditions specified in the Note Trust Deed (including the obtaining of Rating Agency Confirmation), concur with the Issuer to the substitution of a new issuer in place of the Issuer as the principal debtor in respect of the Transaction Documents, the Notes, the Receipts, the Coupons and the other Transaction Secured Obligations.

## 11.3 **Notice of Substitution of Issuer**

Not later than fourteen days after the execution of any documents required to be executed pursuant to Clause 10 (*Substitution*) of the Note Trust Deed and after compliance with any requirements under this Note Condition 11 and/or Clause 10 (Substitution) of the Note Trust Deed, the new issuer shall cause notice thereof to be given to the Noteholders, Receiptholders or Couponholders and the other Issuer Secured Parties in accordance with Note Condition 16 (*Notices to Noteholders*) and the relevant Transaction Documents.

## 11.4 **Change of law**

In connection with any proposed substitution of the Issuer or any previous substitute, the Note Trustee may, in its absolute discretion and without the consent of the Noteholders, Couponholders, Receiptholders or the other Secured Creditors, agree to a change of the law from time to time governing the Notes, the Coupons, the Receipts and/or the Note Trust Deed and/or the Security Trust Deed provided that such change of law, in the opinion of the Trustee, would not be materially prejudicial to the interests of the holders of the Senior Class of Notes then Outstanding.

## 11.5 **No indemnity**

No Noteholder, Couponholder or Receiptholder shall, in connection with any such substitution, be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such individual Noteholder, Couponholder or Receiptholder.

## 12. **EVENTS OF DEFAULT**

If an Issuer Event of Default occurs and is continuing, then the Note Trustee at its discretion may and, if so requested in writing by holders of at least 50% of the aggregate principal amount of the Senior Class of Notes Outstanding or if so directed by an Extraordinary Resolution of the holders of the Senior Class of Notes Outstanding, in all cases subject to the Note Trustee having been indemnified and/or prefunded and/or provided with security to its satisfaction) give written notice (an "**Enforcement Notice**") to the Issuer, copied to the Noteholders, the Security Trustee, the Agents and the Liquidity Facility Provider declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality.

## 13. **PROCEEDINGS**

The Note Trustee may at its discretion and without notice, institute such proceedings against the Issuer as it may think fit to recover any amounts due in respect of the Notes, Receipts and Coupons which are unpaid or to enforce any of its rights under the Note Trust Deed, the Note Conditions or the other Transaction Documents, but it shall not be bound to take any such proceedings (including directing the Security Trustee) unless:

- (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter of the Aggregate Outstanding Note Principal Amount of the Senior Class of Notes Outstanding, Receipts and Coupons; and
- (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all Losses to which it may therefore become liable and all costs, charges and expenses which may be properly incurred by it in connection therewith,

provided that, the Note Trustee shall not be held liable for the consequence of taking any such action and may take such action without having regard to the effect of such action on individual Noteholders, Receiptholders or Couponholders or any other Issuer Secured Creditor, provided that so long as any of the Senior Class of Notes are Outstanding, the Note Trustee shall not, and shall not be bound to, act at the request or direction of the holders of any other Class of Notes unless:

- (i) to do so would not, in its opinion, be materially prejudicial to the interests of the holders of the Senior Class of Notes Outstanding; or
- (ii) (if the Note Trustee is not of that opinion) such action is sanctioned by an Extraordinary Resolution of the Senior Class of Notes Outstanding.

#### 14. MEETINGS OF NOTEHOLDERS; MODIFICATION

##### 14.1 Noteholder Meetings

The Note Trust Deed contains provisions for convening joint meetings of all Noteholders or separate meetings of Noteholders on the basis of Class of Notes to consider matters relating to the Notes, including the modification of any provision of these Note Conditions, the Note Trust Deed or the other Transaction Documents. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a Meeting may be convened by the Issuer or by the Note Trustee and shall be convened by the Note Trustee, subject to its being indemnified and/or prefunded and/or secured to its satisfaction upon the request in writing of a Class or Classes of Noteholders holding not less than one-tenth of the aggregate principal amount of the Outstanding Notes of the relevant Class. The quorum at any Meeting convened to vote on an Extraordinary Resolution, other than relating to a Reserved Matter, relating to a Meeting of a particular Class or Classes of Notes will be two or more Voters holding or representing one more than half of the aggregate principal amount of the Outstanding Notes of the relevant Class or, at any adjourned Meeting, two or more Voters being or representing Noteholders of the relevant Class whatever the Aggregate Outstanding Note Principal Amount of the Notes then Outstanding so held or represented in such Class or Classes; provided, however, that certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes of any Class, to alter the method of calculating the amount of any payment in respect of the Notes of any Class or the date for any such payment, to change the currency of payments under the Notes, or to change the quorum requirements relating to Meetings or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**")) may only be sanctioned by an Extraordinary Resolution passed at a Meeting of Noteholders at which two or more Voters holding or representing in the aggregate not less than three-quarters or, at any adjourned Meeting, one quarter of the aggregate principal amount of the Outstanding Notes of the relevant Class form a quorum.

No Extraordinary Resolution involving a Reserved Matter that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes then Outstanding.

No extraordinary resolution to approve any matter other than a Reserved Matter of any Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution by the holders of the Senior Class of Notes Outstanding (to the extent that there are Outstanding Notes ranking senior to such Class) unless the Note Trustee considers that none of the holders of the Senior Class of Notes would be materially prejudiced by absence of such sanction. For the purposes of this Condition 14.1, Class A Notes rank senior to Class B Notes.

Subject to the above, any resolution passed at a Meeting of Noteholders duly convened and held in accordance with the Note Trust Deed, shall be binding upon all Noteholders of such Class or Classes, whether or not present at such Meeting and whether or not voting of such Class or Classes and any resolution passed at a Meeting of the Class A Noteholders, duly convened and held as aforesaid shall also be binding upon all the Class B Noteholders and all Classes of Noteholders shall be bound to give effect to any such resolution accordingly and the passing of such resolution shall be conclusive evidence that the circumstances justify the passing thereof.

In addition, a resolution in writing signed by or on behalf of all Noteholders of a Class who for the time being are entitled to receive notice of a Meeting of Noteholders under the Note Trust Deed will take effect as it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The quorum at any Meeting of the Noteholders of any Class of Notes for all business other than voting on an Extraordinary Resolution shall be two or more Voters holding or representing in the aggregate not less than 10 per cent. of the Aggregate Outstanding Note Principal Amount of the Notes of the relevant Class or, at any adjourned Meeting, two or more Voters being or representing the Noteholders of the relevant Class, whatever the Aggregate Outstanding Note Principal Amount of the Notes of the relevant Class then Outstanding so held or represented.

#### **14.2 Modification and waiver**

The Note Trustee may, without the consent or sanction of the Noteholders of any Class of Notes or any of the other Issuer Secured Parties, agree to any modification (other than in respect of a Reserved Matter) of these Note Conditions, the Notes, the Note Trust Deed or the Transaction Documents in relation to which its consent is required which, in the opinion of the Note Trustee, will not be materially prejudicial to the interests of the holders of the Senior Class of Notes Outstanding or to any modification of the Note Conditions, the Notes, the Security Trust Deed, the Note Trust Deed or any other Transaction Document in relation to which its consent is required if, in the opinion of the Note Trustee, such modification is of a formal, minor or technical nature or is to correct a manifest error. In addition, the Note Trustee may, without the consent of the Noteholders or other Issuer Secured Parties, authorise or waive any proposed breach or breach of these Note Conditions, the Notes, the Note Trust Deed or any other Transaction Document (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Note Trustee or the Security Trustee, the interests of the holders of the Senior Class of Notes Outstanding will not be materially prejudiced thereby. Unless the Note Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders as soon as practicable thereafter.

#### **14.3 Rating Agency confirmation**

The Note Trustee may in making a determination whether or not any event, matter or thing is, in its opinion, materially prejudicial to the interests of the Noteholders or any Class of Noteholders, take into account, among other things, any confirmation of the Rating Agencies that the current rating of the Rated Notes will not be adversely affected or withdrawn. Where each of the Rating Agencies which is then rating the relevant Class A Notes has given written confirmation that such rating agency would not, as a result of the Note Trustee exercising any powers, trust, authority, duty or discretion under or in relation to the Notes or the Note Trust Deed or any other Transaction Document, downgrade or withdraw its then current rating of the relevant Class of Notes, the Note Trustee in considering whether such exercise is materially prejudicial to the interests of the Noteholders, shall be entitled to take into account such written confirmation from each rating agency, provided that the Note Trustee shall continue to be responsible for taking into account all other matters which would be relevant to such consideration.

### **15. THE NOTE TRUSTEE AND THE SECURITY TRUSTEE**

15.1 Under the Note Trust Deed and Security Trust Deed, the Note Trustee and Security Trustee are respectively entitled to be indemnified and/or prefunded and/or secured and relieved from responsibility in certain circumstances and to be paid their costs and expenses in priority to the claims of the Noteholders. In addition, the Note Trustee and Security Trustee are entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

15.2 In the exercise of its powers and discretions under these Note Conditions and the Note Trust Deed, the Note Trustee will have regard to the interests of the Noteholders, Receiptholders and Couponholders as a Class and will not be responsible for any consequence for individual holders of Notes as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.



- 15.3 Notwithstanding anything to the contrary in the Transaction Documents, the Note Trustee shall only be required to have regard to the interests of the Noteholders as a Class and subject to Condition 15.4 below, shall have no responsibility to any other Issuer Secured Party, except to distribute amounts received in accordance with the Post-Enforcement Priority of Payments.
- 15.4 In acting under the Security Trust Deed, the Note Trustee shall have an ability to direct the Security Trustee pursuant to the terms thereof, provided that nothing shall oblige the Note Trustee to act for, or to consider the interests of, any other Issuer Secured Party and provided always that the exercise of such right is subject to the detailed terms of the Trust Deed.
- 15.5 Subject to the terms of the Security Trust Deed, the Security Trustee shall act in accordance with the instructions of the Instructing Secured Party when exercising any right, power, duties, discretions and authorities under or pursuant to the Transaction Documents.

## 16. **NOTICES TO NOTEHOLDERS**

- 16.1 So long as any Class A Notes are listed on the Official List and traded on the regulated market of the Irish Stock Exchange, all notices to the Noteholders of such Class hereunder shall be published in the Irish Times (or such other publication) only if and to the extent a publication in such form is required by the rules of the Irish Stock Exchange. Any such notice shall be deemed to have been given to all Noteholders on the date of such publication in the Irish Times (or such other publication).
- 16.2 If at such time it is required by the Irish Stock Exchange and to the extent the rules of the Irish Stock Exchange allow for it, any publication provided for under Note Condition 16.1 may be substituted by delivery to Euroclear and Clearstream Luxembourg of the relevant notice for communication to the Noteholders and/or by publication on the website of the Irish Stock Exchange. Any such notice shall be deemed to have been given to all Noteholders on the same day such notice was delivered to Euroclear and Clearstream Luxembourg or, as the case may be, the Irish Stock Exchange.

## 17. **REPLACEMENT**

If any Bearer Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, and if any Note Certificate shall become mutilated, defaced, lost, stolen or destroyed it may be replaced at the Specified Office of the Registrar or the Transfer Agent, subject in each case to all applicable laws and Stock Exchange requirements, upon payment by the claimant of the expenses incurred arising in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer shall reasonably require. Mutilated or defaced Notes or Note Certificates being must be surrendered before replacements will be issued.

## 18. **GOVERNING LAW AND JURISDICTION**

### 18.1 **Governing law**

The Notes and all non-contractual obligations arising out of or in connection with them are governed by English law.

### 18.2 **Jurisdiction**

The non-exclusive place of jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes shall be the English courts. The Issuer hereby submits to the jurisdiction of such court.

## 19. **CERTAIN DEFINITIONS**

In these Note Conditions, the following words and expressions will, except where the context otherwise requires, have the meanings set out below:

[The definitions set out below under "CERTAIN DEFINITIONS" will be set out in Note Condition 19.]

## CERTAIN DEFINITIONS

In this Prospectus, the following words and expressions will, except where the context otherwise requires, have the meanings set out below:

**"Actual/360"** shall mean the actual number of days in the period in respect of which a payment is being made divided by 360;

**"Adverse Claim"** shall mean any ownership interest, lien, security interest, charge or encumbrance, or other right or claim in, over or on any person's assets or properties in favour of any other person;

**"Affiliate"** in relation to any person shall mean a Subsidiary of that person, a Holding Company of that person or any other Subsidiary of that person, in each case from time to time;

**"Agency Agreement"** shall mean the agency agreement dated the Note Issuance Date between the Issuer, the Note Trustee, the Principal Paying Agent, the Calculation Agent, the Registrar, the Transfer Agent and the Cash Administrator;

**"Agent"** shall mean each of the Principal Paying Agent, the Calculation Agent, the Registrar, the Transfer Agent and the Cash Administrator;

**"Aggregate Outstanding Loan Principal Amount"** shall mean, in respect of all Purchased Auto Loans as of any date, the aggregate of the Outstanding Principal Amounts of all Purchased Auto Loans which, as of such date, are not Defaulted Auto Loans;

**"Aggregate Outstanding Note Principal Amount"** shall mean, as of any date, the aggregate of the Class A Principal Amount and the Class B Principal Amount as of such date;

**"Amortisation Threshold Date"** shall mean the first Cut-Off Date as of which the Aggregate Outstanding Note Principal Amount is less than 50% of the aggregate initial Note Principal Amounts of all Notes;

**"Arranger"** shall mean Banco Santander, S.A.;

**"Assigned Documents"** shall mean the Agency Agreement, the Note Trust Deed, the Basis Swap Agreement, the Transaction Account Agreement, the Liquidity Facility Agreement and any other English law governed agreements included in the Transaction Documents or entered into by the Issuer in connection with the Transaction Documents from time to time;

**"Auto Loan"** shall mean any loan in respect of a Financed Vehicle, originated by the Seller in its ordinary course of business, including the right to claim and receive Loan Instalments from the relevant Debtor in accordance with a Loan Contract, together with any and all present and future ancillary rights and obligations under the relevant Loan Contract;

**"Auto Portfolio Purchase Agreement"** shall mean the auto portfolio purchase agreement dated the Note Issuance Date between the Purchaser and the Seller;

**"Available Distribution Amount"** shall mean, with respect to any Cut-Off Date and the Collection Period ending on such Cut-Off Date, an amount calculated by the Servicer pursuant to the Servicing Agreement (or, if required, by the Calculation Agent pursuant to the Agency Agreement) as of such Cut-Off Date and notified to the Issuer, the Corporate Administrator, the Calculation Agent and the Note Trustee not later than on the Reporting Date, as the sum of:

- (a) the amounts standing to the credit of the Reserve Account as of such Cut-Off Date;
- (b) any Collections (including, for the avoidance of doubt, Deemed Collections paid by the Seller or (if different) the Servicer) received by the Seller or (if different) the Servicer during the Collection Period ending on such Cut-Off Date;

- (c) any amount paid by any Swap Counterparty to the Issuer under any Swap Transaction on or before and with respect to the Payment Date immediately following such Cut-Off Date (excluding, for the avoidance of doubt, any collateral posted by any Swap Counterparty under any Credit Support Annex and any interest thereon but including any enforcement proceeds from such collateral applied in satisfaction of payments due to the Issuer in accordance with the Basis Swap Agreement and such Credit Support Annex);
- (d) the amounts paid by the Seller to the Issuer during such period pursuant to the Auto Portfolio Purchase Agreement in respect of: (A) any stamp duty, registration and other similar taxes, (B) any taxes levied on the Issuer and any relevant parties involved in the financing of the Issuer due to the Issuer and such parties having entered into the Auto Portfolio Purchase Agreement, the other Transaction Documents or other agreements relating to the financing of the acquisition by the Issuer of the Purchased Auto Loans, (C) any liabilities, costs, claims and expenses which arise from the non-payment or the delayed payment of any taxes specified under (B) above, except for those penalties and interest charges which are attributable to the gross negligence of the Issuer, and (D) any additional amounts corresponding to sums which the Seller is required to deduct or withhold for or on account of tax with respect to all payments made by the Seller to the Issuer under the Auto Portfolio Purchase Agreement;
- (e) (i) any amounts paid by the Seller to the Issuer in respect of (A) any default interest on unpaid sums due by the Seller to the Issuer and (B) indemnities against any loss or expense, including legal fees, incurred by the Issuer as a consequence of any default of the Seller, in each case paid by the Seller to the Issuer pursuant to the Auto Portfolio Purchase Agreement, and (ii) any default interest and indemnities paid by the Servicer to the Issuer pursuant to the Servicing Agreement, in each case as collected during such Collection Period;
- (f) any other amounts paid by the Seller to the Issuer under or with respect to the Auto Portfolio Purchase Agreement (other than the Subordinated Loan and any Transaction Cost Fee) or the Purchased Auto Loans or the Related Collateral and any other amounts paid by the Servicer to the Issuer under or with respect to the Servicing Agreement, the Purchased Auto Loans or the Related Collateral, in each case as paid to the Issuer and deposited to the Transaction Account during such Collection Period;
- (g) any interest earned on and paid into any Issuer Secured Account or paid by the Seller or the Collections Account Bank to the Issuer in respect of Collections held in any Collections Account during such Collection Period;
- (h) the amount of any drawing to be made (including any use of Cash Collateral) under and in accordance with the Liquidity Facility Agreement on the Payment Date next following such Cut-Off Date; and
- (i) if applicable, any amount on deposit in the Commingling Reserve Account, to the extent provided in the Servicing Agreement and the Agency Agreement.

**"Available Facility"** shall mean, at any time and in respect of the Liquidity Facility, the relevant commitment less the aggregate amounts of the advances made under that Liquidity Facility or used under the Cash Collateral which are then outstanding and not yet repaid;

**"Average Aggregate Outstanding Loan Principal Amount"** shall mean, for any Collection Period, an amount calculated by (i) adding the Aggregate Outstanding Loan Principal Amounts as at the Cut-Off Date for that Collection Period and as of the immediately preceding Cut-Off Date and (ii) dividing that sum by two;

**"Average NIBOR"** shall mean, with respect to any Cut-Off Date, the arithmetic average of the rates published by Norges Bank (on its Internet website or otherwise) following that Cut-Off Date as the monthly average nominal one-month Norwegian Inter Bank Offered Rate (monthly average of daily observations) for the calendar month ending on such Cut-Off Date and for the next preceding calendar month. With respect to any Cut-Off Date, if Norges Bank no longer publishes such rates or has not published such rates prior to the Reporting Date next following that Cut-Off Date, then Average NIBOR shall mean the arithmetic average of "NIBOR" (as defined in the Master Definitions Schedule) determined for a one-month period beginning on each of the Oslo Banking Days falling the calendar month ending on such Cut-Off Date and the next preceding calendar month;

**"Balloon Loan"** shall mean an Auto Loan where the final Loan Instalment is substantially greater than any of the previous Loan Instalments payable by the relevant Debtor;

**"Basis Swap Agreement"** shall mean the 1992 ISDA Master Agreement, the Schedule, any Credit Support Annex thereto and related confirmations entered into on the Note Issuance Date between the Issuer and the Swap Counterparty;

**"Bearer Note"** shall mean any of the Class A Notes, to be issued in bearer form pursuant to the Note Trust Deed;

**"Business Day"** shall mean a day which is a London Banking Day, a New York Banking Day and an Oslo Banking Day and on which banks are open for general business in Dublin, Ireland and Madrid, Spain;

**"Calculation Agent"** shall mean Deutsche Bank AG London Branch and any successor or replacement calculation agent appointed from time to time in accordance with the Agency Agreement;

**"Capitalised Interest"** shall mean, with respect to any Collection Period, the aggregate amount added to the Outstanding Principal Amount of Purchased Auto Loans (other than Defaulted Auto Loans) during that Collection Period and representing accrued interest otherwise falling due during any Payment Holiday and added to principal in accordance with the relevant Loan Contracts;

**"Cash Collateral"** shall mean an amount equal to the Available Facility which is deposited by the Liquidity Loan Provider into the Transaction Account in accordance with the Liquidity Facility Agreement;

**"Class"** shall mean either the Class A Notes or the Class B Notes;

**"Class A Noteholder"** shall mean a holder of any Class A Notes;

**"Class A Notes"** shall mean the Class A-1 Notes and the Class A-2 Notes;

**"Class A-1 Notes"** shall mean the NOK 3,965,000,000 Class A-1 Floating Rate Notes of the Issuer due June 2025;

**"Class A-2 Notes"** shall mean the NOK 4,677,000,000 Class A-2 Floating Rate Notes of the Issuer due June 2025;

**"Class A Notes Interest"** shall mean the aggregate Interest Amount (including any Interest Shortfall) payable in respect of all Class A Notes on any date and in accordance with the Note Conditions;

**"Class A Notes Principal"** shall mean, with respect to any Payment Date, all or a portion of the Class A Principal Amount, to be paid in accordance with the applicable Priority of Payments;

**"Class A Principal Amount"** shall mean, as of any date, the sum of the Class A-1 Principal Amount and the Class A-2 Principal Amount;

**"Class A-1 Principal Amount"** shall mean as of any date, the sum of the Note Principal Amounts of all Class A-1 Notes then Outstanding;

**"Class A-2 Principal Amount"** shall mean as of any date, the sum of the Note Principal Amounts of all Class A-2 Notes then Outstanding;

**"Class A Target Principal Amount"** shall mean, with respect to any Payment Date or the immediately preceding Cut-Off Date, an amount equal to the least of (a) the Class A Principal Amount as of that Cut-Off Date, (b) the excess (if any) of (i) the Aggregate Outstanding Loan Principal Amount as of that Cut-Off Date over (ii) the Class B Principal Amount as of that Cut-Off Date and (c) the Class A Target Principal Amount with respect to the next preceding Payment Date;

**"Class B Noteholder"** shall mean a holder of Class B Notes;

**"Class B Notes"** shall mean the NOK 2,013,440,000 Class B Notes due on the Payment Date falling in June 2025;

**"Class B Notes Interest"** shall mean the aggregate Interest Amount (including any Interest Shortfall) payable in respect of all Class B Notes on any date and in accordance with the Note Conditions;

**"Class B Notes Principal"** shall mean, with respect to any Payment Date, all or a portion of the Class B Principal Amount to be paid in accordance with the applicable Priority of Payments;

**"Class B Principal Amount"** shall mean, as of any date, the sum of the Note Principal Amounts of all Class B Notes;

**"Class B Target Principal Amount"** shall mean, with respect to any Payment Date or the immediately preceding Cut-Off Date, (a) so long as the Class A Principal Amount on such Cut-Off Date is greater than zero and, on such Payment Date after giving effect to the distributions to be made pursuant to paragraph *sixth* of the Pre-Enforcement Priority of Payments, would remain greater than zero, the Class B Principal Amount, or (b) if on such Cut-Off Date the Class A Principal Amount is zero or if on such Payment Date after giving effect to distributions pursuant to paragraph *sixth* of the Pre-Enforcement Priority of Payments, it will have been reduced to zero, an amount equal to the least of (i) the Class B Principal Amount as of that Cut-Off Date, (ii) the Aggregate Outstanding Loan Principal Amount as of that Cut-Off Date, and (iii) the Class B Target Principal Amount with respect to the next preceding Payment Date;

**"Class Principal Amount"** shall mean each of the Class A Principal Amount and the Class B Principal Amount;

**"Collection Period"** shall mean, in relation to any Cut-Off Date, the period commencing on (but excluding) the Cut-Off Date immediately preceding such Cut-Off Date and ending on (and including) such Cut-Off Date and with respect to the first Payment Date the period that commenced on 31 January 2011 (excluding such date) and ends on 31 March 2011 (including such date);

**"Collections"** shall mean, with respect to any Purchased Auto Loan and any Related Collateral:

- (a) all payments by or on behalf of any Debtor or any relevant guarantor of insurer in respect of principal, interest, fees, premiums, expenses or otherwise in respect of such Purchased Auto Loan or under the related Loan Contract, including, without limitation, all payments made by CPI Insurers to or for the benefit of the Seller under a CPI policy with respect to such Purchased Auto Loan and any and all proceeds from vehicle insurance policies relating to the Financed Vehicles, but excluding, however, any payments in respect of insurance premiums which are identifiable as such and not included in the Principal Amount of such Purchased Auto Loan;
- (b) all cash proceeds in relation to the enforcement of any Related Collateral, any proceeds from the sale of Defaulted Auto Loans (together with the relevant Related Collateral) received by the Servicer on behalf of the Issuer from any third party and any participation in extraordinary profits after realisation of the Related Collateral to which the Issuer is entitled under the relevant Loan Contract;
- (c) all amounts paid to the Issuer by or on behalf of the Seller in respect of any Deemed Collections; and
- (d) interest paid to the Issuer by the Seller or the Collections Account Bank on any Collections on deposit in the Collections Accounts;

**"Collections Account Bank"** shall mean Skandinaviska Enskilda Banken AB (publ) or, with respect to the Issuer Collections Account, any successor account bank as may be appointed in accordance with the Issuer Collections Account Agreement, and with respect to any Seller Collections Account, any successor collections account bank as may be appointed by the Servicer;

**"Commingling Reserve Account"** shall mean a specified bank account held in the name of the Issuer at the Transaction Account Bank as well as any other bank accounts specified as such by or on behalf of the Issuer or the Note Trustee in the future in addition to or as a substitute for such Commingling Reserve Account in accordance with the Transaction Account Agreement and the Security Trust Deed;

**"Commingling Reserve Required Amount"** shall mean, following the occurrence of a Servicer's Owner Downgrade 1, an amount to be determined by the Servicer as of each Cut-Off Date and set out in the Monthly Report on the next following Reporting Date as the greater of (a) the actual amount of Collections for the

Collection Period ending on that Cut-Off Date and (b) the amount estimated by the Servicer in good faith as the highest amount of Collections expected to be received in any future Collection Period;

**"Common Safekeeper"** shall mean Deutsche Bank AG, London Branch;

**"Corporate Administration Agreement"** shall mean a corporate administration agreement dated on or about the Signing Date and entered into between the Corporate Administrator and the Issuer;

**"Corporate Administrator"** shall mean Deutsche International Corporate Services (Ireland) Limited, an Irish limited company having its registered office on the date of this Prospectus at 5 Harbourmaster Place, IFSC, Dublin 1, Ireland;

**"Couponholders"** shall mean the holders of the Coupons;

**"Coupon"** shall mean a coupon as attached to a Definitive Note for payment of interest from time to time;

**"CPI Insurers"** shall mean Financial Insurance Company Limited and Financial Assurance Company Limited, both operating under the joint marketing name "Genworth Financial", or any other issuer of CPI Policies from time to time;

**"CPI Policy"** shall mean a credit protection insurance policy relating to a Debtor's acquisition of a Financed Vehicle;

**"Credit and Collection Policy"** shall mean the Seller's credit and collection policies and practices with respect to Auto Loans as applied by the Seller from time to time, as set out (as in effect on the Signing Date) in Schedule 4 (*Credit and Collection Policy*) to the Auto Portfolio Purchase Agreement, as such policies and practices may be amended or modified from time to time as permitted by the Transaction Documents;

**"Credit Support Annex"** shall mean any credit support document entered into between the Issuer and a Swap Counterparty from time to time which forms part of, and is subject to the Basis Swap Agreement;

**"Cut-Off Date"** shall mean the last day of each calendar month, beginning 31 January 2011, and the Cut-Off Date with respect to any Payment Date is the Cut-Off Date immediately preceding such Payment Date;

**"DBRS"** shall mean DBRS, Inc.;

**"Debtor"** shall mean each of the persons obliged to make payments under a Loan Contract (together, the **"Debtors"**);

**"Deemed Collection"** shall mean in relation to any Purchased Auto Loan an amount equal to:

- (a) the Outstanding Principal Amount of such Purchased Auto Loan (or, as the context may require, the affected portion of such Outstanding Principal Amount, in each case before giving effect to any event described in this definition), plus accrued and unpaid interest on such Outstanding Principal Amount (or, as applicable, such portion) as of the date when the Seller makes payment to the Seller Collections Account or, as applicable, the Issuer Collections Account with respect to such Deemed Collection, if:
  - (i) such Purchased Auto Loan proves not to have been an Eligible Auto Loan on the Purchase Date;
  - (ii) such Purchased Auto Loan becomes a Disputed Auto Loan (irrespective of any subsequent court determination in respect thereof);
  - (iii) such Purchased Auto Loan is rescheduled (including any extension of its maturity date) or otherwise substantially modified (in each case, other than as a result of a Payment Holiday or otherwise in accordance with the Servicing Agreement or the Credit and Collection Policy, provided that any extension of the maturity date of any Purchased Auto Loan to a date later than June 2023 shall result in a Deemed Collection with respect to that Auto Loan); or

- (iv) such Purchased Auto Loan is cancelled or otherwise ceases to exist for any reason other than full payment by the Debtor to the Servicer or the Issuer (for example, if the Debtor requests and the Servicer agrees to exchange the Financed Vehicle for a different Financed Vehicle and in connection therewith to replace it with a different Loan Contract covering the replacement Financed Vehicle);

and, in any such case described in (i) or (ii) above, the Seller does not cure such event or condition within 60 days after the day it receives notice from the Issuer or the Note Trustee or otherwise obtains knowledge of such event or condition; and

- (b) the amount of any reduction of the Outstanding Principal Amount of any Purchased Auto Loan, accrued and unpaid interest or any other amount owed by a Debtor with respect to such Purchased Auto Loan due to:
  - (i) any set-off against the Seller or the Issuer (as the case may be) due to a counterclaim of the Debtor, or any set-off or equivalent action against the relevant Debtor by the Seller;
  - (ii) any discount or other credit in favour of the Debtor (for the avoidance of doubt, the granting of a Payment Holiday to a Debtor shall not be classified as a credit); or
  - (iii) any final and conclusive decision by a court or similar authority with binding effect on the parties, based on any reason (including but not limited to any non-compliance with the minimum cash down payment requirements (*forskrifter om minste kontantinsats*) contained in the Norwegian Financial Agreements Act 1999 (as amended) and the Credit Agreement Regulations 2010);

**"Defaulted Auto Loan"** shall mean any Purchased Auto Loan (which is not a Disputed Auto Loan) which has

- (a) an amount equivalent to at least six Loan Instalments overdue as indicated in the Monthly Report for the preceding Collection Period (provided, however, that a Loan Instalment which has been deferred during a Payment Holiday shall to that extent not be treated as overdue); or
- (b) been written off by the Servicer in accordance with the Credit and Collection Policy;

**"Definitive Note"** shall mean a definitive note substantially in the form set out in Part A, Schedule 2 (*Form of Definitive Note*) to the Note Trust Deed;

**"Delinquent Auto Loan"** shall mean, as of any date, any Purchased Auto Loan (which is not a Disputed Auto Loan and not a Defaulted Auto Loan) which has any Loan Instalment overdue by at least 30 days, as indicated in the Monthly Report for the Collection Period ending on or immediately preceding such date provided, however, that any Loan Instalment which has been deferred during a Payment Holiday shall to that extent not be treated as overdue;

**"Detailed Investor Report"** shall mean any detailed investor report according to Fitch grading criteria in the form as set out in Schedule 1, Part B (*Sample detailed investor report*) to the Servicing Agreement, or in a form as otherwise agreed between the Servicer, the Seller and the Purchaser, which shall be prepared by the Servicer with respect to each Collection Period;

**"Discharge Date"** shall mean the date, following payment or provision for payment of the Notes and other Transaction Secured Obligations, on which the security created pursuant to the Security Documents will be discharged, as provided in the Security Trust Deed;

**"Disputed Auto Loan"** shall mean any Purchased Auto Loan in respect of which payment is not made and disputed by the Debtor (other than where the Servicer has given written notice, specifying the relevant facts, to the Issuer that, in its reasonable opinion, such dispute is made because of the inability of the relevant Debtor to pay), whether by reason of any matter concerning the Financed Vehicles or by reason of any other matter or in respect of which a set-off or counterclaim is being claimed by such Debtor;

**"Eligible Auto Loan"** shall mean any Auto Loan which meets the eligibility criteria specified in Schedule 2 (*Eligible Auto Loans*) to the Auto Portfolio Purchase Agreement;

**"Enforcement Notice"** shall mean a notice delivered by the Note Trustee to, inter alia, the Issuer in accordance with Note Condition 12 (*Events of Default*) which declares that the Notes are immediately due and payable;

**"Euroclear"** shall mean Euroclear Bank SA/NV;

**"Expenses Loan"** shall mean an interest bearing amortising funding loan provided or to be provided by the Expenses Loan Provider to the Issuer pursuant to the Expenses Loan Agreement;

**"Expenses Loan Agreement"** shall mean an expenses loan agreement dated on or about the Signing Date between the Issuer as borrower, the Expenses Loan Provider and the Cash Administrator;

**"Expenses Loan Payment Account"** shall mean a specified account in the name of the Issuer at the Transaction Account Bank as well as any other bank accounts specified as such by or on behalf of the Issuer in the future in addition to or as a substitute for such Expenses Loan Payment Account in accordance with the Transaction Account Agreement;

**"Expenses Loan Provider"** shall mean Santander Consumer Finance S.A.;

**"Extraordinary Resolution"** shall mean a resolution passed at a Meeting with respect to any Class of Notes duly convened and held in accordance with Schedule 3 (*Provisions for Meetings of Noteholders*) of the Note Trust Deed by a majority of not less than three quarters of the votes cast;

**"FAA"** shall mean the Norwegian Financial Agreements Act 1999;

**"Financed Vehicles"** shall mean, pursuant to its respective Norwegian car certificate, registration certificate or any equivalent documents located in Norway, (i) any motor vehicle (*motorvogn*) as defined in the Norwegian Road Traffic Act 1965 under Norwegian law (including but not limited to cars, light commercial vehicles, motor homes and motor cycles), and (ii) any other vehicle (*kjøretøy*) as defined in the Norwegian Road Traffic Act 1965 (including but not limited to caravans), and which is financed pursuant to the relevant Loan Contract;

**"Fitch"** shall mean Fitch Ratings Limited;

**"Global Notes"** shall mean the Temporary Global Notes and the Permanent Global Notes;

**"Guarantor"** shall mean any person guaranteeing payments under any Loan Contract;

**"Holding Company"** in relation to any entity shall mean any company or corporation of which that entity is a Subsidiary;

**"IA"** shall mean the Insolvency Act 1986 of the United Kingdom;

**"Insolvency"** of a person includes the dissolution, bankruptcy, insolvency, winding-up, liquidation, administration, examination, amalgamation, reconstruction, reorganisation, arrangement, adjustment, administrative or other receivership or dissolution of that person, the official management of all of its revenues or other assets or the seeking of protection or relief of debtors and any equivalent or analogous proceeding by whatever name known and in whatever jurisdiction;

**"Insolvency Proceedings"** shall mean in respect of the Issuer:

- (a) an order is made or an effective resolution passed for the winding up of the Issuer, except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by the Note Trustee in writing; or
- (b) the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in paragraph (a) above, ceases or through an authorised action of its board of directors, threatens to cease to carry on all or substantially all of its business or is deemed unable to pay its debts as and when they fall due within the meaning of Section 214 of the Companies Act, 1963 (as amended by Section 123 of the Companies Act, 1990) and/or Section 2 of the Companies (Amendment) Act, 1990 of Ireland; or



- (c) proceedings shall be initiated against the Issuer under any applicable liquidation, insolvency, bankruptcy, composition, examination, reorganisation (other than a reorganisation where the Issuer is solvent) or other similar laws (including, but not limited to, presentation of a petition for an examination order, the filing of documents with the court for the appointment of an examiner, the service of a notice of intention to appoint an examiner or the taking of any steps to appoint an examiner) and (except in the case of presentation of a petition for an examination order, the filing of documents with the court for the appointment of an examiner, the service of a notice of intention to appoint an examiner or the taking of any steps to appoint an examiner) being disputed in good faith with a reasonable prospect of success or an examination order shall be granted or the appointment of an examiner takes effect or an examiner or other receiver, liquidator, trustee in sequestration or other similar official shall be appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer, or an encumbrancer shall take possession of the whole or any substantial part of the undertaking or assets of the Issuer, or a distress, execution or diligence or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) shall not be discharged or otherwise ceases to apply within 30 days of its commencement, or the Issuer (or its directors or shareholders) initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, examination, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness;

**"Instructing Secured Party"** shall mean:

- (a) until the full and final payment of all amounts payable to the Noteholders, the Note Trustee; then
- (b) if there are no Notes outstanding, the person appearing highest in the Priority of Payments to whom amounts are then owing (provided that where there is more than one such person ranking *pari passu*, the Security Trustee shall act in accordance with the written instructions of the person (if any) to whom the greatest amount is then owing by the Issuer);

**"Interest Amount"** shall mean, with respect to any Payment Date, the amount of interest payable by the Issuer in respect of each of Class A Notes Interest and Class B Notes Interest on that Payment Date in accordance with the Note Conditions;

**"Interest Period"** shall mean, with respect to the Notes, as applicable, the period commencing on (and including) any Payment Date and ending on (but excluding) the immediately following Payment Date, and the first Interest Period under the Notes shall commence on (and include) the Note Issuance Date and shall end on (but exclude) on the first Payment Date;

**"Interest Shortfall"** shall mean, with respect to any Note, accrued interest not distributed on any Payment Date related to the Interest Period in which it accrued;

**"Irish Security Deed"** shall mean an Irish security deed of assignment dated the Note Issuance Date between the Issuer and Security Trustee;

**"Issuer Collections Account"** shall mean a specified account in the name of the Issuer at the Collections Account Bank or any other account which the Issuer may from time to time establish and maintain at the Collections Account Bank in accordance with the Transaction Documents for the receipt and holding of Collections following a Servicer's Owner Downgrade 1 or a Notification Event;

**"Issuer Collections Account Agreement"** shall mean an agreement dated on or about the Note Issuance Date and entered into between the Issuer, the Collections Account Bank, the Note Trustee, the Security Trustee and the Cash Administrator in relation to the Issuer Collections Account;

**"Issuer Event of Default"** shall mean the occurrence of any of the following events:

- (a) the Issuer becomes subject to Insolvency Proceedings; or
- (b) the Issuer fails to pay on any Payment Date or the Maturity Date, as applicable, any interest or principal then due and payable in respect of any Notes and such failure continues for five Business

Days; *provided* that such a failure to pay with respect to interest or principal of the Class B Notes or, prior to the Maturity Date, with respect to principal of the Class A Notes, will only constitute an Issuer Event of Default if the Available Distribution Amount as of the immediately preceding Cut-Off Date would have been sufficient to pay such amounts in full in accordance with the applicable Priority of Payments; or

