

OFFERING CIRCULAR

Silver Arrow S.A., acting in respect of its Compartment 5
(incorporated with limited liability in Luxembourg with registered number B 111345)

€ 1,000,000,000 Class A Compartment 5 Notes due 2022, issue price: 100 per cent.
€ 75,300,000 Class B Compartment 5 Notes due 2022, issue price: 100 per cent.



Silver Arrow S.A. is registered with the Luxembourg Commercial Register under registration number B 111345. Silver Arrow S.A. has elected in its articles of incorporation (*statuts*) to be governed by the Luxembourg law of 22 March 2004 on securitisation ("**Luxembourg Securitisation Law**"). The exclusive purpose of Silver Arrow S.A. is to enter into one or more securitisation transactions, each via a separate compartment ("**Compartment**") within the meaning of the Luxembourg Securitisation Law (see "THE ISSUER"). The Compartment 5 Notes (as defined below) will be funding the fifth public securitisation transaction ("**Transaction 5**") of Silver Arrow S.A., acting in respect of its Compartment 5 (the "**Issuer**") as described further herein. All documents relating to the Transaction 5 as more specifically described herein are referred to as the "**Transaction 5 Documents**".

In this Offering Circular, a reference to the Issuer in relation to the Transaction 5 Documents, means the Issuer acting in respect of its Compartment 5.

The Class A Compartment 5 Notes and the Class B Compartment 5 Notes (together the "**Compartment 5 Notes**" or "**Notes**") of the Issuer are backed by a portfolio (the "**Portfolio**") of auto loan receivables (the "**Purchased Loan Receivables**") secured by certain passenger cars and/or commercial vehicles (the "**Financed Vehicles**") and certain other collateral more specifically described herein (the Financed Vehicles, the other collateral and the proceeds therefrom, the "**Loan Collateral**"). The obligations of the Issuer under the Compartment 5 Notes will be secured by first-ranking security interests granted to Wilmington Trust SP Services (Frankfurt) GmbH (the "**Trustee**") acting in a fiduciary capacity for, *inter alia*, the Compartment 5 Noteholders pursuant to a trust agreement (the "**Trust Agreement**") entered into between, *inter alios*, the Trustee and the Issuer. Although all Classes will share in the same security, Class A Compartment 5 Notes will rank senior to the Class B Compartment 5 Notes, see "PRE-ENFORCEMENT PRIORITY OF PAYMENTS" and "POST-ENFORCEMENT PRIORITY OF PAYMENTS". The Issuer will apply the net proceeds from the issue of the Compartment 5 Notes to purchase on the Purchase Date (being identical with the Issue Date, as defined below) the Portfolio secured by the Loan Collateral. Certain characteristics of the Portfolio and the Loan Collateral are described in "DESCRIPTION OF THE PORTFOLIO AND OF THE LOAN COLLATERAL" and in "PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA".

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") of Luxembourg in its capacity as competent authority under the Luxembourg act relating to prospectuses for securities dated 10th July 2005 (*loi relative aux Prospectus pour valeurs mobilières*) for the approval of the Offering Circular in respect of the Class A Compartment 5 Notes. In the context of such approval, the CSSF does not assume any responsibility as to the economic and financial soundness of the Transaction 5 and the quality or solvency of the Issuer in line with the provisions of article 7 (7) of the Luxembourg law on prospectuses for securities. Application has also been made to the Luxembourg Stock Exchange for Class A Compartment 5 Notes to be listed on the official list of the Luxembourg Stock Exchange on 22 October 2014 (the "**Issue Date**") and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purpose of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC. This Offering Circular in connection with the Class A Compartment 5 Notes, once approved by the CSSF, will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu). This Offering Circular constitutes a prospectus under article 8 subparagraph 3 of the Luxembourg law on Prospectuses for Securities of 10 July 2005 as amended on 3 July 2012 implementing the Prospectus Directive in Luxembourg.

The Seller will retain for the life of the Transaction 5 a material net economic interest of not less than 5 per cent. in the Transaction 5 in accordance with Article 405 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (the "**CRR**") and Article 17 of Directive (EU) No 2011/61 ("**AIFMD**"), specified by Article 51 of Regulation (EU) No 231/2013 ("**AIFMR**") as currently in effect. As of the Issue Date, such interest will in accordance with Article 405 paragraph 1, sub (d) of the CRR be comprised of an investment

in the Class B Compartment 5 Notes and the granting of the Subordinated Loan which is together equivalent to no less than 5 per cent. of the nominal amount of the securitised exposures.

After the Issue Date, the Issuer will prepare Monthly Investor Reports wherein relevant information with regard to the Purchased Loan Receivables will be disclosed publicly together with an overview of the retention of the material net economic interest by the Seller for the purposes of which the Seller will provide the Issuer with all information reasonably required with a view to complying with Article 409 of the CRR.

Each prospective investor is required to independently assess and determine the sufficiency of the information described in the preceding two paragraphs for the purposes of complying with Article 405 of the CRR, Article 17 of the AIFMD and Article 51 of the AIFMR and none of the Issuer, the Seller (in its capacity as the Seller and the Servicer), the Arranger, the Joint Lead Managers and Joint Bookrunners, nor the Managers makes any representation that the information described above is sufficient in all circumstances for such purposes. In addition, each prospective Compartment 5 Noteholder should ensure that they comply with the implementing provisions in respect of Article 405 of the CRR, Article 17 of the AIFMD and Article 51 of the AIFMR, respectively, in their 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. The Seller accepts responsibility for the information set out in this paragraph and in the preceding two paragraphs.

It is the Seller's intention that for the life of the Transaction 5 the Class B Compartment 5 Notes will be retained by the Seller on the Issue Date and in addition, the Seller as the Subordinated Lender will provide the Subordinated Loan.

For a discussion of certain significant factors affecting investments in the Compartment 5 Notes, see "RISK FACTORS".

For reference to the definitions of capitalised terms appearing in this Offering Circular, see "THE MASTER DEFINITIONS SCHEDULE".

The Arranger

Commerzbank

The Joint Lead Managers and Joint Bookrunners

Commerzbank Lloyds Bank

The Managers

BNP PARIBAS DZ BANK AG UniCredit Bank AG

The date of this Offering Circular is 20 October 2014

The Compartment 5 Notes will be governed by the laws of Germany.

Both the Class A Compartment 5 Notes and the Class B Compartment 5 Notes will be initially represented by a temporary bearer global note in New Global Note form (each, a "**Temporary Global Note**") without coupons attached. Each Temporary Global Note will be exchangeable, as described herein (see "TERMS AND CONDITIONS OF THE COMPARTMENT 5 NOTES — Condition 2(c) (*Form and Denomination*)") for a permanent bearer global note in New Global Note form (each a "**Permanent Global Note**", and together with the Temporary Global Notes, the "**Global Notes**" and each, a "**Global Note**") without coupons attached. The Global Notes will be deposited with the Common Safekeeper on or before the Issue Date for Clearstream Banking *société anonyme* ("**Clearstream Luxembourg**") and Euroclear System ("**Euroclear**") and the Class A Compartment 5 Notes are intended to be held in a manner which will allow Eurosystem eligibility. This does not necessarily mean that the Class A Compartment 5 Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon, *inter alia*, satisfaction of the Eurosystem eligibility criteria. See "TERMS AND CONDITIONS OF THE COMPARTMENT 5 NOTES — Condition 2(i) (*Form and Denomination*)".

THE COMPARTMENT 5 NOTES REPRESENT OBLIGATIONS OF THE ISSUER ONLY AND DO NOT REPRESENT AN INTEREST IN OR OBLIGATION OF ANY OF THE ARRANGER, THE JOINT LEAD MANAGERS AND JOINT BOOKRUNNERS, THE MANAGERS, THE SELLER, THE SERVICER (IF DIFFERENT), THE TRUSTEE, THE DATA TRUSTEE, THE ACCOUNT BANK, THE CUSTODIAN, THE PAYING AGENT, THE INTEREST DETERMINATION AGENT, THE CALCULATION AGENT, THE LISTING AGENT, THE SWAP COUNTERPARTY, THE CORPORATE SERVICES PROVIDER OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY (OTHER THAN THE ISSUER) TO THE TRANSACTION 5 DOCUMENTS. IT SHOULD BE NOTED FURTHER THAT THE COMPARTMENT 5 NOTES WILL ONLY BE CAPABLE OF BEING SATISFIED AND DISCHARGED FROM THE ASSETS OF COMPARTMENT 5 OF THE ISSUER AND NOT FROM ANY OTHER COMPARTMENT OF THE ISSUER OR FROM ANY OTHER ASSETS OF THE ISSUER. NEITHER THE COMPARTMENT 5 NOTES NOR THE UNDERLYING PURCHASED LOAN RECEIVABLES WILL BE INSURED OR GUARANTEED BY ANY GOVERNMENTAL AUTHORITY OR BY ANY OF THE ARRANGER, THE JOINT LEAD MANAGERS AND JOINT BOOKRUNNERS, THE MANAGERS, THE SELLER, THE SERVICER (IF DIFFERENT), THE CALCULATION AGENT, THE TRUSTEE, THE DATA TRUSTEE, THE ACCOUNT BANK, THE CUSTODIAN, THE PAYING AGENT, THE INTEREST DETERMINATION AGENT, THE LISTING AGENT, THE SWAP COUNTERPARTY, THE CORPORATE SERVICES PROVIDER OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY (OTHER THAN THE ISSUER) TO THE TRANSACTION 5 DOCUMENTS OR BY ANY OTHER PERSON OR ENTITY EXCEPT AS DESCRIBED HEREIN.

Class	Class A Compartment 5 Notes	Class B Compartment 5 Notes
Initial Aggregate Outstanding Note Principal Amount	€1,000,000,000	€75,300,000
Interest rate	EURIBOR+0.27 per cent. per annum	2.00 per cent. per annum
Price	100 per cent.	100 per cent.
Expected ratings (Fitch + S&P)	AAA (sf) / AAA (sf)	n/a
Legal Maturity Date	15 October 2022	15 October 2022
ISIN code	XS1103350325	XS1103350838
Common code	110335032	110335083
WKN	A1ZNU0	A1ZNU1

Interest on the Compartment 5 Notes will accrue on the Outstanding Note Principal Amount of each Compartment 5 Note at a per annum rate equal to EURIBOR + 0.27 per cent. in the case of the Class A Compartment 5 Notes, and 2.00 per cent. in the case of the Class B Compartment 5 Notes. Interest will be payable in euros by reference to successive interest accrual periods (each, an "**Interest Period**") monthly in

arrears on the 15th day of each calendar month, subject to the Business Day Convention (each, a "**Payment Date**"). The first payment date will be 17 November 2014. The Compartment 5 Notes will mature on the Payment Date on 15 October 2022 (the "**Legal Maturity Date**"), unless previously redeemed in full. See "TERMS AND CONDITIONS OF THE COMPARTMENT 5 NOTES — Condition 7 (*Payment of Interest*)".

The Class A Compartment 5 Notes are expected, on the Issue Date, to be rated by Fitch Ratings Limited ("**Fitch**") and Standard & Poor's Rating Services ("**S&P**", together with Fitch the "**Rating Agencies**"). The Class B Compartment 5 Notes will not be rated. It is a condition to the issue of the Compartment 5 Notes that the Class A Compartment 5 Notes are assigned the ratings indicated in the above table.

Each of Fitch and S&P is established in the European Community and according to the press release from the European Securities Markets Authority ("**ESMA**") dated 31 October 2011, each of Fitch and S&P is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended by Regulation (EU) No 513/2011 and by Regulation (EU) No 462/2013. Reference is made to the list of registered or certified credit rating agencies published by ESMA on the webpage <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs> as last updated on 21 May 2014. The Issuer will not appoint any further rating agency in accordance with Article 8d, paragraph 1 of Regulation (EU) No 462/2013 for this Transaction 5.

The Rating Agencies' ratings of the Compartment 5 Notes address the likelihood that the holders of the Class A Compartment 5 Notes (each, a "**Class A Compartment 5 Noteholder**" or "**Class A Noteholder**") will receive all payments to which they are entitled, as described herein. Each rating takes into consideration the characteristics of the Purchased Loan Receivables, the Loan Collateral and the structural, legal, tax and Issuer-related aspects associated with the Class A Compartment 5 Notes.

However, the ratings assigned to the Class A Compartment 5 Notes do not represent any assessment of the likelihood or level of principal prepayments. The ratings do not address the possibility that the Class A Compartment 5 Noteholders might suffer a lower than expected yield due to prepayments or early amortisation or may fail to recoup their initial investments.

The ratings assigned to the Class A Compartment 5 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 Compartment 5 Notes by any rating agency other than the Rating Agencies. There can be no assurance as to whether any other rating agency will rate the Class A Compartment 5 Notes or, if it does, what rating would be assigned by such other rating agency. The rating assigned to the Class A Compartment 5 Notes by such other rating agency could be lower than the respective ratings assigned by the Rating Agencies.

This Offering Circular constitutes a prospectus under article 8 subparagraph 3 of the Luxembourg law on Prospectuses for Securities of 10 July 2005 as amended on 3 July 2012 implementing the Prospectus Directive in Luxembourg.

The Issuer accepts full responsibility for the information contained in this Offering Circular, notwithstanding that the Seller and Servicer, the Trustee, the Data Trustee, the Swap Counterparty, the Corporate Services Provider, the Subordinated Lender, the Account Bank, the Custodian, the Calculation Agent, the Interest Determination Agent and Paying Agent, or any other party for which each of the foregoing parties expressly accepts responsibility in this Offering Circular in respect of its own description, provided that, with respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information available to it from such third party, no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. The Issuer has taken all reasonable care to ensure that the information given in this Offering Circular is to the best of its knowledge in accordance with the facts and does not omit anything likely to affect its importance. The Issuer has taken all reasonable care to ensure that the information stated herein is true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein, whether of fact or opinion. The Seller, the Servicer and the Subordinated Lender accepts responsibility for any information in this Offering Circular relating to the Purchased Loan Receivables, the Loan Collateral, the disclosure of servicing related risk factors, risk factors relating to the Purchased Loan Receivables, the information contained in "EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS", "PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA" and "THE SELLER, THE SERVICER AND THE SUBORDINATED LENDER". To the best knowledge and belief of the Seller, the Servicer and the Subordinated Lender (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular relating to the Purchased Loan Receivables, the Loan Collateral, the disclosure of servicing related risk factors, risk factors relating to the Purchased Loan Receivables, the information contained in "EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS", "PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA" and "THE SELLER, THE SERVICER AND THE SUBORDINATED LENDER" 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 Offering Circular, in connection with the issue and sale of the Compartment 5 Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Seller, the Servicer (if different), the Account Bank, the Swap Counterparty, the Corporate Services Provider, the Custodian, the Paying Agent, the Interest Determination Agent, the Calculation Agent, the Data Trustee and the Trustee (all as defined below) or by the Arranger, the Joint Lead Managers and Joint Bookrunners, and the Managers shown on the cover page or by any other party mentioned herein.

The Compartment 5 Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). The Compartment 5 Notes may be offered outside the United States in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered or sold 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. The Compartment 5 Notes will be issued in bearer form and are subject to certain United States tax law requirements.

Neither the delivery of this Offering Circular nor any offering, sale or delivery of any Compartment 5 Notes shall, under any circumstances, create any implication (i) that the information in this Offering Circular is correct as of any time subsequent to the date hereof, or (ii) that there has been no adverse change in the financial situation of the Issuer or with respect to Mercedes-Benz Bank AG since the date of this Offering Circular or the balance sheet date of the most recent financial statements of the Issuer which are deemed to be incorporated into this Offering Circular or (iii) that any other information supplied in connection with the issue of the Compartment 5 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.

No action has been taken by the Issuer or the Seller or the Arranger or the Joint Lead Managers and Joint Bookrunners or the Managers other than as set out in this Offering Circular that would permit a public offering of the Compartment 5 Notes, or possession or distribution of this Offering Circular or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, no Compartment 5 Notes may be offered or sold, directly or indirectly, and neither this Offering Circular (nor any part hereof) nor any information memorandum, offering circular, form of application, advertisement or other offering materials may be issued, distributed or published in any country or jurisdiction except in compliance with applicable laws,

orders, rules and regulations, and the Issuer, the Seller, the Arranger, the Joint Lead Managers and Joint Bookrunners and the Managers have represented that all offers and sales by them have been made on such terms.

This Offering Circular may only be used for the purposes for which it has been published. This Offering Circular 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 any offer to buy any of the securities offered hereby in any circumstances in which such offer or solicitation is unlawful. The distribution of this Offering Circular (or of any part thereof) and the offering and sale of the Compartment 5 Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular (or any part thereof) may come, are required by the Issuer, the Seller and the Arranger, the Joint Lead Managers and Joint Bookrunners, and the Managers to inform themselves about and to observe any such restrictions. This Offering Circular 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 Compartment 5 Notes and distribution of this Offering Circular (or of any part thereof), see "SUBSCRIPTION AND SALE".

In connection with the issue of the Class A Compartment 5 Notes, Commerzbank Aktiengesellschaft as Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) may over-allot or effect transactions with a view to supporting the market price of such Class A Compartment 5 Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) will undertake any stabilisation action. Any stabilisation action may begin at any time on or after the date on which adequate public disclosure of the terms of the offer of the Class A Compartment 5 Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of thirty (30) days after the Issue date of the relevant Class A Compartment 5 Notes and sixty (60) days after the date of the allotment of the Class A Compartment 5 Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or any person acting on its behalf) in accordance with all applicable laws and rules.

If you are in any doubt about the contents of this document you should consult, as appropriate, your legal adviser, stockbroker, bank manager, accountant or other financial adviser.

An investment in these Compartment 5 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 deriving from them may decrease.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "€" and "euros" are to the lawful currency of the Member States of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March, 1957), as amended by the Treaty on European Union (signed in Maastricht on 7 February, 1992), as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 November, 1997), as amended by the Treaty of Nice (signed in Nice on 26 February, 2001, as amended by the Treaty of Lisbon (signed in Lisbon on 13 December 2007)).

STRUCTURE DIAGRAM

This structure diagram of Transaction 5 is qualified in its entirety by reference to the more detailed information appearing elsewhere in this Offering Circular.

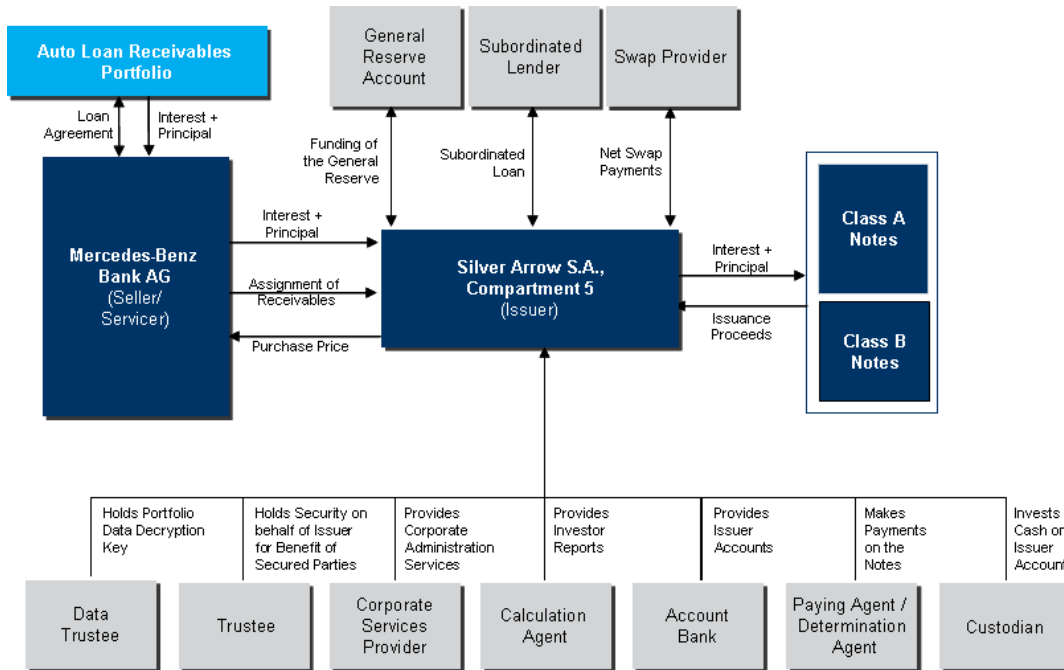


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RISK FACTORS

THE PURCHASE OF CERTAIN COMPARTMENT 5 NOTES MAY INVOLVE SUBSTANTIAL RISKS AND BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE COMPARTMENT 5 NOTES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES ALL THE INFORMATION SET FORTH IN THIS OFFERING CIRCULAR AND IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW. PROSPECTIVE INVESTORS SHOULD MAKE SUCH INQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER OR THE ARRANGER OR ANY OTHER PARTY REFERRED TO HEREIN.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Compartment 5 Notes, These factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Compartment 5 Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Compartment 5 Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Compartment 5 Notes may occur for other reasons. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently believes to be immaterial could also have a material impact on the Issuer's financial strength in relation to its Compartment 5.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE COMPARTMENT 5 NOTES

Various factors that may affect the Issuer's ability to fulfil its obligations under the Compartment 5 Notes are categorised below as either (i) risks related to the Purchased Loan Receivables, (ii) risks relating to the parties to the Transaction 5 Documents, (iii) legal risks, (iv) tax risks or (v) structural and other credit risks. Several risks may fall into more than one of these five categories and investors should therefore not conclude from the fact that a risk factor is discussed under a specific category that such risk factor could not also be discussed under one or more other categories.

Risks related to the Purchased Loan Receivables

Non-existence of Purchased Loan Receivables

The Issuer is entitled to demand payment of a Repurchase Price from the Seller, but from no other Person, if Purchased Loan Receivables do not exist or cease to exist (*Bestands- und Veritätshaftung*) in accordance with the Loan Receivables Purchase Agreement. If a Loan Agreement relating to a Purchased Loan Receivable proves not to have been legally valid as of the Cut-Off Date, the Seller will, pursuant to the Loan Receivables Purchase Agreement, pay to the Issuer a Repurchase Price in an amount equal to the then Outstanding Loan Principal Amount of such Purchased Loan Receivable.

Risk of Losses on the Purchased Loan Receivables

Losses on the Purchased Loan Receivables may result in Losses for the Compartment 5 Noteholders.

The risk to the Class A Compartment 5 Noteholders that they will not receive the amount due to them under the Class A Compartment 5 Notes as stated on the cover page of this Offering Circular is covered up to the General Reserve Required Amount, subject to any parties senior to the Class A Compartment 5 Noteholders being entitled to such amounts pursuant to the applicable Priority of Payments and such risk is mitigated by the investments of principal of the Class B Compartment 5 Noteholders as such investments are subordinated to the Class A Compartment 5 Notes.

The risk to the Class B Compartment 5 Noteholders that they will not receive the amount due to them under the Class B Compartment 5 Notes as stated on the cover page of this Offering Circular is covered up to the General Reserve Required Amount, subject to any parties senior to the Class B Compartment 5 Noteholders being entitled to such amounts pursuant to the applicable Priority of Payments.

There is no assurance that the Class A Noteholders will receive for each Class A Compartment 5 Note the total principal amount of EUR 100,000 plus interest calculated at an interest rate of EURIBOR + 0.27 per cent.

There is no assurance that the Class B Noteholders will receive for each Class B Compartment 5 Note the total principal amount of EUR 100,000 plus interest calculated at an interest rate of 2.00 per cent.

Risk of "re-characterisation" of a sale as loan secured by loan receivables

The Transaction 5 is structured to qualify under German law as an effective (true) sale of the Loan Receivables under the Loan Receivables Purchase Agreement from the Seller to the Issuer and not as a secured loan. However, there are no statutory or case law based tests as to when a securitisation transaction qualifies as an effective sale or as a secured loan. Therefore, there is a theoretical risk that a court might "re-characterise" the sale of Loan Receivables under the Loan Receivables Purchase Agreement into a secured loan. In such case, sections 166 and 51 no. 1 of the German Insolvency Code (*Insolvenzordnung*) would apply, in the context of which the assignment of the Loan Receivables would be considered as having been made for security purposes only. In this case, the Issuer would have no right to segregation (*Aussonderung*) in respect of the Purchased Loan Receivables but would be entitled to separation (*Absonderung*) only with the following consequences: an insolvency administrator of the Seller would be authorised by German insolvency law to enforce the assigned Purchased Loan Receivables on behalf of the Seller and the Issuer would be barred from collecting the Purchased Loan Receivables and from enforcing the Loan Collateral. The insolvency administrator is obligated to transfer the enforcement proceeds relating to the Purchased Loan Receivables and the Loan Collateral (if applicable) to the Issuer. The insolvency administrator may, however, deduct from the enforcement proceeds fees which may amount to up to 4 per cent. plus up to 5 per cent. (in certain cases more than 5 per cent.) of the enforcement proceeds and value added tax, if applicable.

Accordingly, the Issuer may have to share in the costs of any Insolvency Proceedings of the Seller in Germany, reducing the amount of money available upon collection of the Purchased Loan Receivables and enforcement of the Loan Collateral to repay the Compartment 5 Notes, if the sale and assignment of the Purchased Loan Receivables by the Seller to the Issuer were regarded as a secured loan rather than a sale of receivables.

The Issuer has been advised, however, that the transfer of the Purchased Loan Receivables would in all likelihood be construed such that the risk of the insolvency of the Obligor lies with the Issuer (i.e. as a "true sale") and that, therefore, the Issuer would have the right to segregation (*Aussonderungsrecht*) of the Purchased Loan Receivables from the estate of the Seller in the event of the Seller's insolvency and that, consequently, the cost sharing provisions described above would generally not apply with respect thereto. However, such right of segregation will not apply with respect to the Loan Collateral transferred to the Issuer, including the security interest created in respect of the Financed Vehicles relating to the Purchased Loan Receivables if Insolvency Proceedings are instituted in respect of the relevant Obligor in Germany. In that case, the cost sharing provisions will apply to the Loan Collateral.

Historical and other information

The historical information set out in particular in "DESCRIPTION OF THE PORTFOLIO AND OF THE LOAN COLLATERAL" is based on the historical experience and present procedures of the Seller. None of the Issuer, the Subordinated Lender, the Corporate Services Provider, the Swap Counterparty, the Data Trustee, the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers, the Trustee, the Account Bank, the Custodian, the Paying Agent, the Interest Determination Agent, the Listing Agent, nor the Calculation Agent has undertaken or will undertake any investigation or review of, or search to verify, the historical information. There can be no assurances as to the future performance of the Purchased Loan Receivables.

Reliance on Seller Loan Warranties and Eligibility Criteria

If the Seller Loan Warranties given by the Seller in the Loan Receivables Purchase Agreement in respect of the Portfolio and each Purchased Loan Receivable and related Loan Collateral are, in whole or in part, incorrect or if the Purchased Loan Receivables and the Loan Collateral do not comply with the Eligibility Criteria on the Cut-Off Date, this shall constitute a breach of contract under the Loan Receivables Purchase Agreement and the Issuer will have contractual remedies against the Seller. In the case of any related misrepresentation or breach of any Eligibility Criterion, the Seller will be required to pay a Repurchase Price to the Issuer (see the definition of Repurchase Price in the "MASTER DEFINITIONS SCHEDULE — Repurchase Price"). Consequently, in the event that any such representation or warranty is breached, the Issuer is exposed to the credit risk of the Seller. Should the Seller's credit quality deteriorate, this could, in conjunction with afore-said breach of contract, undermine the Issuer's ability to make payments on the Compartment 5 Notes.

Reliance on Credit and Collection Policy

The Servicer will carry out the administration, collection and enforcement of the Purchased Loan Receivables in accordance with the Servicer's Credit and Collection Policy. Accordingly, the Compartment 5 Noteholders are relying on the business judgment and practices of the Servicer as to the liquidation of the Purchased Loan Receivables against the Obligors and with respect to the enforcement of the related Loan Collateral. See

"SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement" and "THE SELLER, THE SERVICER AND THE SUBORDINATED LENDER — Credit and Collection Policy".

No independent investigation and limited information

None of the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers, the Trustee, the Issuer or any other person referred to herein (other than the Seller but only as explicitly described herein) has undertaken or will undertake any investigations, searches or other actions to verify any details in respect of the Purchased Loan Receivables or the Loan Agreements or to establish the creditworthiness of any Obligor. Each of the aforementioned Persons will rely solely on the accuracy of the representations and warranties and the financial information given by the Seller to the Issuer in the Loan Receivables Purchase Agreement in respect of, *inter alia*, the Purchased Loan Receivables, the Obligors, the Loan Agreements underlying the Purchased Loan Receivables and the Financed Vehicles. The benefit of the representations and warranties given to the Issuer will be transferred by the Issuer to the Trustee for the benefit of the Secured Parties under the Trust Agreement and the Security Deed.

The Seller is under no obligation and will not provide the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers, the Trustee or the Issuer with the names or the identities of the Obligors and copies of the relevant Loan Agreements and legal documents in respect of the relevant Loan Agreement. The Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers and the Issuer will only be supplied with financial information in relation to the Portfolio and the underlying Loan Agreements. Furthermore, none of the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers, the Trustee or the Issuer will have any right to inspect the records of the Seller. However, pursuant to the terms of the Data Trust Agreement, the Issuer and the Trustee may at any time, if any of them has reasonable grounds, demand from the Data Trustee an investigation of the records of the Seller and may request that the Data Trustee informs them about the results of its investigation provided that (i) the Data Trustee shall be entitled (and, where the nature of the investigation so requires, obligated) to sub-contract all or certain tasks related to the investigation to a reputable law firm or reputable accounting firm as expert and (ii) provided further that the Data Trustee may not disclose to the Issuer or the Trustee the names or the identities of the Obligors and copies of the relevant Loan Agreements and legal documents in respect of the relevant Loan Agreement.

The primary remedy of the Trustee and the Issuer for breaches of any Eligibility Criteria as of the Cut-Off Date or Seller Loan Warranties as of the Purchase Date will be to require the Seller to pay a Repurchase Price in an amount equal to the Outstanding Loan Principal Amount of such Purchased Loan Receivables (or the affected portion thereof) on the date of payment of the Repurchase Price.