- (c) the Issuer fails to pay or perform, as applicable, when and as due any other obligation under the Transaction Documents (in the case of any payment obligation with respect to any Payment Date, to the extent the Available Distribution Amount as of the immediately preceding Cut-Off Date would have been sufficient to pay such amounts in accordance with the applicable Priority of Payments), other than any obligation referred to in paragraph (ii) of this definition and in items *twelfth*, *fourteenth* and *fifteenth* of the Pre-Enforcement Priority of Payments, and such failure continues for 30 calendar days after the date on which the Note Trustee gives written notice thereof to the Issuer or the Issuer otherwise has actual knowledge of such failure (whichever is earlier); or
- (d) a distress, execution, attachment or other legal process is levied or enforced upon or sued out against all or any substantial part of the assets of the Issuer and is not discharged or does not otherwise cease to apply within 30 calendar days of being levied, enforced or sued out or legal proceedings are commenced for any of the aforesaid, or the Issuer makes a conveyance or assignment for the benefit of its creditors generally;

**"Issuer Secured Accounts"** shall mean, together, the Transaction Account, the Reserve Account and the Commingling Reserve Account;

**"Issuer Secured Party"** shall mean each of the Noteholders, any receiver, manager or administrative receiver appointed under the Security Trust Deed, the Principal Paying Agent, the Calculation Agent, the Cash Administrator, the Registrar, the Transfer Agent, the Swap Counterparty, the Transaction Account Bank, the Security Trustee, the Note Trustee, the Corporate Administrator, the Seller, the Servicer, the Liquidity Facility Provider, the Subordinated Loan Provider, any other party from time to time acceding to the Security Trust Deed and any other person expressed to have amounts paid to it pursuant to the Post-Enforcement Priority of Payments;

**"Joint Lead Managers"** shall mean Citibank International plc, HSBC Bank plc and Banco Santander, S.A.;

**"Liquidity Facility"** shall mean a Norwegian kroner-denominated loan facility granted by the Liquidity Facility Provider to the Issuer upon the terms and subject to the conditions of the Liquidity Facility Agreement;

**"Liquidity Facility Agreement"** shall mean the liquidity facility agreement dated on or about the Note Issuance Date between the Issuer, the Note Trustee, the Liquidity Facility Provider and the Calculation Agent;

**"Liquidity Facility Provider"** shall mean Banco Santander, S.A.;

**"Loan Contract"** shall mean any non-negotiable promissory note executed by any Debtor for the purpose of financing:

- (a) the acquisition of a Financed Vehicle; and
- (b) in certain cases where the Debtor has arranged for a CPI Policy with respect to the Debtor's acquisition of that Financed Vehicle, the insurance premium due and payable by the Debtor in relation to that CPI Policy;

**"Loan Instalment"** shall mean any obligation of a Debtor under a Loan Contract to pay principal, interest, fees, costs, prepayment penalties (if any), and default interest owed under any relevant Loan Contract or any Related Collateral relating thereto;

**"London Banking Day"** shall mean any day (other than a Saturday or Sunday) on which banks are open for general business in London, England;

**"Losses"** shall mean losses (including loss of profit), claims, demands, actions, proceedings, damages and other payments, costs, expenses and other liabilities of any kind;

**"Meeting"** shall mean a meeting of Noteholders of any Class (whether originally convened or resumed following an adjournment);

**"Monthly Report"** shall mean any monthly report in the form (based on a Microsoft-Office template) as set out in Schedule 1, Part A (*Sample Monthly Report*) to the Servicing Agreement or otherwise agreed between the Seller, the Servicer (if different) and the Issuer, which shall be prepared by the Servicer with respect to each Collection Period and delivered to the Issuer with a copy to the Corporate Administrator, the Note Trustee and the Calculation Agent;

**"New York Banking Day"** shall mean any day (other than a Saturday or Sunday) on which banks are open for general business in New York City, U.S.A.;

**"NIBOR"** shall mean, for any Interest Period or other one-month period, the rate for deposits in Norwegian kroner for a period of one month which appears on the Reuters Page NIBR at 12.00 noon, Oslo time, on the day which is two Oslo Banking Days preceding the first day of that Interest Period or other period, as applicable. If Reuters Page NIBR is not available or if no such quotation appears thereon, in each case as at such time, the Calculation Agent shall request the principal Oslo office of the Norwegian Reference Banks selected by it to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for one-month deposits in NOK at approximately 11:00 a.m. (Oslo time) on the relevant NIBOR Determination Date to prime banks in the Norwegian inter-bank market for the relevant Interest Period or other period and in an amount that is representative for a single transaction in that market at that time. If two or more of the selected Norwegian Reference Banks provide the Calculation Agent with such offered quotations, NIBOR for such Interest Period shall be the arithmetic mean of such offered quotations (rounded if necessary to the nearest one thousandth of a percentage point, with 0.000005 being rounded upwards). If on the relevant NIBOR Determination Date fewer than two of the selected Norwegian Reference Banks provide the Calculation Agent with such offered quotations, NIBOR for such Interest Period or other period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.000005 being rounded upwards) of the rates communicated to (and at the request of) the Calculation Agent by major banks in Norway, selected by the Calculation Agent, at approximately 11:00 a.m. (Oslo time) on such NIBOR Determination Date for loans in NOK to leading Norwegian banks for such Interest Period or other period and in an amount that is representative for a single transaction in that market at that time;

**"NIBOR Determination Date"** shall mean, for any Interest Period, a day which is two Oslo Banking Days preceding the first day of that Interest Period;

**"Norwegian kroner"** or **"NOK"** shall mean the lawful currency of Norway;

**"Norwegian Reference Banks"** shall mean four major banks in the Norwegian inter-bank market;

**"Norwegian Security Agreement"** shall mean a Norwegian law security agreement dated the Note Issuance Date entered into between the Issuer and Security Trustee;

**"Noteholder"** and **"holder"** shall mean, (i) with respect to the Class A Notes, the bearer of a Note save that, for so long as any of the Class A Notes are represented by a Global Note, each person who has for the time being a particular principal amount of such Class A Notes credited to his securities account in the records of Clearstream, Luxembourg or Euroclear shall be deemed to be the Noteholder in respect of the principal amount of such Notes for all purposes hereof other than for the purpose of payments in respect thereof, the right to which shall be vested, as against the Issuer, solely in the bearer of such Global Note in accordance with and subject to the terms of the Note Trust Deed and such Global Note, and, with respect to any Definitive Note, this term shall also include a reference to any Couponholders and (ii) with respect to any Class B Note, the person(s) in whose name any Class B Note is registered in the Register;

**"Note Certificate"** shall mean any note certificate representing the Class B Notes to be issued pursuant to Clause 5.1 (*Form of Notes*) of the Note Trust Deed in each case in the form or substantially in the form set out in Part F of Schedule 2 (*Forms of Notes and Note Certificates*) of the Note Trust Deed;

**"Note Conditions"** shall mean, in relation to the Notes, the terms and conditions of the Notes, in the form or substantially in the form set out in Part B of Schedule 2 (*Note Conditions*) of the Note Trust Deed, as any of the same may from time to time be modified in accordance with the Note Trust Deed and modified by the

provisions of the Global Notes and any reference in the Transaction Documents to a particular numbered Note Conditions shall be construed accordingly;

**"Note Issuance Date"** shall mean the date on which Notes are issued by the Issuer and notified by the Purchaser to the Seller;

**"Note Principal Amount"** of any Note shall mean as of any date the initial principal amount of that Note (in the aggregate amount of NOK 3,965,000,000 in respect of the Class A-1 Notes, NOK 4,677,000,000 in respect of the Class A-2 Notes, and NOK 2,013,440,000 in respect of the Class B Notes), in each case as reduced by all amounts paid prior to such date on such Note in respect of principal;

**"Note Trustee"** shall mean Deutsche Trustee Company Limited, its successors or any other person appointed from time to time as Note Trustee in accordance with the Note Trust Deed;

**"Note Trust Deed"** shall mean a note trust deed dated the Note Issuance Date and made between the Issuer and the Note Trustee;

**"Notes"** shall mean the Class A Notes and the Class B Notes and includes any replacement Notes issued pursuant to Note Condition 17.2 (*Replacement of Global Notes*) and (except for the purposes of Clauses 5.1 (*Form of Notes*) and 5.3 (*Signature*)) of the Global Note for so long as it has not been exchanged in accordance with the terms thereof;

**"Notification Event"** shall mean either of the following events:

- (a) a Servicer's Owner Downgrade 2 occurs; or
- (b) any Servicer Termination Event occurs;

**"NSRA"** shall mean the Norwegian Securities Register Act of 2002 (in Norwegian: *lov om registrering av finansielle instrumenter av 5. juli 2002 nr. 64*);

**"Oslo Banking Day"** shall mean any day (other than a Saturday or Sunday) on which banks are open for general business in Oslo, Norway;

**"Outstanding"** shall mean, in relation to the Notes, all the Notes other than:

- (a) those which have been redeemed in full and cancelled in accordance with the Note Conditions;
- (b) those in respect of which the date for redemption in accordance with the provisions of the Note Conditions has occurred and for which the redemption moneys (including all interest accrued thereon to the date for such redemption) have been duly paid to the Note Trustee or the Principal Paying Agent in the manner provided for in the Agency Agreement (and, where appropriate, notice to that effect has been given to the relative Noteholders in accordance with Note Condition 16 (*Notices to Noteholders*)) and remain available for payment in accordance with the Note Conditions; and
- (c) those which have been purchased and surrendered for cancellation as provided in Note Condition 5 (*Redemption*) and notice of the cancellation of which has been given to the Note Trustee;

provided that for each of the following purposes, namely:

- (i) the right to attend and vote at any Meeting of Noteholders;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Clauses 8.1 (*Waiver*) and 10.1 (*Legal proceedings*) of the Note Trust Deed, Note Condition 14 (*Meeting of Noteholders; modifications*) and Schedule 3 (*Provisions for Meetings of Noteholders*) of the Note Trust Deed; and

- (iii) any discretion, right, power or authority, whether contained in the Note Trust Deed or provided by law, which the Note Trustee is required to exercise in or by reference to the interests of the Noteholders or any of them,

those Notes (if any) which are for the time being held by any person (including but not limited to the Issuer) for the benefit of the Issuer shall, (unless and until ceasing to be so held) be deemed not to remain outstanding;

**"Outstanding Principal Amount"** shall mean, with respect to any Purchased Auto Loan as of any date, an amount equal to:

- (a) the Principal Amount of such Purchased Auto Loan; minus
- (b) the aggregate amount of Collections (other than Deemed Collections) received by the Issuer or the Servicer on its behalf in respect of such Purchased Auto Loan on or before such date and applied to the Principal Amount of such Purchased Auto Loan in accordance with the Loan Contract; minus
- (c) the amount of any unpaid portion of such Principal Amount corresponding to CPI Policy premium where the CPI Policy has been cancelled, except to the extent the Issuer or the Servicer on its behalf has received such amount as Collections described in paragraph (b) of this definition; minus
- (d) the amount of any reduction in the principal amount owed by the Debtor on such Purchased Auto Loan as a result of a cancellation or other event described in sub-paragraph (a)(iv) of the definition of "Deemed Collection" or any set-off, discount or other event described in sub-paragraphs (b)(i) through (b)(iii) of the definition of "Deemed Collections"; plus
- (e) the aggregate amount of accrued interest otherwise falling due during any Payment Holiday and added to principal in accordance with the Loan Contract;

**"Payment Date"** shall mean the twenty-fifth day of each calendar month, unless such date is not a Business Day in which case the Payment Date shall be the next succeeding Business Day unless such date would thereby fall into the next calendar month, in which case such date shall be the immediately preceding Business Day, commencing on 26 April 2011;

**"Payment Holiday"** shall mean a period agreed by the Seller in accordance with the Credit and Collection Policy (and in any event not longer than three months in any calendar year) for which the Debtor's obligation to make any Principal Payments under the relevant Loan Contract is deferred;

**"Permanent Global Note"** shall mean a Permanent Global Note representing the Class A-1 Notes or the Class A-2 Notes to be issued pursuant to Clause 5.1 (*Global Notes*) of the Note Trust Deed in each case in the form or substantially in the form set out in Part B of Schedule 1 (*Form of Permanent Global Note*) of the Note Trust Deed;

**"Permitted Investments"** shall mean:

- (a) NOK-denominated money market funds which have a long-term rating of "AAAmf" by Fitch and if rated by DBRS, A by DBRS and permit daily liquidation of investments or have a maturity date falling before the next following Payment Date, provided that such money market funds are disposable without penalty or loss;
- (b) NOK-denominated senior (unsubordinated) debt securities or other debt instruments (but excluding, for the avoidance of doubt, credit-linked notes or similar claims resulting from the transfer of credit risk by means of credit derivatives) provided that (i) such investments are immediately repayable on demand, disposable without penalty or loss or have a maturity date falling before the next following Payment Date; (ii) such investments provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount);
- (c) repurchase transactions between the Issuer and an entity having the Required Ratings in respect of NOK-denominated debt securities or other debt instruments provided that (i) title to the securities underlying such repurchase transactions (in the period between the execution of the relevant repurchase transactions and their respective maturity) effectively passes to the Issuer, (ii) such repurchase

transactions are immediately repayable on demand, disposable without penalty or loss or have a maturity date falling before the next following Payment Date (provided that, in respect of such investments, their maturity must be, in any case, shorter than 60 calendar days) and (iii) such repurchase transactions provide a fixed principal amount at maturity (such amount not being lower than the initially invested amount);

provided that, with exclusive regard to investments under (b) and (c) above, the debt securities or other debt instruments, or in the case of repurchase transactions, the debt securities or other debt instruments underlying the repurchase transactions, are issued by, or fully and unconditionally guaranteed on an unsubordinated basis by, an institution whose unsecured and unsubordinated debt obligations are rated at least:

- (1) if rated by DBRS, (A) "R-1 (middle)" by DBRS in respect of short-term debt or "AA" in respect of long-term debt with regard to investments having a maturity equal to, or less than, 365 days, and (B) "AAA" by DBRS in respect of the long-term debt with regard to investments having a maturity of more than 365 days; and
- (2) (A) "F1+" by Fitch in respect of short-term debt or "AA-" in respect of the long-term debt with regard to investments having a maturity equal to, or less than, 365 days, and (B) "AAA" by Fitch in respect of the long-term debt with regard to investments having a maturity of more than 365 days ;

**"Portfolio"** shall mean the Purchased Auto Loans and Related Collateral;

**"Post-Enforcement Priority of Payments"** shall mean the order in which the Available Distribution Amount in respect of each Payment Date shall be applied as set out in Schedule 4 (*Post-Enforcement Priority of Payments*) to the Security Trust Deed;

**"Pre-Enforcement Priority of Payments"** shall mean the order in which the Available Distribution Amount in respect of each Payment Date shall be applied as set out in Schedule 3 (*Pre-Enforcement Priority of Payments*) to the Security Trust Deed;

**"Principal Amount"** shall mean, with respect to any Auto Loan, the aggregate principal amount of such Auto Loan which is scheduled to become due after the Cut-Off Date immediately preceding the Purchase Date;

**"Principal Paying Agent"** shall mean Deutsche Bank AG, London Branch, and any successor or replacement principal paying agent appointed from time to time in accordance with the Agency Agreement;

**"Principal Payment"** shall mean, in respect of any Purchased Auto Loan or the related Loan Contract, any payment made or to be made by or on behalf of the Debtor in respect of the Principal Amount under the Loan Contract;

**"Priority of Payments"** shall mean the Pre-Enforcement Priority of Payments and the Post-Enforcement Priority of Payments as applicable and **"Priorities of Payments"** shall mean each of them;

**"Prospectus"** shall mean the prospectus relating to the Notes dated 8 March 2011;

**"Purchase"** shall mean any purchase of any Auto Loans together with the Related Collateral pursuant to the Auto Portfolio Purchase Agreement;

**"Purchase Date"** shall mean the Note Issuance Date;

**"Purchased Auto Loan"** shall mean any Auto Loan and all rights and obligations under the Loan Contract generating the Auto Loan which is sold and assigned or purported to be assigned to the Issuer in accordance with the Auto Portfolio Purchase Agreement;

**"Purchaser"** shall mean Bilkreditt 1 Limited;

**"Rating Agencies"** shall mean DBRS and Fitch;

**"Ratings Downgrade"** shall mean, at any time, with respect to any person, either (a) any of the ratings assigned by the Rating Agencies to the debt obligations of that person have been downgraded or withdrawn (or, as applicable, have been placed on "rating watch negative") so that that person no longer has the Required Ratings or (b) such debt obligations are no longer rated by any of the Rating Agencies;

**"Receipt"** shall mean a receipt as attached to a Definitive Note for payment of principal from time to time;

**"Receiver"** shall mean any receiver, receiver and manager or administrative receiver appointed by the Security Trustee over all or any of the Secured Assets under the Security Trust Deed whether solely, jointly, severally or jointly and severally with any other person and includes any substitute for any of them appointed from time to time;

**"Records"** shall mean with respect to any Purchased Auto Loan, Related Collateral, Financed Vehicle and the related Debtors all contracts, correspondence, files, notes of dealings and other documents, books, books of accounts, registers, records and other information regardless of how stored, and which may be disclosed to the Issuer or any other third party without the Debtor's explicit consent pursuant to applicable law (including but not limited to the provisions in the Norwegian Data Protection Act 2000 and the bank confidentiality provision in section 18 of the Norwegian Commercial Bank Act 1961);

**"Register"** shall mean the register in relation to the Class B Notes maintained by the Registrar;

**"Registrar"** shall mean Deutsche Bank Luxembourg S.A. at its specified office, or, if applicable, any successor or additional registrar as may from time to time be appointed by the Issuer (or, as the case may be, by the Trustee);

**"Regulations"** means the regulations concerning the transfer of Class B Notes as the same may be from time to time promulgated by the Issuer and approved by the Registrar (the initial such regulations being set out in Schedule 4 to the Agency Agreement);

**"Related Collateral"** shall mean with respect to any Purchased Auto Loan:

- (a) any chattel mortgage (*salgs pant*) granted as collateral in favour of the Seller to secure the payment of such Purchased Auto Loan;
- (b) any type of guarantee (*kausjon*), surety and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Purchased Auto Loan whether pursuant to the Loan Contract relating to such Auto Loan or otherwise;
- (c) any and all other present and future claims against property insurers taken with respect to the relevant specified Financed Vehicles (*kaskoforsikring*) or other insurance schemes where the Seller has been named a beneficiary;
- (d) any and all present and future rights and claims under any loss compensation insurance policies, credit protection insurance policies, or other similar insurances or compensation schemes supporting or securing payment of such Purchased Auto Loan, and where the Seller has been named a beneficiary;
- (e) any other ownership interests, liens, charges, encumbrances, security interest or other rights or claims in favour of the Seller on any property from time to time securing the payment of such Purchased Auto Loan, and the Records relating thereto;
- (f) all Records relating to the Purchased Auto Loans and/or the Related Collateral under items (a) through (e) and (g); and
- (g) any claims to receive proceeds which arise from the disposal of or recourse to the Related Collateral, provided that any costs incurred by the Seller or (if different) the Servicer in connection with such disposal or recourse and any amounts which are due to the relevant Debtor in accordance with the relevant Loan Contract shall be deducted from such proceeds;

but in each case only to the extent such Related Collateral can be legally and validly assigned without third party consent or any required consent has been obtained;

**"Reporting Date"** shall mean, in relation to each Collection Period or immediately following Payment Date, the date that falls on the eighth Business Day before the Payment Date;

**"Required Ratings"** shall mean, with respect to any person, that:

- (a) the short-term unsecured, unsubordinated and unguaranteed debt obligations of that person are assigned a rating of at least F1 (or its replacement) by Fitch (and have not been rated F1 and placed on "rating watch negative" by Fitch) and R-1 (middle) (or its replacement) by DBRS; and
- (b) the long-term unsecured, unsubordinated and unguaranteed debt obligations of that person are assigned a rating of at least A (or its replacement) by Fitch (and have not been rated A and placed on "rating watch negative" by Fitch) and A (or its replacement) by DBRS;

**"Required Reserve Amount"** shall mean an amount equal to:

- (a) on the Note Issuance Date and as of any Cut-Off Date prior to (but excluding) the Amortisation Threshold Date, the Reserve Percentage of the aggregate initial Note Principal Amounts of all Notes; and
- (b) on the Cut-Off Date falling on the Amortisation Threshold Date and any Cut-Off Date following the Amortisation Threshold Date, the greatest of (i) two times the Reserve Percentage of the Aggregate Outstanding Note Principal Amount (after giving effect to any payment of Class A Notes Principal and Class B Notes Principal to be made in accordance with the Pre-Enforcement Priority of Payments on the Payment Date immediately following such Cut-Off Date); (ii) either (A) if a Reserve Shortfall occurred on any preceding Payment Date, an amount equal to the Required Reserve Amount as of the Cut-Off Date immediately preceding that Payment Date, or (B) if, based on a Required Reserve Amount equal to the amount described in (b)(i) above, a Reserve Shortfall would occur on the Payment Date immediately following such Cut-Off Date, an amount equal to the Required Reserve Amount as most recently determined prior to such Cut-Off Date; and (iii) NOK 53,277,200 (being 0.5% of the aggregate initial Note Principal Amounts of all Notes);

**"Reserve Account"** shall mean a specified bank account held in the name of the Issuer at the Transaction Account Bank as well as any other bank accounts specified as such by or on behalf of the Issuer or the Note Trustee in the future in addition to or as a substitute for such Reserve Account in accordance with the Transaction Account Agreement and the Security Trust Deed;

**"Reserve Fund"** shall mean at any time the amount standing to the credit of the Reserve Account at that time;

**"Reserve Percentage"** shall mean 1.5 %;

**"Reserve Shortfall"** shall mean if the credit standing to the Reserve Account as of any Payment Date, after filling the Reserve Account in accordance with item *eleventh* of the Pre-Enforcement Priority of Payments, falls short of the Required Reserve Amount as of the Cut-Off Date immediately preceding such Payment Date;

**"Secured Assets"** shall mean the Norwegian Secured Assets, the Irish Secured Assets and the English Secured Assets (each as defined in Note Condition 2.2 (*Security*));

**"Security"** shall mean the security created in favour of the Security Trustee and the proceeds thereof pursuant to the Security Documents and held on trust by the Security Trustee for the Issuer Secured Parties;

**"Security Documents"** shall mean the Security Trust Deed, the Norwegian Security Agreement, the Irish Security Deed and any other document guaranteeing or creating security for or supporting the obligations of the Issuer to any Issuer Secured Party in connection with any Transaction Secured Obligations (other than the Expenses Loan Agreement);

**"Security Interest"** shall mean any mortgage, charge, pledge, lien, right of set-off, special privilege, assignment by way of security, retention of title or any other security interest whatsoever or any other agreement or arrangement having the effect of conferring security;



**"Security Trust Deed"** shall mean a security trust deed dated the Note Issuance Date and made between, the Issuer, the Security Trustee, the Note Trustee, the Liquidity Facility Provider, the Calculation Agent, the Corporate Administrator, the Principal Paying Agent, the Registrar, the Transfer Agent, the Swap Counterparty, the Transaction Account Bank, the Collections Account Bank, the Seller, the Servicer, the Cash Administrator and the Subordinated Loan Provider for the benefit of the Issuer Secured Parties;

**"Security Trustee"** shall mean Deutsche Trustee Company Limited, its successors or any other person appointed from time to time as Security Trustee in accordance with the Security Trust Deed;

**"Seller"** shall mean Santander Consumer Bank AS;

**"Seller Collections Accounts"** shall mean a specified account in the name of the Seller at the Collections Account Bank and any additional or different account which the Seller may from time to time establish and maintain at the Collections Account Bank in accordance with the Transaction Documents for the receipt and holding of Collections;

**"Senior Class"** shall mean the Class A Notes whilst they remain Outstanding and thereafter the Class B Notes whilst they remain Outstanding;

**"Servicer"** shall mean the Seller and any successor thereof or substitute servicer appointed by the Issuer in accordance with the Servicing Agreement or the Auto Portfolio Purchase Agreement;

**"Servicer Fee"** shall mean, for any Payment Date, an amount equal to 0.5% of the Aggregate Outstanding Loan Principal Amount as of the immediately preceding Cut-Off Date, calculated on an Actual/360 basis;

**"Servicer Termination Date"** shall mean the date specified in a Servicer Termination Notice or in a notice delivered pursuant to Clause 10.3 (*Termination on Delivery of Servicer Termination Notice*) of the Servicing Agreement;

**"Servicer Termination Event"** shall mean the occurrence of any of the following events:

- (a) the Servicer fails to remit to the Issuer any Collections received by it or to make any other payment required to be made by the Servicer to the Issuer pursuant to the Servicing Agreement, in each case, on or within three Business Days after the date when such remittance or payment is required to be made in accordance with the Servicing Agreement or, if no such due date is specified, the date of demand for payment, *provided* however, that a delay or failure to make such a remittance or payment will not constitute a Servicer Termination Event if such delay or failure is caused by an event beyond the reasonable control of the Servicer, an act of God or other similar occurrence; or
- (b) the Servicer fails to perform any of its obligations (other than those referred to in (a) above) owed to the Issuer under the Servicing Agreement and such failure materially and adversely affects the rights of the Issuer or Noteholders (as determined by the Note Trustee) and continues for (i) five Business Days in the case of any failure to deliver any Monthly Report when due or (ii) 30 calendar days in the case of any other failure to perform, in each case after the date on which the Security Trustee gives written notice thereof to the Issuer or the Issuer otherwise has actual notice knowledge of such failure (whichever is earlier); provided however, that, subject to paragraph (h) of this definition, a delay or failure to perform any obligation will not constitute a Servicer Termination Event if such delay or failure is caused by an event beyond the reasonable control of the Servicer an act of God or other similar occurrence; or
- (c) any of the representations and warranties made by the Servicer with respect to or in the Servicing Agreement or any Monthly Report or information transmitted is materially false or incorrect, such materiality to be determined by the Note Trustee; or
- (d) (A) proceedings are initiated against the Servicer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Servicer or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of the Servicer, or an encumbrancer takes possession of the whole or a substantial part of the

undertaking or assets of the Servicer, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of the Servicer and (B) in any such case (other than the appointment of an administrator), the proceedings, application, appointment, possession or process is not discharged or discontinued within 30 days; or

- (e) any licence, authorisation or registration of the Servicer required with respect to the Servicing Agreement and the Services to be performed thereunder is revoked, restricted or made subject to any material conditions that would be reasonably likely to have a material adverse affect on the Servicer's ability to perform the Services; or
- (f) either (i) the Servicer's Owner ceases to own 100% of the then issued and outstanding shares of capital stock of the Servicer or (ii) a Servicer's Owner Downgrade 3 occurs; or
- (g) it is or becomes unlawful for the Servicer to perform or comply with any of its obligations under the Servicing Agreement; or
- (h) the Servicer is prevented or severely hindered for a period of 60 days or more from complying with its obligations under the Servicing Agreement as a result of a force majeure event and such force majeure event continues for 30 Business Days after written notice of such non-compliance has been given by the Issuer or the Note Trustee;

**"Servicer Termination Event Notice"** shall mean a notice to the Servicer from the Purchaser or the Note Trustee advising the Servicer of the occurrence of a Servicer Termination Event;

**"Servicer Termination Notice"** shall mean a notice to the Servicer from the Purchaser or the Note Trustee delivered in accordance with the terms of Clause 10.3 (*Termination on Delivery of Servicer Termination Notice*) of the Servicing Agreement;

**"Servicer's Owner"** shall mean at any time the person (which on the Signing Date is Santander Consumer Finance, S.A.) that then owns all the issued and outstanding shares of capital stock of the Servicer;

**"Servicer's Owner Downgrade 1"** shall mean that the Servicer's Owner's short-term unsecured, unsubordinated and unguaranteed indebtedness ceases to be rated F-1 or higher by Fitch or its long-term unsecured, unsubordinated and unguaranteed indebtedness ceases to be rated A or higher by Fitch;

**"Servicer's Owner Downgrade 2"** shall mean that the Servicer's Owner's long-term unsecured, unsubordinated and unguaranteed indebtedness ceases to be rated BBB or higher by Fitch;

**"Servicer's Owner Downgrade 3"** shall mean that the Servicer's Owner's long-term unsecured, unsubordinated and unguaranteed indebtedness ceases to be rated BBB- or higher by Fitch;

**"Services"** shall mean the services to be rendered or provided by the Servicer in Clause 3 (*The Services*) of the Servicing Agreement;

**"Servicing Agreement"** shall mean a servicing agreement dated the Note Issuance Date and entered into by the Issuer, the Servicer, the Note Trustee and the Security Trustee;

**"Share Capital Account"** shall mean a specified bank account held in the name of the Issuer at Bank of Ireland;

**"Share Trustee"** shall mean Deutsche International Finance (Ireland) Limited or any successor or additional charitable trust company which from time to time wholly owns the entire issued share capital in the Issuer on trust for charitable purposes;

**"Signing Date"** shall mean 8 March 2011;

**"Specified Office"** shall mean, with respect to the Principal Paying Agent or any other Agent, an office of that person specified as such in or pursuant to the Agency Agreement;

**"Sub-Class"** shall mean the Class A-1 Notes or the Class A-2 Notes;

**"Subordinated Loan"** shall mean an interest-bearing amortising loan made by the Subordinated Loan Provider to the Issuer on the Note Issuance Date pursuant to the Auto Portfolio Purchase Agreement;

**"Subordinated Loan Provider"** shall mean Santander Consumer Bank AS;

**"Subscription Agreement"** shall mean an agreement dated on or about the Signing Date and entered into between the Issuer, the Joint Lead Managers and the Seller;

**"Subsidiary"** shall mean a subsidiary within the meaning of s1159 Companies Act 2006 or a subsidiary undertaking within the meaning of s1162 Companies Act 2006 of the United Kingdom;

**"Swap Counterparty"** shall mean Banco Santander, S.A.;

**"Talon"** shall mean a talon as attached to a Definitive Note for redemption for future Coupons or Receipts;

**"Temporary Global Note"** shall mean a Temporary Global Note representing the Class A Notes to be issued pursuant to Clause 5.1 (*Global Notes*) of the Note Trust Deed in each case in the form or substantially in the form set out in Part A of Schedule 1 (*Form of Temporary Global Note*) of the Note Trust Deed;

**"Transaction"** shall mean the transactions contemplated by the Transaction Documents;

**"Transaction Account"** shall mean a specified bank account held in the name of the Issuer at the Transaction Account Bank, as well as any other bank accounts specified as such by or on behalf of the Issuer or the Note Trustee in the future in addition to or as substitute for such Transaction Account in accordance with the Transaction Account Agreement and the Security Trust Deed;

**"Transaction Account Agreement"** shall mean an agreement dated the Note Issuance Date and entered into between the Issuer, the Transaction Account Bank, the Note Trustee, the Security Trustee and the Cash Administrator in relation to the Transaction Account, the Reserve Account and the Commingling Reserve Account;

**"Transaction Account Bank"** shall mean Deutsche Bank AG, London Branch and any successor or replacement calculation agent appointed from time to time in accordance with the Transaction Account Agreement;

**"Transaction Cost Fee"** shall mean an amount designated as such and payable by the Seller to the Purchaser from time to time on each Payment Date in accordance with the Auto Portfolio Purchase Agreement;

**"Transaction Documents"** shall mean the Auto Portfolio Purchase Agreement, the Servicing Agreement, the Norwegian Security Agreement, the Irish Security Deed, the Security Trust Deed, the Basis Swap Agreement, the Corporate Administration Agreement, the Transaction Account Agreement, the Issuer Collections Account Agreement, the Expenses Loan Agreement, the Note Trust Deed, the Agency Agreement, the Liquidity Facility Agreement, the Subscription Agreement and any amendments, supplements, terminations or replacements relating to any such agreement;

**"Transaction Secured Obligations"** shall mean the aggregate of all monies and liabilities which from time to time are or may become due or owing or payable, and all obligations and other actual or contingent liabilities from time to time incurred, by the Issuer to the Issuer Secured Parties under the Notes or the Transaction Documents and any other obligations expressed to be payable to Issuer Secured Parties pursuant to the Post-Enforcement Priority of Payments:

- (a) in whatever currency;
- (b) whether due, owing or incurred alone or jointly with others or as principal, surety or otherwise; and
- (c) including monies and liabilities purchased by or transferred to the relevant Issuer Secured Party,

but excluding any money, obligation or liability which would cause the covenant set out in Clause 2.1 (*Covenant to pay*) of the Security Trust Deed or the security which would otherwise be constituted by the Security Trust Deed to be unlawful or prohibited by any applicable law or regulation;

**"Transfer Agent"** shall mean Deutsche Bank AG, London Branch, and any successor or replacement transfer agent appointed from time to time in accordance with the Agency Agreement;

**"Transfer Date"** shall mean, with respect to any Collection Period, the date falling three Business Days before the immediately following Payment Date;

**"Used Vehicle"** shall mean any Financed Vehicle the date of purchase of which by the relevant Debtor was later than 12 months after the date of first registration of such Financed Vehicle; and

**"Weighted Average Loan Return"** shall mean, with respect to any Cut-Off Date or the related Collection Period, a percentage equal to (a) the sum of (i) the aggregate amount of Collections (other than Deemed Collections) on all Purchased Auto Loans (other than Defaulted Auto Loans) received during the Collection Period ending on such Cut-Off Date and attributable to interest on and fees related to such Purchased Auto Loans, plus (ii) the Capitalised Interest with respect to that Collection Period, divided by (b) the Average Aggregate Outstanding Loan Principal Amount for that Collection Period, times (c) 360 divided by the actual number of days in that Collection Period.

## SUMMARY OF PROVISIONS RELATING TO THE BEARER NOTES IN GLOBAL FORM

Each Sub-Class of the Bearer Notes will initially be represented by a Temporary Global Note which will be deposited on or around the Note Issuance Date with the Common Depositary. Each Temporary Global Note will be exchangeable in whole or in part for interests in a Permanent Global Note not earlier than 40 days after the Note Issuance Date upon certification as to non-U.S. beneficial ownership. No payments will be made under a Temporary Global Note unless exchange for interests in a Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Each Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**") in the denomination of NOK 1,000,000 or a higher integral multiple of NOK 1,000 each at the request of the bearer of the Permanent Global Note against presentation and surrender of the Permanent Global Note to the Principal Paying Agent if either of the following events occurs (each an "**Exchange Event**"):

- (a) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (b) any of the circumstances described in Condition 12 (*Events of Default*).

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Receipts, Coupons and Talons attached in an aggregate Note Principal Amount equal to the Note Principal Amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Principal Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

## OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS

### **Auto Portfolio Purchase Agreement**

On the Note Issuance Date, the Issuer will have purchased the Portfolio from the Seller in accordance with the Auto Portfolio Purchase Agreement and pursuant to the provisions of Chapter 2V of the Norwegian Financial Institutions Act ("FIA").

To be eligible for sale to the Issuer under the Auto Portfolio Purchase Agreement, the Portfolio and any part thereof will have to meet the eligibility criteria set out in "ELIGIBILITY CRITERIA" herein.

The offer by the Seller for the purchase of the Portfolio under the Auto Portfolio Purchase Agreement contains certain relevant information for the purpose of identification of the Portfolio. In the offer, the Seller has represented that certain representations and warranties with respect to the Portfolio were true and correct on the Purchase Date. Upon acceptance, the Issuer has acquired or purported to acquire the Portfolio and in respect of the relevant Loan Contracts unrestricted title to any and all outstanding Purchased Auto Loans arising under such Loan Contracts as from the Cut-Off Date immediately preceding the date of the offer (other than any Loan Instalments which have become due prior to or on such Cut-Off Date) together with all of the Seller's rights, title and interest in the Related Collateral in accordance with the Auto Portfolio Purchase Agreement. As a result, the Issuer has obtained the full economic ownership in the Portfolio, including principal and interest, and is free to transfer or otherwise dispose of the Portfolio, subject only to the contractual restrictions applying to the Purchased Auto Loans provided in the relevant Loan Contracts and the contractual agreements underlying the Related Collateral and all applicable laws.

If for any reason title to any part of the Portfolio has not been transferred to the Issuer, the Seller, upon receipt of the purchase price and without undue delay, is obliged to take all action necessary to complete and legally perfect such transfer. All Losses which the Issuer has incurred or will incur by taking additional measures due to any part of the Portfolio not being sold or transferred will be borne by the Seller.

The sale and assignment of the Auto Loans pursuant to the Auto Portfolio Purchase Agreement constitutes a sale without recourse. This means that the Seller will not bear the risk of the inability of any Debtors to pay the relevant Purchased Auto Loans.

### *Deemed Collections*

If certain events (see the definition of Deemed Collections in "CERTAIN DEFINITIONS — Deemed Collection") occur with respect to a Purchased Auto Loan, the Seller has undertaken to pay to the Issuer as a Deemed Collection the Outstanding Principal Amount (or the affected portion thereof) of any Purchased Auto Loan (plus accrued and unpaid interest). In accordance with the terms of the Auto Portfolio Purchase Agreement, in certain circumstances the receipt by the Issuer of a Deemed Collection will result in the relevant Purchased Auto Loan and Related Collateral related thereto being automatically re-assigned to the Seller on the next Payment Date following the payment of the Deemed Collection on a non-recourse or guarantee basis on the part of the Issuer. The costs of such assignment will be borne solely by the Seller.

As between the Seller and the Issuer, the risk that the amount owed by a Debtor on a Purchased Auto Loan is reduced due to set-off, counterclaim, discount or other credit in favour of such Debtor, has been retained by the Seller. To this end, the Seller will be deemed to receive an amount equal to the amount of such reduction, which will constitute a Deemed Collection and be payable by the Seller to the Issuer.

When the Seller is deemed to receive any Deemed Collections during any Collection Period, it will pay the amount of those Deemed Collections to the Seller Collections Account or, as applicable, the Issuer Collections Account on or before the Cut-Off Date for such Collection Period, for transfer to the Transaction Account on the immediately following Transfer Date.

### *Optional clean-up call*

If the Aggregate Outstanding Loan Principal Amount is less than 10% of the Aggregate Outstanding Note Principal Amount as of the Note Issuance Date, the Seller may, subject to certain requirements and prior notification to the FSAN, demand from the Issuer the resale and retransfer of all (but not part) of the outstanding Portfolio held by the Issuer.