Notice of Assignment; Defences of the Obligors

The assignment of the Purchased Loan Receivables and the assignment and transfer of the Loan Collateral is in principle "silent" (i.e. without notification to the Obligors) and may only be disclosed to the relevant Obligors in accordance with the Servicing Agreement or where the Seller agrees to such disclosure otherwise. Until the relevant Obligors have been notified of the assignment of the relevant Purchased Loan Receivables, they may pay with discharging effect to the Servicer or enter into any other transaction with regard to such Purchased Loan Receivables with the Seller which will have binding effect on the Issuer and the Trustee. Furthermore, there is the possibility that, after the Cut-Off Date, Obligors may deposit funds with the Seller which funds they could use to exercise a right of set-off or counter-claim against the Purchased Loan Receivables. Each Obligor may further raise defences against the Issuer and the Trustee arising from its relationship with the Seller which are existing or contingent (*begründet*) at the time of the assignment of the Purchased Loan Receivables. Furthermore, each Obligor is entitled to set-off against the Issuer and the Trustee the claims the Obligor has, if any, against the Seller unless such Obligor has knowledge of the assignment upon acquiring such claims or such claims become due only after the Obligor acquires such knowledge and after the relevant Purchased Loan Receivables themselves become due. The afore-described risks are mitigated because, as of the Cut-Off Date, the Seller represents and warrants to the Issuer that each Loan Receivable is owned by the Seller free of third party rights, including any set-off rights, any defence, retention or revocation rights of the relevant Obligor. Furthermore, it is an Eligibility Criterion that as of the Cut-Off Date no Obligor shall have deposited funds with the Seller.

Finally, under the terms of the Loan Receivables Purchase Agreement, the Seller shall on any Payment Date on which the Set Off Exposure exceeds 0.5 per cent. of the Aggregate Outstanding Loan Principal Amount as of the Cut-Off Date provide a cash amount such that the amount standing to the credit of the Set Off Reserve Ledger is equal to the Set Off Reserve Required Amount. The Set Off Reserve Ledger is an interest bearing ledger of the Issuer Account-5. On each Payment Date, any amount standing to the credit of the Set Off Reserve Ledger which exceeds the Set Off Reserve Required Amount will be paid back by the Issuer to the Seller outside the Priority of Payments. If on any Payment Date, the Seller fails to provide for the Set Off Reserve Required

Amount (and does not cure such failure within five (5) Business Days after the relevant Payment Date), for as long as the Seller remains as Servicer, a Servicer Termination Event will be triggered.

In the case of any misrepresentation of the Seller or the breach of the Eligibility Criterion that, as of the Cut-Off Date, no Obligor shall have deposited funds with the Seller, Compartment 5 Noteholders may become exposed to the credit quality of the Seller. See "Reliance on Seller Loan Warranties and the Eligibility Criteria" below.

Conflicts of Interest

In connection with Transaction 5, the Seller will also be acting as Servicer, the Calculation Agent will also be acting as the Paying Agent, the Interest Determination Agent and the Custodian and the Trustee will also be acting as the Data Trustee. These parties will have only those duties and responsibilities assumed under the Transaction 5 Documents, and will not, by virtue of their or any of their 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 those under each Transaction 5 Document to which they are a party. All Transaction 5 Parties (other than the Issuer) may enter into other business dealings with each other or Silver Arrow S.A. (in respect of Compartments other than Compartment 5) from which they may derive revenues and profits without any duty to account therefore in connection with Transaction 5.

The Servicer may hold or service claims (for third parties) against the Obligors other than the Purchased Loan Receivables.

The wider interests or obligations of the afore-mentioned parties may therefore conflict with the interests of the Compartment 5 Noteholders.

The afore-mentioned parties may engage in commercial relations, in particular, be lender, provide general banking, investment and other financial services to the Obligors, the Issuer (in respect of Compartments other than Compartment 5) and other parties to Transaction 5. The Corporate Services Provider may provide corporate, administrative or other services to other entities.

In such relations, the afore-mentioned parties are not obliged to take into account the interests of the Compartment 5 Noteholders. Accordingly, because of these other relations, potential conflicts of interest may arise in respect of Transaction 5.

Risks related to the parties to Transaction 5 Documents

Replacement of the Servicer

If the appointment of the Servicer is terminated, the Issuer has the right to appoint a successor Servicer pursuant to the Servicing Agreement. Even though the Calculation Agent has agreed that it will facilitate the appointment of a suitable entity with all necessary facilities available to act as successor Servicer and will use reasonable efforts to ensure that such entity enters into a successor servicing agreement, the terms of which are similar to the terms of the Servicing Agreement, with the parties to the Servicing Agreement upon receipt of a notice by the Servicer of the occurrence of a Servicer Termination Event, there is no assurance that an appropriate successor Servicer can be found and hired in the required time span and that this does not have a negative impact on the amount and the timing of the Collections made.

Creditworthiness of Parties to the Transaction 5 Documents, in particular, the Servicer

The ability of the Issuer to meet its obligations under the Compartment 5 Notes will be dependent, in whole or in part, on the performance of the duties by each party to the Transaction 5 Documents.

No assurance can be given that the creditworthiness of the parties to the Transaction 5 Documents, in particular, the Servicer and the Account Bank will not deteriorate in the future. This may affect the performance of their respective obligations under the respective Transaction 5 Documents. In particular, it may affect the administration, collection and enforcement of the Purchased Loan Receivables by the Servicer in accordance with the Servicing Agreement.

However, the credit risk mentioned before is mitigated by certain credit sensitive triggers. For example, it shall constitute a Servicer Termination Event if, *inter alia*, the Servicer or the Seller is Insolvent or the Seller or the Servicer fails to perform a material obligation which is not remedied within twenty (20) Business Days of notice from the Issuer or the Trustee. The Account Bank has to have the Required Rating.

Commingling risk and risk of Servicer Shortfalls

Pursuant to the Servicing Agreement, the Servicer shall be entitled to commingle Collections made during a Collection Period with the Servicer's own funds and the Servicer shall only be obliged to transfer all Collections

of a Collection Period to the Operating Ledger of the Issuer no later than on the Payment Date relating to the relevant Collection Period. The commingling and late payment risk deriving from the afore-mentioned arrangement in the Servicing Agreement is mitigated by way of the Commingling Reserve Required Amount. Pursuant to the Servicing Agreement, upon the occurrence and continuance of a Commingling Reserve Trigger Event, the Servicer undertakes to remit to the Issuer on the Issue Date and on any relevant Payment Date, as applicable, the Commingling Reserve Required Amount by way of deposit (*Kaution*) providing collateral for its actual or contingent obligations under the Servicing Agreement to transfer Collections to the Issuer on each Payment Date. All remittances by or on behalf of the Servicer to the Issuer shall be made to the Issuer and shall be made in amounts sufficient to ensure that on the Issue Date and on each Payment Date funds equal to the Commingling Reserve Required Amount shall stand to the credit of the Commingling Reserve Ledger. Upon the occurrence of a Servicer Termination Event, in case of any Servicer Shortfalls, the Issuer may use the Commingling Reserve Required Amount in an amount equal to such Servicer Shortfalls to make, under the applicable Priority of Payments, payments on the relevant Payment Date (until the Commingling Reserve Trigger Event ceases to continue).

Any excess of the amount standing to the credit of the Commingling Reserve Ledger over the Commingling Reserve Required Amount as calculated on each Calculation Date will be paid on each following Payment Date directly by the Issuer to the Seller outside of the Priority of Payments.

Risks relating to the Issuer

The Issuer is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg and managed by its directors. Accordingly, bankruptcy proceedings with respect to the Issuer would likely proceed under, and be governed by, the bankruptcy laws of Luxembourg. Under Luxembourg law, a company is bankrupt ("*en faillite*") when it is unable to meet its current liabilities and when its creditworthiness is impaired.

In particular, under Luxembourg bankruptcy law, certain acts deemed to be abnormal and carried out by the bankrupt party during the so-called "suspect period" may be unenforceable against the bankruptcy estate of such party. Whilst the unenforceability is compulsory in certain cases, it is optional in other cases. The "suspect period" is the period that lapses between the date of cessation of payments (*cessation des paiements*), as determined by the bankruptcy court, and the date of the court order declaring the bankruptcy. The "suspect period" cannot exceed six months.

Under Article 445 of the Luxembourg Code of Commerce: (a) a contract for the transfer of movable or immovable property entered into or carried out without consideration, or a contract or transaction entered into or carried out with considerably insufficient consideration for the insolvent party; (b) a payment, whether in cash or by transfer, assignment, sale, set-off or otherwise for debts not yet due, or a payment other than in cash or bills of exchange for debts due or (c) a contractual or judiciary mortgage, pledge, or charge on the debtor's assets for previously contracted debts, would each be unenforceable against the bankruptcy estate if carried out during the suspect period or ten days preceding the suspect period.

According to Article 61(4) second paragraph of the Securitisation Law and without prejudice to the provisions of the law of 5 August 2005 on financial collateral arrangements, the validity and perfection of each of the security interests mentioned under item (c) in the above paragraph cannot be challenged by a bankruptcy receiver with respect to Article 445 of the Luxembourg Code of Commerce and such security interests are hence enforceable even if they were granted by the company during the suspect period. However, Article 61(4) second paragraph of the Securitisation Law is only applicable if (i) the articles of incorporation of the company granting the security interests are governed by the Securitisation Law and (ii) the company granted the respective security interest no later than the issue date of the securities or at the conclusion of the agreements secured by such security interest.

Under Article 446 of the Luxembourg Code of Commerce, any payments made by the bankrupt debtor in the suspect period may be rescinded if the creditor was aware of the cessation of payment of the debtor.

Under Article 448 of the Luxembourg Code of Commerce, transactions entered into by the bankrupt debtor with the intent to deprive its creditors are null and void (Article 448 of the Code of Commerce), regardless of the date on which they were made.

The Issuer can be declared bankrupt upon petition by a creditor of the Issuer or at the initiative of the court or at the request of the Issuer in accordance with the relevant provisions of Luxembourg insolvency law. The conditions for opening bankruptcy proceedings are the stoppage of payments ("*cessation des paiements*") and the loss of commercial creditworthiness ("*ébranlement du crédit commercial*"). The failure of controlled management proceedings may also constitute grounds for opening bankruptcy proceedings. If the above mentioned conditions are satisfied, the Luxembourg court will appoint a bankruptcy trustee ("*curateur*") who shall be the sole legal representative of the Issuer and obliged to take such action as he deems to be in the best

interests of the Issuer and of all creditors of the Issuer. Certain preferred creditors of the Issuer (including the Luxembourg tax authorities) may have a privilege that ranks senior to the rights of the Noteholders in such circumstances. Other insolvency proceedings under Luxembourg law include controlled management and moratorium of payments ("*gestion contrôlée et sursis de paiement*") of the Issuer, composition proceedings ("*concordat*") and judicial liquidation proceedings ("*liquidation judiciaire*").

Compartments

The Compartment 5 Notes will be contractual obligations of the Issuer solely in respect of Compartment 5 of the Issuer. No third party guarantees the fulfilment of the Issuer's obligations under the Compartment 5 Notes. Consequently, the Compartment 5 Noteholders have no rights of recourse against such third parties. In connection with the above it has also to be noted that, pursuant to Article 62 of the Securitisation Law, where individual compartment assets are insufficient for the purpose of meeting the Issuer's obligations under a respective issuance, it is not possible for the Compartment 5 Noteholders in that Compartment's issuance to obtain the satisfaction of the debt owed to them by the Issuer from assets belonging to another compartment. Consequently, the Compartment 5 Noteholders may have the risk of not being able to receive any income in respect of their investment or, at worst, of being unable to recover their initial investment.

Legal risks

Voidable transactions

Certain transactions carried out by a debtor prior to becoming insolvent may be voidable pursuant to section 129 through 134 of the German Insolvency Code (*Insolvenzordnung*). Under section 131 of the German Insolvency Code (*Insolvenzordnung*), the insolvency administrator is entitled, subject to certain conditions, to void transactions made during a three months' period prior to the filing for insolvency provided that such transactions provided, created or made possible security or satisfaction to a creditor in a manner or at a time to which such creditor was not entitled.

Pursuant to section 130 of the Insolvency Code (*Insolvenzordnung*), the insolvency administrator is also entitled to void transactions which provided, created or made possible, security or satisfaction to a creditor, even if such creditor was entitled to such security or satisfaction in the manner and at the time given provided that certain adverse conditions are met. These adverse conditions are that (i) the insolvent debtor was actually insolvent at the time when the specific transaction was effected and the creditor who received security or satisfaction knew of such insolvency, or (ii) the transaction providing security or satisfaction was made after the petition for the institution of Insolvency Proceedings and the creditor who received security or satisfaction knew of such petition.

Pursuant to section 133(1) of the Insolvency Code (*Insolvenzordnung*), the insolvency administrator is entitled to void a transaction carried out by the insolvent debtor if (i) such transaction was entered into by the debtor in the last ten (10) years prior to the filing of the petition for the institution of Insolvency Proceedings or after such petition and (ii) such transaction was entered into with the intent of harming the debtor's general creditors, and (iii) the other party had knowledge thereof at the time of the respective transaction. The knowledge, mentioned in (iii) is presumed if the other party had knowledge of an impending inability on the part of the debtor to make payments when due and of the fact that the transaction was detrimental to the creditors. In order to determine whether or not the debtor had the intention of discriminating against the other (general) creditors, the German Federal Court of Justice (*Bundesgerichtshof*) distinguishes in several decisions whether or not the other party was entitled to satisfaction or security. If the other party was indeed entitled to satisfaction or security, the mere knowledge of the debtor that the fulfilment of this obligation will be disadvantageous to the other creditors does not suffice. It must, in addition, be established that the debtor, when satisfying its obligation or granting the security, primarily intended to discriminate against the other creditors rather than to fulfil its obligations.

The afore-described risks of voidability are mitigated through representations and warranties by the Seller in the form of independent guarantees set out in Clause 8 of the Loan Receivables Purchase Agreement that the Seller satisfies on the Signing Date the following conditions:

- the Seller has not taken any corporate action nor have any steps been taken or legal proceedings been started or threatened against the Seller for its winding-up, bankruptcy, insolvency, dissolution or reorganisation or for the appointment of a receiver, insolvency liquidator, other administrator, administrative receiver, trustee in bankruptcy, liquidator, sequestrator or similar officer of the Seller or of any or all of its assets or revenues;
- no action or administrative proceeding of or before any Governmental Authority or arbitrator has been started or threatened (1) which could be expected to have a Material Adverse Effect in respect of the Seller, (2) as to which there is a likelihood of an adverse judgment which could be expected to have a

Material Adverse Effect in respect of the Seller or (3) which purports to affect the legality, validity or enforceability of this Agreement and/or any other Transaction 5 Document; and

- the Seller is not in a general stoppage of payment situation (*Zahlungseinstellung*) and/or otherwise in a situation which would oblige the Seller's directors to take steps for the opening of Insolvency Proceedings.

On the basis of the above representations and warranties, should the Seller become insolvent, the Issuer will be able to argue that it was, when entering into the Loan Receivables Purchase Agreement on the Signing Date, acting in good faith as to the Seller's solvency.

The insolvency administrator's right to void transactions in accordance with sections 130 and 131 of the German Insolvency Code (*Insolvenzordnung*) as described above (however, expressly not such transactions as voidable under section 133(1) of the German Insolvency Code (*Insolvenzordnung*)) is limited by the exception made in section 142 of the German Insolvency Code (*Insolvenzordnung*). Pursuant to section 142 of the German Insolvency Code (*Insolvenzordnung*), the insolvency administrator is not entitled to void transactions qualifying as "mismatching payments and transfers" and as "matching payments and transfers" if the debtor, as consideration for the transaction, directly receives an equivalent cash payment. A cash payment is equivalent if the debtor receives full compensation. Although there is no case law on this point, legal commentators hold that there is an equivalent cash payment in the case of factoring, even if the receivables are sold to the factor with a certain discount. Because of the similarities between factoring and securitisation, it is likely that securitisations will be treated in the same way.

Banking secrecy

On 25 May 2004, the Court of Appeals (*Oberlandesgericht*) in Frankfurt/Main ("**Frankfurt Court of Appeals**") rendered a decision in which the court took the view that the banking secrecy duties, owed by a bank to its customers, constitute an implied restriction on the assignability of loan receivables pursuant to section 399 of the German Civil Code if the loan agreement is not a business transaction (*Handelsgeschäft*) within the meaning of section 343 of the German Commercial Code (*Handelsgesetzbuch*) for both the borrower and the bank (see "*Assignability of Purchased Loan Receivables*" above). On 25 November 2004 the District Court Koblenz and on 17 December 2004 the District Court Frankfurt opposed this view and ruled that German banking secrecy principles will not result in a contractual prohibition to transfer (consumer) loan receivables.

The German Federal Supreme Court (*Bundesgerichtshof*) has set forth in a judgement in February 2007 that the assignment of loan receivables is valid even if the assigning bank violates either banking secrecy rules or data protection rules in making the assignment. However, the Federal Supreme Court did not rule out that the debtor may have a claim for damages resulting from the violation of the banking secrecy or the data protection rules. The German Federal Constitutional Court (*Bundesverfassungsgericht*) confirmed this judgement in a decree of July 2007 and held that in the case of transfer of loans the related transfer of debtor information does not contravene constitutional rights of the borrower.

In order to mitigate the risk of damage claims of borrowers the Transaction 5 Documents will provide that Purchased Loan Receivables data will only be disclosed to the Issuer in compliance with the guidelines of the German financial regulator (*Bundesaufsichtsamt für das Kreditwesen*) as laid down for asset-backed transactions in the Circular (the "**Circular**") 4/97. For the purposes of Transaction 5, the Issuer, the Seller and the Data Trustee will have agreed that certain data, including the identity and address of each Obligor, shall not be disclosed to the Issuer on the relevant Purchase Date but shall be stored in an encrypted format. The Decryption Key will be forwarded to the Data Trustee. Under the Data Trust Agreement, the Data Trustee will safeguard the Decryption Key and despatch it to a successor Servicer or any agent only upon the occurrence of certain events (see "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Data Trust Agreement").

Federal Data Protection Act (Bundesdatenschutzgesetz)

Pursuant to the German Federal Data Protection Act, a transfer of a data subject's personal data is permitted if (a) the relevant data subject has consented to such transfer or (b) such transfer is permitted by law. Pursuant to section 28 para. 1 sent. 1 No. 2 of the German Federal Data Protection Act, a transfer shall be lawful (i) as far as necessary in order to safeguard legitimate interests of the data controller and (ii) there is no reason to assume that the data subject has an overriding legitimate interest in ruling out the possibility of the transfer. The Issuer is of the view that the transfer of the Obligor's personal data in connection with the assignment of the rights under the Purchased Loan Receivables relating to the Loan Collateral is in compliance with the above and is necessary to safeguard the legitimate interests of the Seller, the Issuer and the Trustee. In addition, the Issuer is of the view that the protection mechanisms provided for in the Data Trust Agreement and the Loan Receivables Purchase

Agreement take into account the legitimate interests of the Obligors to prevent the transfer of their data by any of the Seller, the Issuer and the Trustee.

German consumer credit legislation

The provisions of the German Civil Code which incorporate the provisions of the former German Consumer Credit Act (*Verbraucherkreditgesetz*) into the German Civil Code apply to consumer credit contracts. Under relevant case law, it is possible that certain Loan Agreements have to be regarded as consumer credit contracts.

To the extent the Loan Agreements are regarded as consumer credit contracts (i.e. if the Obligor's qualify as consumers within the meaning of section 13 of the German Civil Code or as entrepreneurs who or which enter into the Loan Agreements to take up a trade or self-employed occupation while the net loan amount or the cash price does not exceed 50,000 Euros with regard to Loan Agreements concluded before 11 June 2010 and 75,000 Euros with regard to Loan Agreements concluded on or after 11 June 2010), the Obligors have the right to withdraw from their respective Loan Agreement for a period of at least two weeks (for consumer loan contracts concluded before 11 June 2010) / fourteen days (for consumer loan contracts concluded on or after 11 June 2010) (or for an unlimited period of time after signing the Loan Agreement if the Obligor has not been sufficiently notified).

In addition, the provisions of the German Civil Code on "connected contracts" (*verbundene Verträge*) are likely to apply to consumer credit contracts. In transactions in which a consumer credit contract provides the funding for the relevant goods such as moveable equipment (including vehicles) and/or services such as related insurances, any defences the consumer might have against the supplier of such goods or services may also be raised against the lender or other provider of financings regardless of any agreements to the contrary between consumer, supplier and lender. Accordingly, defences may also, in principle, be raised against the Purchased Loan Receivables, even if explicitly excluded in the Loan Agreements or other underlying documents the relevant Obligor has entered into. If a consumer's defence is based, for example, on such moveable equipment (like for instance the Financed Vehicles) being defective and the consumer claims that the moveable equipment must be repaired or replaced, the consumer may refuse to pay or repay the financing if the supplier of the equipment fails to repair or replace the moveable equipment or remedy the supplier's breach of contract otherwise. The same consequences apply if the supplier of the services (such as insurances) does not provide the services as contractually agreed.

If the consumer credit contract, the underlying purchase contract for moveable equipment or the underlying contract for related services is invalid or has been rescinded (e.g. due to a withdrawal), the borrower has the right to refuse further payments under the relevant consumer credit contract and may in certain circumstances also request repayment of the amount already paid under the consumer credit contract. As a general rule, however, the borrower will in such case have to return the loan amount paid out to the borrower (or the supplier) plus interest for the time between the pay-out and the re-payment of the loan amount.

Moreover, the consumer might also have the right to set-off claims, which he has against the Seller of the vehicle, against a credit default (*Ratenschutz*) and purchase price (*Kaufpreisschutz*) insurer, against its payment obligations under the Loan Agreement.

In addition, the following must be taken into account for consumer loan contracts concluded on or after 11 June 2010:

- (1) For contracts entered into until 12 June 2014, there is legal uncertainty as to the interpretation of Section 359a (1) of the German Civil Code (as applicable) regarding the question whether the above described legal consequences can be triggered in relation to a contract (e.g. an insurance policy or a service contract) which is neither connected nor treated as if it was connected to a Loan Agreement but which is sufficiently specified in such Loan Agreement. We deem it likely that in such case any withdrawal by the Obligor of the specified contract would also cause the withdrawal of the related consumer credit contract (as if such specified contract and the consumer credit contract were connected contracts). The same uncertainty applies as to the interpretation of Section 9 (2) of the German Insurance Contract Act (*Versicherungsvertragsgesetz*) (as applicable) in relation to an insurance policy which is neither connected nor treated as if it was connected to a Loan Agreement if the Loan Agreement relates to the insurance policy and concerns a service provided by the insurer or a third party on the basis of an agreement between such third party and the insurer. In case any withdrawal by the Obligor of the specified contract respectively related insurance policy would also cause the withdrawal of the related consumer loan contract, there is also a risk that any defences (*Einwendungen*) in relation to the specified contract respectively related insurance policy may also be used as defence against the related consumer credit contract even though Section 359a (1) of the German Civil Code does not refer

to Section 359 of the German Civil Code which stipulates the relevance of defences (*Einwendungen*) in the context of connected contracts.

This risk also applies to insurance policies (including, but not limited to, any credit default insurance (*Ratenschutz*) and purchase price insurance (*Kaufpreisschutz*)) even if the relevant insurance policy is entered into by the Seller as policy holder (*Versicherungsnehmer*) and the Obligor merely accedes to it as insured person (*versicherte Person*), since in such case, it could be argued that the Obligor should benefit from the same consumer protection as if the relevant insurance policy and the related Loan Agreement constituted connected contracts or contracts otherwise related to the Loan Agreement. This would in particular imply that defences may be invoked by the Obligor against the Loan Agreements on the basis of rights and claims the Obligor or the Seller may have under the relevant insurance policies.

- (2) For contracts entered into on or after 13 June 2014, there is similar legal uncertainty as to the interpretation of Section 360 (2) sentence 1 in connection with Section 360 (1) of the German Civil Code (as in place from 13 June 2014) regarding the question whether the above described legal consequences can be triggered in relation to a contract (e.g. an insurance policy or a service contract) which is neither connected nor treated as if it was connected to a Loan Agreement but which relates to the Loan Agreement if the Loan Agreement concerns a service provided by the service provider (e.g. the insurer) or a third party (e.g. the Seller) on the basis of an agreement between such third party (e.g. the Seller) and the service provider (e.g. the insurer). We deem it likely that in such case any withdrawal by the Obligor of the related contract would also cause the withdrawal of the related consumer credit contract (as if the related contract and the consumer credit contract were connected contracts). To the extent the specified contract is an insurance policy, the same risks result from Section 9 (2) of the German Insurance Contract Act (*Versicherungsvertragsgesetz*) (as applicable). In case any withdrawal by the Obligor of the related contract respectively related insurance would also cause the withdrawal of the related consumer loan contract, there is also a risk that any defences (*Einwendungen*) in relation to the related contract respectively related insurance may also be used as defence against the related consumer credit contract even though Section 360 (1) of the German Civil Code does not refer to Section 359 of the German Civil Code which stipulates the relevance of defences (*Einwendungen*) in the context of connected contracts.

For contracts entered into on or after 13 June 2014, similar legal uncertainty exists with regard to the interpretation of Section 360 (2) sentence 2 in connection with Section 360 (1) of the German Civil Code (as in place from 13 June 2014) regarding the question whether the above described legal consequences can be triggered in relation to a contract (e.g. an insurance policy or a service contract) which is neither connected nor treated as if it was connected to a Loan Agreement but which is sufficiently specified in such Loan Agreement. Even though Section 360 (2) of the German Civil Code (as in place from 13 June 2014) also requires that the consumer credit agreement only serves the financing of the specified contract, there is a risk that this requirement is broadly interpreted by the German courts. In such case any withdrawal by the Obligor of the specified contract would also cause the withdrawal of the related consumer credit contract (as if such specified contract and the consumer credit contract were connected contracts). Furthermore, there is also a risk that any defences (*Einwendungen*) in relation to the specified contract may also be used as defence against the related consumer credit contract even though Section 360 (1) of the German Civil Code does not refer to Section 359 of the German Civil Code which stipulates the relevance of defences (*Einwendungen*) in the context of connected contracts.

However, it is an Eligibility Criterion for all Purchased Loan Receivables that they are valid and enforceable and not subject to any right of revocation, set-off or counter-claim, warranty claims of the Obligors or any other right of objection, see "DESCRIPTION OF THE PORTFOLIO AND OF THE LOAN COLLATERAL — Eligibility Criteria". In the event that a Purchased Loan Receivable does not meet the Eligibility Criteria, the Seller will be required to pay to the Issuer the Repurchase Price in the amount of the Outstanding Loan Principal Amount of such Purchased Loan Receivable (or the affected portion thereof). See "MASTER DEFINITIONS SCHEDULE — Repurchase Price".

Excessive security

Under German law, the granting of security for a loan may be held invalid and the security or part of the security may have to be released if such security is "excessive", i.e. the creditor is granted collateral the value of which excessively exceeds the value of the secured obligations, or if the granting of security leads to an inappropriate disadvantage for the debtor (*Übersicherung*). Although there is no direct legal authority on the point, the Issuer has been advised that the Loan Collateral for the Purchased Loan Receivables is not excessive, although it cannot be ruled out that a German court would hold otherwise. However, this risk is mitigated on the basis that, pursuant to the Loan Receivables Purchase Agreement, the Seller represents and warrants to the Issuer that the

Loan Collateral relating to Purchased Loan Receivables is legal, valid, binding and enforceable and that, pursuant to the Credit and Collection Policy, the Servicer will release excessive Loan Collateral on behalf of the Issuer.

Non-petition and limited recourse clauses

Non-petition, exclusion of liability and limited recourse clauses may in certain circumstances be held invalid under German law. Liability arising out of wilful misconduct and/or, under certain circumstances, gross negligence or, insofar as material obligations and duties are concerned, other negligent breaches of duty cannot validly be excluded or limited in advance. Furthermore, where the relevant limited recourse, exclusion of liability and no petition clause is directly contrary to the purpose of the contract, the relevant clauses could, in such circumstances, be declared void. Furthermore, in relation to the procedural rights of the parties, a general prohibition for one of the parties to sue the other party might be held to contravene *bonos mores (sittenwidrig)* and might therefore be declared void. In principle, non-petition, exclusion of liability and limited recourse clauses must not be the result of disparity of bargaining power or economic resources of the parties.

The Issuer has been advised by a reputable law firm that a disparity of bargaining power does not apply in securitisation transactions in which all parties involved are corporate entities with sufficient economic and intellectual resources and that the non-petition clauses reinforce the intended transactional mechanics and the intended allocation of risk. The relevant limited recourse, exclusion of liability and no petition clauses are in the interest of all parties to the agreements containing limited recourse, exclusion of liability and no petition clauses and do not lead to an imbalance of benefits as between the parties which would be required for holding such clauses null and void. Furthermore, the Luxembourg Securitisation Law explicitly states, for the purposes of Luxembourg law that limited recourse and non-petition clauses shall be legal, valid, binding and enforceable to the extent the relevant Issuer has elected to be governed by the Luxembourg Securitisation Law.

Change of law

The underlying Loan Agreements, the Trust Agreement, the Loan Receivables Purchase Agreement and the other Transaction 5 Documents and the issue of the Compartment 5 Notes, as well as the ratings which are to be assigned to the Compartment 5 Notes are based on the law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible change of law or its interpretation or administrative practice after the date of this Offering Circular.

Assignability of Purchased Loan Receivables

As a general rule under German law, receivables are assignable unless their assignment is excluded either by agreement or by the nature of the receivables to be assigned. Under section 354a (1) of the German Commercial Code (*Handelsgesetzbuch*), however, the assignment of claims for the payment of money arising under loans that constitute business transactions (*Handelsgeschäft*) for both parties (including the borrower) within the meaning of the German Commercial Code will be valid notwithstanding an agreement prohibiting such assignment, provided that, in case of loan receivables of a credit institution (*Kreditinstitut*) within the meaning of the German Banking Act (*Kreditwesengesetz*), the underlying agreement was entered into on or before 18 August 2008. Notwithstanding that German courts would not enforce restrictions on the assignment of monetary claims to the extent to which section 354a (1) of the German Commercial Code (*Handelsgesetzbuch*) provides that they are not enforceable, section 354a (1) nonetheless allows the debtor of an assigned claim to pay and discharge its obligations to the original creditor (i.e. Mercedes-Benz Bank AG) even if such debtor has been notified of the assignment of its debt obligation. In the event that some of the debtors are not merchants (*Kaufleute*) in the meaning of the German Commercial Code (*Handelsgesetzbuch*) and in the event of loan receivables against a credit institution (*Kreditinstitut*) within the meaning of the German Banking Act (*Kreditwesengesetz*) arising out of agreements entered into after 18 August 2008, contractually stipulated restrictions on assignment would render any assignment in violation of such restrictions invalid.

Pursuant to the Loan Receivables Purchase Agreement, the Seller will warrant to the Issuer that the Loan Agreements under which the Purchased Loan Receivables have been originated are based on certain standard forms. These standard forms do not specifically prevent the Seller from transferring its rights under the relevant Loan Agreement to a third party for refinancing purposes. Pursuant to the Loan Receivables Purchase Agreement, the Seller will represent and warrant to the Issuer that the provisions of the Loan Agreements are valid. The Seller will also warrant to the Issuer in the Loan Receivables Purchase Agreement that the assignment of the Purchased Loan Receivables to the Issuer is not prohibited and is valid.