Such resale and retransfer would occur on a Payment Date agreed upon by the Seller as repurchase date, be at the cost of the Seller and coincide with the early redemption of the Notes. See "NOTE CONDITIONS — Redemption — Early Redemption — clean-up call".

Such resale and retransfer would be for a repurchase price in an amount equal to the sum of (A) the then current Aggregate Outstanding Loan Principal Amount plus (B) any Deemed Collections owed by the Seller and other Collections received by the Seller, as Servicer, and not otherwise paid to the Issuer, plus (C) any interest on the Purchased Auto Loans accrued until and outstanding on such Payment Date (and not included in such Deemed Collections) and without any recourse against, or warranty or guarantee of, the Issuer. The repurchase and early redemption of the transaction will be excluded if the repurchase price determined by the Seller is not sufficient to fully satisfy the obligations of the Issuer under the Class A Notes together with all amounts ranking prior to the Class A Notes according to the Pre-Enforcement Priority of Payments. The Issuer will retransfer the Purchased Auto Loans (together with any Related Collateral) at the cost of the Seller to the Seller upon receipt of the full repurchase price and all other payments owed by the Seller or the Servicer under the Auto Portfolio Purchase Agreement or the Servicing Agreement. The Seller and the Purchaser acknowledge that the terms agreed for such repurchase represent arm's length commercial terms for transactions of this type.

#### *Subordinated Loan*

Pursuant to the Auto Portfolio Purchase Agreement, a credit facility was made available to the Issuer by the Seller as Subordinated Loan Provider. Pursuant to the terms of the Auto Portfolio Purchase Agreement, the Issuer has drawn amounts made available thereunder in one single drawdown on or before the Purchase Date which have been credited to the Reserve Account. The Issuer is not entitled to make any drawings thereunder after the Note Issuance Date. As of the Note Issuance Date, the outstanding amount of the Subordinated Loan is expected to amount to NOK 159,831,600.

The Seller will pay interest on the Subordinated Loan at a rate equal to the NIBOR plus an agreed margin, to the extent funds are available for such payment in accordance with the applicable Priority of Payments. To the extent any accrued interest is not paid on any Payment Date, that unpaid amount will be added to the principal amount of the Subordinated Loan.

Pursuant to the Auto Portfolio Purchase Agreement, the Issuer is under no obligation to pay any amounts under the Subordinated Loan unless the Issuer has received funds which may be used to make such payment in accordance with the Pre-Enforcement Priority of Payments or, after the delivery of an Enforcement Notice, the Post-Enforcement Priority of Payments.

#### *Servicing and Credit and Collection Policy*

The Auto Portfolio Purchase Agreement includes provisions for the Seller to act as Servicer with respect to the Portfolio in accordance with the Servicing Agreement and the Credit and Collection Policy. The Seller may change the Credit and Collection Policy from time to time provided that either (i) such change does not effect the Purchased Auto Loans or (ii) such change applies equally to Purchased Auto Loans and other Auto Loans and the Seller determines that such change would not be reasonably likely to have a material adverse effect on the validity or collectability of the Purchased Auto Loans.

#### *Applicable law and jurisdiction*

The Auto Portfolio Purchase Agreement will be governed by, and construed in accordance with, the laws of Norway.

#### **Servicing Agreement**

Pursuant to the Servicing Agreement between the Servicer, the Note Trustee, the Security Trustee and the Issuer as Purchaser, the Servicer has the right and duty to manage, service and administer the Portfolio, collect and, if necessary, enforce or otherwise realise the Purchased Auto Loans and foreclose on the Related Collateral and pay all proceeds to the Issuer.

### *Servicer's duties*

In respect of the Portfolio, the Servicer acts as manager, servicer and administrator of the Issuer under the Servicing Agreement. The duties of the Servicer include the assumption of managing, servicing, collection, administrative and enforcement tasks and specific duties in respect of the Portfolio set out in the Servicing Agreement (the "**Services**") and subject to applicable law.

Under the Servicing Agreement, the Servicer will, *inter alia*, in accordance with applicable law and in consideration of the Issuer's agreement to pay the Servicer Fee:

- pay any Collections received from the Debtors to the Issuer;
- endeavour at its own expense to recover amounts due from the Debtors in accordance with the Credit and Collection Policy, see "CREDIT AND COLLECTION POLICY". The Issuer will assist the Servicer in exercising all rights and legal remedies from and in relation to the Portfolio in this regard, as is reasonably necessary, yet will be reimbursed by the Servicer for any costs and expenses incurred in this regard;
- in the event of an enforcement of any Related Collateral following a termination of a Purchased Auto Loan, realise such Related Collateral or other existing collateral as soon as possible by taking such measures as it deems necessary in its professional discretion;
- be authorised to grant Payment Holidays to Debtors from time to time in accordance with the Credit and Collection Policy; provided the Servicer will not grant any Payment Holiday or any other extension of maturity of any Purchased Auto Loan which would cause the final maturity date of that Purchased Auto Loan to fall later than June 2023;
- from time to time use its reasonable efforts to give such notices to Debtors and take such other actions as may be required and within its control (subject to and in accordance with the relevant Loan Contracts and applicable laws) to reset or maintain interest rates on Purchased Auto Loans such that, as of each Cut-Off Date, (x) the Weighted Average Loan Return will not be less than (y) Average NIBOR with respect to that Cut-Off Date plus 3.0%;
- keep and maintain the Records on behalf of and for the account of the Issuer, in electronic or paper form and in a manner such that it is easily distinguishable from records relating to loans or collateral unrelated to the Portfolio;
- keep records for taxation purposes, including for the purposes of value-added tax;
- assist the Issuer in discharging any Related Collateral in respect of the relevant Purchased Auto Loan which has been fully repaid;
- assist the Issuer's auditors and provide information to them upon request;
- give instructions to the Transaction Account Bank and the Collections Account Bank for the investment in Permitted Investments of amounts on deposit from time to time in the Issuer Secured Accounts and the Issuer Collections Account; and
- for each collection period, prepare and deliver a Monthly Report and a Detailed Investor Report which shall, *inter alia*, contain updated information with respect to the Portfolio.

The Servicer will administer the Portfolio in accordance with the Credit and Collection Policy, in a manner consistent with its administration and enforcement of its own consumer loans and related collateral, subject to the provisions of the Servicing Agreement, the Loan Contracts, the security documents underlying the Related Collateral, the Auto Portfolio Purchase Agreement and applicable laws.

The Servicer will ensure that it has all required licences, approvals, authorisations, registrations and consents which are necessary or desirable for the performance of its duties under the Servicing Agreement.



Under the Servicing Agreement, the Servicer will be entitled to a fee as consideration for the performance of the Services. Any fees, costs, charges and expenses, indemnity claims and other amounts payable by the Servicer to any agents appointed by it under the Servicing Agreement will be reimbursed by the Issuer to the Servicer in accordance with the Servicing Agreement and the Pre- Enforcement Priority of Payments.

#### *Information and regular reporting*

The Servicer shall keep safe and use all reasonable endeavours to maintain records in relation to each Purchased Auto Loan in computer readable form. The Servicer will notify to the Issuer, the Note Trustee and the Rating Agencies any material change in its administrative or operating procedures relating to the keeping and maintaining of records. Any such material change requires the prior consent of the Issuer.

The Servicing Agreement requires the Servicer to prepare a Monthly Report for each Collection Period in the form and with the contents set out in Schedule 1 Part A (*Sample Monthly Report*) of the Servicing Agreement together with a certification that no Notification Event or Servicer Termination Event has occurred. In particular, but without limitation, the Servicer shall, as part of the Monthly Report, calculate as of each Cut-Off Date and the immediately following Payment Date the Available Distribution Amount. The Servicer shall deliver such Monthly Report to the Purchaser with a copy to the Note Trustee, Corporate Administrator, the Calculation Agent, the Cash Administrator and the Principal Paying Agent not later than 12:00 noon on the eighth Business Day prior to that Payment Date.

Further, in accordance with the Servicing Agreement, the Servicer will prepare, on a monthly basis, an investor report (each, a "**Detailed Investor Report**") for each Collection Period which it will provide to the Issuer, with a copy to the Corporate Administrator, the Note Trustee, the Cash Administrator, the Principal Paying Agent, the Calculation Agent and each Rating Agency no later than 12:00 noon on the second Business Day after the Payment Date following the Cut-Off Date on which such Collection Period ends.

#### *Back-up or replacement Servicer*

If a Servicer's Owner Downgrade 1 occurs, then (i) the Servicer shall (or, if the Seller is not the Servicer, the Seller shall), within 10 Business Days, deposit to the Commingling Reserve Account an amount equal to the Commingling Reserve Required Amount; and (ii) the Servicer will, within 10 Business Days, instruct the Collections Account Bank to transfer to the Issuer Collections Account within one Oslo Banking Day after receipt (or, in the case of exceptional circumstances causing an operational delay in the transfer, within three Oslo Banking Days after receipt) any and all Collections received from time to time in the Seller Collections Account.

If as of any Cut-Off Date the amount standing to the credit of the Commingling Reserve Account exceeds the Commingling Reserve Required Amount, then an amount equal to such excess shall be released to the Servicer (or the Seller as applicable) on the immediately following Payment Date. If, on and after the occurrence of a Servicer Termination Event of the type described in paragraph (d) of the definition of that term, the Servicer (or the Seller as applicable) holds any Collections, the Calculation Agent, pursuant to the Agency Agreement, and the Note Trustee will treat an equivalent amount of the funds standing to the credit of the Commingling Reserve Account as part of the Available Distribution Amount. On the Discharge Date or, if earlier, on the first Business Day falling not less than two months following the earlier of (i) the date of any notice given to the Debtors to make payments on Purchased Auto Loans to the Issuer Collections Account and (ii) the appointment of a substitute servicer on a Servicer Termination Event, any amount standing to the credit of the Commingling Reserve Account shall be released to the Servicer (or the Seller, as applicable).

If a Notification Event occurs, the Issuer will, or will require the Servicer to, send notices to the Debtors directing them to make payments on Purchased Auto Loans to the Issuer Collections Account and no longer to the Seller Collections Account, and (b) the Issuer will, within ten Business Days, appoint as back-up servicer a person qualified to replace the Seller as Servicer in accordance with the Servicing Agreement if a Servicer Termination Event occurs.

If a Servicer Termination Event occurs, the Issuer may terminate the appointment of the Seller as Servicer and appoint a qualified person as replacement Servicer; provided that the termination shall not become effective until the qualified successor Servicer has been appointed.

### *Applicable law and jurisdiction*

The Servicing Agreement, and all non-contractual obligations arising out of or in connection with it, will be governed by the laws of England. The courts of England will have exclusive jurisdiction to settle any disputes that may rise in connection therewith.

### **Security Trust Deed**

On the Note Issuance Date, the Issuer and the Security Trustee, among others, will enter into the Security Trust Deed. As continuing security for the payment and discharge of the Transaction Secured Obligations the Issuer will create in favour of the Security Trustee, for itself and on trust for the other Issuer Secured Parties, in accordance with the Security Trust Deed:

- (a) an assignment with full title guarantee all of its rights under the Assigned Documents;
- (b) a first fixed charge over the rights, amounts, benefits and securities standing to the credit, or deposited in, the Transaction Account, the Commingling Reserve Account and the Reserve Account and the indebtedness represented by them; and
- (c) a first floating charge with full title guarantee over the whole of the Issuer's undertaking and all of its property, assets and rights whatsoever and wheresoever present and future (other than amounts standing to the credit of, or deposited in, the Share Capital Account).

Each of the Issuer Secured Parties (other than the Security Trustee and Noteholders) will agree to be bound by the provisions of the Security Trust Deed and, in particular, will agree to be bound by the Priority of Payments and the limited recourse and non-petition provisions set out within.

The Secured Assets shall be available to satisfy the Issuer's obligations under the Notes. Accordingly, recourse against the Issuer in respect of such obligations shall be limited to the Secured Assets and the claims of the Issuer Secured Parties against the Issuer under the Transaction Documents may only be satisfied to the extent of the Secured Assets. Once the Secured Assets has been realised:

- (a) neither the Security Trustee nor any of the Issuer Secured Parties shall be entitled to take any further steps or other action against the Issuer to recover any sums due but unpaid;
- (b) all claims in respect of any sums due but unpaid shall be extinguished; and
- (c) neither the Secured Trustee nor any of the Issuer Secured Parties shall be entitled to petition or take any other step for the winding up of the Issuer.

The Secured Assets shall become enforceable in accordance with the Note Conditions.

### *Applicable law and jurisdiction*

The Security Trust Deed, and all non-contractual obligations arising out of or in connection with it, will be governed by the laws of England. The courts of England will have exclusive jurisdiction to settle any disputes that may rise in connection therewith.

### **Norwegian Security Agreement**

On the Note Issuance Date the Issuer, the Security Trustee and the Note Trustee will enter into the Norwegian Security Agreement. As continuing security for the payment and discharge of the Transaction Secured Obligations the Issuer will pledge certain of its assets and rights, including all monetary rights conferred upon it pursuant to the Auto Portfolio Purchase Agreement, in favour of the Security Trustee (on behalf of itself and the Issuer Secured Parties), in accordance with the Norwegian Security Agreement:

- (a) first priority over any and all current and future receivables under Purchased Auto Loans;

- (b) a first priority over any and all auto chattel mortgages (*salgs pant*) established in connection with the Purchased Auto Loans;
- (c) first priority over any and all current and future claims relating to guarantees, insurances or other rights granted by third parties as security for Purchased Auto Loans;
- (d) a first priority over any and all current and future claims relating to any other security right(s) established over, or in connection with, the Purchased Auto Loans;
- (e) a first priority over any and all current or future claims against Santander Consumer Bank AS under the Auto Portfolio Purchase Agreement and the Servicer Agreement.
- (f) a first priority over the Issuer Collections Account.

#### *Applicable law and jurisdiction*

The Norwegian Security Agreement will be governed by the laws of Norway.

#### **Irish Security Deed**

Pursuant to the Irish Security Deed, the Issuer has granted a first priority security interest over all its rights, powers and interest under the Corporate Administration Agreement. Such security interest will secure the Transaction Secured Obligations. The Irish Security Deed is governed by the laws of Ireland.

#### **Expenses Loan Agreement**

Santander Consumer Finance S.A. will make available to the Issuer under the Expenses Loan Agreement an interest-bearing amortising Expenses Loan (the "**Expenses Loan**") which is not credit-linked to the Portfolio and will, subject to certain conditions, be disbursed on the Note Issuance Date to provide the Issuer with the funds necessary to pay certain amounts payable on the Note Issuance Date under the Transaction Documents (including, without limitation, the fees, costs and expenses payable on the Note Issuance Date to the Joint Lead Managers and to other parties in connection with the offer and sale of the Notes) and certain other costs. The Seller will pay the Issuer a fee (the "**Transaction Cost Fee**") on each Payment Date in accordance with the Auto Portfolio Purchase Agreement. The Transaction Cost Fee will not form part of the Available Distribution Amount. The Expenses Loan will be repaid in twenty-four (24) instalments on each Payment Date following the Note Issuance Date. All payment obligations of the Issuer under the Expenses Loan constitute limited obligations to pay out only the amounts received by the Issuer from time to time in respect of the Transaction Cost Fee under the Auto Portfolio Purchase Agreement.

#### *Applicable law and jurisdiction*

The Expenses Loan Agreement, and all non-contractual obligations arising out of or in connection with it, will be governed by, and construed in accordance with, the laws of England. The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection therewith.

#### **Basis Swap Agreement**

The interest rate payable by the Issuer with respect to the Notes is calculated as the sum of NIBOR and a margin as set out in the Note Conditions. The Loans bear interest at rates which may be different from NIBOR. The Issuer has hedged this interest rate basis exposure by entering into the Basis Swap Agreement with the Swap Counterparty.

Under the Basis Swap Agreement, on each Payment Date the Issuer will make payments to the Swap Counterparty based on a floating rate (the "**Weighted Average Loan Return**") corresponding to the weighted average rate of return on principal (based on actual interest and fee Collections and Capitalised Interest divided by principal) with respect to the Purchased Auto Loans (other than Defaulted Auto Loans), applied to the arithmetic average of the Aggregate Outstanding Loan Principal Amounts as of the most recent Cut-Off Date and as of the next preceding Cut-Off Date (the "**Calculation Amount**") and the Swap Counterparty will pay a floating rate equal to NIBOR as set by the Swap Counterparty in respect of the Interest Period immediately preceding such Payment Date, plus a margin equal to (i) 2.8% plus (ii) the weighted average of the Class A

margin and the Class B margin (weighted according to the Class A Principal Amount and the Class B Principal Amount) applied to the same Calculation Amount. Payments under the Basis Swap Agreement will be made on a net basis. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Basis Swap Agreement".

The Basis Swap Agreement will also provide for limited deferral in whole or part of payments otherwise due by the Issuer to the Swap Counterparty on a Payment Date in the unlikely event that, due to Payment Holidays, the Available Distribution Amount on that Payment Date would be less than the amount needed to make such payments otherwise due. In such event, the Swap Counterparty will still be obligated to make the corresponding payment due from the Swap Counterparty to the Issuer based on NIBOR. After any such deferral, the Issuer will be obligated to pay to the Swap Counterparty on the next Payment Date or any following Payment Date, to the extent of the Available Distribution Amount available for such purpose, the deferred amount and interest on the deferred amount at NIBOR for the period during which it was outstanding.

Pursuant to the Basis Swap Agreement, if and so long as the short-term or long-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty are assigned a rating lower than the Required Ratings (as defined below) or any such Required Rating is withdrawn by any Rating Agency, then the Swap Counterparty will be obliged, within fourteen (14) calendar days, at its own cost, to post collateral for its obligations in accordance with the provisions of the Credit Support Annex, and in addition, will be obliged, within thirty (30) calendar days, at its cost, to either (i) obtain a guarantee of its obligations under the Basis Swap Agreement from a third party with the Required Ratings; (ii) transfer all of its rights and obligations under the Basis Swap Agreement to a third party with the Required Ratings or (iii) take such other actions as a result of which the Class A Notes will be rated by the Rating Agencies at the same level as immediately prior to such event.

Failure by the Swap Counterparty to comply with any of the aforementioned requirements will constitute a reason for termination by the Issuer of the Basis Swap Agreement in accordance with the conditions thereof. Where the Swap Counterparty provides collateral in accordance with the provisions of the Credit Support Annex, such collateral or interest thereon will not form part of the Available Distribution Amount (other than collateral amounts applied in satisfaction of termination payments due to the Issuer following the designation of an early termination date under the Basis Swap Agreement). See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Basis Swap Agreement" and "THE SWAP COUNTERPARTY".

Where the Swap Counterparty provides collateral in accordance with the provisions of the Credit Support Annex, such collateral or interest thereon will not form part of the Available Distribution Amount (other than enforcement proceeds from such collateral applied in satisfaction of termination payments due to the Issuer following the designation of an early termination date under the Basis Swap Agreement).

The Basis Swap Agreement, and all non-contractual obligations arising out of or in connection with it, are governed by English law. Pursuant to the Security Trust Deed, the Issuer has created security in favour of the Security Trustee in all its present and future rights, claims and interests which the Issuer is now or becomes hereafter entitled to pursuant to or in respect of the Basis Swap Agreement (see "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS - Security Trust Deed").

### **Agency Agreement**

On the Note Issuance Date, the Issuer and the Note Trustee will enter into the Agency Agreement with the Principal Paying Agent, Calculation Agent, Cash Administrator, the Registrar and the Transfer Agent. The Principal Paying Agent, the Registrar, the Transfer Agent and the Calculation Agent are appointed by the Issuer, and in certain circumstances as set out in the Agency Agreement, by the Note Trustee, to act as their agent to make certain calculations, determinations and to effect payments in respect of the Notes. In addition, the Cash Administrator is appointed by the Issuer and in certain circumstances as set out in the Agency Agreement, the Note Trustee under the Agency Agreement to also act as their agent in providing certain cash management services such as (i) verifying the calculations undertaken by the Servicer relating to the payments to be effected on each Payment Date in accordance with the Transaction Documents, (ii) providing the Transaction Account Bank with payment instructions on behalf of the Issuer required to effect payments in respect of the Notes and (iii) to calculate the Available Distribution Amount if the Servicer should fail to do so along with any other payments in accordance with the Transaction Documents on each Payment Date.

The Cash Administrator shall, in addition, make available the Detailed Investor Report provided to it by the Servicer publicly available on its website <https://tss.sfs.db.com> and by posting it on Bloomberg without undue delay. The Cash Administrator will also prepare and provide, on a monthly basis, a payment report which relates to the envisaged payments to be effected on the immediately succeeding Payment Date in accordance with the Transaction Documents to the Issuer with copies to the Corporate Administrator, the Note Trustee, the Security Trustee, the Calculation Agent and the Rating Agencies no later than on the third Business Day prior to the Payment Date to which such payment report relates. The functions, rights and duties of the Cash Administrator, the Principal Paying Agent, the Registrar, the Transfer Agent and the Calculation Agent are set out in the Note Conditions as well as the Agency Agreement.

The Agency Agreement provides that the Issuer may terminate the appointment of any Agent with regard to some or all of its functions with the prior written consent of the Note Trustee upon giving such Agent not less than thirty (30) calendar days' prior notice.

Any Agent may at any time resign from its office by giving the Issuer and the Note Trustee not less than thirty (30) calendar days' prior notice, provided that at all times there shall be a Principal Paying Agent, a Calculation Agent, a Registrar, a Transfer Agent and a Cash Administrator appointed as long as the Notes are outstanding. Any termination of the appointment of any Agent and any resignation of such Agent shall only become effective upon the appointment in accordance with the Agency Agreement of one or more banks or financial institutions as replacement agent(s) in the required capacity. The right to termination or resignation for good cause will remain unaffected. If no replacement agent is appointed within twenty (20) calendar days of any Agent's resignation, then such Agent may itself, appoint such replacement agent in the name of the Issuer.

#### *Applicable law and jurisdiction*

The Agency Agreement, and all non-contractual obligations arising out of or in connection with it, will be governed by the laws of England. The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection therewith.

#### **Note Trust Deed**

On the Note Issuance Date the Issuer and the Note Trustee will enter into the Note Trust Deed. Under the terms of the Note Trust Deed, the Issuer and the Note Trustee will agree that the Notes are subject to the provisions of the Note Trust Deed. The Note Conditions and the forms of the Notes are set out in the Note Trust Deed.

The Note Trustee will agree to hold the benefit of the Issuer's covenant to repay on trust for the Noteholders in accordance with the Note Trust Deed.

The Note Trustee shall hold the benefit of the Issuer's covenant to repay principal and interest on the Notes from time to time on the terms of the Note Conditions and the Note Trust Deed and shall apply all payments, recoveries or receipts in respect of such covenant in accordance with the Note Conditions and the Note Trust Deed.

In accordance with the terms of the Note Trust Deed, the Issuer will pay a fee to the Note Trustee for its services under the Note Trust Deed at the rate and times agreed between the Issuer and the Note Trustee together with payment of any liabilities incurred by the Note Trustee in relation to the Note Trustee's performance of its obligations under the Note Trust Deed.

The Note Trustee may from time to time retire at any time upon giving not less than three calendar months' notice in writing to the Issuer without assigning any reason therefor. The retirement of the Note Trustee shall not become effective unless, inter alia, a successor to the Note Trustee has been appointed (being a trust corporation) in accordance with the Note Trust Deed. A trust corporation may be appointed sole trustee under the Note Trust Deed, otherwise there shall always be two trustees one of which must be a trust corporation.

#### *Applicable law and jurisdiction*

The Note Trust Deed, and all non-contractual obligations arising out of or in connection with it, will be governed by the laws of England. The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection therewith.

## **Subscription Agreement**

The Issuer, the Seller and the Joint Lead Managers have entered into a Subscription Agreement under which the Joint Lead Managers have agreed, subject to certain conditions, to subscribe and pay for or, on a best efforts basis, to procure subscription of, the Notes.

The Joint Lead Managers have the right to all costs and expenses and certain representations, warranties and indemnities from the Issuer. See "SUBSCRIPTION AND SALE".

## **Corporate Administration Agreement**

Pursuant to a Corporate Administration Agreement the Corporate Administrator provides certain corporate and administrative functions to the Issuer. Such services to the Issuer include, *inter alia*, acting as secretary of the Issuer, keeping the corporate records, convening director's meetings, provision of registered office facilities and suitable office accommodation, preparing and filing all statutory and annual returns, preparing the financial statements and performing certain other corporate administrative services against payment of a fee.

The Corporate Administration Agreement is governed by the laws of Ireland. Pursuant to the Irish Security Deed, the Issuer has granted a first priority security interest over all its rights, powers and interest under the Corporate Administration Agreement (see "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Irish Security Deed").

The Corporate Administration Agreement provides that the agreement can be terminated by ten (10) days written notice following the occurrence of an event of default thereunder and by either party giving sixty (60) days notice to the other for termination without cause or following a change of law. Any termination of the appointment of the Corporate Administrator will only become effective upon, *inter alia*, the appointment in accordance with the Corporate Administration Agreement of a successor corporate administrator which is a bank, financial services institution or auditing firm of recognized standing in Ireland.

## **Transaction Account Agreement**

On the Note Issuance Date the Issuer and the Transaction Account Bank, among others, will enter into the Transaction Account Agreement. Under the terms of the Transaction Account Agreement the Transaction Account Bank is appointed by the Issuer and to perform certain duties as set out in the agreement in addition to opening and maintaining the Transaction Account, the Reserve Account and the Commingling Reserve Account in the name of the Issuer.

If at any time a Ratings Downgrade has occurred, then the Issuer shall use reasonable endeavours to procure that, within 30 calendar days, the Issuer Secured Accounts and all of the funds standing to the credit of the Issuer Secured Accounts are transferred to another bank or banks who meet the Required Ratings (which bank shall be notified in writing by the Issuer to the Transaction Account Bank and approved in writing by the Note Trustee); the appointment of the Transaction Account Bank shall terminate on the date on which the appointment of the new transaction account bank becomes effective and the new transaction account bank has entered into a Transaction Account Agreement and acceded to the Security Trust Deed.

The Transaction Account Bank shall promptly give written notice to the Issuer, the Cash Administrator, the Corporate Administrator and the Note Trustee of any Ratings Downgrade applicable to it.

### *Applicable law and jurisdiction*

The Transaction Account Agreement, and all non-contractual obligations arising out of or in connection with it, will be governed by and construed in accordance with the laws of England. The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection therewith.

## **Issuer Collections Account Agreement**

On the Note Issuance Date the Issuer and the Collections Account Bank, among others, will enter into the Issuer Collections Account Agreement. Under the terms of the Issuer Collections Account Agreement the Collections Account Bank is appointed by the Issuer and to perform certain duties as set out in the agreement in addition to opening and maintaining the Issuer Collections Account in the name of the Issuer.

If at any time a Ratings Downgrade has occurred, then the Issuer shall use reasonable endeavours to procure that, within 30 calendar days, the Issuer Collections Account and all of the funds standing to the credit of the Issuer Collections Account are transferred to another bank or banks who meet the Required Ratings (which bank shall be notified in writing by the Issuer to the Collections Account Bank and approved in writing by the Note Trustee); the appointment of the Collections Account Bank shall terminate on the date on which the appointment of the new transaction account bank becomes effective and the new transaction account bank has entered into an Issuer Collections Account Agreement and acceded to the Security Trust Deed.

The Collections Account Bank shall promptly give written notice to the Issuer, the Cash Administrator, the Corporate Administrator and the Note Trustee of any Ratings Downgrade applicable to it.

#### *Applicable law and jurisdiction*

The Issuer Collections Account Agreement will be governed by, and construed in accordance with, the laws of Norway.

#### **Liquidity Facility Agreement**

Pursuant to the Liquidity Facility Agreement dated on or about the Note Issuance Date between the Issuer, the Note Trustee, the Calculation Agent and the Liquidity Facility Provider, the Liquidity Facility Provider has agreed to provide liquidity support in a maximum amount of NOK 319,663,200 in the event that the Available Distribution Amount with respect to any Payment Date (excluding the amount to be drawn down under the Liquidity Facility Agreement) would not be sufficient to make the payments falling due on that Payment Date under items *first* to *sixth* to of the Pre-Enforcement Priority of Payments, including any amounts due and payable by the Issuer on that Payment Date in respect of interest on the Class A Notes. In particular, subject to the terms of the Liquidity Facility Agreement, the Liquidity Facility Provider has agreed to credit to the Transaction Account, on the second Business Day immediately preceding any Payment Date in relation to which the Calculation Agent has notified the Liquidity Facility Provider of a shortfall in funds sufficient to make such payments on that Payment Date, an amount equal to such shortfall.

All amounts drawn down under the Liquidity Facility Agreement and not yet reimbursed will accrue interest in favour of the Liquidity Facility Provider at a rate per annum equal to NIBOR plus a margin equal to 0.78%, calculated on and Actual/360 basis.

The Liquidity Facility Provider will receive a commitment fee equal to 0.50% of the maximum amount set out above, payable in arrear on the Payment Date immediately following each anniversary of the Liquidity Facility Agreement in accordance with the applicable Priority of Payments.

If, at any time, a Ratings Downgrade has occurred in respect of the Liquidity Facility Provider, then the Liquidity Facility Provider undertakes to the Issuer that it shall either (a) assign or transfer all its rights, benefits and obligations under the Liquidity Facility Agreement to a bank or financial intermediary duly passported to perform banking activities in Ireland provided that the relevant assignee (i) meets the applicable Required Ratings, (ii) enters into a liquidity facility agreement on substantially the same terms as the Liquidity Facility Agreement and (iii) accedes to the Security Trust Deed all by no later than 30 calendar days from the date on which the Ratings Downgrade took place if the Liquidity Facility provider fails to provide Cash Collateral, or (b) deposit an amount equal to the Available Facility into the Transaction Account by no later than 14 calendar days from the date on which the Ratings Downgrade took place. The Liquidity Facility Provider may take any of these actions without the prior written consent of either the Issuer and/or the Note Trustee.

The Liquidity Facility Agreement, and all non-contractual obligations arising out of or in connection with it, will be governed by and construed in accordance with the laws of England. The courts of England will have exclusive jurisdiction to settle any disputes that may arise out of or in connection therewith.

## DESCRIPTION OF THE PORTFOLIO

The Portfolio consists of the Purchased Auto Loans under the Loan Contracts and the Related Collateral, originated by the Seller pursuant to the Credit and Collection Policy. See "CREDIT AND COLLECTION POLICY".

The Notes are backed by the Purchased Auto Loans made to finance (i) motor vehicles (*motorvogn*) as defined in the Norwegian Road Traffic Act 1965 (including but not limited to cars, light commercial vehicles, motor homes and motor cycles), and (ii) other vehicles (*kjøretøy*) as defined in the Norwegian Road Traffic Act 1965 (including but not limited to caravans). The Purchased Auto Loans may be secured by auto chattel mortgages (*salgs pant*), may have the benefit of (i) any applicable and assignable type of vehicle insurance (comprehensive, collision, medical insurance etc.) (where the Seller has been named as Issuer Secured Party in respect of those claims), and (ii) credit protection insurance policies relating to the debtor's debt to Santander, and may have the benefit of any guarantees provided (in a small number of cases) by third parties (such security and other benefits, together with other related rights and proceeds, the "**Related Collateral**") (provided, however, that the term Related Collateral only includes such collateral which can be legally and validly assigned).

The Portfolio constituted approximately NOK 11.3 billion of total net outstandings as at end December 2010.

Typical Auto Loan duration terms at point of origination are between 4-8 years (weighted average term at origination for the proposed securitisation portfolio is 78 months), but prepayments typically result in an effective duration of between 2-3 years. The weighted average down payment on loans (equity) for loans within the proposed securitisation portfolio is 16%.

The Issuer will not acquire any auto loans or collateral from the Seller other than the Portfolio.

The Portfolio consists of (i) Purchased Auto Loans evidenced by non-negotiable promissory notes (*enkelt gjeldsbrev*) executed by certain debtors as borrowers (the "**Debtors**") for the purpose of financing the acquisition of the Financed Vehicles (the "**Loan Contracts**"), and (ii) the Related Collateral.

For approximately 19% of the Purchased Auto Loans (as at 31 December 2010), the Debtors have taken out credit protection insurance (the "**CPI Policies**") sold by the Seller and underwritten by certain insurance companies (the "**CPI Insurers**"). The agreements between the Seller and the CPI Insurers provide that the Seller, subject to certain conditions, may be entitled to a payment from the CPI Insurers if an insured Debtor dies. The Seller's claim in the event of a Debtor's death is a contingent monetary claim which can be assigned by way of ownership to the Issuer. Such assignment is perfected against the Seller's creditors by notifying the relevant CPI Insurer. Further, the assignment is perfected against third party creditors of the Debtors by notifying the relevant Debtor. Such notifications have been issued to both the CPI Insurers and the Debtors.

Some CPI Policies provide for a single, up-front premium payment. The Seller has financed such up-front premium payments by granting the Debtors a separate credit which has been included in the principal amount of the relevant Auto Loan. Where such a credit is included in the Principal Amount of a Purchased Auto Loan, the Debtor's corresponding payments in respect of the CPI Policy premium will be Collections. Upon a Debtor's early termination of the CPI Policy, the Debtor may be entitled to a partial or full refund of the CPI Policy premium depending on the circumstances. In such cases, the Seller will reduce the Outstanding Loan Principal Amount accordingly. Accordingly, the Outstanding Principal Amount of Purchased Auto Loans could be reduced as a result of Debtor early terminations of CPI Policies. However, it is expected that the aggregate portions of the Principal Amounts of the Purchased Auto Loans corresponding to such up-front premium payments are (as at 31 December 2010) 1.1% of the aggregate Principal Amount of all Purchased Auto Loans, and this amount has been taken into account in calculating the initial principal amount of the Class B Notes.

The Portfolio will be assigned and transferred to the Issuer on the Note Issuance Date pursuant to the Auto Portfolio Purchase Agreement.

The Aggregate Outstanding Loan Principal Amount as at the close of business (in Oslo, Norway) on 31 December 2010 was NOK 11,272,179,467.

The Seller has made the following representations and warranties with respect to the Portfolio under the Auto Portfolio Purchase Agreement to the Issuer:



- (a) On the Purchase Date each of the Purchased Auto Loans offered for purchase is an Eligible Auto Loan.
- (b) All the Loan Contracts and the contracts relating to the Related Collateral are legally valid, binding, enforceable and assignable and that all Loan Contracts and the contracts relating to the Related Collateral were entered into with respect to a Financed Vehicle registered in Norway.
- (c) There exists in respect of each Purchased Auto Loan the Related Collateral contemplated in the relevant Loan Contract and set out in the Auto Portfolio Purchase Agreement.
- (d) In the event that it is agreed in the relevant Loan Contracts that a credit insurance policies will be entered into, the respective Debtors have entered into credit insurance policies for the relevant Financed Vehicles. The Seller will, upon request of the Issuer, prove the existence of any such credit insurance and the compliance with any relevant notification or consent requirement applying to the assignment thereof to the Issuer under the Auto Portfolio Purchase Agreement.
- (e) Upon the payment of the purchase prices for the Portfolio on the Purchase Date under the Auto Portfolio Purchase Agreement the Issuer will acquire the ownership of each Purchased Auto Loan assigned on the Purchase Date and the Related Collateral free and clear of any Adverse Claim.

## ELIGIBILITY CRITERIA

As of the Purchase Date, the following criteria (the "**Eligibility Criteria**") must have been satisfied by the Auto Loans to be eligible for acquisition by the Issuer pursuant to the Auto Portfolio Purchase Agreement.

An Auto Loan is an Eligible Auto Loan if it and any part thereof meets the following conditions as of the Purchase Date:

1. The Auto Loan:
  - (a) was originated in the ordinary course of business of the Seller in accordance with the Credit and Collection Policy;
  - (b) is denominated and payable in Norwegian kroner;
  - (c) arose under a Loan Contract that has not been terminated and which on the Purchase Date has a remaining term to final maturity of not less than three months and a scheduled final maturity date after 30 April 2011 but not later than 31 December 2020;
  - (d) bears interest calculated at a floating rate and payable monthly; and
  - (e) is fully amortising by payment of monthly instalments of principal and interest as to which (i) all instalments of principal and interest will have approximately equal amounts (except for the first instalment and in the case of Balloon Loans, the last instalment), or (ii) the principal portion of all instalments will be approximately equal and the interest portions and total amounts of instalments may vary from month to month.
2. The Auto Loan exists and constitutes legally valid, binding and enforceable obligations of the respective Debtor and is not subject to any right of revocation, set-off or counter-claim or warranty claims of the Debtor or any other right of objection, irrespective of whether the Issuer knew or could have known of the existence of objections, defences or counter-claims.
3. The Auto Loan and Related Collateral may be segregated and identified at any time for purposes of ownership in the electronic files of the Seller and such electronic files and the relating software is able to provide the information to be included in the offer with respect to such Auto Loans and Related Collateral pursuant to the Auto Portfolio Purchase Agreement.
4. The Auto Loan is not, as of the Purchase Date (with respect to any Loan Instalments under the relevant Loan Contract), a Delinquent Auto Loan.
5. The Auto Loan is not, as of the Purchase Date, a Defaulted Auto Loan or Disputed Auto Loan, and in particular the Debtor has not yet terminated or threatened to terminate the relevant Loan Contract, in each of the foregoing cases with respect to any Loan Instalment under the relevant Loan Contract.
6. The Auto Loan is payable by a Debtor which is not the Debtor of any Auto Loan which has been declared due and payable in full in accordance with the Credit and Collection Policy of the Servicer.
7. No breach of any obligation under any agreement (except for the obligation to pay) of any party exists with respect to the Auto Loan, the Seller has fully complied with its obligations under the Loan Contract and the supplier of the Financed Vehicle has fully complied with its obligations under the relevant supply contract and any other relevant agreement with the Debtor and no warranty claims of the Debtor exist against such supplier under the relevant supply contract or other agreement.
8. To the extent necessary, the Debtor has either explicitly or tacitly consented to the transfer of the Auto Loan and the Related Collateral by way of assignment to the Purchaser. The Seller has notified each of the Debtors, before the Purchase Date, that it proposed to transfer the relevant Purchased Auto Loan and Related Collateral to the Purchaser and that the Purchaser would then pledge them to the Security Trustee, and has notified or will have notified each of the Debtors, on or promptly following the Purchase Date, that such transfer and pledge have been done.