Termination for good cause

As a general principal of German law, a contract may always be terminated for good cause (*aus wichtigem Grund*) and such right may not be totally excluded nor may it be made subject to unreasonable restrictions or the consent from a third party. This may also have an impact on several limitations of the right of the parties to the Transaction 5 Documents to terminate for good cause.

PCS Label

The Issuer has made an application to Prime Collateralised Securities (PCS) UK Limited for the Class A Compartment 5 Notes to receive the Prime Collateralised Securities label (the "**PCS Label**"). There can be no assurance that the Class A Compartment 5 Notes will in fact be granted the PCS Label (either prior to the issuance of the Class A Compartment 5 Notes or at any time thereafter) and, should the Class A Compartment 5 Notes be granted the PCS Label, there can be no assurance that the PCS Label will not be withdrawn at a later date.

The PCS Label is awarded to the most senior tranche of asset backed transactions that fully meet the criteria that are set down by PCS. The relevant criteria seek to capture some of the aspects of securities that are indicative of simplicity, asset quality and transparency and reflect some of the best practices available in Europe.

The PCS Label is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under the Markets in Financial Instruments Directive (2004/39/EC) and it is not a credit rating, neither generally nor as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended by the Credit Agency Reform Act of 2006). Prime Collateralised Securities (PCS) UK Limited is not an "expert" as defined in the Securities Act.

By awarding the PCS Label to certain securities, no views are expressed about the creditworthiness of these securities or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities.

Investors should conduct their own research regarding the nature of the PCS Label and must read the information set out in <http://pcsmarket.org>. The website <http://pcsmarket.org> shall not form part of this Offering Circular.

Tax risks

German Taxation

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

Income tax

Investors should be aware that with respect to the Issuer's liability for income tax there is no assurance that the German tax authorities will treat the Issuer as having its effective place of management ("*Ort der Geschäftsleitung*") outside Germany. In contrast, German tax authorities may treat the Issuer as having its effective place of management in Germany. As a consequence, the Issuer would be subject to German resident taxation with its worldwide income, unless certain branch income is tax-exempt according to the provision of any applicable convention for the avoidance of double taxation ("Tax Treaty"). A foreign corporation has its effective place of management in Germany if the substantial decisions of the day-to-day business are made in Germany. Such decisions are related to all functions performed by the Issuer in Germany in contrast to the decisions related to functions performed outside of Germany. The Servicer is the transaction party operating in Germany with the most exposure on the Issuer's day-to-day business activities. The functions performed by the Servicer in Germany involve decisions to be made in relation to the management of the Purchased Loan Receivables and in particular in relation to the collection of such receivables. Consequently, the functions performed by the Servicer in Germany on behalf of the Issuer must not be of relative economic significance in comparison to functions performed in Luxembourg and elsewhere, either by the Issuer itself or Persons acting on its behalf as the Corporate Services Provider or the Calculation Agent. Such assessment cannot be made with scientific accuracy and involves a judgment with which reasonable people may disagree. There are good and valid reasons to treat the Issuer as not being managed and controlled in Germany (see "THE ISSUER – Corporate Purpose of the Issuer"). No Party performing services for the Issuer in Germany has the legal authority to enter into contractual agreements for and on behalf of the Issuer. Moreover, the Issuer has undertaken to carry out material business decisions such as the purchase of assets and all financing and refinancing decisions in Luxembourg.

If the Issuer were treated as so managed and controlled, against its expectation, the Issuer's corporate income tax base would have to be determined on an accrual basis. As a result, business expenditure incurred by the Issuer would be deductible when it arises such that the Issuer's taxable income would be expected to be close to zero or relatively low. This means that, in the worst case, losses for the Compartment 5 Noteholders due to "tax leakage" would be relatively low. Additionally, the limitations on interest deductibility as described below (*Zinsschranke und gewerbsteuerliche Hinzurechnung von Zinsen*) would be applicable to the Issuer.

Even if the Issuer does not have its effective place of management in Germany, the German tax authorities may treat the Issuer as maintaining a permanent establishment (*Betriebsstätte*) or having a permanent representative (*Ständiger Vertreter*) in Germany. The Issuer does not maintain any business premises or office facilities in Germany, thus it cannot be expected that the Issuer has a permanent establishment in Germany. In addition, the Issuer qualifies for protection under the Double Taxation Treaty of 23 April 2012 between Luxembourg and Germany which overrules German domestic law with respect to the determination of a permanent establishment in Germany. The German Ministry of Finance has expressed its view that the mere collection activity carried out by the Seller on behalf of the Issuer does not result in the Issuer having a permanent establishment in Germany (see Finanznachrichten 22/2001 as of 19 September 2001, p.5). However, it cannot be excluded that the German tax authorities will treat the Servicer as being a permanent representative of the Issuer in Germany. In the latter case, all income attributable to the functions rendered by the Servicer is subject to German taxation. Such income might include all refinancing income and expenses of the Issuer and, therefore, the earnings-stripping rule might apply to the interest payable on the issued Notes, the consequence of which can be described as follows:

As outlined below, there are good and valid reasons that the Issuer should neither be subject to resident nor to source taxation in Germany and, therefore, the earnings-stripping rules and the amended rules regarding the add-back of interest for trade tax purposes are very unlikely to affect the tax position of the Issuer. According to the official explanatory statement published, securitisation vehicles shall not be subject to these limitations. If this is the case, such earnings-stripping rules shall not be applicable to the Issuer. The Federal Ministry of Finance states in the earnings-stripping rules decree (Federal Gazette I 2008, page 718, margin no. 67) that the earnings-stripping rules are only applicable to securitisation vehicles which can be consolidated into the group financial statements of the Seller by using a concept other than a risk-and-reward approach, e.g. as stipulated under SIC 12 of the International Financial reporting Standards).

Assuming that the Issuer is resident in Germany, the Issuer will only become subject to these earning-stripping rules if it is considered to be an affiliated company (*Konzern*). The Issuer is an affiliated company if it is or might be part of a consolidated group of companies under the applicable regime of accounting standards.

Even if the Issuer forms part of a consolidated group of companies, pursuant to the published legislative motives which bind the administration and the courts in interpreting a statute, a securitisation company shall not be regarded as affiliated with the result that the new earnings stripping rules will not be applicable to the Issuer, even if it should have a taxable presence in Germany. Language of the earnings stripping statute does not so provide expressly, but the legislative motives are sufficiently clear in directing the interpretation of statute.

In case the Issuer would still, against all expectations, be regarded as subject to the earning-stripping rules, interest payable by the Issuer would only be deductible as follows:

- (1) Interest payable is fully deductible up to the amount of interest income (*Zinserträge*) received in the respective fiscal year of the Issuer; and
- (2) Interest payable exceeding the amount of interest income would only be deductible up to 30 per cent. of the annual EBITDA as determined pursuant to German tax rules.

Under current German tax law, there will be no withholding taxes or deductions on account of German tax on the payment:

- (1) from the debtors on the Loan Receivables; or
- (2) between the parties to the Transaction 5 Documents under the Transaction 5 Documents.

As of 1 January 2009 a separate tax rate for capital income was introduced. All capital income as from then on is subject to a uniform tax rate of 25 per cent. (plus solidarity surcharge, section 32d para 1 ITA, new version). As a rule, taxes are deducted directly at the source.

Trade tax

The Issuer is subject to German trade tax if its effective place of management is in Germany or the Issuer has a permanent establishment in Germany.

As outlined above, there are good and valid reasons to treat the Issuer as not being managed in Germany. However, it cannot be excluded that the German tax authorities treat the Issuer as being effectively managed from within Germany. In this case, trade tax will, in principle, be levied on business profits derived by the Issuer.

In that case, pursuant to section 8 no. 1 of the German Trade Tax Act (GewStG — *Gewerbesteuergesetz*) an add-back will occur in the amount of 25 per cent. of the interest payments. Additionally, the rules on the add-back of interest payments for tax purposes will also treat certain discounts agreed on upon the sale of receivables resulting from pending business transactions (*schwebende Geschäfte*) as interest payments which are to be added-back at a rate of 25 per cent.

However, the Issuer would, in principle, be able to rely on section 19 of the German Regulations for the Implementation of the Trade Tax Act (GewStDV — *Gewerbesteuerdurchführungsverordnung*). This section 19 contains a special rule for the computation of indebtedness incurred by financial institutions by limiting the relevant debt to the value of certain fixed assets. Under revised section 19 (3) GewStDV this special rule would also be applicable to the Issuer as an entity that is solely engaged in the issuance of securities for the purpose of funding the purchase of bank-originated payment claims. Based on section 19 (3) GewStDV, the Issuer's trade tax base would probably not differ from its corporate income tax base.

As outlined for corporate tax purposes, in case the Issuer does not have its effective place of management and control in Germany, it is also unlikely to expect that the Issuer has a permanent establishment for trade tax purposes in Germany as the Issuer neither maintains any business premises or office facility in Germany nor has it an own right to dispose of the business premises of the Servicer.

Luxembourg Taxation

By a law of 21 June 21 2005 (the "**Savings Law**"), Luxembourg has implemented the directive 2003/48/EC adopted on 3 June 2003 (the "**Savings Directive**") by the Council of Economic and Finance Ministers of the European Union (the "EU") regarding the taxation of savings income. In essence, under the Savings Law, which is in effect as of 1 July 2005, Luxembourg will levy a withholding tax on payments of interest or other similar income paid by an economic operator (paying agent within the meaning of the Savings Directive) within its jurisdiction to or for an individual as well in some cases, to specific forms of organisations such as partnerships (i.e., entities which are not legal persons, whose profits are not taxed under the general provisions related to business taxation and which are not, or has not opted to be considered as, an undertaking for collective investments in transferable securities (UCITS) recognized in accordance with Council Directive 85/611/EEC, the so-called "residual entities"), respectively resident/established in another EU member state or in certain dependent or associated territories unless the beneficiary of the interest payments agrees to an exchange of information regarding the interest or similar income it received between the tax authorities of Luxembourg and the relevant EU member state. The rate of the withholding tax is currently 35 per cent.

In his annual State of the Nation speech on 10 April 2013, Luxembourg former Prime Minister Jean-Claude Juncker announced that Luxembourg will apply the automatic exchange of information foreseen in the Savings Directive with effect as from 1st January 2015. This has been confirmed with the submission to the Luxembourg Parliament of the bill of law 6668 on 18 March 2014, which aims at abolishing as from 1st January 2015 the withholding tax option with respect to interest payments within the meaning and in the framework of the EU Savings Tax Directive.

Payments under the Compartment 5 Notes will only be made after deduction or withholding of any mandatory withholding or deductions on account of tax. The Issuer will not be required to pay additional amounts in respect of any such withholding or other deduction for or on account of any present or future taxes, duties or charges of whatever nature. See "TERMS AND CONDITIONS OF THE COMPARTMENT 5 NOTES — Condition 13 (*Taxation*)".

The Issuer has been advised that under the existing laws of Luxembourg:

- (a) save as otherwise stated above, all payments of interest and principal by the Issuer acting with respect to its Compartment 5 under the Compartment 5 Notes can be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or tax authority thereof or therein;
- (b) a holder of a Compartment 5 Note who derives income from a Compartment 5 Note or who realises a gain on the disposal or redemption of a Compartment 5 Note will not be subject to Luxembourg taxation on income or capital gains unless:
 - (i) the holder is, or is deemed to be, resident of Luxembourg for the purpose of the relevant provisions; or

- (ii) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg;
- (c) Luxembourg net worth tax will not be levied on a holder of a Compartment 5 Note unless:
 - (i) the holder is, or is deemed to be, a corporate entity being a resident in Luxembourg for the purpose of the relevant provisions; or
 - (ii) such Compartment 5 Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg;
- (d) Luxembourg gift or inheritance taxes will not be levied on the occasion of the transfer of a Compartment 5 Note by way of gift by, or on the death of, a holder unless:
 - (i) the holder is, or is deemed to be, resident of Luxembourg for the purpose of the relevant provisions at the time of the transfer; or
 - (ii) the gift is registered in Luxembourg;
- (e) there is no Luxembourg registration tax, capital tax, stamp duty or any other similar tax or duty payable in Luxembourg in respect of or in connection with the issue of the Compartment 5 Notes or in respect of the payment of principal or interest under the Compartment 5 Notes or the transfer of the Compartment 5 Notes. If any documents in respect of the Compartment 5 Notes are required to be registered in Luxembourg, they will be subject to a fixed registration duty;
- (f) there is no Luxembourg value-added tax payable in respect of payments in consideration of the issue of the Compartment 5 Notes or in respect of payments of interest or principal under the Compartment 5 Notes or the transfer of the Compartment 5 Notes, however, Luxembourg value added tax may be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes (i) the Issuer were deemed to be an entrepreneur, (ii) such services are rendered, or are deemed to be rendered, in Luxembourg and (iii) an exemption from value added tax does not apply with respect to such services; and
- (g) a holder of a Compartment 5 Note will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of a Compartment 5 Note or the execution, performance, delivery and/or enforcement of the Compartment 5 Note.

EU Savings Directive

Under the EU Council Directive 2003/48/EC dated 3 June 2003 on 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 (the "Disclosure of Information Method").

For a transitional period, Austria and Luxembourg may opt instead to withhold tax from interest payments within the meaning of the EU Savings Tax Directive at a rate 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 in the 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.

On 24 March 2014 EU Council Directive 2014/48/EU was adopted amending the EU Savings Tax Directive. Member States shall adopt and publish, by 1 January 2016, the laws, regulations and administrative provisions necessary to comply with the new directive. Furthermore, the Member States shall apply those provisions from the first day of the third calendar year following the calendar year in which the new directive enters into force (January 1, 2017).

In his annual State of the Nation speech on 10 April 2013, Luxembourg former Prime Minister Jean-Claude Juncker announced that Luxembourg will apply the automatic exchange of information foreseen in the Savings Directive with effect as from 1 January 2015. This has been confirmed with the submission to the Luxembourg Parliament of the bill of law 6668 on 18 March 2014, which aims at abolishing as from 1 January 2015 the withholding tax option with respect to interest payments within the meaning and in the framework of the EU Savings Tax Directive.

The attention of prospective Compartment 5 Noteholders is drawn to Condition 13 of the Compartment 5 Notes (*Taxation*). According to Condition 12 (*Agents; Determinations Binding*) of the Compartment 5 Notes, the Issuer undertakes to maintain a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

Prospective holders of the Compartment 5 Notes should consult their own tax advisers in relation to the consequences of the proposed amendments to the Savings Directive associated with subscribing for, purchasing, holding and disposing of the Compartment 5 Notes.

Transactions on the Compartment 5 Notes could be subject to the European financial transaction tax, if adopted

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the "**Draft Directive**") on a common financial transaction tax ("**FTT**"). On 24 June 2013, the European Parliament's Committee on Economic and Monetary Affairs published a revised proposal for the Draft Directive. On 4 May 2014, the European Council's Economic and Financial Affairs Council (ECOFIN) has published a press release which provides a useful update on the current state of play as regards the proposed FTT. Despite numerous concerns expressed by the 16 non-participating Member States regarding (*inter alia*) the potential economic consequences, collection costs for non-participating Member States and the need for a long list of exclusions and exemptions, 11 of the 27 EU Member States still plan to adopt the FTT. ECOFIN's press release also recognises that more technical work is needed on various aspects of the design of the FTT, including plans for the possible "progressive" implementation of the tax (focusing initially on the taxation of shares and derivatives). On 6 May 2014 the ministers of Member States participating in enhanced cooperation in the area of financial transaction tax (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia and Spain, together "Participating Member States") signed a joint statement to declare that the commitment to the introduction of a FTT would remain strong. Due to complex issues that have arisen, the Participating Member States stress that more technical work still needs to be conducted. Within that context, according to the joint statement, the first step should be implemented at the latest on 1 January 2016.