9. The Auto Loan is a claim which can be transferred by way of assignment without the consent of any related Guarantor (if any) or any other third party (or if any such consent is required, it has been obtained).
10. Until the sale of such Auto Loan by the Seller to the Issuer on the Purchase Date, such Auto Loan is owned by the Seller free of any Adverse Claims, the Seller is entitled to dispose of such Auto Loan and the Related Collateral free of any rights of any third party (other than any rights to consent where the required consent has been obtained), and such Auto Loan and the Related Collateral have not been assigned to any third party.
11. Upon acceptance of the offer for the purchase of such Auto Loan as contemplated in the Auto Portfolio Purchase Agreement, the Auto Loan and any Related Collateral will have been validly transferred to the Issuer and the Issuer will acquire such Auto Loan and Related Collateral title unencumbered by any counterclaim, set-off right, other objection and Adverse Claims (other than any rights and claims of the Debtor pursuant to statutory law or the related Loan Contract).
12. The Auto Loan has been documented in a set of documents which designates the Financed Vehicle, the acquisition costs thereof, the related Debtor, the Loan Instalments, the applicable interest rate (or the initial interest rate and any provision for adjustment), the initial due dates and the term of the Loan Contract. The relevant Loan Contract is substantially in the form of one of the form documents listed in a schedule the Auto Portfolio Purchase Agreement or another form substantially similar in all material respects.
13. Subject to the effect of any failure to comply with the minimum cash down payment requirements (*forskrifter om minste kontantinnsats*) contained in the Norwegian Finance Agreement Act 1999 (as amended) and the Credit Agreement Regulations 2010), the Auto Loan has been created in compliance with all applicable laws, rules and regulations (in particular with respect to consumer protection and data protection) and all required consents, approvals and authorisations have been obtained in respect thereof and neither the Seller nor the Debtor is in violation of any such law, rule or regulation.
14. The Auto Loan is subject to and governed by Norwegian law.
15. At least 1 (one) due Loan Instalment has been fully paid for the Auto Loan prior to the Purchase Date.
16. No Principal Payments due under the Loan Contract relating to the Auto Loan have been deferred except for:
  - (a) any Payment Holiday granted in accordance with the Credit and Collection Policy; and
  - (b) any Auto Loan previously having been a Delinquent Auto Loan if such Auto Loan is not a Delinquent Auto Loan on the Purchase Date.
17. The purchase of the Auto Loan would not have the result, when aggregated with all other Purchased Auto Loans, of causing the Portfolio not to comply (or increasing the degree to which the Portfolio would not comply) with any of the following requirements as of the Purchase Date:
  - (a) the sum of the Principal Amounts of the Purchased Auto Loans owed by any one Debtor does not exceed NOK 9,358,125;
  - (b) the weighted average interest rate of Purchased Auto Loans is at least equal to 6.5%;
  - (c) the weighted average remaining months to maturity of the Loan Contracts relating to all Purchased Auto Loans does not exceed 61 months;
  - (d) the sum of the Principal Amounts of the Purchased Auto Loans which relate to Financed Vehicles that are Used Vehicles does not exceed 71% of the sum of the Principal Amounts of all Purchased Auto Loans;

- (e) the sum of the Principal Amounts of all Purchased Auto Loans which are Balloon Loans does not exceed 3% of the sum of the Principal Amounts of all Purchased Auto Loans; and
  - (f) the sum of the Principal Amounts of all the Purchased Auto Loans owed by Debtors that are corporate entities (*selskap*) does not exceed 9% of the sum of the Principal Amounts of all Purchased Auto Loans.
18. The Auto Loan is due from a Debtor who is:
- (a) either a private individual resident in Norway, a self-employed individual (*selvstendig næringsdrivende*) resident in Norway, or a corporate entity (*selskap*) registered in Norway.
  - (b) is not insolvent or bankrupt and against whom no proceedings for the commencement of Insolvency Proceedings are pending in any jurisdiction.
  - (c) not an employee, officer or an Affiliate of the Seller.
19. The Debtor is not entitled to draw down any further amounts on the Auto Loan.
20. The Debtor does not have any deposit account with the Seller.
21. The Auto Loan is secured by an auto chattel mortgage (*salgspant*) (provided that if such chattel mortgage has been in place for more than five years it cannot be enforced).

## INFORMATION TABLES REGARDING THE PORTFOLIO

The following statistical information sets out certain characteristics of the Purchased Auto Loans as of 31 December 2010. The information set out below in respect of the provisional Portfolio may not necessarily correspond to that of the Purchased Auto Loans as of the Note Issuance Date. After the Note Issuance Date, the Portfolio will change from time to time as a result of repayment, prepayments or repurchase of Purchased Auto Loans.

### 1. POOL SUMMARY

As of 31 December 2010	TOTAL	NEW	USED
# of loans	81 262	18 983	62 279
total outstanding balance	11 272 179 467	3 545 273 019	7 726 906 448
min outstanding balance	10 002	10 017	10 002
max outstanding balance	3 791 203	3 791 203	2 113 200
avg outstanding balance	138 714	186 760	124 069
min interest rate (%)	1.0 %	2.1 %	1.0 %
max interest rate (%)	16.8 %	16.8 %	16.8 %
WA interest rate (%)	6.9 %	6.6 %	7.0 %
min original terms	3	6	3
max original terms	120	120	120
WA original terms	77.5	83.3	74.8
min months to maturity	3	3	3
max months to maturity	119	119	119
WA months to maturity	60.4	64.6	58.4
min downpayment (%)	0.0 %	0.0 %	0.0 %
max downpayment (%)	95.2 %	94.0 %	95.2 %
WA downpayment (%)	15.9 %	20.0 %	14.0 %
max obligor balance	9 578 992	-	-
min obligor balance	10 002	10 017	10 002

### 2. ORIGINAL PRINCIPAL BALANCE

TOTAL								
Min	Max	No	Original balance	%	Outstanding balance	%	WA months to maturity	WA seasoning
1	49 999	3 828	149 375 886	0.98 %	104 194 720	0.92 %	34.7	14.8
50 000	99 999	15 382	1 171 118 937	7.71 %	797 028 450	7.07 %	42.0	17.3
100 000	149 999	17 877	2 216 660 385	14.59 %	1 547 306 909	13.73 %	50.3	18.4
150 000	199 999	14 850	2 567 791 149	16.90 %	1 861 979 306	16.52 %	56.8	19.1
200 000	249 999	10 807	2 405 056 234	15.83 %	1 768 414 499	15.69 %	61.2	20.1
250 000	299 999	6 981	1 901 462 904	12.51 %	1 432 590 967	12.71 %	64.4	19.9
300 000	349 999	4 539	1 458 881 457	9.60 %	1 116 463 501	9.90 %	67.5	19.5
350 000	399 999	2 548	949 107 733	6.25 %	739 164 241	6.56 %	69.5	18.9
400 000	449 999	1 647	693 455 037	4.56 %	544 381 713	4.83 %	70.8	18.9
450 000	499 999	954	449 817 609	2.96 %	357 823 570	3.17 %	71.7	18.4
500 000	549 999	616	320 776 954	2.11 %	253 242 742	2.25 %	71.1	18.8

550 000	599 999	360	206 013 269	1.36 %	165 955 767	1.47 %	72.3	16.2
600 000	>	873	708 250 623	4.66 %	583 633 082	5.18 %	65.9	17.1
<b>Total</b>		<b>81 262</b>	<b>15 197 768 177</b>	<b>100.00 %</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

NEW								
Min	Max	No	Original balance	%	Outstanding balance	%	WA months to maturity	WA seasoning
1	49 999	217	8 027 435	0.17 %	5 928 047	0.17 %	40.9	13.4
50 000	99 999	1 032	80 143 725	1.66 %	54 598 811	1.54 %	47.1	17.4
100 000	149 999	2 601	327 318 326	6.78 %	224 905 101	6.34 %	54.5	19.6
150 000	199 999	3 401	592 909 863	12.28 %	417 463 547	11.78 %	60.0	20.8
200 000	249 999	3 417	763 539 901	15.82 %	541 858 845	15.28 %	62.0	21.9
250 000	299 999	2 802	766 120 660	15.87 %	562 982 095	15.88 %	64.5	21.6
300 000	349 999	2 125	684 604 301	14.18 %	503 684 515	14.21 %	66.6	21.5
350 000	399 999	1 243	463 289 727	9.60 %	346 373 159	9.77 %	69.0	20.7
400 000	449 999	833	351 144 396	7.27 %	272 427 604	7.68 %	70.2	20.0
450 000	499 999	451	212 848 903	4.41 %	164 253 707	4.63 %	69.4	20.0
500 000	549 999	297	154 948 874	3.21 %	117 459 824	3.31 %	70.4	20.1
550 000	599 999	160	91 854 654	1.90 %	71 846 593	2.03 %	71.3	16.7
600 000	>	404	331 058 811	6.86 %	261 491 171	7.38 %	67.8	19.1
<b>Total</b>		<b>18 983</b>	<b>4 827 809 576</b>	<b>100.00 %</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		

USED								
Min	Max	No	Original balance	%	Outstanding balance	%	WA months to maturity	WA seasoning
1	49 999	3 611	141 348 451	1.36 %	98 266 673	1.27 %	34.3	14.9
50 000	99 999	14 350	1 090 975 212	10.52 %	742 429 639	9.61 %	41.6	17.3
100 000	149 999	15 276	1 889 342 059	18.22 %	1 322 401 808	17.11 %	49.6	18.2
150 000	199 999	11 449	1 974 881 286	19.04 %	1 444 515 759	18.69 %	55.8	18.6
200 000	249 999	7 390	1 641 516 333	15.83 %	1 226 555 654	15.87 %	60.9	19.3
250 000	299 999	4 179	1 135 342 244	10.95 %	869 608 872	11.25 %	64.3	18.8
300 000	349 999	2 414	774 277 156	7.47 %	612 778 986	7.93 %	68.2	17.9
350 000	399 999	1 305	485 818 006	4.68 %	392 791 082	5.08 %	70.0	17.3
400 000	449 999	814	342 310 641	3.30 %	271 954 109	3.52 %	71.4	17.9
450 000	499 999	503	236 968 706	2.29 %	193 569 863	2.51 %	73.6	17.0
500 000	549 999	319	165 828 080	1.60 %	135 782 918	1.76 %	71.7	17.6
550 000	599 999	200	114 158 615	1.10 %	94 109 174	1.22 %	73.1	15.9
600 000	>	469	377 191 812	3.64 %	322 141 911	4.17 %	64.5	15.5
<b>Total</b>		<b>62 279</b>	<b>10 369 958 601</b>	<b>100.00 %</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

3. **OUTSTANDING BALANCE**

<b>TOTAL</b>						
<b>Min</b>	<b>Max</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
1	49 999	15 472	489 297 285	4.34 %	26.2	31.1
50 000	99 999	20 661	1 536 966 091	13.64 %	41.6	24.2
100 000	149 999	16 613	2 059 762 706	18.27 %	53.2	21.1
150 000	199 999	11 453	1 983 454 894	17.60 %	61.3	18.9
200 000	249 999	6 693	1 492 352 838	13.24 %	66.9	17.2
250 000	299 999	4 266	1 162 945 126	10.32 %	70.9	15.9
300 000	349 999	2 441	788 466 168	6.99 %	74.4	15.1
350 000	399 999	1 451	541 652 612	4.81 %	76.2	14.5
400 000	449 999	746	315 734 552	2.80 %	78.0	13.9
450 000	499 999	525	248 817 641	2.21 %	78.4	13.7
500 000	549 999	285	149 247 196	1.32 %	75.9	13.9
550 000	599 999	195	111 471 272	0.99 %	76.5	13.0
600 000	>	461	392 011 086	3.48 %	66.9	12.8
<b>Total</b>		<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

<b>NEW</b>						
<b>Min</b>	<b>Max</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
1	49 999	1 757	55 603 608	1.57 %	22.4	41.3
50 000	99 999	3 012	230 033 622	6.49 %	38.6	32.7
100 000	149 999	3 739	469 342 577	13.24 %	52.5	27.1
150 000	199 999	3 421	597 438 574	16.85 %	60.6	22.8
200 000	249 999	2 462	550 450 323	15.53 %	66.5	20.0
250 000	299 999	1 849	504 002 794	14.22 %	70.2	17.7
300 000	349 999	1 091	352 309 196	9.94 %	75.3	16.5
350 000	399 999	685	255 752 013	7.21 %	76.8	15.1
400 000	449 999	347	146 956 215	4.15 %	76.1	13.8
450 000	499 999	223	105 743 927	2.98 %	79.9	15.0
500 000	549 999	122	63 718 827	1.80 %	76.6	15.6
550 000	599 999	78	44 360 172	1.25 %	74.6	14.6
600 000	>	197	169 561 171	4.78 %	71.6	14.2
<b>Total</b>		<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		

USED						
Min	Max	No	Outstanding balance	%	WA months to maturity	WA seasoning
1	49 999	13 715	433 693 677	5.61 %	26.7	29.7
50 000	99 999	17 649	1 306 932 469	16.91 %	42.2	22.7
100 000	149 999	12 874	1 590 420 129	20.58 %	53.4	19.3
150 000	199 999	8 032	1 386 016 320	17.94 %	61.6	17.2
200 000	249 999	4 231	941 902 515	12.19 %	67.2	15.5
250 000	299 999	2 417	658 942 332	8.53 %	71.3	14.5
300 000	349 999	1 350	436 156 972	5.64 %	73.7	14.0
350 000	399 999	766	285 900 599	3.70 %	75.8	13.9
400 000	449 999	399	168 778 337	2.18 %	79.8	13.9
450 000	499 999	302	143 073 714	1.85 %	77.3	12.8
500 000	549 999	163	85 528 369	1.11 %	75.3	12.7
550 000	599 999	117	67 111 100	0.87 %	77.8	11.9
600 000	>	264	222 449 915	2.88 %	63.3	11.7
<b>Total</b>		<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

4. NUMBER OF ORIGINAL TERMS

TOTAL						
Min	Max	No	Outstanding balance	%	WA months to maturity	WA seasoning
0	12	291	98 280 110	0.87 %	15.5	11.3
13	24	1 233	88 957 681	0.79 %	16.9	11.2
25	36	5 787	521 149 545	4.62 %	25.8	15.2
37	48	4 649	361 696 258	3.21 %	34.7	15.3
49	60	30 609	3 058 981 258	27.14 %	44.1	17.4
61	72	5 205	720 162 345	6.39 %	55.0	18.6
73	84	24 315	4 117 242 621	36.53 %	65.4	20.1
85	96	3 711	897 298 650	7.96 %	78.8	18.7
97	108	763	203 270 473	1.80 %	89.2	20.5
109	120	4 699	1 205 140 526	10.69 %	98.5	22.8
121	>	0	0	0.00 %	-	-
<b>Total</b>		<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		



NEW						
Min	Max	No	Outstanding balance	%	WA months to maturity	WA seasoning
0	12	79	31 637 799	0.89 %	15.8	14.4
13	24	126	22 655 583	0.64 %	16.2	12.5
25	36	1 068	181 515 119	5.12 %	25.6	17.5
37	48	502	69 441 984	1.96 %	33.4	18.0
49	60	4 925	667 638 768	18.83 %	43.3	17.9
61	72	958	158 486 038	4.47 %	53.7	19.9
73	84	6 893	1 282 358 159	36.17 %	63.9	21.7
85	96	1 540	386 184 003	10.89 %	77.7	19.7
97	108	285	79 205 213	2.23 %	86.6	23.3
109	120	2 607	666 150 353	18.79 %	97.6	23.8
121	>	0	0	0.00 %	-	-
<b>Total</b>		<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		

USED						
Min	Max	No	Outstanding balance	%	WA months to maturity	WA seasoning
0	12	212	66 642 311	0.86 %	15.4	9.8
13	24	1 107	66 302 098	0.86 %	17.1	10.7
25	36	4 719	339 634 426	4.40 %	25.9	14.0
37	48	4 147	292 254 274	3.78 %	35.0	14.6
49	60	25 684	2 391 342 490	30.95 %	44.3	17.3
61	72	4 247	561 676 307	7.27 %	55.3	18.3
73	84	17 422	2 834 884 462	36.69 %	66.1	19.4
85	96	2 171	511 114 647	6.61 %	79.7	17.9
97	108	478	124 065 260	1.61 %	90.8	18.8
109	120	2 092	538 990 173	6.98 %	99.6	21.5
121	>	0	0	0.00 %	-	-
<b>Total</b>		<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

5. MONTHS TO MATURITY

TOTAL						
Min	Max	No	Outstanding balance	%	WA months to maturity	WA seasoning
0		0	0	0.00 %	-	-
1	12	4 313	241 078 527	2.14 %	7.9	29.0
13	24	9 273	560 331 117	4.97 %	19.5	32.5
25	36	12 341	1 065 232 640	9.45 %	30.8	28.0
37	48	14 836	1 672 960 045	14.84 %	43.0	24.1
49	60	16 115	2 318 501 455	20.57 %	54.2	17.1
61	72	9 530	1 766 563 096	15.67 %	66.9	19.1
73	84	9 648	2 130 211 552	18.90 %	78.1	11.6
85	96	2 411	672 116 990	5.96 %	90.1	15.7
97	108	1 332	386 951 609	3.43 %	102.7	16.0
109	120	1 463	458 232 436	4.07 %	114.0	7.1
121	>	0	0	0.00 %	-	-
<b>Total</b>		<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

NEW						
Min	Max	No	Outstanding balance	%	WA months to maturity	WA seasoning
0		0	0	0.00 %	-	-
1	12	1 011	85 706 350	2.42 %	7.9	30.6
13	24	1 759	173 729 831	4.90 %	19.7	32.2
25	36	2 250	291 639 864	8.23 %	30.7	30.1
37	48	2 718	416 478 914	11.75 %	43.2	27.7
49	60	3 283	591 561 249	16.69 %	54.3	21.0
61	72	2 608	552 519 089	15.58 %	67.1	21.8
73	84	2 872	701 977 776	19.80 %	78.1	14.5
85	96	1 067	301 447 633	8.50 %	90.1	17.6
97	108	642	186 996 777	5.27 %	102.9	16.8
109	120	773	243 215 536	6.86 %	113.9	7.2
121	>	0	0	0.00 %	-	-
<b>Total</b>		<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		

USED						
Min	Max	No	Outstanding balance	%	WA months to maturity	WA seasoning
0		0	0	0.00 %	-	-
1	12	3 302	155 372 177	2.01 %	8.0	28.1
13	24	7 514	386 601 286	5.00 %	19.4	32.6
25	36	10 091	773 592 776	10.01 %	30.9	27.2
37	48	12 118	1 256 481 131	16.26 %	42.9	22.9
49	60	12 832	1 726 940 206	22.35 %	54.2	15.7
61	72	6 922	1 214 044 007	15.71 %	66.8	17.9
73	84	6 776	1 428 233 776	18.48 %	78.1	10.2
85	96	1 344	370 669 357	4.80 %	90.2	14.2
97	108	690	199 954 832	2.59 %	102.6	15.3
109	120	690	215 016 900	2.78 %	114.1	7.0
121	>	0	0	0.00 %	-	-
<b>Total</b>		<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

6. **CURRENT ARREARS STATUS**

TOTAL					
Status	No	Outstanding balance	%	WA months to maturity	WA seasoning
current	73 929	10 239 837 448	90.84 %	60.6	18.7
days past due 1-30	7 333	1 032 342 019	9.16 %	57.8	21.7
<b>Total</b>					
	<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

NEW					
Status	No	Outstanding balance	%	WA months to maturity	WA seasoning
current	17 612	3 261 934 035	92.01 %	64.8	20.4
days past due 1-30	1 371	283 338 984	7.99 %	62.2	23.9
<b>Total</b>					
	<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		

USED					
Status	No	Outstanding balance	%	WA months to maturity	WA seasoning
current	56 317	6 977 903 413	90.31 %	58.7	17.8
days past due 1-30	5 962	749 003 035	9.69 %	56.2	20.9
<b>Total</b>					
	<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

7. **DOWN PAYMENT %**

<b>TOTAL</b>						
<b>Min (&gt;=)</b>	<b>Max (&lt;)</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
0 %		28 333	3 878 492 158	34.41 %	55.5	17.9
> 0 %	5 %	1 917	365 999 377	3.25 %	63.3	19.0
5 %	10 %	4 453	780 617 919	6.93 %	62.2	18.8
10 %	15 %	7 648	1 215 799 686	10.79 %	62.4	19.6
15 %	20 %	8 633	1 193 213 794	10.59 %	62.1	19.4
20 %	25 %	6 308	953 030 269	8.45 %	67.0	21.1
25 %	30 %	4 559	649 891 366	5.77 %	64.6	20.9
30 %	35 %	5 584	704 273 037	6.25 %	61.7	19.6
35 %	>	13 827	1 530 861 861	13.58 %	61.4	18.3
<b>Total</b>		<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

<b>NEW</b>						
<b>Min (&gt;=)</b>	<b>Max (&lt;)</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
0 %		3 811	836 616 922	23.60 %	59.9	18.5
> 0 %	5 %	506	131 866 459	3.72 %	66.3	20.3
5 %	10 %	1 045	246 559 517	6.95 %	66.9	20.2
10 %	15 %	1 690	369 754 238	10.43 %	66.4	21.6
15 %	20 %	1 948	396 952 076	11.20 %	66.1	21.6
20 %	25 %	1 740	348 671 560	9.83 %	69.6	24.0
25 %	30 %	1 305	244 974 305	6.91 %	68.4	23.3
30 %	35 %	1 699	277 182 453	7.82 %	64.8	21.4
35 %	>	5 239	692 695 489	19.54 %	63.5	19.8
<b>Total</b>		<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		

<b>USED</b>						
<b>Min (&gt;=)</b>	<b>Max (&lt;)</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
0 %		24 522	3 041 875 236	39.37 %	54.3	17.7
> 0 %	5 %	1 411	234 132 918	3.03 %	61.6	18.3
5 %	10 %	3 408	534 058 402	6.91 %	60.0	18.2
10 %	15 %	5 958	846 045 448	10.95 %	60.6	18.7
15 %	20 %	6 685	796 261 718	10.31 %	60.2	18.3
20 %	25 %	4 568	604 358 709	7.82 %	65.6	19.4
25 %	30 %	3 254	404 917 061	5.24 %	62.3	19.5
30 %	35 %	3 885	427 090 584	5.53 %	59.8	18.3
35 %	>	8 588	838 166 372	10.85 %	59.7	17.2
<b>Total</b>		<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

8. **DOWN PAYMENT % - BALLOON LOANS**

<b>TOTAL</b>						
<b>Min (&gt;=)</b>	<b>Max (&lt;)</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
0 %		186	76 926 173	24.02 %	12.5	12.5
> 0 %	5 %	18	8 455 475	2.64 %	22.5	13.7
5 %	10 %	48	26 308 386	8.21 %	22.1	11.0
10 %	15 %	94	46 132 748	14.40 %	17.0	14.7
15 %	20 %	88	35 540 734	11.10 %	21.0	16.3
20 %	25 %	81	34 211 084	10.68 %	24.1	13.6
25 %	30 %	50	24 825 661	7.75 %	21.8	13.6
30 %	35 %	84	28 668 583	8.95 %	21.1	14.0
35 %	>	113	39 244 416	12.25 %	18.7	15.1
<b>Total</b>		<b>762</b>	<b>320 313 260</b>	<b>100.00 %</b>		

<b>NEW</b>						
<b>Min (&gt;=)</b>	<b>Max (&lt;)</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
0 %		76	31 507 193	21.83 %	12.2	13.5
> 0 %	5 %	9	3 541 176	2.45 %	17.5	17.4
5 %	10 %	17	7 003 365	4.85 %	22.4	14.9
10 %	15 %	54	20 694 692	14.34 %	21.5	17.8
15 %	20 %	44	14 306 160	9.91 %	22.5	18.4
20 %	25 %	49	18 513 417	12.83 %	24.1	14.0
25 %	30 %	24	10 940 499	7.58 %	20.5	14.7
30 %	35 %	61	18 421 699	12.77 %	23.1	14.2
35 %	>	58	19 384 642	13.43 %	18.8	15.7
<b>Total</b>		<b>392</b>	<b>144 312 843</b>	<b>100.00 %</b>		

<b>USED</b>						
<b>Min (&gt;=)</b>	<b>Max (&lt;)</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
0 %		110	45 418 980	25.81 %	12.6	11.8
> 0 %	5 %	9	4 914 299	2.79 %	26.0	11.0
5 %	10 %	31	19 305 021	10.97 %	22.0	9.6
10 %	15 %	40	25 438 056	14.45 %	13.3	12.2
15 %	20 %	44	21 234 574	12.07 %	19.9	14.9
20 %	25 %	32	15 697 667	8.92 %	24.0	13.1
25 %	30 %	26	13 885 162	7.89 %	22.8	12.7
30 %	35 %	23	10 246 884	5.82 %	17.5	13.6
35 %	>	55	19 859 774	11.28 %	18.5	14.5

<b>Total</b>		<b>370</b>	<b>176 000 417</b>	<b>100.00 %</b>		

9. MONTHS ON BOOK

<b>TOTAL</b>						
<b>Min</b>	<b>Max</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
0	12	27 667	4 817 339 272	42.74 %	69.3	7.0
13	24	23 347	3 352 191 147	29.74 %	59.9	17.8
25	36	13 470	1 581 584 455	14.03 %	51.5	30.3
37	48	9 338	942 572 180	8.36 %	45.7	41.8
49	60	5 131	423 441 676	3.76 %	39.1	53.5
61	72	1 722	133 005 972	1.18 %	34.6	65.1
73	84	579	21 556 930	0.19 %	16.6	76.8
85	96	8	487 835	0.00 %	34.38	85.08
97	>	0	0	0.00 %	-	-
<b>Total</b>		<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

<b>NEW</b>						
<b>Min</b>	<b>Max</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
0	12	5 923	1 396 494 441	39.39 %	74.9	7.2
13	24	4 964	1 016 939 502	28.68 %	64.8	17.6
25	36	3 077	514 428 210	14.51 %	57.2	30.3
37	48	2 490	357 253 325	10.08 %	51.3	41.8
49	60	1 551	182 019 540	5.13 %	44.5	53.4
61	72	687	66 000 816	1.86 %	38.8	65.0
73	84	285	11 750 439	0.33 %	17.7	76.7
85	96	6	386 746	0.01 %	35.38	85.10
97	>	0	0	0.00 %	-	-
<b>Total</b>		<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		

<b>USED</b>						
<b>Min</b>	<b>Max</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
0	12	21 744	3 420 844 831	44.27 %	67.0	6.9
13	24	18 383	2 335 251 645	30.22 %	57.8	17.8
25	36	10 393	1 067 156 245	13.81 %	48.8	30.3
37	48	6 848	585 318 855	7.58 %	42.2	41.8
49	60	3 580	241 422 136	3.12 %	35.1	53.6
61	72	1 035	67 005 156	0.87 %	30.5	65.1
73	84	294	9 806 491	0.13 %	15.2	76.9

85	96	2	101 089	0.00 %	30.52	85.00
97	>	0	0	0.00 %	-	-
<b>Total</b>		<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

10. **ORIGINATION CHANNEL**

<b>TOTAL</b>					
<b>Channel</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
indirect	56 701	8 451 992 757	74.98 %	62.2	17.8
direct	22 441	2 648 594 543	23.50 %	55.9	20.0
indirect or direct	2 120	171 592 167	1.52 %	37.1	57.6
<b>Total</b>	<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

<b>NEW</b>					
<b>Channel</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
indirect	15 595	2 928 846 799	82.61 %	65.8	19.2
direct	2 737	542 310 711	15.30 %	61.6	23.5
indirect or direct	651	74 115 509	2.09 %	42.4	57.7
<b>Total</b>	<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		

<b>USED</b>					
<b>Channel</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
indirect	41 106	5 523 145 958	71.48 %	60.4	17.1
direct	19 704	2 106 283 832	27.26 %	54.5	19.1
indirect or direct	1 469	97 476 658	1.26 %	33.1	57.6
<b>Total</b>	<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

11. **GEOGRAPHIC DISTRIBUTION**

<b>TOTAL</b>					
<b>District</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
Østfold	5 983	794 731 315	7.05 %	59.7	19.3
Akershus	11 729	1 618 896 534	14.36 %	58.8	19.0
Oslo	6 969	1 036 253 917	9.19 %	56.7	19.0
Hedmark	3 122	375 896 056	3.33 %	57.6	19.9
Oppland	3 020	395 755 277	3.51 %	59.3	19.2
Buskerud	6 547	862 637 925	7.65 %	58.0	19.3

Vestfold	4 455	600 811 381	5.33 %	60.8	20.4
Telemark	3 221	423 114 080	3.75 %	59.2	19.9
Aust-Agder	2 235	310 593 118	2.76 %	62.0	18.8
Vest-Agder	2 486	354 908 697	3.15 %	60.7	18.7
Rogaland	5 630	788 482 489	6.99 %	61.3	18.0
Hordaland	6 757	1 020 422 849	9.05 %	61.0	17.8
Sogn og Fjordane	676	95 220 388	0.84 %	59.3	19.0
Møre og Romsdal	2 918	415 969 126	3.69 %	62.9	18.0
Sør - Trøndelag	3 282	435 674 935	3.87 %	60.9	17.7
Nord - Trøndelag	1 625	208 029 640	1.85 %	60.8	18.3
Nordland	5 048	734 987 437	6.52 %	65.4	19.4
Troms	3 740	535 507 992	4.75 %	65.8	19.3
Finnmark	1 807	262 599 449	2.33 %	63.5	19.0
Svalbard	12	1 686 862	0.01 %	52.0	19.3
<b>Total</b>	<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

NEW					
District	No	Outstanding balance	%	WA months to maturity	WA seasoning
Østfold	1 574	279 339 089	7.88 %	62.4	21.2
Akershus	2 848	505 673 394	14.26 %	59.8	20.6
Oslo	1 790	335 694 141	9.47 %	55.6	20.9
Hedmark	600	101 458 596	2.86 %	62.8	22.6
Oppland	603	107 793 636	3.04 %	63.0	21.2
Buskerud	1 416	252 152 778	7.11 %	61.5	20.7
Vestfold	902	173 761 948	4.90 %	66.1	22.6
Telemark	810	143 602 757	4.05 %	64.1	21.8
Aust-Agder	437	81 707 798	2.30 %	66.7	20.9
Vest-Agder	630	120 487 763	3.40 %	65.1	20.4
Rogaland	1 218	237 204 201	6.69 %	67.3	19.3
Hordaland	1 718	320 422 360	9.04 %	64.9	19.6
Sogn og Fjordane	158	27 557 051	0.78 %	64.6	21.6
Møre og Romsdal	697	133 636 136	3.77 %	68.3	20.4
Sør - Trøndelag	644	120 537 413	3.40 %	65.9	17.8
Nord - Trøndelag	285	55 223 189	1.56 %	71.2	19.4
Nordland	1 289	268 124 542	7.56 %	74.6	20.9
Troms	919	194 283 338	5.48 %	73.9	21.4
Finnmark	441	85 924 315	2.42 %	72.5	21.1
Svalbard	4	688 574	0.02 %	47.9	23.0
<b>Total</b>	<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		



USED					
District	No	Outstanding balance	%	WA months to maturity	WA seasoning
Østfold	4 409	515 392 226	6.67 %	58.3	18.3
Akershus	8 881	1 113 223 140	14.41 %	58.3	18.3
Oslo	5 179	700 559 776	9.07 %	57.3	18.1
Hedmark	2 522	274 437 460	3.55 %	55.6	18.8
Oppland	2 417	287 961 641	3.73 %	57.9	18.5
Buskerud	5 131	610 485 147	7.90 %	56.5	18.8
Vestfold	3 553	427 049 433	5.53 %	58.7	19.5
Telemark	2 411	279 511 323	3.62 %	56.6	18.9
Aust-Agder	1 798	228 885 320	2.96 %	60.3	18.0
Vest-Agder	1 856	234 420 934	3.03 %	58.4	17.7
Rogaland	4 412	551 278 288	7.13 %	58.7	17.4
Hordaland	5 039	700 000 489	9.06 %	59.2	17.0
Sogn og Fjordane	518	67 663 337	0.88 %	57.2	17.9
Møre og Romsdal	2 221	282 332 990	3.65 %	60.3	16.9
Sør - Trøndelag	2 638	315 137 522	4.08 %	59.0	17.6
Nord - Trøndelag	1 340	152 806 451	1.98 %	57.1	17.9
Nordland	3 759	466 862 895	6.04 %	60.2	18.5
Troms	2 821	341 224 654	4.42 %	61.3	18.1
Finnmark	1 366	176 675 134	2.29 %	59.2	18.0
Svalbard	8	998 288	0.01 %	54.8	16.7
<b>Total</b>	<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

12. **PAYMENT METHOD TYPE**

TOTAL					
Payment method type	No	Outstanding balance	%	WA months to maturity	WA seasoning
Invoice (Bankgiro)	48 470	6 860 316 676	60.86 %	59.8	19.2
Direct debit (w/ invoice)	23 279	3 110 495 599	27.59 %	60.8	19.1
Direct debit (w/o invoice)	9 513	1 301 367 192	11.54 %	62.3	17.1
<b>Total</b>	<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

NEW					
Payment method type	No	Outstanding balance	%	WA months to maturity	WA seasoning
Invoice (Bankgiro)	11 489	2 188 515 684	61.73 %	63.2	21.0
Direct debit (w/ invoice)	5 481	982 004 247	27.70 %	66.9	21.0
Direct debit (w/o invoice)	2 013	374 753 088	10.57 %	67.2	18.5
<b>Total</b>	<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		

USED					
Payment method type	No	Outstanding balance	%	WA months to maturity	WA seasoning
Invoice (Bankgiro)	36 981	4 671 800 992	60.46 %	58.2	18.4
Direct debit (w/ invoice)	17 798	2 128 491 352	27.55 %	58.0	18.2
Direct debit (w/o invoice)	7 500	926 614 104	11.99 %	60.2	16.6
<b>Total</b>	<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

13. **VEHICLE TYPE**

TOTAL					
Vehicle type	No	Outstanding balance	%	WA months to maturity	WA seasoning
Commercial light vehicles	6 104	812 768 887	7.21 %	53.2	17.4
Motorcycles	3 447	303 840 530	2.70 %	57.3	16.5
Caravan/trailer tents	6 031	946 229 922	8.39 %	74.3	17.9
Car/commercial light vehicles	206	27 999 652	0.25 %	50.2	21.1
Cars	65 448	9 177 897 642	81.42 %	59.7	19.3
Electric cars	26	3 442 834	0.03 %	60.0	12.6
<b>Total</b>	<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

NEW					
Vehicle type	No	Outstanding balance	%	WA months to maturity	WA seasoning
Commercial light vehicles	1 470	263 435 773	7.43 %	52.8	19.8
Motorcycles	1 301	139 695 775	3.94 %	61.3	17.2
Caravan/trailer tents	2 318	448 556 774	12.65 %	79.9	19.5
Car/commercial light vehicles	7	1 608 946	0.05 %	72.7	15.7
Cars	13 879	2 690 799 484	75.90 %	63.4	21.2
Electric cars	8	1 176 267	0.03 %	51.2	12.6
<b>Total</b>	<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		

<b>USED</b>					
<b>Vehicle type</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
Commercial light vehicles	4 634	549 333 114	7.11 %	53.4	16.3
Motorcycles	2 146	164 144 755	2.12 %	53.8	15.8
Caravan/trailer tents	3 713	497 673 148	6.44 %	69.2	16.4
Car/commercial light vehicles	199	26 390 706	0.34 %	48.9	21.4
Cars	51 569	6 487 098 158	83.95 %	58.2	18.5
Electric cars	18	2 266 567	0.03 %	64.6	12.6
<b>Total</b>	<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

14. **COLLATERAL TYPE**

<b>TOTAL</b>					
<b>Collateral type</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
Sales lien	81 262	11 272 179 467	100.00 %	60.4	18.9
<b>Total</b>	<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

15. **PAYMENT FREQUENCY**

<b>TOTAL</b>					
<b>Payment frequency</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
Monthly	81 262	11 272 179 467	100.00 %	60.4	18.9
<b>Total</b>	<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

16. **INTEREST TYPE**

<b>TOTAL</b>					
<b>Interest type</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
Floating interest	81 262	11 272 179 467	100.00 %	60.4	18.9
<b>Total</b>	<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

17. **REPAYMENT TYPE**

<b>TOTAL</b>					
<b>Repayment Type</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
Annuity	80 539	11 110 004 178	98.56 %	60.6	19.0
Serial	723	162 175 289	1.44 %	44.6	16.6
<b>Total</b>	<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

<b>NEW</b>					
<b>Repayment Type</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
Annuity	18 448	3 423 318 189	96.56 %	65.4	20.8
Serial	535	121 954 830	3.44 %	44.0	16.9
<b>Total</b>	<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		

<b>USED</b>					
<b>Repayment Type</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
Annuity	62 091	7 686 685 989	99.48 %	58.5	18.1
Serial	188	40 220 459	0.52 %	46.6	15.8
<b>Total</b>	<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

18. **BORROWER TYPE**

<b>TOTAL</b>					
<b>Legal entity</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
Commercial	5 306	938 624 987	8.33 %	47.7	17.5
Consumer	75 956	10 333 554 480	91.67 %	61.5	19.1
<b>Total</b>	<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

<b>NEW</b>					
<b>Legal entity</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
Commercial	2 418	498 711 293	14.07 %	46.4	18.1
Consumer	16 565	3 046 561 726	85.93 %	67.6	21.1
<b>Total</b>	<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		

USED					
Legal entity	No	Outstanding balance	%	WA months to maturity	WA seasoning
Commercial	2 888	439 913 694	5.69 %	49.1	16.8
Consumer	59 391	7 286 992 754	94.31 %	59.0	18.2
<b>Total</b>	<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

19. **VEHICLE MANUFACTURER**

TOTAL					
Vehicle manufacturer	No	Outstanding balance	%	WA Months to maturity	WA Seasoning
Mercedes-Benz	5 783	965 338 256	8.56 %	57.5	18.3
Volkswagen	8 030	939 689 535	8.34 %	55.5	19.9
Bmw	4 557	886 219 995	7.86 %	64.5	16.9
Toyota	6 213	782 875 996	6.95 %	56.6	19.3
Volvo	4 471	781 035 543	6.93 %	62.7	20.2
Audi	4 688	734 232 974	6.51 %	61.2	18.6
Ford	5 030	676 619 085	6.00 %	59.5	16.9
Opel	4 541	493 526 121	4.38 %	56.3	20.3
Nissan	2 630	355 016 091	3.15 %	60.4	19.6
Hyundai	2 745	344 253 508	3.05 %	61.1	19.0
Mazda	2 478	322 840 103	2.86 %	59.7	20.8
Citroen	2 580	283 714 835	2.52 %	57.7	19.8
Subaru	1 728	266 893 087	2.37 %	62.7	19.1
Honda	2 178	251 272 519	2.23 %	57.5	21.8
Mitsubishi	1 701	232 943 514	2.07 %	59.8	18.4
Suzuki	1 611	179 490 958	1.59 %	59.2	19.9
Hobby	1 575	178 737 398	1.59 %	64.1	19.0
Peugeot	1 697	149 291 732	1.32 %	53.3	17.9
Saab	1 117	140 129 859	1.24 %	54.9	23.2
Harley Davidson	1 158	139 420 702	1.24 %	63.4	17.9
Land Rover	565	130 293 154	1.16 %	64.8	18.4
Skoda	1 013	127 185 702	1.13 %	59.3	19.4
Fiat	798	123 388 395	1.09 %	66.5	18.2
Renault	1 363	111 240 988	0.99 %	51.4	21.3
Chevrolet	983	110 251 579	0.98 %	50.9	22.3
Other	10 029	1 566 277 838	13.90 %	66.5	17.9
<b>Total</b>	<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

NEW					
Vehicle manufacturer	No	Outstanding balance	%	WA Months to maturity	WA Seasoning
Ford	1 343	281 657 723	7.94 %	63.2	15.9
Toyota	1 357	239 901 477	6.77 %	59.1	21.6
Volkswagen	1 197	207 603 863	5.86 %	58.2	24.6
Hyundai	1 351	203 061 525	5.73 %	63.8	19.6
Volvo	767	202 385 036	5.71 %	65.0	22.3
Opel	1 055	178 222 991	5.03 %	62.1	22.2
Mazda	1 061	176 293 691	4.97 %	63.2	22.1
Citroen	1 090	158 462 687	4.47 %	61.3	20.4
Mercedes-Benz	524	148 617 728	4.19 %	53.9	20.6
Nissan	707	137 597 116	3.88 %	67.2	19.7
Subaru	677	134 069 388	3.78 %	67.4	18.2
Bmw	420	131 784 354	3.72 %	64.3	18.8
Audi	419	112 451 169	3.17 %	68.7	21.7
Honda	729	104 004 139	2.93 %	59.4	26.4
Mitsubishi	440	90 939 082	2.57 %	64.8	20.5
Hobby	677	90 203 687	2.54 %	68.1	21.2
Harley Davidson	425	61 506 964	1.73 %	68.8	19.2
Suzuki	403	56 134 076	1.58 %	61.1	26.1
Skoda	327	54 982 765	1.55 %	62.3	21.9
Dethleffs	227	51 751 780	1.46 %	81.3	19.1
Burstner	173	46 659 597	1.32 %	88.4	17.2
Kabe	203	43 832 901	1.24 %	79.9	21.5
Fiat	211	35 800 209	1.01 %	66.7	17.0
Adria	202	35 212 056	0.99 %	78.9	15.8
Saab	160	29 412 052	0.83 %	52.1	33.1
Other	2 838	532 724 963	15.03 %	68.9	20.0
<b>Total</b>	<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		

USED					
Vehicle manufacturer	No	Outstanding balance	%	WA Months to maturity	WA Seasoning
Mercedes-Benz	5 259	816 720 528	10.57 %	58.1	17.9
Bmw	4 137	754 435 641	9.76 %	64.6	16.6
Volkswagen	6 833	732 085 672	9.47 %	54.7	18.6
Audi	4 269	621 781 805	8.05 %	59.8	18.1
Volvo	3 704	578 650 507	7.49 %	61.9	19.5
Toyota	4 856	542 974 519	7.03 %	55.5	18.3
Ford	3 687	394 961 362	5.11 %	56.8	17.6
Opel	3 486	315 303 130	4.08 %	53.0	19.3
Nissan	1 923	217 418 975	2.81 %	56.1	19.5

Honda	1 449	147 268 380	1.91 %	56.2	18.5
Mazda	1 417	146 546 412	1.90 %	55.4	19.1
Mitsubishi	1 261	142 004 432	1.84 %	56.6	17.1
Hyundai	1 394	141 191 983	1.83 %	57.3	18.1
Subaru	1 051	132 823 699	1.72 %	57.9	20.0
Citroen	1 490	125 252 148	1.62 %	53.2	18.9
Peugeot	1 554	123 904 655	1.60 %	51.3	18.5
Suzuki	1 208	123 356 882	1.60 %	58.3	17.1
Saab	957	110 717 807	1.43 %	55.7	20.5
Land Rover	513	106 119 752	1.37 %	63.9	17.6
Chevrolet	921	98 160 092	1.27 %	50.0	21.6
Renault	1 262	94 750 661	1.23 %	49.6	20.2
Porsche	226	91 304 491	1.18 %	60.8	14.0
Hobby	898	88 533 711	1.15 %	60.1	16.8
Fiat	587	87 588 186	1.13 %	66.4	18.7
Harley Davidson	733	77 913 738	1.01 %	59.1	16.9
Other	7 204	915 137 280	11.84 %	61.6	17.3
<b>Total</b>	<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

20. **ORIGINAL BALANCE AS % OF ORIGINAL VEHICLE VALUE<sup>1</sup>**

TOTAL									
Min (>=)	Max (<)	No	Original vehicle value	Original balance	Original balance as % of original vehicle value	Remaining balance	Remaining balance as % of original vehicle value	WA months to maturity	WA seasoning
<=	65 %	12 542	3 861 289 164	1 904 510 214	49.32 %	1 394 027 017	36.10 %	61.3	18.5
65 %	70 %	5 109	1 353 377 221	908 557 214	67.13 %	661 400 543	48.87 %	61.6	20.1
70 %	75 %	4 226	1 127 822 757	818 782 990	72.60 %	608 782 477	53.98 %	64.9	20.3
75 %	80 %	5 642	1 503 978 704	1 163 426 984	77.36 %	861 876 271	57.31 %	67.3	21.8
80 %	85 %	6 774	1 684 368 040	1 388 018 464	82.41 %	1 021 429 423	60.64 %	62.7	20.2
85 %	90 %	7 970	1 840 951 216	1 605 079 229	87.19 %	1 199 244 626	65.14 %	62.3	19.9
90 %	95 %	5 471	1 239 816 101	1 143 852 268	92.26 %	869 563 826	70.14 %	62.2	18.6
95 %	100 %	3 540	724 473 481	703 638 924	97.12 %	542 389 461	74.87 %	62.5	18.1
100 %	>	29 988	5 379 284 913	5 561 901 890	103.39 %	4 113 465 823	76.47 %	55.9	17.7
<b>Total</b>		<b>81 262</b>	<b>18 715 361 597</b>	<b>15 197 768 177</b>		<b>11 272 179 467</b>			

<sup>1</sup> The first row in each of the tables contains the value range up to and including 65 %. The second row contains the value range between 65% and 70%. The rest of the rows show a range from and including the value in the Min column and up to the value in the Max column.

NEW									
Min (>=)	Max (<)	No	Original vehicle value	Original balance	Original balance as % of original vehicle value	Remaining balance	Remaining balance as % of original vehicle value	WA months to maturity	WA seasoning
=<	65 %	4 912	1 822 732 974	886 213 146	48.62 %	641 185 839	35.18 %	63.1	19.8
65 %	70 %	1 687	567 864 331	380 539 110	67.01 %	276 700 610	48.73 %	64.4	21.6
70 %	75 %	1 271	442 420 407	321 096 408	72.58 %	234 496 189	53.00 %	68.3	22.7
75 %	80 %	1 657	582 390 354	449 982 747	77.26 %	326 228 853	56.02 %	69.5	24.8
80 %	85 %	1 782	605 473 176	498 451 300	82.32 %	362 639 286	59.89 %	65.5	21.9
85 %	90 %	1 773	587 826 928	512 577 894	87.20 %	378 896 149	64.46 %	66.3	22.0
90 %	95 %	1 150	379 789 474	350 122 779	92.19 %	263 889 929	69.48 %	67.7	20.1
95 %	100 %	678	219 463 220	213 171 893	97.13 %	165 023 300	75.19 %	67.7	19.5
100 %	>	4 073	1 190 653 037	1 215 654 299	102.10 %	896 212 864	75.27 %	60.6	18.4
<b>Total</b>		<b>18 983</b>	<b>6 398 613 901</b>	<b>4 827 809 576</b>		<b>3 545 273 019</b>			

USED									
Min (>=)	Max (<)	No	Original vehicle value	Original balance	Original balance as % of original vehicle value	Remaining balance	Remaining balance as % of original vehicle value	WA months to maturity	WA seasoning
=<	65 %	7 630	2 038 556 190	1 018 297 068	49.95 %	752 841 178	36.93 %	59.8	17.3
65 %	70 %	3 422	785 512 890	528 018 104	67.22 %	384 699 933	48.97 %	59.5	19.1
70 %	75 %	2 955	685 402 350	497 686 582	72.61 %	374 286 288	54.61 %	62.7	18.8
75 %	80 %	3 985	921 588 350	713 444 237	77.41 %	535 647 418	58.12 %	65.9	19.9
80 %	85 %	4 992	1 078 894 864	889 567 164	82.45 %	658 790 137	61.06 %	61.2	19.2
85 %	90 %	6 197	1 253 124 288	1 092 501 335	87.18 %	820 348 477	65.46 %	60.4	18.9
90 %	95 %	4 321	860 026 627	793 729 489	92.29 %	605 673 897	70.43 %	59.9	17.9
95 %	100 %	2 862	505 010 261	490 467 031	97.12 %	377 366 161	74.72 %	60.2	17.5
100 %	>	25 915	4 188 631 876	4 346 247 591	103.76 %	3 217 252 959	76.81 %	54.6	17.5
<b>Total</b>		<b>62 279</b>	<b>12 316 747 696</b>	<b>10 369 958 601</b>		<b>7 726 906 448</b>			



21. **VEHICLE AGE (FIRST REGISTRATION YEAR)**

<b>TOTAL</b>					
<b>First time registration year</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
<1980	276	19 220 063	0.17 %	50.7	19.2
1980	20	2 598 136	0.02 %	59.5	13.6
1981	20	1 494 436	0.01 %	50.1	18.9
1982	19	1 188 272	0.01 %	43.9	14.7
1983	22	1 161 673	0.01 %	42.7	23.2
1984	27	2 392 367	0.02 %	58.6	23.5
1985	57	2 679 945	0.02 %	47.5	21.4
1986	96	4 929 994	0.04 %	49.2	21.0
1987	89	5 057 774	0.04 %	49.8	21.2
1988	77	3 329 041	0.03 %	42.5	21.2
1989	94	3 938 662	0.03 %	41.1	21.4
1990	174	9 030 388	0.08 %	45.5	20.9
1991	204	11 868 571	0.11 %	47.4	20.6
1992	286	15 056 739	0.13 %	45.5	22.2
1993	311	14 844 089	0.13 %	43.4	21.4
1994	438	18 635 164	0.17 %	40.3	21.7
1995	672	31 026 010	0.28 %	42.6	23.0
1996	1 115	48 607 452	0.43 %	38.3	23.2
1997	1 874	89 283 767	0.79 %	37.2	24.6
1998	2 671	142 746 640	1.27 %	36.6	23.7
1999	3 521	221 059 983	1.96 %	37.5	24.3
2000	4 328	334 983 115	2.97 %	42.7	23.4
2001	5 322	465 741 264	4.13 %	46.4	22.7
2002	5 378	544 189 094	4.83 %	50.6	22.9
2003	5 803	700 838 426	6.22 %	54.7	22.4
2004	7 438	973 349 368	8.63 %	57.1	22.1
2005	7 799	1 167 246 622	10.36 %	60.1	21.8
2006	8 154	1 370 242 734	12.16 %	62.0	21.1
2007	7 694	1 358 592 582	12.05 %	63.4	19.5
2008	5 649	1 108 931 827	9.84 %	64.0	19.4
2009	5 996	1 281 155 885	11.37 %	67.8	14.7
2010	5 635	1 316 137 492	11.68 %	74.9	6.8
N/A	3	621 892	0.01 %	77.1	3.3
<b>Total</b>	<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

NEW					
First time registration year	No	Outstanding balance	%	WA months to maturity	WA seasoning
<1980					
1980					
1981					
1982					
1983					
1984					
1985					
1986					
1987					
1988					
1989					
1990					
1991					
1992					
1993					
1994					
1995					
1996					
1997					
1998					
1999					
2000					
2001					
2002					
2003	20	1 393 721	0.04 %	29.0	79.1
2004	313	15 660 917	0.44 %	22.8	73.3
2005	796	83 973 630	2.37 %	41.0	61.9
2006	1 688	212 263 940	5.99 %	46.6	50.7
2007	2 537	362 907 875	10.24 %	51.3	40.0
2008	3 159	563 147 793	15.88 %	58.1	28.0
2009	5 092	1 062 387 526	29.97 %	66.4	16.3
2010	5 376	1 243 036 932	35.06 %	75.2	7.0
N/A	2	500 685	0.01 %	81.7	3.4
<b>Total</b>	<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		

USED					
First time registration year	No	Outstanding balance	%	WA months to maturity	WA seasoning
<1980	276	19 220 063	0.25 %	50.7	19.2
1980	20	2 598 136	0.03 %	59.5	13.6
1981	20	1 494 436	0.02 %	50.1	18.9
1982	19	1 188 272	0.02 %	43.9	14.7
1983	22	1 161 673	0.02 %	42.7	23.2
1984	27	2 392 367	0.03 %	58.6	23.5
1985	57	2 679 945	0.03 %	47.5	21.4
1986	96	4 929 994	0.06 %	49.2	21.0
1987	89	5 057 774	0.07 %	49.8	21.2
1988	77	3 329 041	0.04 %	42.5	21.2
1989	94	3 938 662	0.05 %	41.1	21.4
1990	174	9 030 388	0.12 %	45.5	20.9
1991	204	11 868 571	0.15 %	47.4	20.6
1992	286	15 056 739	0.19 %	45.5	22.2
1993	311	14 844 089	0.19 %	43.4	21.4
1994	438	18 635 164	0.24 %	40.3	21.7
1995	672	31 026 010	0.40 %	42.6	23.0
1996	1 115	48 607 452	0.63 %	38.3	23.2
1997	1 874	89 283 767	1.16 %	37.2	24.6
1998	2 671	142 746 640	1.85 %	36.6	23.7
1999	3 521	221 059 983	2.86 %	37.5	24.3
2000	4 328	334 983 115	4.34 %	42.7	23.4
2001	5 322	465 741 264	6.03 %	46.4	22.7
2002	5 378	544 189 094	7.04 %	50.6	22.9
2003	5 783	699 444 705	9.05 %	54.8	22.3
2004	7 125	957 688 451	12.39 %	57.7	21.2
2005	7 003	1 083 272 992	14.02 %	61.5	18.7
2006	6 466	1 157 978 794	14.99 %	64.8	15.7
2007	5 157	995 684 707	12.89 %	67.9	12.1
2008	2 490	545 784 034	7.06 %	70.1	10.5
2009	904	218 768 359	2.83 %	74.6	7.0
2010	259	73 100 560	0.95 %	70.3	4.3
N/A	1	121 207	0.00 %	58.0	3.0
<b>Total</b>	<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

22. **VEHICLE CONDITION**

<b>TOTAL</b>					
<b>Vehicle condition</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
used	62 279	7 726 906 448	68.55 %	58.4	18.1
new	18 983	3 545 273 019	31.45 %	64.6	20.7
<b>Total</b>	<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

23. **ORIGINATION YEAR**

<b>TOTAL</b>					
<b>Origination year</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
2003	8	487 835	0.0 %	34.4	85.1
2004	579	21 556 930	0.2 %	16.6	76.8
2005	1 722	133 005 972	1.2 %	34.6	65.1
2006	5 131	423 441 676	3.8 %	39.1	53.5
2007	9 338	942 572 180	8.4 %	45.7	41.8
2008	13 470	1 581 584 455	14.0 %	51.5	30.3
2009	23 347	3 352 191 147	29.7 %	59.9	17.8
2010	27 667	4 817 339 272	42.7 %	69.3	7.0
<b>Total</b>	<b>81 262</b>	<b>11 272 179 467</b>			

<b>NEW</b>					
<b>Origination year</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
2003	6	386 746	0.0 %	35.4	85.1
2004	285	11 750 439	0.3 %	17.7	76.7
2005	687	66 000 816	1.9 %	38.8	65.0
2006	1 551	182 019 540	5.1 %	44.5	53.4
2007	2 490	357 253 325	10.1 %	51.3	41.8
2008	3 077	514 428 210	14.5 %	57.2	30.3
2009	4 964	1 016 939 502	28.7 %	64.8	17.6
2010	5 923	1 396 494 441	39.4 %	74.9	7.2
<b>Total</b>	<b>18 983</b>	<b>3 545 273 019</b>			

USED					
Origination year	No	Outstanding balance	%	WA months to maturity	WA seasoning
2003	2	101 089	0.0 %	30.5	85.0
2004	294	9 806 491	0.1 %	15.2	76.9
2005	1 035	67 005 156	0.9 %	30.5	65.1
2006	3 580	241 422 136	3.1 %	35.1	53.6
2007	6 848	585 318 855	7.6 %	42.2	41.8
2008	10 393	1 067 156 245	13.8 %	48.8	30.3
2009	18 383	2 335 251 645	30.2 %	57.8	17.8
2010	21 744	3 420 844 831	44.3 %	67.0	6.9
<b>Total</b>	<b>62 279</b>	<b>7 726 906 448</b>			

24. **MATURITY YEAR**

TOTAL					
Maturity year	No	Outstanding balance	%	WA months to maturity	WA seasoning
2011	4 313	241 078 527	2.1 %	7.9	29.0
2012	9 273	560 331 117	5.0 %	19.5	32.5
2013	12 341	1 065 232 640	9.5 %	30.8	28.0
2014	14 836	1 672 960 045	14.8 %	43.0	24.1
2015	16 115	2 318 501 455	20.6 %	54.2	17.1
2016	9 530	1 766 563 096	15.7 %	66.9	19.1
2017	9 648	2 130 211 552	18.9 %	78.1	11.6
2018	2 411	672 116 990	6.0 %	90.1	15.7
2019	1 332	386 951 609	3.4 %	102.7	16.0
2020	1 463	458 232 436	4.1 %	114.0	7.1
<b>Total</b>	<b>81 262</b>	<b>11 272 179 467</b>	<b>100.0 %</b>		

NEW					
Maturity year	No	Outstanding balance	%	WA months to maturity	WA seasoning
2011	1 011	85 706 350	2.4 %	7.9	30.6
2012	1 759	173 729 831	4.9 %	19.7	32.2
2013	2 250	291 639 864	8.2 %	30.7	30.1
2014	2 718	416 478 914	11.7 %	43.2	27.7
2015	3 283	591 561 249	16.7 %	54.3	21.0
2016	2 608	552 519 089	15.6 %	67.1	21.8
2017	2 872	701 977 776	19.8 %	78.1	14.5
2018	1 067	301 447 633	8.5 %	90.1	17.6
2019	642	186 996 777	5.3 %	102.9	16.8

2020	773	243 215 536	6.9 %	113.9	7.2
<b>Total</b>	<b>18 983</b>	<b>3 545 273 019</b>	<b>100.0 %</b>		

USED					
Maturity year	No	Outstanding balance	%	WA months to maturity	WA seasoning
2011	3 302	155 372 177	2.0 %	8.0	28.1
2012	7 514	386 601 286	5.0 %	19.4	32.6
2013	10 091	773 592 776	10.0 %	30.9	27.2
2014	12 118	1 256 481 131	16.3 %	42.9	22.9
2015	12 832	1 726 940 206	22.3 %	54.2	15.7
2016	6 922	1 214 044 007	15.7 %	66.8	17.9
2017	6 776	1 428 233 776	18.5 %	78.1	10.2
2018	1 344	370 669 357	4.8 %	90.2	14.2
2019	690	199 954 832	2.6 %	102.6	15.3
2020	690	215 016 900	2.8 %	114.1	7.0
<b>Total</b>	<b>62 279</b>	<b>7 726 906 448</b>	<b>100.0 %</b>		

25. **ANNUALIZED YIELD**

TOTAL							
Min (>=)	Max (<)	No	Outstanding balance	%	WA yield (%)	WA months to maturity	WA seasoning
0 %	1 %	0	0	0.00 %	-	-	-
1 %	2 %	10	1 824 038	0.02 %	1.7 %	69.5	11.2
2 %	4 %	268	45 356 759	0.40 %	3.5 %	58.5	12.6
4 %	6 %	6 434	1 680 068 771	14.90 %	5.4 %	69.1	9.3
6 %	8 %	33 182	5 953 816 152	52.82 %	7.0 %	66.1	14.3
8 %	10 %	22 459	2 559 523 059	22.71 %	8.8 %	50.4	29.9
10 %	12 %	7 367	546 864 493	4.85 %	10.8 %	40.8	37.4
12 %	14 %	3 027	159 342 072	1.41 %	12.8 %	31.9	39.7
14 %	16 %	3 102	157 008 776	1.39 %	15.1 %	40.6	25.9
16 %	18 %	2 575	96 800 787	0.86 %	16.8 %	36.0	24.5
18 %	20 %	1 229	35 383 109	0.31 %	18.8 %	28.2	30.9
20 %	>	1 609	36 191 451	0.32 %	24.6 %	23.1	37.4
<b>Total</b>		<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>			

NEW							
Min ( $\geq$ )	Max ( $<$ )	No	Outstanding balance	%	WA yield (%)	WA months to maturity	WA seasoning
0 %	1 %	0	0	0.00 %	-	-	-
1 %	2 %	1	252 141	0.01 %	2.0 %	89.0	9.0
2 %	4 %	136	29 331 447	0.83 %	3.5 %	62.6	9.3
4 %	6 %	2 896	799 107 913	22.54 %	5.4 %	70.1	9.8
6 %	8 %	8 722	1 838 700 720	51.86 %	6.9 %	68.6	17.4
8 %	10 %	5 015	713 945 169	20.14 %	8.8 %	53.7	36.4
10 %	12 %	1 399	127 401 143	3.59 %	10.8 %	44.6	43.2
12 %	14 %	417	23 647 920	0.67 %	12.7 %	31.1	46.3
14 %	16 %	160	6 409 200	0.18 %	14.8 %	25.9	51.5
16 %	18 %	93	2 790 211	0.08 %	16.9 %	23.9	49.3
18 %	20 %	50	1 646 826	0.05 %	18.9 %	19.1	52.4
20 %	>	94	2 040 329	0.06 %	27.8 %	19.4	50.7
<b>Total</b>		<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>			

USED							
Min ( $\geq$ )	Max ( $<$ )	No	Outstanding balance	%	WA yield (%)	WA months to maturity	WA seasoning
0 %	1 %	0	0	0.00 %	-	-	-
1 %	2 %	9	1 571 897	0.02 %	1.6 %	66.3	11.5
2 %	4 %	132	16 025 312	0.21 %	3.5 %	51.1	18.6
4 %	6 %	3 538	880 960 858	11.40 %	5.4 %	68.2	8.8
6 %	8 %	24 460	4 115 115 432	53.26 %	7.0 %	65.0	12.9
8 %	10 %	17 444	1 845 577 890	23.89 %	8.8 %	49.1	27.4
10 %	12 %	5 968	419 463 350	5.43 %	10.8 %	39.6	35.6
12 %	14 %	2 610	135 694 152	1.76 %	12.8 %	32.0	38.5
14 %	16 %	2 942	150 599 576	1.95 %	15.1 %	41.2	24.8
16 %	18 %	2 482	94 010 576	1.22 %	16.8 %	36.4	23.8
18 %	20 %	1 179	33 736 283	0.44 %	18.8 %	28.6	29.8
20 %	>	1 515	34 151 122	0.44 %	24.4 %	23.3	36.6
<b>Total</b>		<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>			

Note: The annualized yield is based on the sum of interest, fees and gross CPI monthly insurance premium on the latest registered invoice

26. **BALLOON LOANS IN % OF PORTFOLIO**

TOTAL							
Loan type	No	Outstanding balance	%	balloon payment	% of outstanding	WA months to maturity	WA seasoning
Standard	80 500	10 951 866 207	97.16 %	0	0.00 %	61.6	19.1
Balloon	762	320 313 260	2.84 %	283 603 720	88.54 %	18.6	13.8
<b>Total</b>	<b>81 262</b>	<b>11 272 179 467</b>	<b>100 %</b>	<b>283 603 720</b>			

NEW							
Loan type	No	Outstanding balance	%	balloon payment	% of outstanding	WA months to maturity	WA seasoning
Standard	18 591	3 400 960 176	95.93 %	0	0.00 %	66.5	20.9
Balloon	392	144 312 843	4.07 %	124 846 449	86.51 %	19.6	15.3
<b>Total</b>	<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>	<b>124 846 449</b>			

USED							
Loan type	No	Outstanding balance	%	balloon payment	% of outstanding	WA months to maturity	WA seasoning
Standard	61 909	7 550 906 031	97.72 %	0	0.00 %	59.4	18.3
Balloon	370	176 000 417	2.28 %	158 757 271	90.20 %	17.8	12.6
<b>Total</b>	<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>	<b>158 757 271</b>			

Note: Balloon loans – These loans consist of both traditional balloon loans and loans where the initial repayment period has characteristics similar to a balloon loan, but where the customer has the right to convert the remaining balloon payment to a standard amortising loan at the point in time when the balloon payment falls due.

27. **BALLOON PAYMENT AS % OF ORIGINAL BALANCE<sup>2</sup>**

TOTAL								
Min (>=)	Max (<)	No	Outstanding balance	%	balloon payment	% of outstanding	WA months to maturity	WA seasoning
=<	65 %	146	43 500 869	13.58 %	29 937 531	68.82 %	25.28	21.7
65 %	70 %	52	19 146 640	5.98 %	15 170 536	79.23 %	21.83	19.0
70 %	75 %	93	36 125 348	11.28 %	29 391 804	81.36 %	24.38	16.9
75 %	80 %	78	29 637 238	9.25 %	24 796 473	83.67 %	23.35	13.5
80 %	85 %	59	20 949 996	6.54 %	18 577 603	88.68 %	19.81	16.5
85 %	90 %	63	23 079 301	7.21 %	21 258 564	92.11 %	18.71	15.5

<sup>2</sup> The first row in each of the tables contains the value range up to and including 65 %. The second row contains the value range between 65% and 70%. The rest of the rows show a range from and including the value in the Min column and up to the value in the Max column.



90 %	95 %	83	39 070 869	12.20 %	36 925 570	94.51 %	19.04	11.4
95 %	>	188	108 802 999	33.97 %	107 545 639	98.84 %	11.75	8.76
<b>Total</b>		<b>762</b>	<b>320 313 260</b>	<b>100.00 %</b>	<b>283 603 720</b>			

NEW								
Min (>=)	Max (<)	No	Outstanding balance	%	balloon payment	% of outstanding	WA months to maturity	WA seasoning
=<	65 %	91	26 134 170	18.11 %	17 641 549	67.50 %	25.26	22.6
65 %	70 %	24	7 353 463	5.10 %	5 757 662	78.30 %	23.13	16.2
70 %	75 %	54	17 839 859	12.36 %	14 510 798	81.34 %	24.32	18.4
75 %	80 %	45	16 180 070	11.21 %	13 618 436	84.17 %	22.77	14.5
80 %	85 %	33	10 392 916	7.20 %	9 187 350	88.40 %	20.39	16.0
85 %	90 %	42	13 331 378	9.24 %	12 274 414	92.07 %	18.57	15.6
90 %	95 %	39	14 882 685	10.31 %	14 097 413	94.72 %	17.72	11.8
95 %	>	64	38 198 302	26.47 %	37 758 827	98.85 %	12.42	10.12
<b>Total</b>		<b>392</b>	<b>144 312 843</b>	<b>100.00 %</b>	<b>124 846 449</b>			

USED								
Min (>=)	Max (<)	No	Outstanding balance	%	balloon payment	% of outstanding	WA months to maturity	WA seasoning
=<	65 %	55	17 366 699	9.87 %	12 295 982	70.80 %	25.32	20.4
65 %	70 %	28	11 793 177	6.70 %	9 412 874	79.82 %	21.02	20.7
70 %	75 %	39	18 285 489	10.39 %	14 881 006	81.38 %	24.45	15.3
75 %	80 %	33	13 457 168	7.65 %	11 178 037	83.06 %	24.04	12.2
80 %	85 %	26	10 557 080	6.00 %	9 390 253	88.95 %	19.24	17.1
85 %	90 %	21	9 747 923	5.54 %	8 984 150	92.16 %	18.89	15.3
90 %	95 %	44	24 188 184	13.74 %	22 828 157	94.38 %	19.86	11.2
95 %	>	124	70 604 697	40.12 %	69 786 812	98.84 %	11.38	8.02
<b>Total</b>		<b>370</b>	<b>176 000 417</b>	<b>100.00 %</b>	<b>158 757 271</b>			

28. **BALLOON PAYMENT AS % OF ORIGINAL VEHICLE VALUE<sup>3</sup>**

TOTAL								
Min (>=)	Max (<)	No	Outstanding balance	%	balloon payment	% of outstanding	WA months to maturity	WA seasoning
=<	65 %	480	163 178 000	50.94 %	134 560 072	82.46 %	22.89	16.9
65 %	70 %	45	20 908 685	6.53 %	18 586 565	88.89 %	19.17	15.1
70 %	75 %	42	27 802 347	8.68 %	25 378 223	91.28 %	23.55	11.1
75 %	80 %	29	16 745 076	5.23 %	15 801 398	94.36 %	16.09	15.1
80 %	85 %	29	21 754 325	6.79 %	20 561 889	94.52 %	13.89	11.5
85 %	90 %	34	16 728 422	5.22 %	16 302 374	97.45 %	8.89	8.0
90 %	95 %	20	12 442 400	3.88 %	12 092 755	97.19 %	11.16	9.2
95 %	>	83	40 754 005	12.72 %	40 320 444	98.94 %	7.60	7.05

<sup>3</sup> The first row in each of the tables contains the value range up to and including 65 %. The second row contains the value range between 65% and 70%. The rest of the rows show a range from and including the value in the Min column and up to the value in the Max column.

<b>Total</b>		<b>762</b>	<b>320 313 260</b>	<b>100.00 %</b>	<b>283 603 720</b>			

<b>NEW</b>								
<b>Min (&gt;=)</b>	<b>Max (&lt;)</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>balloon payment</b>	<b>% of outstanding</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
=<	65 %	290	92 385 322	64.02 %	75 859 991	82.11 %	23.30	17.4
65 %	70 %	23	8 870 010	6.15 %	7 539 130	85.00 %	21.04	15.7
70 %	75 %	15	9 472 329	6.56 %	8 851 524	93.45 %	17.62	12.7
75 %	80 %	9	4 847 822	3.36 %	4 624 040	95.38 %	19.22	7.7
80 %	85 %	8	6 417 031	4.45 %	6 073 200	94.64 %	13.44	18.3
85 %	90 %	10	3 063 882	2.12 %	2 923 867	95.43 %	6.79	13.9
90 %	95 %	8	3 941 622	2.73 %	3 823 225	97.00 %	6.37	13.5
95 %	>	29	15 314 825	10.61 %	15 151 472	98.93 %	6.42	6.33
<b>Total</b>		<b>392</b>	<b>144 312 843</b>	<b>100.00 %</b>	<b>124 846 449</b>			

<b>USED</b>								
<b>Min (&gt;=)</b>	<b>Max (&lt;)</b>	<b>No</b>	<b>Outstanding balance</b>	<b>%</b>	<b>balloon payment</b>	<b>% of outstanding</b>	<b>WA months to maturity</b>	<b>WA seasoning</b>
=<	65 %	190	70 792 678	40.22 %	58 700 081	82.92 %	22.35	16.3
65 %	70 %	22	12 038 675	6.84 %	11 047 435	91.77 %	17.80	14.7
70 %	75 %	27	18 330 018	10.41 %	16 526 699	90.16 %	26.61	10.3
75 %	80 %	20	11 897 254	6.76 %	11 177 358	93.95 %	14.81	18.2
80 %	85 %	21	15 337 294	8.71 %	14 488 689	94.47 %	14.08	8.7
85 %	90 %	24	13 664 540	7.76 %	13 378 507	97.91 %	9.37	6.6
90 %	95 %	12	8 500 778	4.83 %	8 269 530	97.28 %	13.38	7.3
95 %	>	54	25 439 180	14.45 %	25 168 972	98.94 %	8.31	7.48
<b>Total</b>		<b>370</b>	<b>176 000 417</b>	<b>100.00 %</b>	<b>158 757 271</b>			

29. **TOP EXPOSURES**

<b>Total exposure</b>	<b>Total number of loans</b>
9 578 992	39
6 066 735	6
4 892 546	4
4 718 662	80
4 473 380	2
4 243 418	5
3 291 289	3
2 889 593	1
2 674 230	3
2 382 859	7

30. # LOANS PER BORROWER

TOTAL			
Total number of loans	Number of borrowers	Outstanding balance	%
1	71 262	9 805 863 851	86.99 %
2	4 056	1 166 716 564	10.35 %
3	371	169 728 014	1.51 %
4	61	43 090 939	0.38 %
5	21	21 089 181	0.19 %
6	16	23 936 429	0.21 %
7	6	6 968 677	0.06 %
8	8	10 546 691	0.09 %
9	2	2 398 301	0.02 %
10	2	2 747 354	0.02 %
13	1	1 006 936	0.01 %
15	1	1 295 351	0.01 %
18	1	1 432 192	0.01 %
21	1	1 061 333	0.01 %
39	1	9 578 992	0.08 %
80	1	4 718 662	0.04 %
<b>Total</b>	<b>75 811</b>	<b>11 272 179 467</b>	<b>100.00 %</b>

31. NUMBER OF PAYMENT HOLIDAY MONTHS

TOTAL					
Total number payment holiday months	No	Outstanding balance	%	WA months to maturity	WA seasoning
0	63 171	8 881 064 500	78.79 %	61.3	16.2
1	4 747	632 505 696	5.61 %	59.8	22.1
2	3 440	464 076 338	4.12 %	58.8	24.7
3	3 166	440 274 363	3.91 %	58.9	25.9
4	1 581	196 279 357	1.74 %	54.7	32.5
5	1 278	170 388 409	1.51 %	54.5	34.3
6	1 209	162 552 837	1.44 %	55.2	35.4
7	722	92 933 457	0.82 %	51.2	41.5
8	546	66 961 879	0.59 %	52.1	44.0
9	494	64 333 713	0.57 %	52.1	43.6
10	265	31 926 364	0.28 %	50.0	49.3
11	227	26 203 612	0.23 %	48.7	51.4
12	159	17 580 274	0.16 %	45.2	53.9
13	81	8 570 636	0.08 %	43.2	57.3
14	72	7 377 371	0.07 %	45.6	57.6
15	49	4 080 648	0.04 %	33.5	62.9
16	21	1 849 859	0.02 %	40.1	62.3

17	10	1 289 829	0.01 %	63.7	53.1
18	9	573 967	0.01 %	20.5	74.1
19	6	833 081	0.01 %	40.2	60.7
20	7	426 169	0.00 %	25.0	74.1
21	2	97 108	0.00 %	21.2	78.0
<b>Total</b>	<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

NEW					
Total number payment holiday months	No	Outstanding balance	%	WA months to maturity	WA seasoning
0	15 133	2 824 337 896	79.66 %	65.0	17.9
1	956	182 542 516	5.15 %	65.1	24.8
2	673	130 441 649	3.68 %	65.8	26.6
3	627	125 648 013	3.54 %	66.2	27.3
4	344	60 086 540	1.69 %	61.9	34.9
5	279	53 045 493	1.50 %	63.3	36.3
6	287	53 455 034	1.51 %	61.4	36.8
7	188	33 828 643	0.95 %	56.2	44.3
8	124	22 134 069	0.62 %	59.1	46.2
9	129	23 118 255	0.65 %	58.2	45.4
10	76	12 874 788	0.36 %	56.5	50.4
11	61	9 814 266	0.28 %	54.6	53.3
12	38	5 496 669	0.16 %	53.3	54.9
13	23	3 511 389	0.10 %	51.0	57.1
14	15	1 580 202	0.04 %	52.2	64.6
15	9	848 850	0.02 %	35.8	64.1
16	7	625 021	0.02 %	31.1	67.5
17	3	948 257	0.03 %	78.8	48.4
18	5	381 250	0.01 %	19.4	77.2
19	3	351 539	0.01 %	34.6	63.2
20	2	141 755	0.00 %	25.5	76.8
21	1	60 925	0.00 %	16.0	81.0
<b>Total</b>	<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		

USED					
Total number payment holiday months	No	Outstanding balance	%	WA months to maturity	WA seasoning
0	48 038	6 056 726 604	78.38 %	59.5	15.4
1	3 791	449 963 180	5.82 %	57.7	21.1
2	2 767	333 634 689	4.32 %	56.1	24.0
3	2 539	314 626 350	4.07 %	56.0	25.4
4	1 237	136 192 817	1.76 %	51.6	31.5
5	999	117 342 916	1.52 %	50.5	33.5
6	922	109 097 803	1.41 %	52.2	34.7
7	534	59 104 814	0.76 %	48.3	39.8
8	422	44 827 810	0.58 %	48.6	42.9
9	365	41 215 458	0.53 %	48.7	42.6
10	189	19 051 576	0.25 %	45.6	48.6
11	166	16 389 346	0.21 %	45.2	50.2
12	121	12 083 605	0.16 %	41.5	53.4
13	58	5 059 247	0.07 %	37.7	57.5
14	57	5 797 169	0.08 %	43.8	55.6
15	40	3 231 798	0.04 %	32.8	62.6
16	14	1 224 838	0.02 %	44.7	59.6
17	7	341 572	0.00 %	21.6	66.1
18	4	192 717	0.00 %	22.8	68.2
19	3	481 542	0.01 %	44.3	58.9
20	5	284 414	0.00 %	24.8	72.8
21	1	36 183	0.00 %	30.0	73.0
<b>Total</b>	<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

32. **VEHICLE INSURANCE**

TOTAL					
Vehicle insurance type	No	Outstanding balance	%	WA months to maturity	WA seasoning
Partial (Third-party only)	5 571	233 586 902	2.07 %	41.5	20.6
Full (Comprehensive)	75 691	11 038 592 565	97.93 %	60.8	18.9
<b>Total</b>	<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

NEW					
Vehicle insurance type	No	Outstanding balance	%	WA months to maturity	WA seasoning
Partial (Third-party only)	12	449 652	0.01 %	54.0	20.4
Full (Comprehensive)	18 971	3 544 823 367	99.99 %	64.6	20.7
<b>Total</b>	<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		

USED					
Vehicle insurance type	No	Outstanding balance	%	WA months to maturity	WA seasoning
Partial (Third-party only)	5 559	233 137 250	3.02 %	41.5	20.6
Full (Comprehensive)	56 720	7 493 769 198	96.98 %	58.9	18.1
<b>Total</b>	<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

33. **INTEREST DISTRIBUTION**

TOTAL						
Min (>=)	Max (<)	No	Outstanding balance	%	WA months to maturity	WA seasoning
<	1 %	2	233 597	0.00 %	63.1	14.0
1 %	2 %	4	478 477	0.00 %	61.5	20.1
2 %	4 %	393	65 692 198	0.58 %	58.9	11.8
4 %	6 %	16 866	3 102 979 737	27.53 %	67.2	9.3
6 %	8 %	43 352	6 352 402 212	56.35 %	61.4	18.8
8 %	10 %	14 766	1 498 075 283	13.29 %	45.2	39.3
10 %	12 %	133	11 670 460	0.10 %	43.5	29.6
12 %	14 %	2 339	89 846 260	0.80 %	36.3	29.1
14 %	16 %	3 340	149 005 113	1.32 %	44.6	15.7
16 %	18 %	67	1 796 130	0.02 %	31.7	33.8
<b>Total</b>		<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

NEW						
Min (>=)	Max (<)	No	Outstanding balance	%	WA months to maturity	WA seasoning
<	1 %			0.00 %		
1 %	2 %			0.00 %		
2 %	4 %	217	43 442 665	1.23 %	62.5	10.5
4 %	6 %	5 493	1 231 449 851	34.73 %	69.5	9.9
6 %	8 %	10 102	1 836 593 900	51.80 %	64.8	23.2
8 %	10 %	3 126	430 675 320	12.15 %	50.5	42.0
10 %	12 %	11	1 756 090	0.05 %	49.9	39.2

12 %	14 %	10	318 615	0.01 %	46.7	29.4
14 %	16 %	17	743 637	0.02 %	56.5	19.3
16 %	18 %	7	292 941	0.01 %	39.4	40.4
<b>Total</b>		<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		

USED						
Min (>=)	Max (<)	No	Outstanding balance	%	WA months to maturity	WA seasoning
<	1 %	2	233 597	0.00 %	63.1	14.0
1 %	2 %	4	478 477	0.01 %	61.5	20.1
2 %	4 %	176	22 249 533	0.29 %	51.9	14.3
4 %	6 %	11 373	1 871 529 886	24.22 %	65.7	8.8
6 %	8 %	33 250	4 515 808 312	58.44 %	60.0	17.1
8 %	10 %	11 640	1 067 399 963	13.81 %	43.0	38.2
10 %	12 %	122	9 914 370	0.13 %	42.4	27.9
12 %	14 %	2 329	89 527 645	1.16 %	36.2	29.0
14 %	16 %	3 323	148 261 476	1.92 %	44.6	15.6
16 %	18 %	60	1 503 189	0.02 %	30.2	32.5
<b>Total</b>		<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

34. CO-DEBTOR/GUARANTOR STATUS

TOTAL					
Status	No	Outstanding balance	%	WA months to maturity	WA seasoning
Co-debtor and guarantor(s)	37	6 089 513	0.05 %	58.0	17.5
Co-debtor	13 331	2 170 038 712	19.25 %	66.6	19.7
Guarantor(s)	1 516	222 887 501	1.98 %	53.4	16.7
No co-debtor or guarantor	66 378	8 873 163 741	78.72 %	59.0	18.8
<b>Total</b>	<b>81 262</b>	<b>11 272 179 467</b>	<b>100.00 %</b>		

NEW					
Status	No	Outstanding balance	%	WA months to maturity	WA seasoning
Co-debtor and guarantor(s)	6	1 272 596	0.04 %	61.4	23.4
Co-debtor	3 311	734 854 708	20.73 %	73.4	21.7
Guarantor(s)	283	68 119 359	1.92 %	53.3	17.5
No co-debtor or guarantor	15 383	2 741 026 356	77.31 %	62.6	20.5
<b>Total</b>	<b>18 983</b>	<b>3 545 273 019</b>	<b>100.00 %</b>		



USED					
Status	No	Outstanding balance	%	WA months to maturity	WA seasoning
Co-debtor and guarantor(s)	31	4 816 917	0.06 %	57.0	15.9
Co-debtor	10 020	1 435 184 004	18.57 %	63.2	18.7
Guarantor(s)	1 233	154 768 142	2.00 %	53.4	16.4
No co-debtor or guarantor	50 995	6 132 137 385	79.36 %	57.4	18.0
<b>Total</b>	<b>62 279</b>	<b>7 726 906 448</b>	<b>100.00 %</b>		

35. **CPI INSURANCE**

TOTAL				
CPI Insurance	No of loans	Outstanding balance	%	Remaining insurance premium included within outstanding balance
Single Premium	10 830	1 464 283 702	12.99 %	124 518 796
Monthly Premium	6 239	654 874 763	5.81 %	N/A
No Insurance	64 200	9 153 811 657	81.20 %	N/A
<b>Total</b>	<b>81 269</b>	<b>11 272 970 122</b>	<b>100 %</b>	<b>124 518 796</b>

Note: The totals in this table is larger than the totals of the pool because some loans have both single and monthly premium CPI insurance policies (debtor and co-debtor)

## HISTORICAL DATA

### 1. STATIC CUMULATIVE GROSS DEFAULTS

For a generation of loans (being all loans originated during the same quarter), the cumulative gross defaults in respect of a month is calculated as the ratio of (i) the cumulative defaulted balance recorded between the month when such loans were originated and the relevant month, to (ii) the original balance of such loans. The definition of default included loans that are written off or 180 days delinquent.