The proposed FTT has very broad potential extraterritorial scope. Pursuant to the Draft Directive, the FTT shall be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction, or the financial instrument which is subject to the transaction is issued in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Member State in a broad range of circumstances. The FTT shall, however, not apply to (*inter alia*) primary market transactions referred to in Article 5 (c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1 per cent., of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by each financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

Prospective investors should therefore note, in particular, that any sale, purchase or exchange of the Compartment 5 Notes will be subject to the FTT at a minimum rate of 0.1 per cent., provided the abovementioned prerequisites are met. The Compartment 5 Noteholder may be liable to pay this charge or reimburse a financial institution for the charge, and/or the charge may affect the value of the Compartment 5 Notes. However, the issuance of the Compartment 5 Notes itself should not be subject to the FTT.

There are ongoing discussions in the European Union regarding the imposition of FTT on financial institutions transacting business in the European Union, and it is unclear whether and when such a tax will be imposed and,

if so, what the scope of the tax could be. The Draft Directive is still subject to negotiation between the Participating Member States and therefore may be changed at any time. Moreover, once the Draft Directive has been adopted (the "**Directive**"), it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the Directive might deviate from the Directive itself.

Prospective holders of the Compartment 5 Notes should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Compartment 5 Notes.

New U.S. Tax Law

On 18 March 2010, the Hiring Incentives to Restore Employment Act (the "**HIRE Act**") was enacted in the United States. The HIRE Act includes provisions known as the Foreign Account Tax Compliance Act ("**FATCA**"). Final regulations under FATCA were issued by the United States Internal Revenue Service (the "**IRS**") on 17 January 2013 and were subsequently modified on 20 February 2014 (as modified, the "**FATCA Regulations**"). FATCA generally imposes a 30 per cent. U.S. withholding tax on "withholdable payments" (which include (i) U.S.-source dividends, interest, rents and other "fixed or determinable annual or periodical income" paid after 30 June 2014 and (ii) certain U.S.-source gross proceeds paid after 31 December 2016, but does not include payments that are effectively connected with the conduct of a trade or business in the United States) paid to (a) "foreign financial institutions" ("**FFIs**") unless they are exempt from FATCA withholding under the FATCA Regulations or an applicable IGA (defined below), or they agree to disclose information regarding their direct and indirect U.S. owners to the IRS, or to the governmental authorities in their jurisdiction pursuant to an applicable IGA, and (b) "non-financial foreign entities" ("**NFFE**") (i.e., foreign entities that are not FFIs) unless (x) an NFFE is exempt from withholding as an "excepted NFFE" or an "exempt beneficial owner" (as such terms are defined in the FATCA Regulations) or (y) an NFFE provides to the IRS or a withholding agent a certification that it has or does not have "substantial U.S. owners" (i.e., certain U.S. persons that own, directly or indirectly, more than 10 per cent. of the stock (by vote or value) of a non-U.S. corporation, or more than 10 per cent. of the profits interests or capital interests in a partnership). FATCA does not replace the existing U.S. withholding tax regime. However, the FATCA Regulations contain coordination provisions to avoid double withholding on U.S.-source income.

The United States Department of Treasury is in discussions with a number of non-U.S. governments with respect to alternative approaches to FATCA implementation, including the negotiation of intergovernmental agreements ("**IGAs**") that, for example, would require FFIs located in a foreign jurisdiction to (i) report U.S. account information to the tax authorities in such jurisdiction (instead of directly to the IRS), which the tax authorities would in turn provide to the IRS, or (ii) report U.S. account information directly to the IRS in a manner consistent with the FATCA Regulations, except as expressly modified by the relevant IGA.

The FATCA rules described above do not apply to any payments made under an obligation that is outstanding on 1 July 2014 (provided such obligation is not materially modified subsequent to such date) and any gross proceeds from the disposition of such obligation. An obligation for this purpose includes a debt instrument and any agreement to extend credit for a fixed term (e.g., a line of credit or a revolving credit facility), provided that the agreement fixes the material terms at the issue date. A material modification is any significant modification of a debt instrument as determined under the U.S. tax regulations.

Under FATCA, non-U.S. entities that do not disclose information about their U.S. owners or that otherwise do not cooperate with certain documentation requests may be subject to a 30 per cent. U.S. withholding tax on their receipt of "passthru payments" from an FFI that complies with FATCA (a "**Participating FFI**"). "Passthru payments" from a Participating FFI include withholdable payments or other payments to the extent attributable to withholdable payments. Passthru payments also include certain non-U.S. source payments known as "foreign passthru payments." FATCA withholding on passthru payments does not begin until 2017. Moreover, the FATCA Regulations have currently reserved on the issue of passthru payments, and the IRS is expected to issue guidance on these types of payments.

The Issuer believes that none of the payments it receives with respect to the Purchased Loan Receivables, investment earnings on cash reserves and other investments it holds, or payments it receives from the Swap Counterparty, will constitute U.S. source income or withholdable payments within the meaning of FATCA. However, there can be no assurance that payments received by the Issuer will not be subject to withholding under FATCA. U.S. withholding tax, to the extent applicable, will reduce the cash available to the Issuer to make payments on the Compartment 5 Notes and therefore will impact the amounts received by an investor.

If the Issuer determines that it is an FFI and agrees to comply with FATCA, the Issuer will be required to register its FFI status with the IRS and provide to the Luxembourg tax authorities certain information on direct or indirect U.S. ownership of Compartment 5 Notes pursuant to the United States - Luxembourg IGA signed on 28 March 2014 and any implementing legislation enacted by the Luxembourg government. The Issuer may be required either to (i) redeem Compartment 5 Notes held directly or indirectly by U.S. persons to the extent such persons refuse to waive bank secrecy protections in order to allow the Issuer to report information to the IRS or (ii) risk being subject to the FATCA withholding tax. Moreover, any disclosure of information by the Issuer under FATCA could result in an audit of a Compartment 5 Noteholder or its direct or indirect owners. Such an audit could result in an examination of tax items unrelated to the Compartment 5 Notes and could result in the imposition of additional taxes, penalties and interest. The Issuer is not responsible for providing representation for any Compartment 5 Noteholder or its direct or indirect owners in the event of an IRS audit. The Compartment 5 Noteholders or their owners would be required to retain and pay their own counsel in connection with an audit and would bear any costs associated with such audit.

In accordance with the Trust Agreement, the Issuer is permitted, subject to the consent of the Trustee, to make any modifications to the provisions of the Trust Agreement and the Transaction Documents in order to minimise or eliminate any withholding tax imposed on the Issuer as a result of FATCA. The Issuer is also permitted, subject to the consent of the Trustee, to take the necessary steps to comply with FATCA. However, if an amount in respect of such withholding tax were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the Compartment 5 Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the Terms and Conditions of the Compartment 5 Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

Prospective holders of the Compartment 5 Notes should consult their own tax advisor with respect to the FATCA rules and the application of FATCA to such holder in light of such holder's individual circumstances.

Structural and other credit risks

Liability under the Compartment 5 Notes

The Compartment 5 Notes will be contractual obligations of the Issuer solely in respect of Compartment 5 of the Issuer. The Compartment 5 Notes will not be obligations or responsibilities of, or guaranteed by, any of the Seller, the Servicer (if different), the Trustee, the Data Trustee, the Paying Agent, the Interest Determination Agent, the Account Bank, the Custodian, the Calculation Agent, the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers, the Listing Agent or any of their respective Affiliates or any Affiliate of the Issuer or any other party to the Transaction 5 Documents (other than the Issuer solely in respect of its Compartment 5) or any other third person or entity other than the Issuer. Furthermore, no person other than the Issuer solely in respect of its Compartment 5 will accept any liability whatsoever to the Compartment 5 Noteholders in respect of any failure by the Issuer to pay any amount due under the Compartment 5 Notes. The Issuer will not be liable whatsoever to the Compartment 5 Noteholders in respect of any of its Compartments (or assets relating to such Compartments) other than Compartment 5.

All payment obligations of the Issuer under the Compartment 5 Notes constitute exclusively obligations to pay out the sums standing to the credit of the Operating Ledger, the General Reserve Ledger and the proceeds from the Compartment 5 Security, in each case in accordance with the applicable Priority of Payments. If, following the enforcement of the Compartment 5 Security, the Available Distribution Amount proves ultimately insufficient, after payment of all claims ranking in priority to amounts due under the Compartment 5 Notes, to pay in full all principal and interest and other amounts whatsoever due in respect of the Compartment 5 Notes, any shortfall arising will be extinguished and the Compartment 5 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 Compartment 5 Security by the Trustee is the only remedy available to the Compartment 5 Noteholders for the purpose of recovering amounts payable in respect of the Compartment 5 Notes. Such assets and the Available Distribution Amount will be deemed to be "ultimately insufficient" at such time as no further assets are available and no further proceeds can be realised therefrom to satisfy any outstanding claim of the Compartment 5 Noteholders, and neither assets nor proceeds will be so available thereafter.

Limited resources of the Issuer

The Issuer is a special purpose entity organised under and governed by the Luxembourg Securitisation Law and, in respect of Compartment 5, with no business operations other than the issue of the Compartment 5 Notes, the financing of the purchase of the Portfolio secured by the related Loan Collateral and the entrance into the related Transaction 5 Documents. Assets and proceeds of the Issuer in respect of Compartments other than

Compartment 5 will not be available for payments under the Compartment 5 Notes. Therefore, the ability of the Issuer to meet its obligations under the Compartment 5 Notes will depend, *inter alia*, upon receipt of:

- payments of Principal Collections and Interest Collections under the Purchased Loan Receivables;
- Recovery Collections;
- any Repurchase Price due from the Seller under the Loan Receivables Purchase Agreement;
- the amount standing to the credit of the General Reserve Ledger;
- net interest earned on the General Reserve Ledger and the Operating Ledger;
- payments, if any, under the other Transaction 5 Documents in accordance with the terms thereof.

Other than the foregoing, the Issuer will have no other funds available to meet its obligations under the Compartment 5 Notes.

Subordination

The Class B Compartment 5 Notes bear a greater credit risk than the Class A Compartment 5 Notes because payment of principal and interest on the Class B Compartment 5 Notes is subordinated to the payment of principal and interest on the Class A Compartment 5 Notes, as further described in this Offering Circular. See "CREDIT STRUCTURE AND FLOW OF FUNDS – Sequential amortisation", "PRE-ENFORCEMENT PRIORITY OF PAYMENTS" and "POST-ENFORCEMENT PRIORITY OF PAYMENTS".

Ratings of the Class A Compartment 5 Notes

The ratings assigned to the Class A Compartment 5 Notes by the Rating Agencies take into consideration the structural and legal aspects associated with the Class A Compartment 5 Notes and the underlying Purchased Loan Receivables, the credit quality of the Portfolio and the related Loan Collateral, the extent to which the Obligors' payments under the Purchased Loan Receivables are sufficient to make the payments required under the Compartment 5 Notes as well as other relevant features of the structure, including, *inter alia*, the credit quality of the Account Bank, the Seller and the Servicer (if different). The Rating Agencies' rating reflects only the view of the Rating Agencies. Each rating assigned to the Class A Compartment 5 Notes addresses the likelihood of full and timely payment to the Class A Compartment 5 Noteholders of all payments of interest on the Class A Compartment 5 Notes on each Payment Date and the ultimate payment of principal on the Legal Maturity Date of the Class A Compartment 5 Notes. Rating organisations other than the Rating Agencies may seek to rate the Class A Compartment 5 Notes and, if such "shadow ratings" or "unsolicited ratings" are lower than the comparable ratings assigned to the Class A Compartment 5 Notes by the Rating Agencies, such shadow or unsolicited ratings could have an adverse effect on the value of the Class A Compartment 5 Notes. Future events, including events affecting the Account Bank, the Seller and the Servicer (if different) could also have an adverse effect on the rating of the Class A Compartment 5 Notes.

A rating in respect of certain securities is not a recommendation to buy, sell or hold such securities and may be subject to revision or withdrawal at any time by the relevant rating organisation. The ratings assigned to the Class A Compartment 5 Notes should be evaluated independently from similar ratings on other types of securities. There is no assurance that the ratings of the Class A Compartment 5 Notes will continue for any period of time or that they will not be lowered, reviewed, suspended or withdrawn by the Rating Agencies. In addition, the continued rating of the Class A Compartment 5 Notes will be, *inter alia*, dependent on the Issuer fulfilling its notification requirements to the relevant Rating Agencies. In the event that the ratings initially assigned to the Class A Compartment 5 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 Compartment 5 Notes.

Sharing of proceeds with other Secured Parties

The proceeds of collection and enforcement of the Compartment 5 Security created by the Issuer in favour of the Trustee will be distributed in accordance with the applicable Priority of Payments to satisfy claims of all Secured Parties thereunder. If the proceeds are not sufficient to satisfy all obligations of the Issuer certain parties that rank more junior in the applicable Priority of Payments will suffer a Loss. See "PRE-ENFORCEMENT PRIORITY OF PAYMENTS" and "POST-ENFORCEMENT PRIORITY OF PAYMENTS".

Risks in connection with the application of the German Act on Debt Securities from Entire Issues (Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz - SchVG))

A Compartment 5 Noteholder is subject to the risk to be outvoted and to lose rights towards the Issuer against his will in the case that the Compartment 5 Noteholders agree pursuant to the Conditions to amendments of the Conditions by majority vote according to the German Act on Debt Securities from Entire Issues (*Gesetz über Schuldverschreibungen aus Gesamtemissionen (Schuldverschreibungsgesetz - SchVG)*). In the case of an appointment of a Compartment 5 Noteholder's representative for all Compartment 5 Noteholders, a particular Compartment 5 Noteholder may lose, in whole or in part, the possibility to enforce and claim his rights against the Issuer regardless of other Compartment 5 Noteholders.

Limitation of Time

Claims arising from a Compartment 5 Note, i. e. claims to interest and principal cease to exist with the expiration of five years after the Legal Maturity Date, unless the bearer note is submitted to the Issuer for redemption prior to the expiration of five years after the Legal Maturity Date. In case of a submission, the claims will be time-barred in two years beginning with the end of the period for presentation (ending five years after the Legal Maturity Date in accordance with the Conditions). The judicial assertion of the claim arising from a bearer note has the same effect as a presentation of such bearer note.

Responsibility of Prospective Investors

The purchase of the Class A Compartment 5 Notes is only suitable for investors (i) that possess adequate knowledge and experience in structured finance investments and have the necessary background and resources to evaluate all relevant risks related with such investments; (ii) that are able to bear the risk of loss of their investment (up to a total loss of the investment) without having to prematurely liquidate the investment; and (iii) that are able to assess the tax aspects and implications of such investment independently.

Furthermore, each potential investor should base its investment decision on its own and independent investigation and on the advice of its professional advisors (with whom the investor may deem it necessary to consult), be able to assess if an investment in the Class A Compartment 5 Notes (i) is in compliance with its financial requirements, its targets and situation (or if it is acquiring the Class A Compartment 5 Notes in a fiduciary capacity, those of the beneficiary); (ii) is in compliance with its principles for investments, guidelines for or restrictions on investments (regardless of whether it acquires the Notes for itself or as a trustee); and (iii) is an appropriate investment for itself (or for any beneficiary if acting as a trustee), notwithstanding the risks of such investment.