Year	qtr	Opening balance	1	2	3	4	5	6	7	8	9	10	11	12
2007	1	1,361,599,604	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.6%	0.9%
2007	2	1,631,170,043	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.4%	0.6%	0.7%	0.8%
2007	3	1,738,717,105	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.5%	0.6%	0.7%	0.8%
2007	4	1,443,758,416	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.6%	0.8%	0.9%	1.0%
2008	1	1,376,344,379	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.3%	0.5%	0.8%	1.0%	1.1%
2008	2	1,601,366,130	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%	0.8%	0.9%	1.1%	1.4%
2008	3	1,462,748,401	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.5%	0.6%	0.8%	1.0%
2008	4	1,137,907,039	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.5%	0.7%	1.0%	1.1%
2009	1	1,353,540,787	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.6%	0.7%	0.9%	1.0%
2009	2	1,696,603,465	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.3%	0.5%	0.6%	0.7%
2009	3	1,859,936,945	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.3%	0.4%	0.5%	0.5%
2009	4	1,696,192,281	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.3%	0.4%
2010	1	1,590,166,707	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%			
2010	2	1,896,307,400	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%						
2010	3	2,031,669,734	0	0	0.0%									

Year	qtr	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27
2007	1	0.9 %	1.1 %	1.2%	1.3%	1.4%	1.5%	1.6%	1.8%	1.9%	2.1%	2.3%	2.4%	2.6%	2.7%	2.7%
2007	2	1.0 %	1.2 %	1.3%	1.4%	1.5%	1.6%	1.7%	1.9%	2.0%	2.1%	2.3%	2.4%	2.5%	2.6%	2.7%
2007	3	0.9 %	1.0 %	1.1%	1.2%	1.3%	1.5%	1.6%	1.7%	1.9%	2.1%	2.2%	2.3%	2.4%	2.6%	2.6%
2007	4	1.1 %	1.3 %	1.6%	1.7%	1.8%	1.9%	2.0%	2.1%	2.3%	2.4%	2.5%	2.6%	2.7%	2.8%	2.9%
2008	1	1.2 %	1.4 %	1.6%	1.7%	1.9%	2.0%	2.2%	2.2%	2.3%	2.4%	2.5%	2.6%	2.7%	2.9%	2.9%
2008	2	1.5 %	1.6 %	1.8%	2.0%	2.1%	2.2%	2.3%	2.5%	2.6%	2.8%	3.0%	3.1%	3.2%	3.3%	3.4%
2008	3	1.2 %	1.3 %	1.4%	1.6%	1.7%	1.9%	2.0%	2.1%	2.1%	2.3%	2.4%	2.5%	2.6%	2.7%	2.7%
2008	4	1.2 %	1.4 %	1.7%	1.7%	1.8%	1.9%	2.2%	2.3%	2.3%	2.4%	2.5%	2.6%			
2009	1	1.2 %	1.3 %	1.4%	1.5%	1.6%	1.7%	1.8%	1.9%	1.9%						
2009	2	0.8 %	0.9 %	0.9%	1.0%	1.0%	1.1%									
2009	3	0.6 %	0.7 %	0.8%												

Year	qtr	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44
2007	1	2.8%	2.9%	3.0%	3.1%	3.2%	3.3%	3.4%	3.4%	3.5%	3.6%	3.6%	3.8%	3.9%	3.9%	4.0%	4.0%	4.0%
2007	2	2.8%	2.9%	3.0%	3.1%	3.2%	3.2%	3.3%	3.3%	3.4%	3.4%	3.5%	3.5%	3.6%	3.6%	3.7%		
2007	3	2.7%	2.7%	2.8%	2.9%	3.0%	3.1%	3.2%	3.3%	3.3%	3.4%	3.4%	3.5%					
2007	4	2.9%	3.0%	3.2%	3.2%	3.3%	3.3%	3.3%	3.3%	3.4%								
2008	1	3.0%	3.2%	3.3%	3.3%	3.4%	3.5%											
2008	2	3.5%	3.5%	3.6%														

## 2. STATIC CUMULATIVE RECOVERIES

For a generation of defaulted loans (being all loans defaulted during the same quarter), the cumulative recoveries in respect of a month is calculated as the ratio of (i) the cumulative gross recoveries recorded between the month such loans defaulted and the relevant month, to (ii) the gross defaulted balance of such loans. Recoveries are primarily based on customer payments and proceeds on vehicle sales (if the vehicle is sold after the loan has defaulted). Loans that are written off before reaching 180 days delinquency are neither included in the gross defaulted balance or the gross recoveries.

### *cumulative defaults/write-offs i % by origination quarter*

year	qrt	Opening balance	1	2	3	4	5	6	7	8	9	10
2008	1	34,288,358	4.7%	11.6%	16.5%	23.5%	28.0%	31.5%	33.5%	35.5%	38.0%	39.1%
2008	2	40,484,200	7.2%	12.7%	15.9%	21.0%	24.2%	26.9%	28.7%	30.2%	32.3%	35.8%
2008	3	47,549,732	9.3%	14.8%	17.9%	20.5%	24.8%	28.9%	32.4%	35.1%	36.4%	39.4%
2008	4	51,688,374	5.6%	10.9%	17.8%	21.8%	26.1%	30.0%	33.1%	34.8%	36.8%	39.0%
2009	1	60,180,655	6.6%	14.0%	18.9%	23.4%	25.9%	30.2%	33.4%	35.9%	38.4%	40.4%
2009	2	55,210,532	6.9%	11.6%	18.2%	25.1%	28.2%	31.4%	34.2%	35.0%	37.9%	39.6%
2009	3	58,413,971	8.6%	14.6%	21.5%	25.5%	27.9%	29.9%	32.7%	35.2%	38.7%	42.0%
2009	4	50,583,678	7.2%	13.1%	17.8%	20.2%	25.4%	28.9%	33.4%	35.3%	37.0%	38.1%
2010	1	62,363,313	5.1%	10.9%	16.3%	23.0%	28.6%	33.4%	37.2%	40.3%		
2010	2	49,041,768	6.1%	12.1%	16.7%	22.4%	25.9%					
2010	3	44,117,897	6.9%	14.4%								

Year	qrt	11	12	13	14	15	16	17	18	19	20	21	22	23
2008	1	40.5%	42.0%	43.8%	45.9%	48.1%	50.2%	51.4%	52.4%	53.5%	54.0%	55.2%	55.9%	56.3%
2008	2	37.6%	38.9%	39.8%	41.1%	42.5%	43.7%	45.1%	45.4%	46.4%	47.5%	48.5%	48.9%	49.4%
2008	3	41.0%	43.3%	44.0%	45.4%	46.4%	47.0%	49.1%	50.1%	51.1%	51.7%	52.3%	53.3%	53.6%
2008	4	40.5%	43.2%	44.8%	46.1%	47.5%	48.4%	49.1%	52.1%	53.4%	54.1%	55.5%	56.2%	56.6%
2009	1	42.4%	43.8%	44.8%	46.1%	47.8%	48.9%	49.8%	51.2%	51.7%	52.6%			
2009	2	41.6%	43.1%	45.6%	46.8%	47.5%	48.5%	49.1%						
2009	3	43.2%	44.2%	45.3%	47.3%									
2009	4	39.5%												

Year	qrt	24	25	26	27	28	29	30	31	32
2008	1	56.8 %	57.8 %	58.2 %	59.1 %	59.4 %	60.0 %	60.8 %	61.0 %	61.3 %
2008	2	51.2 %	51.7 %	52.6 %	54.1 %	55.0 %	55.3 %			
2008	3	53.8 %	54.5 %	55.3 %						

### 3. DYNAMIC DELINQUENCY ANALYSIS

At a given month, the dynamic delinquency shows the total outstanding balance of all loans distributed in its appropriate delinquency bucket..

year	month	Total outstanding	accounts current	accounts 0-30	balance 0-30	accounts 30-60	balance 30-60	accounts 60-90	balance 60-90	accounts 90-120	balance 90-120
2008	1	10,254,521,094	65,512	95.39%	95.67%	2.30%	2.17%	0.82%	0.82%	0.35%	0.33%
	2	10,318,147,728	66,396	95.56%	95.80%	2.20%	2.14%	0.67%	0.65%	0.43%	0.41%
	3	10,378,627,797	65,263	95.18%	95.36%	2.45%	2.35%	0.74%	0.74%	0.41%	0.36%
	4	10,450,091,893	66,287	95.19%	95.46%	2.45%	2.36%	0.70%	0.65%	0.39%	0.37%
	5	10,525,119,750	66,413	94.81%	95.04%	2.66%	2.68%	0.81%	0.76%	0.42%	0.34%
	6	10,577,365,712	67,591	94.86%	95.08%	2.59%	2.56%	0.77%	0.75%	0.41%	0.38%
	7	10,664,840,072	67,830	95.29%	95.51%	2.17%	2.17%	0.72%	0.68%	0.39%	0.35%
	8	10,719,250,187	66,814	94.32%	94.46%	2.89%	2.98%	0.81%	0.80%	0.46%	0.41%
	9	10,762,472,316	67,435	93.94%	94.02%	3.01%	3.11%	1.02%	1.00%	0.43%	0.42%
	10	10,742,857,536	69,052	94.53%	94.75%	2.44%	2.47%	0.83%	0.83%	0.50%	0.48%
	11	10,724,074,386	67,651	94.09%	94.12%	2.79%	2.95%	0.86%	0.81%	0.50%	0.47%
	12	10,714,301,873	68,084	93.93%	94.15%	2.84%	2.90%	0.83%	0.81%	0.46%	0.40%
2009	1	10,739,669,735	68,348	93.77%	93.91%	2.80%	2.96%	0.94%	0.92%	0.49%	0.46%
	2	10,789,181,572	69,558	93.36%	93.42%	3.16%	3.40%	0.88%	0.88%	0.53%	0.49%
	3	10,865,888,672	70,050	93.67%	93.79%	2.97%	3.14%	0.84%	0.88%	0.45%	0.39%
	4	10,991,968,236	69,997	93.38%	93.63%	2.94%	3.00%	1.04%	1.09%	0.49%	0.49%
	5	11,124,566,462	69,676	92.75%	93.19%	3.51%	3.50%	1.03%	1.00%	0.54%	0.50%
	6	11,284,353,358	72,713	93.72%	94.07%	2.66%	2.76%	0.94%	0.87%	0.46%	0.41%
	7	11,534,311,092	74,757	94.25%	94.70%	2.38%	2.46%	0.69%	0.67%	0.43%	0.33%
	8	11,650,074,112	73,861	93.87%	94.30%	2.72%	2.82%	0.78%	0.75%	0.41%	0.37%
	9	11,752,394,527	75,007	93.89%	94.38%	2.60%	2.69%	0.82%	0.81%	0.43%	0.40%
	10	11,874,434,023	75,912	93.93%	94.54%	2.59%	2.51%	0.78%	0.79%	0.44%	0.42%
	11	11,981,091,390	76,086	93.95%	94.59%	2.60%	2.49%	0.81%	0.78%	0.40%	0.37%
	12	12,044,359,104	76,771	94.30%	94.84%	2.39%	2.34%	0.71%	0.68%	0.39%	0.35%
2010	1	12,117,422,766	76,864	94.01%	94.72%	2.50%	2.36%	0.79%	0.73%	0.41%	0.36%
	2	12,201,215,982	77,932	93.80%	94.59%	2.73%	2.55%	0.71%	0.63%	0.45%	0.39%
	3	12,328,404,861	78,700	94.37%	95.07%	2.29%	2.21%	0.65%	0.58%	0.35%	0.27%
	4	12,449,919,147	78942	94.10%	94.90%	2.42%	2.30%	0.72%	0.68%	0.39%	0.32%
	5	12,584,297,887	78373	93.66%	94.48%	2.86%	2.71%	0.77%	0.68%	0.42%	0.39%
	6	12,769,024,465	82013	94.74%	95.58%	1.97%	1.89%	0.60%	0.51%	0.39%	0.32%
	7	13,000,107,332	82604	94.87%	95.71%	2.07%	2.00%	0.46%	0.39%	0.35%	0.27%
	8	13,156,445,417	82635	94.65%	95.46%	2.29%	2.22%	0.52%	0.47%	0.29%	0.24%
	9	13,268,292,880	83502	94.66%	95.58%	2.25%	2.11%	0.63%	0.59%	0.27%	0.21%
	10	13,345,775,923	83806	94.67%	95.65%	2.24%	2.11%	0.57%	0.50%	0.36%	0.31%
	11	13,399,654,890	84491	94.86%	95.87%	2.17%	1.95%	0.56%	0.48%	0.31%	0.24%

Year	month	accounts 120-150	balance 120-150	accounts 150-180	balance 150-180	accounts 180+	balance 180+	accounts new W/O	balance new W/O
2008	1	0.23%	0.18%	0.21%	0.17%	0.86%	0.66%	0.07%	0.02%
	2	0.23%	0.21%	0.17%	0.13%	0.89%	0.67%	0.09%	0.04%
	3	0.28%	0.27%	0.20%	0.18%	0.97%	0.74%	0.06%	0.02%
	4	0.26%	0.22%	0.20%	0.20%	0.97%	0.75%	0.10%	0.03%
	5	0.24%	0.22%	0.21%	0.18%	1.00%	0.78%	0.08%	0.03%
	6	0.27%	0.22%	0.21%	0.19%	1.07%	0.83%	0.09%	0.03%
	7	0.29%	0.25%	0.23%	0.18%	1.12%	0.86%	0.08%	0.03%
	8	0.27%	0.24%	0.24%	0.21%	1.19%	0.91%	0.08%	0.03%
	9	0.33%	0.28%	0.23%	0.19%	1.29%	0.98%	0.08%	0.04%
	10	0.31%	0.27%	0.27%	0.21%	1.31%	0.99%	0.13%	0.05%
	11	0.38%	0.35%	0.25%	0.21%	1.42%	1.08%	0.08%	0.05%
	12	0.36%	0.31%	0.33%	0.30%	1.49%	1.14%	0.12%	0.05%
2009	1	0.34%	0.28%	0.29%	0.24%	1.62%	1.25%	0.09%	0.04%
	2	0.36%	0.31%	0.28%	0.22%	1.69%	1.28%	0.11%	0.05%
	3	0.40%	0.37%	0.28%	0.22%	1.67%	1.21%	0.13%	0.05%
	4	0.35%	0.26%	0.33%	0.28%	1.69%	1.24%	0.14%	0.06%
	5	0.33%	0.30%	0.30%	0.21%	1.75%	1.29%	0.12%	0.05%
	6	0.40%	0.35%	0.26%	0.23%	1.82%	1.32%	0.13%	0.05%
	7	0.31%	0.25%	0.33%	0.27%	1.81%	1.31%	0.11%	0.05%
	8	0.33%	0.24%	0.25%	0.20%	1.86%	1.31%	0.10%	0.06%
	9	0.31%	0.26%	0.25%	0.18%	1.84%	1.28%	0.17%	0.07%
	10	0.31%	0.27%	0.25%	0.19%	1.84%	1.29%	0.17%	0.08%
	11	0.30%	0.29%	0.24%	0.21%	1.82%	1.28%	0.18%	0.08%
	12	0.31%	0.28%	0.25%	0.23%	1.83%	1.27%	0.13%	0.05%
2010	1	0.31%	0.27%	0.27%	0.24%	1.87%	1.32%	0.16%	0.06%
	2	0.30%	0.24%	0.27%	0.23%	1.92%	1.37%	0.11%	0.05%
	3	0.34%	0.27%	0.26%	0.20%	1.95%	1.39%	0.12%	0.06%
	4	0.28%	0.19%	0.28%	0.22%	1.96%	1.38%	0.13%	0.05%
	5	0.30%	0.22%	0.24%	0.16%	1.96%	1.35%	0.09%	0.04%
	6	0.29%	0.27%	0.24%	0.17%	1.91%	1.26%	0.15%	0.07%
	7	0.26%	0.20%	0.23%	0.20%	1.89%	1.23%	0.13%	0.06%
	8	0.26%	0.21%	0.22%	0.17%	1.89%	1.23%	0.13%	0.05%
	9	0.21%	0.16%	0.22%	0.15%	1.84%	1.19%	0.13%	0.06%
	10	0.20%	0.14%	0.20%	0.14%	1.82%	1.15%	0.15%	0.07%
	11	0.27%	0.22%	0.16%	0.11%	1.83%	1.13%	0.11%	0.05%

#### 4. ANNUALISED PREPAYMENTS

At a given month, the annualised prepayment rate is calculated by multiplying the monthly prepayment rate by 12. The monthly prepayment rate is calculated as the ratio of (i) the amount of prepaid balance of all loans that have fully matured before original maturity, to (ii) the total outstanding balance of all loans at the end of the month.

year	month	sum full pre-payments	end of month balance	SMN	CPR
2007	1	186,713,414	10,787,174,178	1.73%	18.90%
	2	226,292,975	10,840,150,141	2.09%	22.37%
	3	203,075,214	10,963,188,064	1.85%	20.10%
	4	248,193,560	11,022,519,253	2.25%	23.91%
	5	270,046,889	11,191,406,862	2.41%	25.41%
	6	264,236,118	11,385,157,210	2.32%	24.56%
	7	246,871,274	11,164,687,944	2.21%	23.53%
	8	243,985,086	11,770,937,514	2.07%	22.22%
	9	291,506,393	11,880,851,384	2.45%	25.78%
	10	253,187,758	11,980,081,136	2.11%	22.61%
	11	205,860,894	12,074,331,390	1.70%	18.65%
	12	234,290,494	12,095,510,080	1.94%	20.92%
2008	1	235,306,626	12,131,142,616	1.94%	20.95%
	2	214,705,338	12,191,209,459	1.76%	19.20%
	3	285,275,719	12,252,790,255	2.33%	24.62%
	4	251,578,031	12,310,817,167	2.04%	21.95%
	5	277,183,989	12,377,877,164	2.24%	23.80%
	6	263,719,087	12,428,406,446	2.12%	22.69%
	7	220,819,668	12,504,013,277	1.77%	19.25%
	8	236,157,028	12,562,462,538	1.88%	20.37%
	9	243,450,481	12,604,284,446	1.93%	20.87%
	10	186,019,007	12,593,697,449	1.48%	16.35%
	11	162,613,817	12,583,205,521	1.29%	14.45%
	12	162,004,892	12,570,903,327	1.29%	14.41%
2009	1	190,185,353	12,584,652,183	1.51%	16.70%
	2	231,896,909	12,614,910,612	1.84%	19.96%
	3	186,408,337	12,684,304,368	1.47%	16.28%
	4	202,016,195	12,807,567,119	1.58%	17.37%
	5	237,285,374	12,933,585,918	1.83%	19.92%
	6	236,012,025	13,089,690,319	1.80%	19.61%
	7	200,362,567	13,338,589,050	1.50%	16.61%
	8	249,784,599	13,462,048,331	1.86%	20.13%
	9	236,474,252	13,566,475,798	1.74%	19.02%
	10	223,385,336	13,700,025,369	1.63%	17.90%
	11	215,456,037	13,815,517,347	1.56%	17.19%
	12	173,070,379	13,885,821,977	1.25%	13.97%
2010	1	198,104,320	13,957,142,151	1.42%	15.76%
	2	237,516,182	14,050,034,519	1.69%	18.50%
	3	192,679,964	14,196,769,979	1.36%	15.12%
	4	228,273,794	14,327,592,471	1.59%	17.53%
	5	293,154,354	14,469,630,933	2.03%	21.78%
	6	269,722,606	14,666,239,514	1.84%	19.97%
	7	239,147,338	14,923,532,438	1.60%	17.62%
	8	273,626,969	15,180,825,362	1.80%	19.61%
	9	266,632,140	15,438,118,286	1.73%	18.87%
	10	278,408,438	15,695,411,210	1.77%	19.33%

## EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS

The expected average life of the Class A Notes and the Class B Notes cannot be predicted as the actual rate at which the Purchased Auto Loans will be repaid and a number of other relevant factors are unknown.

Calculated estimates as to the expected average life of the Class A Notes and the Class B Notes can be made based on certain assumptions. These estimates have certain inherent limitations. No representations are made that such estimates are accurate, that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised.

The table below shows the expected average life of the Class A Notes and the Class B Notes based on the following assumptions:

- (a) that the Purchased Auto Loans are subject to a constant rate of prepayment as shown in the table below;
- (b) that no Purchased Auto Loans are sold by the Issuer except as contemplated in the Credit and Collection Policy;
- (c) that the Purchased Auto Loans continue to be fully performing;
- (d) that the 10% clean-up call option will be exercised in accordance with the Auto Portfolio Purchase Agreement and Note Condition 5.3 (*Early redemption – clean-up call*);
- (e) that Balloon Loan are repaid in full on expiry; and
- (f) that there are no Payment Holidays.

Constant Prepayment Rate in%	Expected Average Life of Class A Notes (years)	Expected Average Life of Class B Notes (years)
5	1.7	4.8
10	1.5	4.4
15	1.4	4.1
20	1.2	3.8
25	1.1	3.5
30	1.0	3.2
35	0.9	2.9

Assumption (a) above is stated as an average annualised prepayment rate as the prepayment rate for one Interest Period may be substantially different from that for another. The constant prepayment rates shown above are purely illustrative and do not represent the full range of possibilities for constant prepayment rates.

Assumption (c) above relates to circumstances which are not predictable.

The average lives of the Class A Notes and the Class B Notes are subject to factors largely outside of the Issuer's control and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic and they must therefore be viewed with considerable caution.

## CREDIT AND COLLECTION POLICY

The following is a description of the Seller's credit and collection policies and practices with respect to Auto Loans (the "**Credit and Collection Policy**") as currently in effect. The Seller may change the Credit and Collection Policy from time to time provided that either (i) such change does not affect the Purchased Auto Loans or (ii) such change applies equally to Purchased Auto Loans and other Auto Loans and the Seller determines that such change would not be reasonably likely to have a material adverse effect on the validity or collectability of the Purchased Auto Loans or the Issuer's ability to make timely payment on the Class A Notes.

### I. Credit Policies

All credit decisions follow the guidelines of the Credit Policy Manual, a document covering high-level policy, approval levels, organisation of the credit process, credit management routines, etc.

All applications are classified based on existing information, whether they are private individuals, individual enterprises (Norwegian "*enkeltmannsforetak*") or corporate clients. The Credit Policy Manual contains a set of business rules, describing policy rules and requirements for potential customers with regards to income, credit score, loan amount, terms, etc.

The Seller's risk analysis takes into consideration three types of risk:

- Customer risk, assessed based on the customer's character and capacity to repay each loan;
- Dealer risk, evaluated based on the amount of delinquencies and defaults on past applications presented by each origination source/dealer; and
- Product risk, considering the type of product, collateral, upfront payment, term and other business conditions.

#### *Credit Risk Management*

The Seller's risk management governance model is underpinned by the following Risk forums:

- The Nordic Risk Department, responsible for processing, analysing and making decisions on business proposals, and monitoring and supervising the risk of the bank's portfolio;
- Local Credit Committee (LCC), Auto Norway: Comprising of the CEO Division Norway, CRO Norway, Director of Credit Norway, Director of Regions Auto Norway, and Director of Stock Finance Norway. Secretary to the Committee is the Nordic Credit Manager. The LCC is responsible for processing and resolving credit applications on all exposures related to Stock Financing, as well as all operations in excess of NOK 10 millions, up to and including NOK 20 million. Applications exceeding NOK 20 million are processed in the LCC and recommended for approval to the Central Credit Committee of the Nordics. The Committee convenes on a weekly basis;
- Central Credit Committee (CCC) of the Nordics: Comprising of the CEO of SCB Nordic, the Nordic CRO and the CEO of Division Norway. Secretary to the committee is the Nordic Credit Manager. The CCC is responsible for processing and resolving credit applications on all operations in excess of NOK 20 millions up to and including € 6 millions. Applications exceeding € 6 millions are processed in the CCC and recommended for approval to the SCF Loans Committee in Madrid. The Committee convenes on an ad-hoc basis;
- Deal Review Meeting (DRM), Auto Norway – Occupied by the CEO of Division Norway, CRO Division Norway, Director of Regions Auto Norway, Collection Manager Auto Norway, Director of Credit Norway, Director of Stock Finance Norway and the Nordic Credit Manager. Secretary to the committee is the Norwegian Senior Credit Analyst. The DRM is responsible for reviewing the Seller's Top Exposures and Top delinquent customers, assessing the risk, deciding on risk mitigating actions and determining individual LLR on large corporate exposures. DRM convenes on a monthly basis; and
- Independent Credit Risk Control Unit (ICRCU) – Occupied by Nordic CEO, Nordic Finance Manager, Nordic CFO, Nordic CRO, Basel II Program Manager, Nordic Head of Treasury, Nordic Risk



Controller. Operates under delegated authority from the Board of Directors. A governing and supervising body on all matters Internal Credit Control, e.g. review internal rating system, criteria and use, to secure adherence to IRB requirements. ICRCU convenes on a quarterly basis.

Material changes to the credit policy are always subject to approval by ICRCU, the Seller's Board of Directors, and ultimately the SCF Executive Committee in Madrid.

#### *Underwriting process*

The underwriting process is divided between Standardised and Non-Standardised exposures, the former meaning operations up to NOK 5 million excluding Stock Finance.

Non-Standardised Risk operations are supervised by a separate team of three Credit Analysts, reporting to the Director of Credit Norway.

The underwriting process for Standardised Risk operations (i.e. not Stock Finance, and exposure below NOK 5 millions) is de-centralised, according to the credit authority structure shown below

Caseworkers located within the Regions are responsible for feeding FinansFront (front end system for loan applications) with application data and for also maintaining contact with car dealers. The collection of data/applications is performed either by phone, fax, mail, internet or email.

Caseworkers are on duty between 08:00 am and 08:00 pm and applications received by 08:00 pm are normally processed the same day.

In the first half of 2009, 56 699 applications for car loans were processed, which amounts to a weekly and daily average of 2 181 and 436 applications respectively. 59.7% of these were approved, 13.9% were declined and 27.1% were pending at period end.

In the second half of 2009, the equivalent numbers were 54 263 applications, a weekly average of 2 087 and a daily average of 417. 59.0% of the applications were approved, 16,5% declined and 24,5% were pending at end of period.

The cause of most rejections are due to either (a) Registered Payment remarks against the applicant and/or the applicant having a bad credit history with SCB or (b) the application scoring below the minimum credit score threshold level.

#### *Credit authorities*

The Nordic CEO has the authority to approve exposures up to NOK 20 million. The CRO of Division Norway has responsible for delegating personal credit authorities up to NOK 5 million. The current list of credit authorities are published on the SCB Intranet.

The following levels of credit authority currently apply:

<b>Decision Making Role</b>	<b>Global exposure per client</b>
Executive Committee SCF, HQ Madrid	Unlimited
Loan Committee SCF, HQ Madrid	< 10.000.000 EUR
Central Credit Committee, CEO Nordic,	< 6.000.000 EUR
LCC Norway, CRO Nordic	< 20.000.000 NOK
Credit Manager Nordic, Risk Manager, CEO Norway	< 10.000.000 NOK
Director of Credit Norway, Director of Regions Norway (level 1 A)	< 7.500.000 NOK

Loan applications > € 6 million must be approved by the SCF Loan Committee. Loan applications > € 10 million must be approved by the SCF Loans Committee Executive Committee.

For loan applications € 4 million – € 6 million, the Executive Committee must be informed using a standard form. The CEO and CRO should preferably use their credit authority through the Central Credit Committee on loan applications > NOK 20 million.

Standardized, De-centralized Credit Authority:

<b>Decision Level</b>	<b>Limit by application/ client</b>
Regional Directors (North, South, East, West) (level 1B)	< 5.000.000 NOK
Department Heads, Senior Caseworkers (level 2)	< 3.000.000 NOK
Senior Caseworkers (level 3)	< 1.500.000 NOK
Caseworkers (level 4)	< 500.000/ 1.500.000 NOK

#### *Scoring system*

The Seller utilises a front end system for loan applications called FinansFront, which relies on a Decision engine called PANDE (Pan Nordic Decision Engine). The system automatically leads the applications through a set of pre defined rules (Credit Matrix), and approves if a certain score is achieved. FinansFront was implemented in 2002, and managed the credit matrix up until the end of May 2010 when PANDE was implemented (see figure 4.7 below). It is important to point out that the Credit Matrix is used as a guideline for approval/refusal of applications, and that the final decision is made by the officer handling the case. Therefore, if a client's application is refused by FinansFront/PANDE, it is possible to process it manually by reference to credit rating score tables for Dun & Bradstreet and the available collateral.

PANDE also automatically controls every application based on a variety of pre-defined rules covering e.g. customer's credit history, anti-money laundering, fraud, capital adequacy requirements.

#### *Collection process*

When a borrower enters into arrears, an automated process of reminder letters is initiated requesting payment of outstanding instalments.

Instalment due dates for auto loans fall throughout the month, and reminder letters are dispatched from the Seller every Monday. The first reminder is dispatched when the instalment is above 14 days delinquent. It involves a late payment fee of NOK 59 together with instalment penalty interest. If instalments are still outstanding 14 days after the dispatch of the first reminder letter, a notice of termination of the loan is dispatched. The notice of termination involves an additional late payment fee of NOK 59 and instalment penalty interest.

14 days after the notice of termination, a notice of legal collection is dispatched to the borrower. This letter has due date 14 days after.

In parallel with the automated reminder letter process, the internal pre-collection team contacts delinquent customers by phone, e-mail and SMS before termination and transfer to external collection. The team consists of one manager and two permanent employees primarily working during business hours. A pool of temporary employees is used to handle peak hours and evenings/weekends.

The Pre collection team uses a dialer for their outbound activity where a call list is updated on a daily basis based on the previous day's calls and payments received. The call list is segmented and prioritised by reminder state, total principal balance and a risk scoring of the account based on payment history.

All delinquent customers will at least receive one call attempt, an SMS or an e-mail within one week. Outbound calls and SMS on early delinquent loans (under 28 days past due date) are outsourced to an external collection

agency. The external collection agency is paid based on the number of "promises to pay" achieved and reports daily on the results of the calls, including the promise to pay agreements made. The internal pre-collection team handles outbound calls, SMS and e-mails to all other delinquent customers, in addition to handling all inbound calls, e-mails and letters from delinquent customers.

The pre-collection team compiles a weekly and monthly report with the number of delinquent loans and central collection performance indicators.

The whole loan contract can be terminated with minimum two outstanding instalments, where the most recent instalment is 14 days past due date. At termination of the loan, invoicing and interest calculation is suspended in the Seller's systems.

After loan termination, the loan (total principal balance) is handled by an external debt collection agency for legal debt collection on behalf of the Seller. The external debt collector's primary objective is for the delinquent borrowers to reach payment plans and to fulfil outstanding instalments. If the borrower pays outstanding instalments, such payments are made to the Seller and calculated with the interest from the termination date. The external debt collectors are paid by regulated collection fees from the borrower established in Norwegian law.

If there are any strong concerns about the financial situation of the borrower, the external debt collection agency can opt to repossess the secured vehicle. In a situation where the borrower is unable to maintain the debt, the vehicle can voluntarily be returned. If a voluntarily return can not be agreed, a legal application is issued to the local governmental enforcement authorities. After completion of the enforcement process, the external debt collection agency repossesses the vehicle and returns it to the warehouse of the Seller's logistics and sales partner for repossessed vehicles.

Currently, the Seller repossesses approximately 40 vehicles a week on average and the average time from repossession to sale is 3.2 months. After repossession of the vehicle, a neutral third party (The Norwegian Automobile Federation, NAF) performs a technical and market valuation of the vehicle. All repossessed vehicles are sold in e-auctions at a website owned by the external logistics and sales partner. The e-auction is Seller branded, and exclusively includes vehicles repossessed from the Seller's borrowers. The pool of potential buyers only includes dealers, i.e. not consumers, and the Seller determines and controls which dealers are invited to the auction.

After auction sale of the vehicle, the cash payment is used to reduce the total principal balance of the loan. In most cases, the sales price does not cover the total outstanding balance. By Norwegian financial regulations, the Seller can continue to collect the residual debt from the borrower or co-borrower/guarantor. In most cases, the external debt collection agencies handle the collection of the residual debt. If the borrower does not fulfil the residual debt or no satisfactory payment plan is established, the external debt collection agency continues with legal actions towards the borrower. Such actions could for instance include enforced deductions from salary issued by the local governmental enforcement authorities.

If the borrower has no available liquid assets, the governmental enforcement authorities will issue an insolvency declaration. At this point the Seller will write-off the account, however the external debt collection agency will keep the borrower under observation to identify if the borrower at some point has access to liquid assets. The claim is thus never dropped, with the exception of cases of approved public debt settlement or death.