Investment Risk related to Permitted Investments

Permitted Investments may be subject to investment risk. The Custodian shall invest such amounts in Permitted Investments, as instructed by the Calculation Agent, on behalf of the Issuer. All amounts received on Permitted Investments shall then be credited back to the Issuer Account-C5 taken from, at the latest one (1) Business Day prior to each Payment Date. However, it may be the case that such Permitted Investments will be irrecoverable due to insolvency of a debtor under such Permitted Investments or of a financial institution involved in such Permitted Investments. In such case, none of the parties to the Transaction 5 Documents will be responsible for any consequential loss or shortfall. However, afore-described credit risk is mitigated as each Permitted Investment, at the time of investment, must be rated as required.

Swap Counterparty Credit Risk

Interest payable on the Class A Compartment 5 Notes is calculated on an EURIBOR-basis. Amounts of interest payable by the Obligors under the Loan Agreements in respect of the Purchased Loan Receivables are calculated on the basis of fixed rates. In order to mitigate a mismatch of amounts of interest paid under the Loan Agreements and amounts of interest due under the Class A Compartment 5 Notes the Issuer has entered into the Swap Agreement based on the ISDA Master Agreement (as amended and complemented to reflect the specific requirements of the Transaction 5) with the Swap Counterparty according to which the Issuer will make payments to the Swap Counterparty by reference to a certain fixed interest rate and the Swap Counterparty will make payments to the Issuer by reference to a rate based on an EURIBOR-basis.

If the Swap Counterparty defaults in respect of its payment obligations under the Swap, the Issuer may not have sufficient funds to meet its obligations to pay interest on the floating rate of the Class A Compartment 5 Notes.

If a default by the Swap Counterparty under the Swap Agreement results in the termination of the Swap Agreement, the Issuer will be obliged to enter into a replacement interest rate hedging arrangement with another appropriately rated entity. A failure or inability to (timely) enter into such a replacement arrangement may result in a downgrading of the rating of the Class A Compartment 5 Notes. Further, such failure or inability may expose the Noteholders to the risk that the Issuer will not be able to pay interest on the Class A Compartment 5 Notes in full.

The Swap Counterparty is obliged to grant certain collateral to the Issuer as security for its payment obligations under and in accordance with the Swap Agreement if certain rating triggers with respect to the Swap Counterparty are breached. SEE "OVERVIEW OF TRANSACTION DOCUMENTS – The Swap Agreement".

Flip Clause

The enforceability of a contractual provision which alters the priorities of payments to subordinate the claim of a swap counterparty (to the claims of other creditors of its counterparty) upon the occurrence of an insolvency of or other default by the swap counterparty (a so-called "**flip clause**") has been challenged in the English and U.S. courts. The hearings have arisen due to the insolvency of a swap counterparty and have considered whether the payment priorities 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. It was argued that where a secured creditor subordinates itself to the noteholders in the event of its insolvency, that secured creditor effectively deprives its own creditors. In England, the Court of Appeal in *Perpetual Trustee Company Limited & Anor v BNY Corporate Trustee Services Limited & Ors* [2009] EWCA Civ 1160, dismissed this argument and upheld the validity of similar priorities of payment, stating that the anti-deprivation principle was not breached by such provisions.

The Supreme Court of the United Kingdom in *Belmont Park Investments PTY Limited (Respondent) v BNY Corporate Trustee Services Limited and Lehman Brothers Special Financing Inc.* [2011] UK SC 38 unanimously upheld the decision of the Court of Appeal in dismissing this argument and upholding the validity of similar priorities of payment, stating that, provided that such provisions form part of a commercial transaction entered into in good faith which does not have as its predominant purpose, or one of its main purposes the deprivation of the property of one of the parties on bankruptcy, the anti-deprivation principle was not breached by such provisions. However, the leading judgments delivered in the Supreme Court referred to the difficulties in establishing the outer limits of the anti-deprivation principle.

In parallel proceedings in New York, Judge Peck of the U.S. Bankruptcy Court for the Southern District of New York granted Lehman Brothers Special Finance Inc's motion for summary judgement on the basis that the effect was that the provisions do infringe the anti-deprivation principle in a U.S. insolvency. Judge Peck acknowledged that this resulted in the U.S. courts coming to a decision "directly at odds with the judgement of the English Courts". Whilst leave to appeal was granted, the case was settled before an appeal was heard.

Given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents include terms providing for the subordination of certain payments under the Swap Agreement, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts) may adversely affect the Issuer's ability to make payments on the Compartment 5 Notes and/or the market value of the Compartment 5 Notes and result in negative rating pressure in respect of the Compartment 5 Notes. If any rating assigned to any of the Compartment 5 Notes is lowered, the market value of such Compartment 5 Notes may reduce.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISK ASSOCIATED WITH THE COMPARTMENT 5 NOTES

Absence of secondary market liquidity and market value of Compartment 5 Notes

Although application will be made to the Luxembourg Stock Exchange for the Class A Compartment 5 Notes to be listed on the official list and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange, there is currently no secondary market for the Class A Compartment 5 Notes. There can be no assurance that there will be bids and offers and that a liquid secondary market for the Class A Compartment 5 Notes will develop or that a market will develop for the Class A Compartment 5 Notes or, if it develops, that it provides sufficient liquidity to absorb any bids, or that it will continue for the whole life of the Class A Compartment 5 Notes.

Further, limited liquidity in the secondary market for asset-backed securities has had a severe adverse effect on the market value of asset-backed securities and 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 Compartment 5 Notes must be prepared to hold such Class A Compartment 5 Notes for an indefinite period of time or until final redemption or maturity of such Class A Compartment 5 Notes. The market values of the Compartment 5 Notes are likely to fluctuate. Any such fluctuation may be significant and could result in significant losses to investors in the Class A Compartment 5 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 Compartment 5 Notes in the secondary market.

Consequently, any sale of the Class A Compartment 5 Notes by the Class A Compartment 5 Noteholders in any secondary market transaction may be at a discount to the original purchase price of such Class A Compartment 5 Notes. Accordingly, investors should be prepared to remain invested in the Class A Compartment 5 Notes until the Legal Maturity Date.

European Market Infrastructure Regulation (EMIR)

Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, known as the European Market Infrastructure Regulation ("**EMIR**") came into force on 16 August 2012.

EMIR is a Level -1 regulation and requires secondary rules for full implementation of all elements. Some (but not all) of these secondary rules have been finalised and certain requirements under EMIR are now in effect. On 19 December 2012, the European Commission adopted nine of ESMA's Regulatory Technical Standards (the "**Adopted RTS**") and Implementing Technical Standards (the "**Adopted ITS**") on OTC Derivatives, CCPs and Trade Repositories (the Adopted RTS and Adopted ITS together being the "**Adopted Technical Standards**"), which included technical standards on clearing, reporting and risk mitigation (see further below). The Adopted ITS were published in the Official Journal of the European Union on 21 December 2012 and entered into force on 10 January 2013 (although certain of the provisions thereof will only take effect once the associated regulatory technical standards enter into force). The Adopted RTS were published in the Official Journal of the European Union on 23 February 2013 and entered into force on 15 March 2013. Since then, various regulatory technical standards, implementing technical standards, guidelines and standards for recognition, authorisation and supervision have been issued. In addition, from time to time, the European Securities and Markets Authority and the European Commission have issued and updated the relevant questions and answers to clarify some of the EMIR provisions and the EMIR technical standards.

EMIR introduces certain requirements in respect of OTC derivative contracts applying to financial counterparties ("**FCPs**"), such as investment firms, credit institutions and insurance companies and certain non-financial counterparties ("**Non-FCPs**"). Such requirements include, amongst other things, the mandatory clearing of certain OTC derivative contracts (the "**Clearing Obligation**") through an authorised central counterparty (a "**CCP**"), the reporting of OTC derivative contracts to a trade repository (the "**Reporting Obligation**") and certain risk mitigation requirements in relation to derivative contracts which are not centrally cleared (the "**Risk Mitigation Obligations**").

The Clearing Obligation applies to FCPs and certain Non-FCPs which have positions in OTC derivative contracts exceeding specified 'clearing thresholds'. Such OTC derivative contracts also need to be of a class of derivative which has been designated by ESMA as being subject to the Clearing Obligation. On the basis of the Adopted Technical Standards, it is likely that the Issuer will be treated as a Non-FCP for the purposes of EMIR and the swap transactions to be entered into by it on the Signing Date will not exceed the "clearing threshold". The first Clearing Obligation is expected to be introduced towards the end of 2014 or early in 2015.

A CCP will be used to meet the Clearing Obligation by interposing itself between the counterparties to the eligible OTC derivative contracts. For the purposes of satisfying the Clearing Obligation, EMIR requires derivative counterparties to become clearing members of a CCP, a client of a clearing member or to otherwise establish indirect clearing arrangements with a clearing member. Each derivative counterparty will be required to post both initial and variation margin to the clearing member (which in turn will itself be required to post margin to the CCP). EMIR requires CCPs to only accept highly liquid collateral with minimal credit and market risk, which is defined in the Adopted Technical Standards to include cash in certain currencies, gold and highly rated government bonds.

The Reporting Obligation applies to all types of counterparties and covers the entry into, modification or termination of cleared and non-cleared derivative contracts which were entered into (i) before 16 August 2012 and which remain outstanding on 16 August 2012, or (ii) on or after 16 August 2012. The details of all such derivative contracts are required to be reported to a trade repository. It will therefore apply to the Swap Agreements and any replacement swap agreements. In addition, from 12 August 2014 FCPs and certain Non-FCPs which have positions in OTC derivative contracts exceeding specified 'clearing thresholds' will be required to report collateral, mark to market or mark to model valuations of their derivatives contracts.

FCPs and Non-FCPs which enter into non-cleared derivative contracts must ensure that appropriate procedures and arrangements are in place to measure, monitor and mitigate operational and counterparty credit risk. Such procedures and arrangements include, amongst other things, the timely confirmation of the terms of a derivative

contract and formalised processes to reconcile trade portfolios, identify and resolve disputes and monitor the value of outstanding contracts. In addition, FCPs and those Non-FCP which exceed the specified clearing thresholds must also mark-to-market the value of their outstanding derivative contracts on a daily basis and have risk-management procedures that require the timely, accurate and appropriately segregated exchange of collateral. Whilst it is likely that the Issuer will be treated as a Non-FCP, and therefore subject to the less onerous level of Risk Mitigation Obligations, aspects of EMIR and its application to securitisation vehicles remain unclear including, in particular the requirements for the exchange of collateral which are expected to be phased in from December 2015.

The EU regulatory framework and legal regime relating to derivatives is set not only by EMIR but also by the proposals to amend the existing Markets in Financial Instruments Directive. The official texts of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("MiFiD II") and Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 ("MiFIR" together with MiFiD II "MiFiD II/ MiFIR") were published in the EU Official Journal on 12 June 2014 and entered into force on 2 July 2014. MiFIR is a Level -1 regulation and requires secondary rules for full implementation of all elements. The implementing measures that supplement MiFIR will take the form of delegated acts and technical standards. On 23 April 2014 the Commission asked ESMA to produce technical advice on the necessary delegated acts. On 22 May 2014 ESMA launched its consultation process which is on-going. MiFiD II / MiFIR will apply in EU member states from 2 January 2017.

Amongst other requirements, MiFIR requires certain standardised derivatives to be traded on exchanges and electronic platforms (the "Trading Obligation"). Regulatory technical standards will be developed to determine which derivatives will be subject to the Trading Obligation. In this respect, it is difficult to predict the full impact of these regulatory requirements on the Issuer.

Prospective investors should be aware that the regulatory changes arising from EMIR and MiFiD II / MiFIR may in due course significantly raise the costs of entering into derivative contracts and may adversely affect the Issuer's ability to engage in transactions in OTC derivatives. As a result of such increased costs or increased regulatory requirements, investors may receive less interest or return, as the case may be. Investors should be aware, however, that such risks are material and that the Issuer could be materially and adversely affected thereby. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR, technical standards made thereunder (including the Adopted Technical Standards) and the MiFiD II / MiFIR, in making any investment decision in respect of the Compartment 5 Notes.

In addition, the application of some of the EMIR provisions and the EMIR technical standards remains uncertain and being that additional technical standard or amendments to the existing EMIR provisions may come into effect in due course, prospective investors should be aware that the relevant Transaction 5 Documents may need to be amended during the course of the Transaction 5, without the consent of any Compartment 5 Noteholder, to ensure that the terms thereof and the parties obligations thereunder are in compliance with EMIR and/or the then subsisting EMIR technical standards.

Basel Capital Accord and regulatory capital requirements

The regulatory capital framework published by the Basel Committee on Banking Supervision (the "**Basel Committee**") in 2006 (the "**The Basel II framework**") has not been fully implemented in all participating countries. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes for investors who are or may become subject to capital adequacy requirements that follow the framework.

The Basel Committee approved significant changes to the Basel II framework (such changes being commonly referred to as "**Basel III**"), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In particular, the changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the "**Liquidity Coverage Ratio**" and the "**Net Stable Funding Ratio**"). The Basel Committee published the full text of the revised Liquidity Coverage Ratio following endorsement on 6 January 2013 by its governing body, the Group of Central Bank Governors and Heads of Supervision. The changes to the definition of the Liquidity Coverage Ratio, developed and agreed by the Basel Committee over the past two years, include an expansion in the range of assets eligible as high quality liquid assets and some refinements to the assumed inflow and outflow rates to better reflect actual experience in times of stress. Specifically, the Liquidity Coverage Ratio will be introduced as planned on 1 January 2015, but the minimum requirement will begin at 60 per cent., rising in equal annual steps of 10

percentage points to reach 100 per cent. on 1 January 2019. Furthermore, member countries will be required to implement the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have introduced the Basel III framework into European law through Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (Capital Requirements Directive "**CRD**") and the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "**CRR**") known as "**CRD IV Package**" which has entered into force in the EU on 1 January 2014. Particularly the CRR has immediate and direct effect, as it does not require to be implemented into national law. Under Article 460 of the CRR, the liquidity coverage ratio shall be introduced in 2015 with the minimum requirement of 60 per cent. and will reach 100 per cent. as from 1 January 2018. In addition, the risk-retention rules have been re-cast in Article 405 of the CRR (with the remainder of the risk-retention provisions set out through Article 410 of the CRR). The changes under the CRD IV Package may have an impact on incentives to hold the Compartment 5 Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Compartment 5 Notes.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Compartment 5 Notes and as to the consequences to and effect on them of any changes to the Basel II framework (including the Basel III changes described above) and by the CRD IV Package in particular and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Article 405 of the CRR places an obligation on a credit institution that is subject to the CRD which assumes exposure to the credit risk of a securitisation (as defined in Article 242 of the CRR) to ensure that the originator, sponsor or original lender has explicitly disclosed that it will retain a material net economic interest of not less than 5 per cent. in the securitisation, and has a thorough understanding of all structural features of a securitisation transaction that would materially impact the performance of their exposures to the transaction. Furthermore, Article 405 of the CRR restricts an EU regulated credit institution from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant 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 respect of certain specified credit risk tranches or asset exposures as contemplated by Article 405 of the CRR. Failure to comply with one or more of the requirements set out in Article 405 of the CRR will result in the imposition of a penal capital charge on the notes acquired by the relevant investor.