#### *Payment holidays*

The Division operates a policy of offering payment holidays of up to 3 monthly instalments per calendar year to customers with a good payment history, subject to compliance with internal guidelines. In applying for a payment holiday, the customer can either elect to extend the original term of the loan by the amount of the repayment holiday or alternatively to pay increased instalments later the same year, thereby retaining the original loan term.

The granting of repayment holidays is performed in accordance with internally defined procedures, including payment history checks. A fee of NOK 165 is currently charged per monthly instalment subject to a repayment holiday.

## THE ISSUER

### *Establishment and registered office*

The Issuer, Bilkreditt 1 Limited, was registered and incorporated on 10 November 2010 in Dublin, Ireland under the Irish Companies Acts 1963 – 2009 with registered number 491252 as a private company limited by shares. The Issuer has been incorporated for an indefinite length of life. The Issuer's registered office and principal place of business is Harbourmaster Place, IFSC, Dublin 1, the location at which the Issuer's register of shareholders is kept. The Issuer's telephone number is +1 353 680 6000.

The entire issued share capital in the Issuer is wholly-owned by a charitable trust company on trust for charitable purposes (see "THE ISSUER — Capitalisation").

The Issuer has no subsidiaries.

### *Corporate purpose and business of the Issuer*

The Issuer has been established as a special purpose vehicle for the purpose of issuing asset-backed-securities. The principal objects of the Issuer are more specifically described in clause 2 of its Memorandum of Association and includes, *inter alia*, the issuance the Notes and the entry into all financial arrangements in connection therewith. The Memorandum of Association of the Issuer may be inspected at the registered office of the Issuer.

Since its incorporation, the Issuer has not engaged in any activities other than those incidental to its incorporation under the Irish Companies Acts 1963 - 2009, the authorisation and issuance of the Notes and the authorisation and execution of the Transaction Documents and such other documents referred to or contemplated in this Prospectus to which it is or will be a party and the execution of matters which are incidental or ancillary to the foregoing.

So long as any of the Transaction Secured Obligations of the Issuer remain outstanding, the Issuer will not, *inter alia*, (a) enter into any business whatsoever, other than acquiring the Purchased Auto Loans, issuing Notes or creating other Transaction Secured Obligations or entering into a similar limited recourse transaction, entering into related agreements and transactions and performing any act incidental to or in connection with the foregoing, (b) have any subsidiaries, (c) have any employees or (d) dispose of any Purchased Auto Loans or any interest therein or create any mortgage, charge or security interest or right of recourse in respect thereof in favour of any person (other than contemplated by this Prospectus).

The Issuer has not commenced operations since the date of its incorporation as of the date of this Prospectus.

### Directors

Unless otherwise determined by ordinary resolution of the shareholders of the Issuer, the number of directors may not be less than two and not greater than ten.

The first directors shall be determined in writing by the signatories of the Memorandum of Association, or by a majority of them. The shareholders of the Issuer may appoint any person as director or remove any director from office by way of ordinary resolution. The directors have power at any time, and from time to time, without the sanction of the shareholders in a general meeting, to appoint any person to be a director, either to fill a casual vacancy or as an additional director.

Any director (other than an alternate director) may appoint any other director, or any other person, to be an alternate director and may remove from office an alternate director so appointed by him. An alternate director is entitled to perform all the functions of his appointment or as a director in his absence but shall not be entitled to receive any remuneration from the Issuer for his services as an alternate director.

The directors may, by power of attorney or otherwise appoint any person to be the agent of the Issuer for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

The directors of the Issuer and their respective business addresses and other principal activities are:

Name	Nationality	Business Address	Occupation
Margaret Kennedy	Irish	5 Harbourmaster Place, IFSC, Dublin 1	Professional Director
Carmel Naughton	Irish	5 Harbourmaster Place, IFSC, Dublin 1	Professional Director

The directors of the Issuer specified above will receive a fee from the Issuer. Secretary of the Issuer

The Secretary of the Issuer is Deutsche International Corporate Services (Ireland) Limited

The activities of the Issuer will principally be the issue of the Notes, entering into all documents relating to such issue to which the Issuer is expressed to be a party, the acquisition of the Purchased Auto Loans, the Related Collateral and the exercise of related rights and powers and other activities reasonably incidental thereto.

#### *Capitalisation*

The following shows the capitalisation of the Issuer as of the date of this Prospectus, adjusted for the issue of the Notes:

#### *Share capital*

The authorised share capital of the Issuer is EUR 1000 comprising 1000 shares of EUR 1. The issued and paid up share capital of the Issuer is EUR 1000 (consisting of 1000 ordinary share of EUR 1, fully paid) as at the date of this Prospectus. The entire issued share capital of the Issuer is held by Deutsche International Finance (Ireland) Limited under a declaration of trust for the benefit of Irish registered charities.

#### *Loan Capital*

NOK 10,655,440,000 Notes due June 2025

NOK 159,831,600 of outstanding advances under the Subordinated Loan

NOK 21,088,800 of outstanding advances under the Expenses Loan

#### *Employees*

The Issuer will have no employees.

#### *Property*

The Issuer will not own any real property.

#### *General meetings*

All general meetings of the Issuer other than annual general meetings will be called extraordinary general meetings.

#### *Litigation*

The Issuer has not been engaged in any governmental, litigation or arbitration proceedings which may have a significant effect on its financial position since its incorporation, nor, as far as the Issuer is aware, are any such governmental, litigation or arbitration proceedings pending or threatened.

*Material adverse change*

Since its incorporation on 10 November 2010, there has been no material adverse change in the financial or trading position or the prospects of the Issuer.

*Fiscal year*

The fiscal year of the Issuer is the calendar year and each calendar year ends on 31 December.

*Financial statements and auditors' report*

The Issuer's auditors are Deloitte LLP, who are chartered accountants and are members of the Institute of Chartered Accountants in Ireland.

Since the incorporation of the Issuer on 10 November 2010, the Issuer has not prepared any financial statements and has not declared or paid any dividends as of the date of this Prospectus. No auditors' report in respect of the Issuer has been prepared or distributed.

*Authorisation by the Financial Supervisory Authority of Norway (FSAN)*

Pursuant to the decision by the FSAN of 27 May, 2010, the Seller was granted an authorisation to establish the Issuer as an Irish limited liability company pursuant to the conditions set out in the decision.

## THE SELLER

### *Incorporation and ownership*

The Seller, Santander Consumer Bank AS ("**SCB AS**") is a private limited liability company based in Norway. The Seller's current structure was established in 2005, after Santander Consumer Finance S.A. acquired Elcon Finans AS and Bankia Bank AS, and merged the two companies. Santander Consumer Bank AS is 100% owned by Santander Consumer Finance S.A. (a subsidiary of Banco Santander, S.A).

Following the acquisition of Elcon Finans, Santander Consumer Finance S.A. demerged The Company, sold the factoring business, but retained the car finance business. Following this, Bankia Bank was acquired and merged with Elcon Finans to form SCB AS. Although the new company name Santander Consumer Bank AS was adopted, a decision was made to retain the strong Elcon brand for certain car finance products.

SCB AS is a pan-Nordic concern, with branches in Sweden and Denmark, and one 100% owned subsidiary in Finland. Formal incorporation was June 29th 2001, the incorporation date of Bankia Bank, the formal acquiring company in the merger of Elcon Finans and Bankia Bank.

Elcon Finans' core business was within the Norwegian leasing, car financing and factoring sectors, in which it had specialised since the 1960's. The company established a Swedish branch in 2000.

Bankia Bank was a small Norwegian bank focused entirely on credit cards. The owners developed a lean organisation with low operating costs, and it was the first bank in Norway to offer independent non-fee Visa credit cards. Bankia Bank was the market leader within this segment in 2004.

In 2007, Santander established a presence in both Denmark and Finland, strengthening its position in the Nordic region. At end of December 2010, SCB AS Nordic Group had total assets of NOK 50.9 billion and almost 500 employees.

Division Norway (the "**Division**") is the Norwegian business unit within SCB AS' Nordic Group. The Division, which is synonymous with the Seller, consists of two profit areas; "Car & Leisure Finance" and "Consumer Loans".

Car & Leisure Finance, together with its Swedish counterpart Car Sweden, represents the residual remaining businesses following the de-merger of ELCON Finans AS in 2005, and is the business upon which SCB AS Nordic Group's expansion plans are primarily based. The profit area Consumer Loans was launched in 2006, and is an integrated part of the Division.

Car & Leisure Finance consists of both the provision of retail and wholesale financing:

Retail financing includes financing primarily of (new and used) cars, caravans, motorhomes, boats and motorcycles. Cars represent the most significant proportion of both historic and new sales and account for approximately 90% of new sales. Retail financing is provided to both individuals and corporate customers; and

Wholesale finance includes the financing of new and used cars, both demo and stock vehicles for car dealers.

The Division is a market leader in the car and leisure financing sector in Norway, with a current market share of approximately 30%. The profit area Consumer Loans, currently commands a market share of approximately 5%.

### *Downpayment*

The Seller does not operate a rigid minimum downpayment policy, but applies minimum downpayment requirements based upon considered risk criteria. The size of the required downpayment is reflected in the pricing strategy, where interest rate levels are connected to the level of downpayment made. The weighted average downpayment amount for loans within the proposed securitization portfolio is 16%, as at 31 December 2010.

### *Interest rates*

Interest terms are generally floating and can be amended by the Seller at its discretion, always subject to the terms of the relevant contract.

The decision to amend rates is based on an overall evaluation considering development in a number of variables. Typically the most important variables are:

- Market interest rates development;
- Market conditions and competition;
- Credit spreads;
- Considerations connected to assets growth and prepayments; and
- Development in credit losses.

Private individuals are advised 6 weeks ahead of any rate change for adverse changes in interest rates. Typically the bank is able to reprice assets within 2 months of an event leading to overall evaluation that rates should be changed.

### *Instalments*

Loans offered by SCB AS are, in general, offered for a maximum period of 120 months. Loans are repayable in monthly instalments. Only Loans with a minimum residual term of 3 months will be included in the Portfolio.

### *Insurance*

The Seller requires that all financed vehicles are insured with fully comprehensive motor insurance – and in which the Seller typically registers a third party interest. The exception to this rule is an offered loan type whereby the borrower is only required to have third party motor insurance (equivalent to the minimum Norwegian legal requirement). The interest rate payable on this loan type is higher than for loans where fully comprehensive insurance is required.

As at 31 December 2010 - 98% by value of loans within the proposed securitization portfolio have fully comprehensive insurance in place.

The Seller markets both motor insurance and credit protection insurance (CPI) insurance to customers on a voluntary basis.

Motor insurance is marketed to both leasing customers (corporates only), and loan customers. The current insurance provider is Codan, who are responsible for administration and claims handling.

CPI insurance is also marketed on a voluntary basis to customers. CPI insurance is underwritten by the specialist insurance company Genworth Financial, and includes life, unemployment and long-term illness protection. The Seller operates a revenue sharing agreement, where it retains a proportion of insurance premium revenues.

Two types of CPI are offered to customers:

- Monthly premium policy (launched in 2005), where the monthly insurance premium is collected as an additional amount added to the customer's monthly loan repayment instalment; and
- Single premium policy (launched in 2008), where the total premium amount is added to the loan balance. Customers can only select this type of insurance within 14 days of loan drawdown.

Premium levels and terms are essentially identical for both policy types.

In the event that the customer wishes to cancel their CPI policy, the following occurs:



- Monthly premium policy - monthly insurance premiums are simply discontinued; and
- Single premium policy - the insurance company refunds to the Division its proportion of the remaining insurance premium, which Santander credits to the borrowers loan account, together with its own share of the remaining premium.

In the event of a (non-death) claim under CPI policies, the borrower is obliged to inform the insurance company directly, who will pay any eventual benefit claims directly to the customer. In the event of a death-related claim, the insurance company will forward any claim proceeds to Santander for credit to the borrower's loan account, with any surplus funds provided to the estate of the deceased. The Division is not involved in any claims handling.

#### *Origination*

The Seller is the leading provider of financial services to all participants along the car distribution chain in the Norwegian market, from the importer to the end customer.

This position has been achieved by following a strategy of full integration in the car market, and through establishing a comprehensive set of products specifically designed to satisfy the financial needs of all the parties involved in the value chain. Being the market leader for the last 20 years has allowed the company to develop strong business relationships with all market participants: importers, dealers and end customers.

The Division's origination strategy can be summarised thus:

- Multi channel distribution strategy – where the dealer channel is preferred;
- Strong relations to the car dealer network;
- Agreements with 20 importers/brands;
- Full product portfolio;
- Stock finance used/new;
- Fleet;
- Strong sales force covering all of Norway; and
- Dealer training – Santander School.

The Division employs two main distribution channels for the distribution of its products:

- as at 31 December 2010 - Indirect distribution via co-operating dealers and agents (approximately 75% by value of loans within the proposed securitisation portfolio); and
- as at 31 December 2010 - Direct distribution (which accounts for approx. (approximately 25% by value of loans within the proposed securitisation portfolio).

## **THE PRINCIPAL PAYING AGENT, THE CALCULATION AGENT, THE TRANSFER AGENT AND THE CASH ADMINISTRATOR**

The Principal Paying Agent, the Calculation Agent, the Transfer Agent and the Cash Administrator is Deutsche Bank AG, acting through its London Branch.

Deutsche Bank Aktiengesellschaft ("**Deutsche Bank**" or the "**Bank**") originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Duesseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Theodor-Heuss-Allee 70, 60486 Frankfurt am Main and branch offices in Germany and abroad, including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore, which serve as hubs for its operations in the respective regions.

The Bank is the parent company of a group consisting of banks, capital market companies, fund management companies, a real estate finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies.

Deutsche Bank AG, London Branch is the London branch of Deutsche Bank AG. On 12 January 1973, Deutsche Bank AG filed in the United Kingdom the documents required pursuant to section 407 of the Companies Act 1948 to establish a place of business within Great Britain. On 14 January 1993, Deutsche Bank registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR000005) in England and Wales. Deutsche Bank AG, London Branch is an authorized person for the purposes of section 19 of the Financial Services and Markets Act 2000. In the United Kingdom, it conducts wholesale banking business and through its Private Wealth Management division, it provides holistic wealth management advice and integrated financial solutions for wealthy individuals, their families and selected institutions.

As of 31 December 2010, Deutsche Bank's issued share capital amounted to EUR 2,379,519,078.40 consisting of 929,499,640 ordinary shares without par value. The shares are fully paid up and in registered form. The shares are listed for trading and official quotation on all the German Stock Exchanges. They are also listed on the New York Stock Exchange.

The consolidated financial statements for the fiscal years starting 1 January 2007 are prepared in compliance with International Financial Reporting Standards (IFRS). As of 30 September 2010, Deutsche Bank Group had total assets of \$1,957,748 million, total liabilities of \$1,918,209 million and total equity of \$39,539 million on the basis of IFRS (unaudited).

Deutsche Bank's long-term senior debt has been assigned a rating of A+ (outlook stable) by Standard & Poor's, Aa3 (outlook stable) by Moody's Investors Services and AA- (outlook negative) by Fitch Ratings.

The foregoing information regarding Deutsche Bank AG, acting through its London Branch under the heading "THE PRINCIPAL PAYING AGENT, THE CALCULATION AGENT, THE TRANSFER AGENT AND THE CASH ADMINISTRATOR" has been provided by Deutsche Bank AG, acting through its London Branch and the Issuer assumes no responsibility therefor.

## **THE CORPORATE ADMINISTRATOR**

Pursuant to the Corporate Administration Agreement, Deutsche International Corporate Services (Ireland) will act as corporate administrator in respect of the Issuer.

The foregoing information regarding the Corporate Administrator under the heading "THE CORPORATE ADMINISTRATOR" has been provided by Deutsche International Corporate Services (Ireland) and the Issuer assumes no responsibility therefor.

## THE TRANSACTION ACCOUNT BANK

Deutsche Bank Aktiengesellschaft ("**Deutsche Bank**" or the "**Bank**") originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Duesseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Theodor-Heuss-Allee 70, 60486 Frankfurt am Main and branch offices in Germany and abroad, including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore, which serve as hubs for its operations in the respective regions.

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The foregoing information regarding Deutsche Bank AG, acting through its London Branch under the heading "THE TRANSACTION ACCOUNT BANK" has been provided by Deutsche Bank AG, acting through its London Branch and the Issuer assumes no responsibility therefor.

## **THE SWAP COUNTERPARTY**

Banco Santander, S.A. is the parent bank of Grupo Santander. It was established on 21 March 1857 and incorporated in its present form by a public deed executed in Santander, Spain, on 14 January 1875. Grupo Santander is a financial group operating principally in Spain, the United Kingdom, Portugal, other European countries, Brazil and other Latin American countries and the United States, offering a wide range of financial products.

At 31 December 2010 Grupo Santander was the 12th largest banking group in the world by market capitalisation and the largest banking group in the euro zone with a stock market capitalisation at that date of 66,000 million. Santander had 3,202,324 shareholders at the close of 2010. Total employment in the Group was 178,869 at the end of 2010, serving more than 95 million customers in 14,082 branches, making Santander the international financial group with the most shareholders and the largest branch network.

Santander UK plc, a wholly owned subsidiary of Grupo Santander, is a significant financial services provider in the United Kingdom, following the combinations in 2008 with Alliance & Leicester plc and Bradford and Bingley plc's retail deposits, branch network and its related employees. It also provides a wide range of retail savings accounts, and operates across the full range of personal financial services.

At 31 December 2010 Grupo Santander had in Latin America majority shareholdings in banks in Argentina, Brazil, Chile, Colombia, Mexico, Puerto Rico and Uruguay. Grupo Santander's significant position in Latin America is attributable to its financial strength, high degree of diversification (by countries, businesses, products, etc.), breadth and depth of its franchise.

The foregoing information regarding the Swap Counterparty under the heading "THE SWAP COUNTERPARTY " has been provided by Banco Santander, S.A. and the Issuer assumes no responsibility therefor.

## **THE NOTE TRUSTEE AND THE SECURITY TRUSTEE**

Pursuant to the Note Trust Deed, the Note Trustee will be appointed as note trustee. Pursuant to the Security Trust Deed, the Security Trustee has been appointed as security trustee and has agreed to hold on trust for the Issuer Secured Parties the Transaction Secured Obligations and the benefit of the Security Documents. See "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS - Security Trust Deed and - Note Trust Deed".

The Note Trustee and Security Trustee is Deutsche Trustee Company Limited, United Kingdom.

Deutsche Trustee Company Limited is a company incorporated under the laws of England and Wales with registered office at Winchester House, 1 Great Winchester Street, London EC2N 2DB United Kingdom, fiscal coder and enrolment in the companies' register of the United Kingdom No. 338230.

Deutsche Trustee Company Limited, London, England, is wholly owned by its ultimate parent Deutsche Bank AG.

The foregoing information regarding Deutsche Trustee Company Limited under the heading "THE NOTE TRUSTEE AND THE SECURITY TRUSTEE" has been provided by Deutsche Trustee Company Limited and the Issuer assumes no responsibility therefor.

## **THE REGISTRAR**

The Registrar is Deutsche Bank Luxembourg S.A.

Deutsche Bank Luxembourg S.A. is a public limited liability company incorporated under the laws of Luxembourg, registered with the Register of Commerce and Companies in Luxembourg under number B 9164, whose registered office is at 2, Boulevard Konrad Adenauer, L-1115 Luxembourg.

The foregoing information regarding Deutsche Bank Luxembourg S.A. under the heading "THE REGISTRAR" has been provided by Deutsche Bank Luxembourg S.A. and the Issuer assumes no responsibility therefor.

## THE ISSUER SECURED ACCOUNTS

The Issuer will maintain the Transaction Account in connection with the Transaction Account Bank for the receipt of amounts relating to the Purchased Auto Loans and the Related Collateral and for the completion of its related payment obligations and, as applicable, for the receipt and holding of Cash Collateral from a Liquidity Loan Provider following a Ratings Downgrade. The Issuer will maintain the Reserve Account with the Transaction Account Bank to hold the Reserve Fund as additional security for payment of the Notes and other Transaction Secured Obligations. The Issuer will maintain the Commingling Reserve Account with the Transaction Account Bank to hold certain funds to be deposited by the Servicer (or, if different, the Seller) in certain circumstances pursuant to the Servicing Agreement. Amounts in the Transaction Account, with certain exceptions, the Reserve Account and, in certain circumstances, the Commingling Reserve Account will be included in Available Distribution Amounts on each Payment Date.

The Issuer Secured Accounts will be maintained at the Transaction Account Bank, Deutsche Bank AG, London Branch or any other person appointed as Transaction Account Bank in accordance with the Transaction Account Agreement and the Security Trust Deed.

The Cash Administrator shall make payments from the Issuer Secured Accounts without having to execute an affidavit or fulfil any formalities other than comply with tax, currency exchange or other regulations of the country where the payment takes place.

All payments to be made by or to the Issuer in connection with the Notes and the other Transaction Documents, as well as the processing of proceeds from the Purchased Auto Loans and the Related Collateral, are undertaken through the Transaction Account.

Pursuant to the Security Trust Deed, all claims of the Issuer in respect of the Issuer Secured Accounts are transferred for security purposes to the Security Trustee.

Under the Security Trust Deed, the Issuer is permitted to administer the Issuer Secured Accounts to the extent that all obligations of the Issuer are fulfilled in accordance with the Pre-Enforcement Priority of Payments, Note Condition 2.3 (*Pre- Enforcement Priority of Payments*) and the requirements of the Security Trust Deed. The Security Trustee may rescind this authority of account administration granted to the Issuer and take any necessary action with respect to the Issuer Secured Accounts upon instructions of the Note Trustee in accordance with the terms of the Security Trust Deed.

### **Transaction Account Agreement**

Pursuant to the Transaction Account Agreement entered into between the Issuer, the Note Trustee, the Security Trustee, the Transaction Account Bank and the Cash Administrator in relation to the Issuer Secured Accounts have been opened with the Transaction Account Bank on or prior to the Purchase Date. The Transaction Account Bank will comply with any written direction of the Cash Administrator to effect a payment by debit from any of the Issuer Secured Accounts if such direction is in writing and complies with the relevant account arrangements between the Issuer and the Transaction Account Bank and is permitted under the Transaction Account Agreement.

Any amount standing to the credit of any of the Issuer Secured Accounts will bear interest as agreed between the Issuer and the Transaction Account Bank from time to time, always in accordance with the applicable provisions (if any) of the relevant account arrangements, such interest to be calculated and credited to the relevant Issuer Secured Account in accordance with the Transaction Account Bank's usual procedure for crediting interest to such accounts.

Under the Transaction Account Agreement, the Transaction Account Bank waives any first priority pledge or other lien, including its standard contract terms pledge, it may have with respect to any of the Issuer Secured Accounts and further waives any right it has or may acquire to combine, consolidate or merge any of the Issuer Secured Accounts with each other or with any other account of the Issuer or any other person or to set-off any liabilities of the Issuer or any other person to the Transaction Account Bank, and further agrees that it shall not set-off or transfer any sum standing to the credit of or to be credited to any of the Issuer Secured Accounts in or towards satisfaction of any liabilities to the Transaction Account Bank or the Issuer, as the case may be, or any other person.



If a Ratings Downgrade occurs with respect to the Transaction Account Bank, the Issuer shall (with the prior written consent of the Note Trustee) procure that within 30 calendar days after the occurrence of such Ratings Downgrade, the Issuer Secured Accounts and the Expenses Loan Payment Account and all funds standing to the credit of the Issuer Secured Accounts and the Expenses Loan Payment Account are transferred to another bank or banks that meet the Required Rating. The short-term unsecured, unsubordinated and unguaranteed debt obligations of the Transaction Account Bank are currently rated F1+ by Fitch and R-1 by DBRS.

## LEGAL MATTERS - NORWAY

**The following is a general discussion of certain Norwegian legal matters. This discussion does not purport to be a comprehensive description of all Norwegian legal matters which may be relevant to a decision to purchase Notes. This summary is based on the laws of Norway currently in force and as applied on the date of this Prospectus, which are subject to change, possibly also with retroactive or retrospective effect.**

**Prospective investors are requested to consider all the information in this Prospectus (including "Risk Factors"), make such other enquiries and investigations as they consider appropriate and reach their own views prior to making any investment decisions.**

### *Insolvency law*

Under Norwegian bankruptcy law, a creditor who holds a perfected security right in any Purchased Auto Loans or Related Collateral will have a preferential right to proceeds derived from the realisation of such Purchased Auto Loans and Related Collateral. Enforcement and realisation of perfected security rights are subject in Norway to the provisions of the Norwegian Enforcement Act 1992 (*tvangsfullbyrdelsesloven*) (the "**Enforcement Act**").

In the event that a Debtor defaults on a Purchased Auto Loan, and the value of the relevant Related Collateral is insufficient to recover all or any of the remaining Outstanding Principal Amount of that Purchased Auto Loan, then the Issuer or the Security Trustee (as the case may be) will have an unsecured claim against the Debtor for any residual debt exceeding the value of the Related Collateral. If the Debtor enters into bankruptcy or similar proceedings, the Issuer's (or Security Trustee's) unsecured claim against the Debtor may be reduced by law.

If a Debtor goes into bankruptcy, the bankruptcy estate will have a first priority lien on all the Debtor's pledged assets, limited however to 5 % of the value of such asset. This may affect auto chattel mortgages granted by the Debtor in connection with the Auto Loan. For instance, if the Debtor has granted an auto chattel mortgage over an auto worth NOK 100,000, then the bankruptcy estate will have a first priority lien limited to NOK 5,000 in the auto, and the auto chattel mortgagee will have a secured claim over the rest. The funds obtained through the exercise of the statutory lien, may only be used to pay for necessary expenses in connection with the bankruptcy proceedings of the Debtor.

### *Assignment of Purchased Auto Loans to Issuer*

If the Seller's assignment of Auto Loans to the Issuer does not comply with the provisions of the relevant Loan Contracts and applicable law, then the Debtors may, pursuant to Norwegian law, refuse to acknowledge the Issuer's creditor rights with respect to such Auto Loans and will be entitled to continue to make payments on those Auto Loans directly to the Seller, notwithstanding a Servicer Termination Event such as the Seller's insolvency. This could limit the Issuer's rights with respect to such Auto Loans in the event of the Seller's insolvency or other circumstances.

As a general rule under Norwegian law, non-negotiable debt claims (*enkle pengekrav*), such as the Purchased Auto Loans, can be freely assigned by way of ownership or security, unless prohibited by law or contract. When a Norwegian financial institution such as the Seller sells a loan portfolio to a non-financial institution such as the Issuer, Section 45 of the Norwegian Financial Agreements Act 1999 (*finansavtaleloven*) (the "**FAA**") requires the Seller to obtain the debtors' active consent to the transfer of the portfolio. However, following the enactment of the Norwegian securitisation rules in 2004, Section 2-39 of the Norwegian Financial Institutions Act 1988 (*finansieringsvirksomhetsloven*) (the "**FIA**") now contains a special rule which enables a seller to rely on a debtor's passive consent with respect to a securitisation involving a sale of the debtor's loan, provided that the debtor has been notified about the securitisation and has been given a reasonable time period (in no event shorter than three weeks) to object to the sale and transfer of the loan. If no objection has been raised by the debtor by the expiry of the reasonable time period, the debtor is regarded as having consented to the sale and transfer of the loan.

Pursuant to the Auto Portfolio Purchase Agreement, the Seller has warranted to the Issuer that the Loan Contracts documenting the Purchased Auto Loans are non-negotiable promissory notes which are assignable and based on certain standard forms. Such standard forms either (i) do not specifically prohibit the Seller from transferring its rights under the relevant Loan Contract to a third party or (ii) contain assignability provisions

which state that if the borrower is a consumer, the Seller may only assign the Auto Loan to a "financial institution or a similar entity" as described in Section 45 of the FAA. The Issuer is not a "financial institution or similar entity". However, in the Seller's view, there are good and valid reasons for claiming that the assignability provisions should not be interpreted to prevent the Seller and the Issuer from relying on the passive consent rule set out in Section 2-39 of the FIA as described above. Firstly, the assignability provisions contained in the Loan Contracts are typical "boilerplate" language, and a debtor may in any event consent to an assignment to a non-financial institution. Also, the assignability provisions in the Loan Contracts do not address which form a debtor's consent may take, and may, therefore, be interpreted to mean that the Seller and the Issuer may rely on the passive consent rule in Section 2-39 of the FIA.

The assignment of an Auto Loan by way of ownership to the Issuer obtains legal perfection when the relevant Debtor has been notified about the assignment, subject to the discussion above. The Seller has issued notifications about the securitisation to each individual Debtor as discussed above. Each notice has been written in Norwegian, and specifies the assignment of the relevant Auto Loan and Related Collateral to the Issuer, as well as the Issuer's security assignment of the same in favour of the Security Trustee. Each notice also specifies the respective rights and obligations of the Seller and the Issuer towards the Debtor after the Transaction has been completed. Debtor who have not protested against the assignments described in the notice within the deadline set forth therein are regarded as having consented to the assignment in accordance with FIA Section 2-39. Auto Loans of Debtors who have protested against the assignments will not be included in the securitisation and thus will not constitute Purchased Auto Loans. In addition to the notifications mentioned above, the Seller has undertaken to procure that, when completed in accordance with the Auto Portfolio Purchase Agreement, the sale and transfer of the Portfolio obtains legal perfection by virtue of a second notification to be issued to each of the Debtors on or about the Purchase Date.

#### *Assignment of Related Collateral to Issuer*

As at 31 December 2010, the Purchased Auto Loans are secured by various types of security rights granted in favour of the Seller. Under Norwegian law, security rights are generally assignable together with the underlying debt claim they relate to, unless prohibited by law or contract. When a debt claim and pertinent security right(s) are collectively assigned by way of ownership, the perfection rules applicable to the debt claim will as a general rule apply also to the assignment of the security rights. Since the transfer of the Purchased Auto Loans to the Issuer obtains legal perfection through notification to the relevant Debtors, the transfer of the Related Collateral will be perfected the same way. However, some additional requirements apply with respect to third party guarantees and insurance claims, as described below.

For approximately 98% of Purchased Auto Loans, (as at 31 December 2010), the Debtors are contractually obligated towards the Seller to maintain "full coverage" vehicle insurance (comprehensive, collision damages etc.) over the Financed Vehicle, and to ensure that the Seller is named as co-insured in the insurance policy. Under Norwegian law, absent any contractual provisions to the contrary, the Seller may freely assign to the Issuer its monetary rights as co-insured under any applicable vehicle insurance. Such assignment is perfected against the Seller's creditors by notifying the relevant insurance company. The Seller does not maintain updated databases over vehicle insurances taken out by Debtors and is therefore not able to confirm whether the Seller is named as co-insured under those insurances, and whether the monetary benefit thereunder can be freely assigned. Accordingly, the Seller's ability to assign its contingent claims as co-insured under vehicle insurances may be limited, and neither the Seller nor the Issuer will take any measures to identify and/or notify relevant vehicle insurance companies about the assignment of contingent vehicle insurance claims from the Seller to the Issuer. Further, depending on the terms and conditions of the relevant vehicle insurance policy, the Seller's rights as co-insured may in any event be void in certain scenarios, e.g. in cases where the Debtor's insurance claim is void or reduced because of a violation of the terms and conditions of the policy (e.g. drunk driving, reckless speeding, etc.) or where the Purchased Auto Loan has been granted in violation of statutory rules regarding minimum requirements for cash down payments by consumers when purchasing a credit financed chattel (for information about these requirements, see "RISK FACTORS — Enforcement of Purchased Auto Loans and Related Collateral").

For approximately 19% of Purchased Auto Loans, (as at 31 December 2010), the Debtors have taken out credit protection insurance (each a "**CPI Policy**") sold by the Seller and underwritten by certain insurance companies (the "**CPI Insurers**"). The agreements between the Seller and the CPI Insurers provide that the Seller, subject to certain conditions, may be entitled to a payment from the CPI Insurers if an insured Debtor dies; however, the Seller does not enjoy any direct economic benefit if the Debtor's loan servicing ability is reduced or lost by reason of injury, disease, or other non-fatal occurrences. The Seller's claim in the event of a Debtor's death is a

contingent monetary claim which can be assigned by way of ownership to the Issuer. Such assignment is perfected against the Seller's creditors by notifying the relevant CPI Insurer. Failure to notify a CPI Insurer about the assignment will entitle the guarantor to treat the Seller as guarantee creditor and pay any amount due under the guarantee to the Seller. However, the Seller has undertaken to issue notification about the assignments to the CPI Insurers.

Some CPI Policies are subject to a single, up-front premium payment. The Seller has financed such up-front premium payments by granting Debtors a separate credit which has been added to the aggregate principal amount of the relevant auto loan. Upon a Debtor's early termination of the CPI Policy, the Debtor may be entitled to a partial or full refund of the insurance premium depending on the circumstances. In such cases, the Seller will credit the Debtor's Auto Loan correspondingly. Accordingly, there is a risk that the outstanding principal amount of Purchased Auto Loans which have been transferred to the Issuer could be reduced upon the Debtor's early termination of CPI Policy. However, it is expected that the aggregate portions of the principal amounts of the Purchased Auto Loans corresponding to such up-front premium payments will not exceed 1.1% of the aggregate principal amount of all Purchased Auto Loans, and this amount has been taken into account in fixing the initial principal amount of the Class B Notes.

A small portion of Auto Loan are secured by third party guarantees. Under Norwegian law, unless otherwise agreed with an individual guarantor, the Seller will be entitled to assign to the Issuer by way of ownership its monetary rights under such guarantee. A failure to notify the guarantor about the assignment pursuant to FAA Section 58, may entitle the guarantor to treat the Seller as guarantee creditor, and pay any amount due under the guarantee to the Seller. The guarantor will also be entitled to set off any payment obligation under the guarantee against any counterclaim the guarantor may have against the Seller, if such counterclaim (i) existed at the time the guarantor was informed about the assignment of the Auto Loan to the Issuer, and (ii) has become due and payable before or at the same time as the guarantee claim against the guarantor becomes due and payable. However, here the Seller notified each guarantor about the assignment pursuant to FAA Section 58 at the same time as the Debtors were given their first notice of the securitisation.

#### *Grant of security over Portfolio by the Issuer to the Security Trustee*

Pursuant to the Security Documents, the Issuer will grant security over its assets, including the Portfolio, in favour of the Security Trustee. It is not entirely clear from Norwegian private international law whether the Issuer's grant of security over the Portfolio in favour of the Security Trustee will have to comply with Norwegian law, for instance Norwegian security rights legislation.

Under Norwegian law, the Issuer may grant security over its assets to the extent allowed by law and contract. No contractual restrictions in the Loan Contracts, the documents relating to the Related Collateral, or any other related documents have been identified which could restrict the Issuer's ability to grant a security over the Portfolio in favour of the Security Trustee.

With respect to the Issuer's Purchased Auto Loans, these may be pledged in favour of the Security Trustee and such pledge will obtain legal perfection by virtue of notification to the relevant Debtor. The same is the case for security assignments of contingent third party guarantee claims and insurance claims; however, in these cases it is also advisable to notify the relevant guarantor and/or insurance company. Such notification has been issued to certain, but not all, of these third parties.

The Issuer's assignment of auto chattel mortgages to the Security Trustee by way of security means that the Security Trustee is granted a sub-mortgage over such auto chattel mortgages. The ability to create sub-mortgages over auto chattel mortgages pursuant to Norwegian law is not entirely clear, but a preponderance of relevant sources of Norwegian law suggest that such sub-mortgages can be created. The same legal sources suggest that an auto chattel sub-mortgage obtains legal perfection by virtue of notification to the relevant Debtor.

If auto chattel mortgages are validly assigned by the Issuer to the Security Trustee by way of security, the Security Trustee will obtain sub-mortgages over such security rights. Pursuant to Section 1-10 (1) in Act No. 2 of 8 February 1980 on Mortgages, Pledges, Liens etc. (the "**Pledge Act**"), security rights can be sub-mortgaged to third parties unless prohibited by contract or other circumstances. However, it is not entirely clear under Norwegian law whether Section 1-10 (1) in the Pledge Act constitutes a statutory basis for the creation of sub-mortgages in general. This is of particular importance with respect to sub-mortgages over auto chattel mortgages as the Pledge Act does not specifically mention the possibility of such sub-mortgages being created.

There is Norwegian case law available which suggests that a sub-mortgage over an auto chattel mortgage, although not specifically mentioned in the Pledge Act, could be created under Section 1-10 of the Pledge Act, and that such sub-mortgages will obtain legal perfection the same way as the pledge over the underlying Purchased Auto Loan, i.e. notification to the Debtor. However, the precedent value of available case law is uncertain, and it is therefore a risk that sub-mortgages over auto chattel mortgages would not be recognized by the Norwegian courts.

The Issuer's assignment of security over the Portfolio to the Security Trustee will be covered by the Debtor's tacit consent given in connection with the securitisation, as described in more detail above.

#### *Existing rights of Debtors*

Following the Purchase Date, a Debtor will be entitled to invoke the same objections and defences (including set-off and counterclaim) relating to a Purchased Auto Loan, against the Issuer or the Security Trustee (as the case may be, depending on whether there is an enforcement situation) as the Debtor was entitled to invoke against the Seller prior to the Purchase Date. This is because when a Norwegian financial institution such as the Seller assigns a loan by way of ownership, the assignee (here, the Issuer) becomes the new creditor for the loan on the same terms as the Seller.

The Servicer (acting on behalf of the Issuer) will have the same right to adjust interest rates and fees on the Purchased Auto Loans as the Seller had pursuant to the Loan Contracts and applicable law. In general, neither the Loan Contracts nor any consumer law or other regulation will prevent the Servicer from increasing the interest rates on the Portfolio at different times or in different magnitudes than what is the case for the unsecuritised loan portfolio remaining with the Seller. The fact that the increase comes at different times or in different magnitudes than with respect to the Seller's retained auto loans will only be a justifiable reason for a Debtor's objection if it is held that the increase was not justified under the Loan Contract and/or applicable consumer law or other regulation.

If a Purchased Auto Loan was granted pursuant to an agreement between the Seller and the seller of the relevant Financed Vehicle, the Debtor is, pursuant to Section 54b of the FAA, able to direct against the Seller any claim the Debtor may have against the seller of the Financed Vehicle as a result of the purchase. Such claim must be a commercial claim which exists against the seller of the relevant Financed Vehicle pursuant to the sales contract and any applicable law of sales, e.g. claims relating to a Financed Vehicle defect. This means that, for example, claims relating to a personal injury cannot be brought against the Seller, even if the personal injury is caused by, or in connection with, the use of the Financed Vehicle. The Debtor can only bring monetary claims against the Seller, and not claims for specific performance. Finally, the Seller's liability pursuant to Section 54b is limited to the amount the Seller has received from the relevant Debtor in connection with the sale of the relevant Financed Vehicle. This means that the Seller's liability pursuant to Section 54b can never exceed the total amount repayable to the Seller pursuant to the relevant Purchased Auto Loan. The Seller has warranted that it is not aware that any Debtor has asserted any legal action, lien, right of rescission, counterclaim, set-off, right to contest or defence against the Seller in relation to any claim or potential claim the Debtor has or may have against an auto seller. Following the Purchase Date, the Issuer and/or the Security Trustee, as applicable, will be exposed to the same such liability as the Seller, but their liability will be limited to the same extent as the Seller's liability.

If a Debtor holds a savings account with the Seller, the Debtor is entitled to set-off any amount standing to the credit of that account at the time the Debtor is notified about the completed sale of the relevant Purchased Auto Loan against remaining instalments on such Purchased Auto Loan (cf. Section 26 in Act No.1 of 17 February 1939 relating to promissory notes and other types of claims (*Gjeldsbrevlova*)) (therefore potentially resulting in a shortfall of funds available to make payments on the Notes). Such set-off would most likely only be exercised by the Debtor if the Seller is placed under public administration (i.e. becomes insolvent) and the deposit standing to the credit of the relevant Debtor's bank account was greater than the amount covered by the Norwegian Banks' Guarantee Fund (*Bankenes sikringsfond*) (currently up to NOK 2 million) at the time the Debtor was notified about the completed sale of the loan. If a Debtor deposits money with the Seller after gaining knowledge of the completed sale of the Purchased Auto Loan, claims relating to that deposit cannot be set off against the relevant Purchased Auto Loan.

### *Norwegian rules on minimum down payments in connection with the purchase of credit-financed chattels*

The Seller's non-compliance with Norwegian regulatory requirements regarding minimum down payments (*forskrifter om minste kontantinnsats*) could in some circumstances result in (i) the inability of the Servicer, Issuer and/or the Security Trustee to rely on simplified enforcement procedures following a default by a Debtor under its Loan Contract; and/or (ii) loss of rights under certain types of Related Collateral.

Section 56b of the FAA (as amended in 2010), and Sections 14 and 15 of the Credit Agreement Regulations 2010 promulgated thereunder, contain rules on minimum requirements for cash down payments by a consumer which is a purchaser of a credit financed chattel (the "**Rules**").

**The Rules apply in situations where the Seller has granted the Auto Loan pursuant to an agreement with the seller of the auto (as discussed under RISK FACTORS – Existing rights of Debtors). When applicable, the Rules provide that the consumer purchaser must make a cash down payment of at least 35% of the total price for the chattel (the "Down Payment"). The Down Payment may not be financed through a credit from the auto seller, or from a third party lender on the basis of an agreement between the auto seller and the third party lender.**

The majority of the Purchased Auto Loans were provided by the Seller without the Debtor having made a cash down payment of at least 35% of the total price of the relevant Financed Vehicle.

According to statements in the Norwegian preparatory works, a violation of the Rules will not in itself give the Debtor a basis for alleging that the Purchased Auto Loan is invalid, or that the Debtor is not (fully or partially) obligated to repay the loan. Further, a violation of the Rules will not invalidate a legally perfected chattel mortgage over the Financed Vehicle, or any other Related Collateral. This applies with respect to the entire Purchased Auto Loan, including the part of the loan which covers the Down Payment the Debtor should have paid itself. The Issuer is not aware of any court decision where a loan has been annulled or reduced as a direct result of a violation of the Rules. See, however, "RISK FACTORS – Possibility of "unfair contract terms" scrutiny by Norwegian courts".

While neither the Financial Supervisory Authority of Norway ("**FSAN**") nor any other regulatory body may annul or revise credits granted in violation of the Rules, a violation of the Rules means that the simplified enforcement procedure (see "RISK FACTORS — Enforcement of Purchased Auto Loans and Related Collateral") will not be available. It may also result in the annulment of certain Issuer Secured Party rights pursuant to certain vehicle insurance policies taken out by Debtors over the Financed Vehicles. See "RISK FACTORS — Assignment of Related Collateral to Issuer".

### *Enforcement of Purchased Auto Loans and Related Collateral*

In the event of a Debtor's default on a Purchased Auto Loan, the Issuer or Security Trustee (as the case may be) may have to enforce such Purchased Auto Loan and any Related Collateral against the Debtor. Pursuant to the Servicing Agreement, the Servicer will assist the Issuer or the Security Trustee with all practical matters in enforcing such claim on their behalf and in their name.

In Norway, a creditor's right to enforce a claim is regulated by, *inter alia*, the Enforcement Act, which sets out the procedures for enforcing various types of claims, such as the non-negotiable monetary claims under the Purchased Auto Loans. Ultimately, enforcement of a claim in Norway requires the assistance of the Norwegian enforcement authorities. In order for a debt claim to be enforceable, a default must have occurred pursuant to the terms of the relevant loan. If a default has occurred, a non-secured creditor will in many cases have to file suit and obtain a court judgment in order to petition the Norwegian enforcement authorities to enforce the claim against the debtor. However, if the debtor has undertaken in writing that the claim can be enforced without prior judgment, then the creditor may petition the enforcement authorities directly upon a default. The Seller's standard form Loan Contracts contain such undertakings, meaning that a defaulted Purchased Auto Loan can be enforced with the aid of the enforcement authorities without obtaining a prior court judgment. Following a petition from a creditor to enforce a claim, the enforcement authorities will, if they consider the claim warranted after having given the debtor a chance to defend itself against the claim, register attachments (*utlegg*) over the debtor's assets to the extent necessary to secure the claim. Thereafter, the attached assets can be realised through a forced public auction process (*tvangssalg*). If, however, the debtor disputes the decision of the enforcement authorities, the debtor may demand that the enforcement matter be deferred to the courts for decision. For these

reasons, enforcement of a disputed claim in Norway pursuant to the Enforcement Act can take considerable time, depending on jurisdiction.

Chapter 9 of the Enforcement Act does provide auto chattel mortgagees with a simplified enforcement process which allows them to take possession of the Financed Vehicle with the assistance of Norwegian enforcement authorities, without first obtaining a court judgment and with no requirement for a forced public auction. In order to take advantage of this simplified enforcement procedure, the auto chattel mortgage must (i) be validly perfected and (ii) relate to a loan granted in compliance with Norwegian rules on minimum down payments (see "RISK FACTORS — Norwegian rules on minimum down payments in connection with the purchase of credit-financed chattel"). In so far as any of the Purchased Auto Loans were provided in breach of such minimum down payment rules, the Issuer cannot rely on the simplified enforcement procedure. The simplified process can, therefore, not be used for the majority of the Purchased Auto Loans. However, such loans can still be enforced in the courts (although that could make the enforcement procedure more cumbersome, expensive and time consuming) and the chattel mortgagee may also be able to repossess the Financed Vehicle through an agreement with the Debtor, as long as such agreement is entered into after the default has occurred.

#### *Possibility of "unfair contract terms" scrutiny by Norwegian courts*

Section 36 of the Norwegian Contracts Act ("**Section 36**") gives Norwegian courts a general discretion to annul or revise "unfair contract terms" based on specific circumstances. The courts may take into consideration circumstances which were present at the time of the agreement as well as subsequent circumstances. A violation of the Rules is one factor which can be taken into account.

According to Norwegian preparatory works and case law, the threshold for the application of Section 36 is high. No cases where a court of law has annulled or reduced a consumer's debt pursuant to Section 36 due to a violation of the Rules have been identified. However, there is one known case which went before the Complaints Board for Consumers in Banking, Finance and Mutual Fund Matters in Norway (*Finansklagenemnda*, previously *Bankklagenemnda*) (the "**Board**"), in which the Board held that a consumer borrower who had borrowed money to purchase a car was entitled to a reduction of 50% of his remaining debt to the lender concerned pursuant to Section 36.

The Board is not a court organ but rather a complaints board established by an agreement between the Consumer Council of Norway (*Forbrukerrådet*) and FNO Finance Norway (*Finansnæringens Fellesorganisasjon*), the main professional organisation for Norwegian banks and finance institutions. The Board issues reasoned opinions which are not binding on the parties. If, however, a finance institution does not intend to comply with the Board's reasoned opinion, it must inform the Board of this intention within three weeks of the Board's opinion.

In the above-mentioned case before the Board, the debtor had been granted an auto loan from a finance company through intermediation by the auto dealer who sold the auto. The auto dealer had artificially inflated the price of the auto to circumvent the Rules. The debtor, who was 20 years old, did not have any other means to finance the purchase. Approximately one month after the purchase, the debtor was conscripted to the army, and as a result he defaulted on the loan and returned the auto to the dealer. The lender then enforced its chattel mortgage and sold the car for a substantially lower price than the debtor had paid for it, leaving the debtor with a substantial residual debt to the lender. The Board found that the lender co-operated with the auto dealer and was aware of the violation of the Rules. Based on the specific facts, the Board held that the lender, as the professional party, could be criticized for arranging the loan and that it would be unfair to maintain the full claim against the borrower. The Board recommended, with reference of Section 36, that the borrower's residual debt to the lender should be reduced by 50%. No published court case with respect to this matter has been identified. It was not the breach of the Rules itself which led the Board to reach its conclusion, but the fact that the Rules had been violated formed part of the Board's reasoning.

Based on the foregoing, Section 36 should only be applied in cases where its application is warranted by other factors in addition to a breach of the Rules. However, as Section 36 provides Norwegian courts with a discretionary power to annul or revise "unreasonable" contracts, there will be some risk inherent in relation to the application of Section 36 to Purchased Auto Loans which have been granted in violation of the Rules.

### *Duration of effectiveness of a chattel mortgage (salgs pant)*

Pursuant to section 3-21 of the Pledge Act, the duration of a chattel mortgage is limited to a maximum of five years, estimated from the day the chattel was delivered to the borrower. After this time period the chattel mortgage will be void, unless the mortgagee has taken certain steps to enforce the chattel mortgage before the expiry date.

The expiry of the chattel mortgage does not affect the underlying loan. If the loan's duration is more than five years, it will no longer be secured when the chattel mortgage has expired.

As at 31 December 2010, less than 1.5% of the Purchased Auto Loans have been "on book" for five years or longer. The effect of Section 3-21 of the Pledge Act is limited by the fact that, at the time when the chattel mortgage relating to a particular Purchased Auto Loan becomes ineffective, the ratio of the remaining debt owed on such Purchased Auto Loan to the initial principal amount of that Auto Loan would be relatively small.

### *Distribution of Collections from the Seller to the Issuer – risks in event of the Seller's insolvency*

Currently, the Debtors make payments on Auto Loans into one or more bank accounts in the name of the Seller at the Collections Account Bank (together with any additional or substitute accounts of the Seller at the Collections Account Bank as may be permitted under the Transaction Documents, the "**Seller Collections Accounts**"). Following the purchase of the Portfolio by the Issuer, the Debtors will continue to make payments on the Purchased Auto Loans into the Seller Collections Accounts. It is contemplated that the Seller (acting as Servicer) will, on each Oslo Banking Day when any payments are received and credited to any Seller Collections Account, identify the portion, if any, of those payments that constitute Collections. With respect to each Collection Period, on the third Business Day preceding the immediately following Payment Date (each a "**Transfer Date**"), the Seller (acting as Servicer) will pay to the Transaction Account an amount equal to the Collections received during that Collection Period. The Seller (acting as Servicer) shall pay the Issuer interest on the amount of those Collections, for each day from and including the Oslo Banking Day when it receives those Collections to but excluding the Transfer Date or other date on which it transfers those Collections to the Transaction Account, at the same rate as the effective rate of interest received by the Seller on amounts held in the Seller Collections Account during the relevant period. Such interest shall be payable on each Transfer Date.

If the Seller becomes insolvent and is placed under public administration, the public administration board will gain control over all assets in the Seller's possession, including funds credited to the Seller Collections Accounts and other bank accounts of the Seller. Since both Collections and other monies of the Seller will be credited to the Seller Collections Accounts and utilised by the Seller in its ordinary course of business, the Collections will be legally deemed as commingled with the Seller's other funds and the Issuer will not be able to claim a preferential right to funds held by the Seller if and when the Seller is placed under public administration. See "RISK FACTORS — Risk of late forwarding of payments received by the Servicer"). Pursuant to the Servicing Agreement, if a Servicer Termination Event occurs (and whether or not the Note Trustee terminates the Servicer's appointment), or if the Seller's 100% owner's long term debt is no longer rated at least investment grade by Fitch, the Purchaser or the Note Trustee may give notice or require the Servicer to give notice to the Debtors, instructing them to make payments to an account in the name of the Issuer subject to security in favour of the Security Trustee.

### *Limitations with respect to Debtor personal data*

According to the Norwegian Personal Data Act, a transfer of a customer's personal data is permitted if (a) the relevant customer has consented to such transfer, or (b) such transfer is permitted by law, or (c) such transfer is necessary in order to enable the data controller to protect legitimate interests, unless the customers need for protection of personal data is stronger than the interests of the data controller. The provision for transfer of Debtors' personal data are designed to comply with (c) above, on the basis that such transfer is necessary to maintain the legitimate interests of the Seller, the Issuer, the Note Trustee and the Security Trustee, and that the protection mechanisms provided for in the Auto Portfolio Purchase Agreement, Servicing Agreement and other relevant Transaction Documents take into account the legitimate interests of the Debtors.

Personal data can only be transferred cross border where the receiving country ensures an adequate level of protection of the data. Pursuant to the Norwegian Personal Data Act, countries within the EU/EEA area that have implemented Directive 95/46/EC are automatically regarded as meeting this requirement. As part of the assignment of the Portfolio to the Issuer, personal data might be transferred cross border from Norway to



Ireland. As Ireland has implemented Directive 95/45/EC, such transfer will be in compliance with the Norwegian Personal Data Act.

Notwithstanding the preceding, the Seller being a Norwegian financial institution is bound by Norwegian statutory regulations regarding banking secrecy (such as Section 18 of the Commercial Bank Act), prohibiting the transfer of confidential customer data to any third party. Based on *inter alia* statements in the FIA's preparatory works (see for instance NOU 2001:23 section 6.9.4), customer information which is being transferred to the Issuer and which is displayed in the Loan Contracts relating to the Purchased Auto Loans can be transferred to the Issuer without the explicit consent of the Debtors. This customer information includes the name of the Debtors, the personal identification number of the Debtors, the Debtors' address' and information concerning certain security rights for the loan. However, other information about the Debtors' and or their loans (being information not required by the Issuer as part of the securitisation) can only be transferred to the Issuer upon consent from the Debtors.

If the Servicing Agreement with the Issuer is terminated, it will be necessary to appoint a new servicer for the Portfolio. Pursuant to Section 2-38 of the FIA, only banks properly licensed or passported to conduct banking activities in Norway may act as substitute servicers for the Portfolio. The Issuer will not be able to itself act as servicer. If a bank is validly appointed as substitute servicer, then logically the Seller will most likely be entitled to transfer confidential information about the Debtors and the Portfolio to the substitute servicer without explicit consent from the Debtors on the basis that the substitute servicer would be a financial institution which would be subject to the same Norwegian bank confidentiality rules as the Seller. However, there is no Norwegian legislation, regulatory guidelines or other legal sources available to expressly confirm this view, so the position is somewhat uncertain.

## TAXATION

The following is a general discussion of certain Norwegian, English and Irish tax consequences of the acquisition, ownership and disposition of Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular purchaser. This summary is based on the laws of Norway, England and Ireland currently in force and as applied on the date of this Prospectus, which are subject to change, possibly also with retroactive or retrospective effect.

PROSPECTIVE PURCHASERS OF NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES AND THE RECEIPT OF INTEREST THEREON, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF NORWAY, ENGLAND AND IRELAND AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS OR CITIZENS.

### Taxation in Norway

This section should be read in conjunction with "RISK FACTORS — Taxation of the Issuer in Norway".

#### *Norwegian residents*

The tax consequences described below apply to noteholders tax resident in Norway ("**Norwegian Noteholders**"). In the following, it is assumed that the Notes are bearer bonds or debentures (in Norwegian "*mengdegjeldsbrev*"). In general, debt instruments issued in several with identical text are regarded as bearer bonds/debentures.

#### *Taxation of interest*

For Norwegian Noteholders, interest on the Notes is taxable as ordinary income subject to a flat rate of 28%. This applies irrespective of whether the Norwegian Noteholders are individuals or corporations. For taxpayers with statutory obligation to keep accounting records interest is taxed on accruals basis (i.e. regardless of when the interest is actually paid). For other taxpayers accrued interest is as the main rule taxed when the interest is actually paid.

#### *Taxation upon disposal or redemption of the Notes*

Redemption at the end of the term as well as prior disposal is treated as a realisation of the Notes and will trigger a capital gain or loss for Norwegian Noteholders. Capital gains will be taxable as ordinary income, subject to the flat rate of 28%. Losses will be deductible in the Norwegian Noteholder's ordinary income, taxed at the same tax rate.

Any capital gain or loss is computed as the difference between the amount received by the Norwegian Noteholder on realisation and the cost price of the bond, less any amount taxed as interest (see above). The cost price is equal to the price for which the Norwegian Noteholder acquired the Notes. Costs incurred in connection with the acquisition and realisation of the Notes may be deducted from the Norwegian Noteholder's taxable income in the year of the realisation.

#### *Net wealth taxation*

The value of the Notes at the end of each income year will be included in the computation of the Norwegian Noteholder's taxable net wealth for municipal and state net wealth tax purposes. The marginal rate of net wealth tax is 1.1%.

Limited liability companies and certain similar entities are exempted from net wealth taxation.

#### *Transfer taxes etc. VAT*

No transfer taxes, stamp duty or similar taxes are currently imposed in Norway on purchase, disposal or redemption of the Notes. Further, there is no VAT on transfer of the Notes.

### *Inheritance and gift tax*

When Notes are transferred either through inheritance or as a gift, such transfer may give rise to inheritance or gift tax in Norway if the decedent, at the time of death, or the donor, at the time of the gift, is a resident or citizen of Norway. However, in the case of inheritance tax, if the decedent was a citizen but not a resident of Norway, Norwegian inheritance tax will not be levied if inheritance tax or a similar tax is levied by the decedent's country of residence. Irrespective of residence or citizenship, Norwegian inheritance tax may be levied if the Notes are held in connection with the conduct of a trade or business in Norway. The basis for the inheritance or gift tax computation is the market value of the Notes at the time the transfer takes place.

### *Non-Norwegian residents*

Noteholders that are not tax resident in Norway ("**Non-resident Noteholders**") are as a main rule not subject to Norwegian income taxation or Norwegian net wealth taxation in connection with acquisition, holding and disposal of the Notes. Non-resident Noteholders should consult with and rely upon local tax advisors as regards the tax position in their country of residence.

There is no withholding tax for Non-resident Noteholders for Notes issued by a non-Norwegian issuer with respect to payments to noteholders.

### *Other taxes*

No stamp, issue, registration or similar taxes or duties will be payable in Norway in connection with the issuance, delivery or execution of the Notes. Currently, net assets tax is not levied in Norway.

### *EU Savings Tax Directive*

Under the EU Council Directive 2003/48/EC dated 3 June 2003 on the taxation of savings income in the form of interest payments (the "**EU Savings Tax Directive**"), which is applicable as from 1 July 2005, each EU Member State must require paying agents (within the meaning of such directive) established within its territory to provide to the competent authority of this state details of the payment of interest made to any individual resident in another EU Member State as the beneficial owner of the interest. The competent authority of the EU Member State of the paying agent (within the meaning of the EU Savings Tax Directive) is then required to communicate this information to the competent authority of the EU Member State of which the beneficial owner of the interest is a resident.

For a transitional period, Austria, Belgium and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the EU Savings Tax Directive at a rate of 20% from 1 July 2008, and of 35% from 1 July 2011. In conformity with the prerequisites for the application of the EU Savings Tax Directive, a number of non-EU countries and territories, including Switzerland, have agreed to apply measures equivalent to those contained in such directive (a withholding system in the case of Switzerland). In Germany, provisions for implementing the EU Savings Tax Directive have been enacted by legislative regulations of the German Federal Government. These provisions apply since 1 July 2005.

### **Taxation in Ireland**

The following is a summary based on the laws and practices currently in force in Ireland regarding the tax position of investors beneficially owning their Notes and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

### *Withholding tax*

In general, tax at the standard rate of income tax (currently 20%), is required to be withheld from payments of Irish source interest. However, an exemption from withholding on interest payments exists under Section 64 of the Taxes Consolidation Act, 1997 (the "**1997 Act**") for certain interest bearing securities ("**quoted Eurobonds**") issued by a body corporate (such as the Issuer) which are quoted on a recognised stock exchange (which would include the Irish Stock Exchange).

Any interest paid on such quoted Eurobonds can be paid free of withholding tax provided:

1. the person by or through whom the payment is made is not in Ireland; or
2. the payment is made by or through a person in Ireland, and either:
  - 2.1 the quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear and Clearstream Luxembourg are so recognised), or
  - 2.2 the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person in the prescribed form.

So long as the Notes are quoted on a recognised stock exchange and either are held in Euroclear and/or Clearstream Luxembourg, or the paying agent making payments of interest is outside Ireland, interest on the Notes can be paid without any withholding or deduction for or on account of Irish income tax.

If, for any reason, the quoted Eurobond exemption referred to above does not or ceases to apply, the Issuer can still pay interest on the Notes free of withholding tax provided it is a **"qualifying company"** (within the meaning of Section 110 of the 1997 Act) and provided the interest is paid to a person resident in a **"relevant territory"** (i.e. a member state of the European Union (other than Ireland) or in a country with which Ireland has a double taxation agreement). For this purpose, residence is determined by reference to the law of the country in which the recipient claims to be resident. This exemption from withholding tax will not apply, however, if the interest is paid to a company in connection with a trade or business carried on by it through a branch or agency located in Ireland.

In certain circumstances, Irish tax will be required to be withheld at the standard rate from interest on any quoted Eurobond, where such interest is collected by a bank in Ireland on behalf of any Noteholder who is Irish resident.

#### *Taxation of Noteholders*

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish income tax. Interest paid on the Notes may have an Irish source and therefore be within the charge to Irish income tax and levies. Ireland operates a self assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

However, interest on the Notes will be exempt from Irish income tax if the recipient of the interest is resident in a relevant territory provided either (i) the Notes are quoted Eurobonds and are exempt from withholding tax as set out above, or (ii) in the event of the Notes not being or ceasing to be quoted Eurobonds exempt from withholding tax, if the Issuer is a qualifying company within the meaning of Section 110 of the 1997 Act, or (iii) if the Issuer has ceased to be a qualifying company, the recipient of the interest is a company and the jurisdiction concerned imposes a tax that generally applies to interest receivable in that jurisdiction by companies from sources outside that jurisdiction.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Interest on the Notes which does not fall within the above exemptions may be within the charge to Irish income tax.

#### *Capital gains tax*

A holder of Notes will be subject to Irish tax on capital gains on a disposal of Notes unless such holder is neither resident nor ordinarily resident in Ireland and does not carry on a trade in Ireland through a branch or agency in respect of which the Notes are used or held.

### *Capital acquisitions tax*

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax if either (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponent is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Notes are regarded as property situate in Ireland. Bearer notes are generally regarded as situated where they are physically located at any particular time, but the Notes may be regarded as situated in Ireland regardless of their physical location as they secure a debt due by an Irish resident debtor and they may be secured over Irish property. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponent or the donee/successor.

### *Stamp duty*

Provided the Issuer remains a qualifying company, no stamp duty or similar tax is imposed in Ireland on the issue (on the basis of an exemption provided for in Section 85(2)(c) to the Stamp Duties Consolidation Act, 1999 provided the money raised on the issue of the Notes is used in the course of the Issuer's business), transfer or redemption of the Notes whether they are represented by global notes or definitive notes.

### *EU Savings Directive*

The Council of the European Union has adopted a directive regarding the taxation of interest income known as the "European Union Directive on the Taxation of Savings Income (Directive 2003/48/EC)".

Ireland has implemented the directive into national law. Any Irish paying agent making an interest payment on behalf of the Issuer to an individual, and certain residual entities defined in the 1997 Act, resident in another EU Member State and certain dependent territories of Member States will provide details of the payment to the Irish Revenue Commissioner who in turn will provide such information to the competent authorities of the state or territory of residence of the individual or residual entity concerned.

## SUBSCRIPTION AND SALE

### Subscription of the Notes

Pursuant to the Subscription Agreement, the Joint Lead Managers have agreed, subject to certain conditions, to subscribe or, on a best efforts basis, to procure subscriptions for, the Class A Notes. The Issuer has agreed to reimburse the Joint Lead Managers for certain of their expenses in connection with the issue of the Class A Notes. The Issuer will draw an advance under the Expenses Loan to pay, *inter alia*, certain transaction structuring fees and expenses of the Joint Lead Managers.

In the Subscription Agreement, the Issuer has made certain representations and warranties in respect of its legal and financial matters.

The Subscription Agreement entitles the Joint Lead Managers to terminate their obligations thereunder in certain circumstances prior to payment of the purchase price of the Class A Notes. The Issuer has agreed to indemnify the Joint Lead Managers against certain liabilities in connection with the offer and sale of the Class A Notes.

### Selling Restrictions

#### *United States of America and its territories*

- (1) The Class A Notes have not been and will not be registered under the Securities Act and may not be offered, or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act. Each of the Joint Lead Managers has represented and agreed that it has not offered and sold the Class A Notes, and will not offer and sell the Class A Notes (i) as part of its distribution at any time and (ii) otherwise until 40 calendar days after the completion of the distribution of all Class A Notes only in accordance with Rule 903 of the Regulation S promulgated under the Securities Act. Neither the Joint Lead Managers, their respective Affiliates nor any persons acting on the Joint Lead Manager's or their respective Affiliates' behalf have engaged or will engage in any directed selling efforts with respect to the Class A Notes, and it and they have complied and will comply with the offering restrictions requirements of Regulation S under the Securities Act. At or prior to confirmation of sale of Class A Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Class A Notes from it during the restricted period a confirmation or notice to substantially the following effect:

**"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act" and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons by any person referred to in Rule 903 (b)(2) (iii) (x) as part of their distribution at any time or (y) otherwise until 40 calendar days after the completion of the distribution of Securities as determined and certified by the Joint Lead Managers, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S under the Securities Act."**

Terms used in this clause have the meaning given to them by Regulation S under the Securities Act.

- (2) Further, each of the Joint Lead Managers has represented and agreed that:
  - (a) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5 (c)(2)(i)(D) (the "TEFRA D Rules"), (x) it has not offered or sold, and during the restricted period will not offer or sell, directly or indirectly, Class A Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (y) it has not delivered and will not deliver, directly or indirectly, within the United States or its possessions definitive Class A Notes in bearer form that are sold during the restricted period;
  - (b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Class A Notes in bearer form are aware that such Class A Notes may not be offered or sold during the restricted

period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;

- (c) if it was considered a United States person, that it is acquiring the Class A Notes for purposes of resale in connection with their original issuance and agrees that if it retains Class A Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.63-5 (c)(2)(i)(D)(6); and
- (d) with respect to each Affiliate that acquires from it Class A Notes in bearer form for the purpose of offering or selling such Class A Notes during the restricted period that it will either (i) repeat and confirm the representations and agreements contained in sub-clauses (a), (b) and (c); or (ii) obtain from such Affiliate for the benefit of the Issuer the representations and agreements contained in sub-clauses (a), (b) and (c).

Terms used in this clause (2) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

#### *United Kingdom*

Each of the Joint Lead Managers has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Class A Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Class A Notes in, from or otherwise involving the United Kingdom.

As used herein, "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

#### *Ireland*

Each of the Joint Lead Managers has represented, warranted and agreed that:

- (a) it will not underwrite the issue of, or place the Class A Notes, otherwise than in conformity with the provisions of S.I. No. 60 of 2007, European Communities (Markets in Financial Instruments) Regulations 2007 (**MiFID Regulations**), including, without limitation, Parts 6, 7, and 12 thereof and the provisions of the Investor Compensation Act 1998;
- (b) it will not underwrite the issue of, or place, the Class A Notes, otherwise than in conformity with the provisions of the Central Bank Acts 1942 – 2010 (as amended) and any codes of conduct rules made under Section 177(1) thereof;
- (c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Class A Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 and any rules issued under Section 51 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland (the "Central Bank");
- (d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Class A Notes, otherwise than in conformity with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued under Section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank; and
- (e) to the extent applicable it has complied with and will comply with all applicable provision of the Irish Companies Acts 1963 – 2009.

#### *Norway*

Neither the Prospectus, the Class A Notes nor any other offering or marketing material relating to the Issuer or the Class A Notes have been approved by, or registered with, any Norwegian securities regulator pursuant to the Norwegian Securities Trading Act of 29 June 2007. Accordingly, neither the Prospectus or the Class A Notes nor any other offering or marketing material relating to the Issuer or the Class A Notes constitutes, or shall be deemed to constitute, an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007. The Class A Notes may not be offered or sold, directly or indirectly, in Norway except;

- (a) in respect of an offer of Class A Notes addressed to investors subject to a minimum purchase of Class A Notes for a total consideration of not less than €50,000 per investor;
- (b) to professional investors as defined in the Norwegian Securities Regulation of 29 June 2007 no. 876, being;
  - (i) legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
  - (ii) any legal entity which is registered as a professional investor with the Norwegian Financial Supervisory Authority (No. Finanstilsynet) and which has two or more of: (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
  - (iii) any natural person which is registered as a professional investor with the Norwegian Financial Supervisory Authority (No. Finanstilsynet) and which has two or more of: (1) an average execution of at least ten (10) transactions in securities of significant volume per quarter for the last four quarters; (2) a portfolio of securities with a market value of at least €500,000; and (3) works or has worked for at least one (1) year within the financial markets sector in a position which presuppose knowledge of investing in securities;
- (c) to fewer than 100 natural or legal persons (other than "professional investors" as defined in the Norwegian Securities Regulation of 29 June 2007 no. 876), subject to obtaining the prior consent of each of the Joint Lead Managers for any such offer; or
- (d) in any other circumstances provided that no such offer of Class A Notes shall result in a requirement for the registration, or the publication by the Issuer or any of the Joint Lead Managers of a prospectus pursuant to the Norwegian Securities Trading Act of 29 June 2007.

In no circumstances may an offer of any of the Class A Notes be made in the Norwegian market without the Class A Notes being registered in the Norwegian Central Securities Depository (*Verdipapirsentralen ASA*) in dematerialised form, according to the NSRA and any ancillary regulations.

#### *General*

All applicable laws and regulations must be observed in any jurisdiction in which Class A Notes may be offered, sold or delivered. Each of the Joint Lead Managers has agreed that it will not offer, sell or deliver any of the Class A Notes, directly or indirectly, or distribute this Prospectus or any other offering material relating to the Class A Notes, in or from any jurisdiction except under circumstances that will to the best knowledge and belief of that Joint Lead Manager result in compliance with the applicable laws and regulations thereof and that will not impose any obligations on the Issuer except as set out in the Subscription Agreement.



## **ARTICLE 122A OF THE CAPITAL REQUIREMENTS DIRECTIVE**

Please refer to paragraph entitled "Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes" of the section entitled "Risk Factors" for further information on the implications of Article 122a for certain investors in the Notes.

### **Retention statement**

The Seller will retain a material net economic interest of at least 5% in the securitisation in accordance with Article 122(a) of the CRD. As at the Note Issuance Date, such interest will be comprised of the subordinated loan and an interest in the Class B Notes which is not less than 5% of the Principal Amount Outstanding of the Notes, and such interest is intended to qualify under sub-paragraph (d) of paragraph 1 of Article 122a. Any change to this manner in which this interest is held will be notified to investors.

### **Investors to assess compliance**

Each prospective investor is required to independently assess and determine the sufficiency of the information described above and in this Prospectus generally for the purposes of complying with Article 122a, and none of the Issuer, the Joint Lead Managers or the other parties to the Transaction Documents make any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes. In addition, each prospective Noteholder should ensure that it complies with the implementing provisions in respect of Article 122a in its relevant jurisdiction. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction should seek guidance from their regulator.

## **USE OF PROCEEDS**

The aggregate net proceeds from the issue of the Notes will amount to NOK 10,655,440,000. The net proceeds are equal to the gross proceeds and will be used by the Issuer to finance the purchase price for the acquisition of the Auto Loans and Related Collateral from the Seller on the Note Issuance Date. Concurrently with the Notes, the Issuer will be granted the Expenses Loan and will use the proceeds from the Expenses Loan to pay certain amounts payable on the Note Issuance Date under the Transaction Documents (including, without limitation, any fees, costs and expenses payable on the Note Issuance Date to the Joint Lead Managers and to other parties in connection with the offer and sale of the Notes) and certain other costs. To the extent that the net proceeds from the issue of the Notes exceed the purchase price for the acquisition of the Auto Loans, such difference will be credited to the Reserve Account and will be part of the Available Distribution Amount as of the following Payment Date.

## GENERAL INFORMATION

### Subject of this Prospectus

This Prospectus relates to NOK 8,642,000,000 aggregate principal amount of the Class A Notes issued by Bilkreditt 1 Limited, Dublin, Ireland.

### Authorisation

The issue of the Notes was authorised by a resolution of the board of directors of the Issuer passed on 28 February 2011.

### Litigation

Neither the Issuer is, or has been since its incorporation, nor the Seller is, or has during its last two fiscal years been, engaged in any governmental, litigation or arbitration proceedings which may have or have had during such period a significant effect on their respective financial position, and, as far as the Issuer and the Seller are aware, no such governmental, litigation or arbitration proceedings are pending or threatened, respectively.

### Payment information

In connection with the Class A Notes, the Issuer will procure the notification to the Irish Stock Exchange of the Interest Amounts, the Interest Periods and the Interest Rates and, if relevant, the payments of principal on each Sub-Class of Class A Notes, in each case in the manner described in the Note Conditions.

Payments and transfers of the Class A Notes will be settled through Clearstream Luxembourg and Euroclear, as described herein. The Notes have been accepted for clearing by Clearstream Luxembourg and Euroclear.

All notices regarding the Class A Notes will either be published in a leading daily newspaper with general circulation in Ireland designated by the Irish Stock Exchange (which is expected to be the Irish Times) or, when the rules of the Irish Stock Exchange so permit, by delivery to the applicable clearing systems of the relevant notice for communication to the Class A Noteholders.

### Material change

Save as disclosed in this Prospectus, there has been no material adverse change in the financial position or prospects of the Issuer since its incorporation.

### Miscellaneous

No statutory or non-statutory accounts in respect of any fiscal year of the Issuer have been prepared other than as contained in this Prospectus. The Issuer will not publish interim accounts. The fiscal year in respect of the Issuer is the calendar year.

### Irish listing

The Prospectus has been approved by the Central Bank of Ireland, as competent authority under the Prospectus Directive. The Central Bank of Ireland only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Class A Notes to be admitted to the Official List and trading on its regulated market as defined Article 2(j) of the Prospectus Directive in conjunction with Article 4.1(14) of Directive 2004/39/EC of the European Parliament and of the Council. The Issuer has appointed A&L Listing Limited as listing agent for the Irish Stock Exchange. Prior to such listing of the Notes, the constitutional documents of the Issuer and legal notices relating to the issue of the Notes will be registered with the Registrar of Companies where such documents are available for inspection and copies of these documents may be obtained, free of charge, upon request. Upon approval of the Prospectus by the Central Bank, the Prospectus will be filed with the Companies Registration Office within 14 days in accordance with Regulations 38(1)(b) of the Prospectus (Directive 2003/71/EC) Regulations 2005.

Copies of such documents may also be obtained free of charge during customary business hours at the specified offices of the Principal Paying Agent and at the registered office of the Issuer.

### **Availability of documents**

From the date hereof as long as the Prospectus is valid and as long as the Notes remain outstanding and, as long as the Notes are listed on the Official List and traded on the regulated market of the Irish Stock Exchange, the following documents will be available for inspection in physical form during customary business hours on any Business Day at the registered office of the Issuer and the specified office of the Principal Paying Agent:

- (i) the memorandum and articles of association of the Issuer;
- (ii) the resolution of the board of directors of the Issuer approving the issue of the Notes;
- (iii) the future annual financial statements of the Issuer (interim financial statements will not be prepared); all notices given to the Noteholders pursuant to the Note Conditions;
- (iv) this Prospectus, the forms of the Global Notes and all Transaction Documents referred to in this Prospectus; and
- (v) annual financial statements of the Seller for the years ended 2008 and 2009.

### **Post-issuance Reporting**

Following the Note Issuance Date, the Principal Paying Agent will provide the Issuer, the Note Trustee, the Swap Counterparty, the Corporate Administrator and, on behalf of the Issuer, by means of notification in accordance with Note Condition 16 (*Notices to Noteholders*), the Noteholders, and so long as any of the Notes are listed on the Official List and traded on the regulated market of the Irish Stock Exchange, the Irish Stock Exchange, with the following information, all in accordance with the Agency Agreement and the Note Conditions:

- (i) with respect to each Payment Date, the Interest Amount pursuant to Note Condition 4.1 (*Interest Calculation*);
- (ii) with respect to each Payment Date, of the Interest Period pursuant to Note Condition 4.4 (*Interest Period*);
- (iii) with respect to each Payment Date, of the Interest Rate pursuant to Note Condition 4.5 (*Interest Rate*);
- (iv) with respect to each Payment Date, the amount of Interest Shortfall, if any, pursuant to Note Condition 4.7 (*Interest Shortfall*);
- (v) with respect to each Payment Date, of the amount of principal on each Class A Note and each Class B Note pursuant to Note Condition 5 (*Redemption*) to be paid on such Payment Date and, if applicable, that such Payment Date constitutes a Servicer Disruption Event;
- (vi) with respect to each Payment Date, the Note Principal Amount of each Class A Note and each Class B Note and the Class A Principal Amount and the Class B Principal Amount as from such Payment Date; and
- (vii) in the event the payments to be made on a Payment Date constitute the final payment with respect to the Notes pursuant to Note Condition 5.2 (*Maturity Date*), Note Condition 5.3 (*Redemption – clean-up call*) or Note Condition 5.4 (*Optional Redemption for taxation reasons*), of the fact that such is the final payment.

In each case, such notification shall be made by the Principal Paying Agent on the NIBOR Determination Date preceding the relevant Payment Date.

**Clearing Codes**

Class A-1 Notes ISIN: XS0595990978

Class A-2 Notes ISIN: XS0595991273

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