Investors should therefore make themselves aware of the requirements of Article 405 of the CRR as well as the respective national implementation legislation, where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Compartment 5 Notes.

With respect to the commitment of the Seller to retain a material net economic interest in the Transaction 5 as contemplated by Article 405 of the CRR, the Seller will retain, for the life of the Transaction 5, such net economic interest through an investment in the Class B Compartment 5 Notes and the granting of the Subordinated Loan which together is equivalent to no less than 5 per cent. of the nominal amount of the "securitised exposures" (i.e. the Purchased Loan Receivables) at the Issue Date.

The outstanding balance of the retained exposures may be reduced over time by, amongst other things, amortisation and allocation of losses or defaults on the underlying Loan Receivables. The Monthly Investor Reports will also set out monthly confirmation as to the Seller's continued holding of the original retained exposures. It should be noted that there is no certainty that references to the retention obligations of the Seller in this Offering Circular will constitute explicit disclosure (on the part of the Seller) or adequate due diligence (on the part of the Compartment 5 Noteholders) for the purposes of Article 406 of the CRR.

Article 406 of the CRR also places an obligation on credit institutions that are subject to the CRD, before investing in a securitisation transaction and thereafter, to analyse, understand and stress test their securitisation positions, and monitor on an ongoing basis and in a timely manner performance information on the exposures underlying their securitisation positions. After the Issue Date, the Seller or the Servicer will provide information for the Monthly Investor Reports wherein relevant information with regard to the Purchased Loan Receivables will be disclosed publicly together with an overview of the retention of the material net economic interest by the Seller with a view to complying with Article 409 of the CRR.

Where the relevant retention requirements are not complied with in any material respect and there is negligence or omission in the fulfilment of the due diligence obligations on the part of a credit institution that is investing in the Compartment 5 Notes, a proportionate additional risk weight of no less than 250 per cent. of the risk weight

(with the total risk weight capped at 1250 per cent.) which would otherwise apply to the relevant securitisation position shall be imposed on such credit institution, progressively increasing with each subsequent infringement of the due diligence provisions. Potential investors should make themselves aware of the provisions of the CRD IV Package and make their own investigation and analysis as to the impact of the CRD IV Package on any holding of Compartment 5 Notes.

If the Seller does not comply with its obligations under the CRD IV Package, the ability of the Compartment 5 Noteholders to sell and/or the price investors receive for, the Compartment 5 Notes in the secondary market may be adversely affected.

Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with the CRD IV Package and none of the Issuer, the Seller, the Corporate Services Provider, the Arranger, the Joint Lead Managers, the Co-Arrangers, the Bookrunners, nor the Managers makes any representation that the information described above is sufficient in all circumstances for such purposes.

Article 405 CRR has come into force as of 1 January 2014. EBA has published on 22 May 2013 a consultation paper on the draft technical standards to be made under the re-cast risk retention and due diligence requirements which do not largely replicate the previous CEBS guidelines. On 13 March 2014 the European Commission published final draft of the Delegated Regulation supplementing CRR by way of regulatory technical standards specifying the requirements for investors, sponsors, original lenders and originator institutions relating to exposures to transferred credit risk. This Delegated Regulation has been published on the Official Journal of the EU and has entered into force on 3 July 2014. In addition, this Delegated Regulation will replace the previous CEBS guidelines. The Delegated Regulation do not differ significantly from the version submitted to the European Commission by the EBA, but there are some key additions and changes. Noteholders should take their own advice on compliance with, and the application of, the provisions of the CRD IV Package and Article 405 of the CRR in particular.

Investors should also be aware of Section 5 of Chapter III of the Commission Delegated Regulation (EU) No 231/2013 implementing the EU Alternative Investment Fund Managers Directive (2011/61/EC) ("**Section 5**"). The provisions of Section 5 introduced risk retention and due diligence requirements (which took effect from 22 July 2013 in general) in respect of alternative investment fund managers that are required to become authorised under the EU Alternative Investment Fund Managers Directive and which assume exposure to the credit risk of a securitisation on behalf of one or more alternative investment funds. While the requirements under Section 5 are similar to those which apply under Article 405 of the CRR *et seqq.* (including in relation to the requirement to disclose to alternative investment fund managers that the originator, sponsor or original lender will retain, on an ongoing basis, a net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures), they are not identical and, in particular, additional due diligence obligations apply to relevant alternative investment fund managers. The undertaking by the Seller in the Transaction 5 Documents to retain a net economic interest of 5 per cent. in the Transaction 5 does not address compliance with the due diligence requirement imposed by Section 5 on the investors. Investors should undertake their own due diligence, take their own legal advice and/or seek guidance from their relevant national regulator in relation to compliance with Section 5.

There can be no guarantee that the regulatory capital treatment of the Compartment 5 Notes for investors will not be affected by any future implementation of and changes to the CRD IV Package, Section 5 or other regulatory or accounting changes.

Eurosystem Eligibility

The Class A Compartment 5 Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Compartment 5 Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as Common Safekeeper and does not necessarily mean that the Class A Compartment 5 Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will, inter alia, depend upon satisfaction of the Eurosystem eligibility criteria set out in the Guideline of the European Central Bank of 20 September 2011 on monetary policy instruments and procedures of the Eurosystem (re-cast) (ECB/2011/14) as amended and supplemented by the Guideline ECB/2014/31. In addition, the Servicer will make loan-level data available in such manner as required by the European Central Bank (the "**ECB**") to comply with the Eurosystem eligibility criteria, subject to applicable German Data Protection Rules.

In addition, on 15 December 2010 the Governing Council of the ECB has decided to establish loan-by-loan information requirements for asset-backed securities in the Eurosystem collateral framework. On 28 November 2012, in Guideline of the ECB of 26 November 2012 amending Guideline ECB/2011/14 on monetary policy

instruments and procedures of the Eurosystem (ECB/2012/25), the ECB has laid down the reporting requirements related to the loan-level data for asset-backed securities. For asset-backed securities to become or to remain eligible for Eurosystem monetary policy operations, the Eurosystem requires comprehensive and standardised loan-level data on the pool of cash flow generating assets underlying an asset-backed security to be submitted by the relevant parties in the asset-backed security, as set out in appendix 8 (loan-level data reporting requirements for asset-backed securities) of the Guideline of the European Central Bank of 20 September 2011 on monetary policy instruments and procedures of the Eurosystem (recast) (ECB/2011/14) as amended and supplemented by the Guideline ECB/2014/31. Non-compliance with the provision of loan-level data will lead to suspension of or refusal to grant eligibility to the asset-backed security transaction in question. For asset-backed securities where the cash flow generating assets comprise auto loans, consumer finance loans, or lease receivables, the loan-by-loan information requirements have applied from 1 January 2014.

If the Class A Compartment 5 Notes do not satisfy the criteria specified by the ECB, or if the Servicer fails to submit the required loan-level data, the Class A Compartment 5 Notes will not be eligible collateral for Eurosystem. Each of the Issuer, the Joint Lead Managers and Joint Bookrunners, the Arranger and the Managers gives no representation, warranty, confirmation or guarantee to any investor in the Class A Compartment 5 Notes that the Class A Compartment 5 Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any potential investor in the Class A Compartment 5 Notes should make their own conclusions and seek their own advice with respect to whether or not the Class A Compartment 5 Notes constitute Eurosystem eligible collateral.

Any prospective investor in the Class A Compartment 5 Notes should consult its professional advisers with respect to whether or not the Class A Compartment 5 Notes constitute Eurosystem eligible collateral at any point of time during the life of the Class A Compartment 5 Notes.

THE ISSUER BELIEVES THAT THE RISKS DESCRIBED ABOVE ARE THE PRINCIPAL RISKS FOR THE COMPARTMENT 5 NOTEHOLDERS, BUT THE INABILITY OF THE ISSUER TO PAY INTEREST AND PRINCIPAL ON THE COMPARTMENT 5 NOTES MAY OCCUR FOR OTHER REASONS AND THE ISSUER DOES NOT REPRESENT THAT THE ABOVE STATEMENTS REGARDING THE RISK OF HOLDING THE COMPARTMENT 5 NOTES ARE EXHAUSTIVE. ALTHOUGH THE ISSUER BELIEVES THAT THE VARIOUS STRUCTURAL ELEMENTS DESCRIBED IN THIS OFFERING CIRCULAR MITIGATE SOME OF THESE RISKS FOR THE COMPARTMENT 5 NOTEHOLDERS, THERE CAN BE NO ASSURANCE THAT THESE MEASURES WILL BE SUFFICIENT TO ENSURE FULL PAYMENTS TO THE COMPARTMENT 5 NOTEHOLDERS OF INTEREST AND PRINCIPAL ON A TIMELY BASIS OR AT ALL.

THE PARTIES TO THE TRANSACTION 5 (INCLUDING DIRECT OR INDIRECT OWNERSHIP)

Issuer	SILVER ARROW S.A., acting in respect of its Compartment 5 , an unregulated securitisation undertaking within the meaning of the Luxembourg law of 22 March 2004 on securitisation (" Luxembourg Securitisation Law ") incorporated under the form of a public limited liability company (<i>Société Anonyme</i>), with its registered office at 9B, Boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B 111345. Silver Arrow S.A. has expressly elected in its articles of incorporation (<i>statuts</i>) to be governed by the Luxembourg Securitisation Law. The exclusive purpose of Silver Arrow S.A. is to enter into several securitisation transactions, each via a separate compartment (" Compartment ") within the meaning of the Luxembourg Securitisation Law.
Compartment 5	The fifth Compartment of the Issuer for a public securitisation transaction in respect of which the Issuer will issue the Compartment 5 Notes and enter into the Transaction 5 Documents, create the Compartment 5 Security and open the Issuer Account-C5.
Seller	MERCEDES-BENZ BANK AG , a public company incorporated with limited liability (<i>Aktiengesellschaft</i>) under the laws of the Federal Republic of Germany, registered in the commercial register of the lower court (<i>Amtsgericht</i>) in Stuttgart under registration number HRB 22937 and having its registered office at Siemensstrasse 7, 70469 Stuttgart, Federal Republic of Germany, a wholly-owned subsidiary of Daimler Financial Services AG. Daimler Financial Services AG is a wholly-owned subsidiary of Daimler AG, in its capacity as Seller.
Servicer	MERCEDES-BENZ BANK AG , a public company incorporated with limited liability (<i>Aktiengesellschaft</i>) under the laws of the Federal Republic of Germany, registered in the commercial register of the lower court (<i>Amtsgericht</i>) in Stuttgart under registration number HRB 22937 and having its registered office at Siemensstrasse 7, 70469 Stuttgart, Federal Republic of Germany, a wholly-owned subsidiary of Daimler Financial Services AG. Daimler Financial Services AG is a wholly-owned subsidiary of Daimler AG, in its capacity as Servicer.
Subordinated Lender	MERCEDES-BENZ BANK AG , a public company incorporated with limited liability (<i>Aktiengesellschaft</i>) under the laws of the Federal Republic of Germany, registered in the commercial register of the lower court (<i>Amtsgericht</i>) in Stuttgart under registration number HRB 22937 and having its registered office at Siemensstrasse 7, 70469 Stuttgart, Federal Republic of Germany, a wholly-owned subsidiary of Daimler Financial Services AG. Daimler Financial Services AG is a wholly-owned subsidiary of Daimler AG, in its capacity as Subordinated Lender.
Trustee/Data Trustee	WILMINGTON TRUST SP SERVICES (FRANKFURT) GMBH , a company incorporated with limited liability (<i>Gesellschaft mit beschränkter Haftung</i>) under the laws of the Federal Republic of Germany, registered in the commercial register of the lower court (<i>Amtsgericht</i>) in Frankfurt am Main under registration number HRB 76380 and having its registered office at Steinweg 3-5, 60313 Frankfurt, Federal Republic of Germany.
Arranger	COMMERZBANK AKTIENGESELLSCHAFT , a public company incorporated with limited liability (<i>Aktiengesellschaft</i>) under the laws of the Federal Republic of Germany, registered in the commercial register of the local court (<i>Amtsgericht</i>) in Frankfurt am Main under number HRB 32000, with its office at Kaiserstraße 16, D-60311 Frankfurt am Main, Federal Republic of Germany.

Joint Lead Managers and Joint Bookrunners	<p>COMMERZBANK AKTIENGESELLSCHAFT, a public company incorporated with limited liability (<i>Aktiengesellschaft</i>) under the laws of the Federal Republic of Germany, registered in the commercial register of the local court (<i>Amtsgericht</i>) in Frankfurt am Main under number HRB 32000, with its office at Kaiserstraße 16, D-60311 Frankfurt am Main, Federal Republic of Germany; and</p> <p>LLOYDS BANK PLC, having its registered number 2065 and registered office at 25 Gresham Street, London EC2V 7HN, United Kingdom.</p>
Managers	<p>BNP PARIBAS, LONDON BRANCH, a <i>société anonyme</i> incorporated under the laws of France, and acting through its London branch at 10 Harewood Avenue, London NW1 6AA, United Kingdom;</p> <p>DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, FRANKFURT AM MAIN, a public company incorporated with limited liability (<i>Aktiengesellschaft</i>) under the laws of the Federal Republic of Germany, registered in the commercial register of the local court (<i>Amtsgericht</i>) in Frankfurt am Main under registration number HRB 45651 and having its registered office at Platz der Republik, 60265 Frankfurt am Main, Federal Republic of Germany; and</p> <p>UNICREDIT BANK AG, having its registered office at Kardinal-Faulhaber Straße 1, 80333 Munich, Federal Republic of Germany.</p>
Swap Counterparty	DZ BANK AG DEUTSCHE ZENTRAL-GENOSSENSCHAFTSBANK, FRANKFURT AM MAIN , a public company incorporated with limited liability (<i>Aktiengesellschaft</i>) under the laws of the Federal Republic of Germany, registered in the commercial register of the local court (<i>Amtsgericht</i>) in Frankfurt am Main under registration number HRB 45651 and having its registered office at Platz der Republik, 60265 Frankfurt am Main, Federal Republic of Germany.
Account Bank, Paying Agent/Calculation Agent/Interest Determination Agent and Custodian	ELAVON FINANCIAL SERVICES LIMITED , a limited liability company registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland acting through its UK Branch (registered number BR009373) from its offices at 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom.
Corporate Services Provider	STRUCTURED FINANCE MANAGEMENT (LUXEMBOURG) S.A. , a public company incorporated with limited liability under the laws of the Grand Duchy of Luxembourg and registered under registration number B 95021, and having its registered office at 9B, Boulevard Prince Henri, L-1724 Luxembourg, Grand Duchy of Luxembourg.
Rating Agencies	STANDARD & POOR'S CREDIT MARKET SERVICES EUROPE LIMITED ("S&P") and FITCH RATINGS LIMITED ("Fitch") .

THE COMPARTMENT 5 NOTES

Class A Compartment 5 Notes	Aggregate Outstanding Note Principal Amount: € 1,000,000,000, consisting of 10,000 Class A Compartment 5 Notes, each with an initial Outstanding Note Principal Amount of € 100,000.
Class B Compartment 5 Notes	Aggregate Outstanding Note Principal Amount: € 75,300,000, consisting of 753 Class B Compartment 5 Notes, each with an initial Outstanding Note Principal Amount of € 100,000.
Form and Denomination	The Compartment 5 Notes are issued in bearer form with a denomination of EUR 100,000 per Compartment 5 Note. Each Class of Compartment 5 Notes is represented by a Global Note without interest coupons which is deposited with a Common Safekeeper. Each Global Note shall be issued in a new global note form and shall be kept in custody by the relevant Common Safekeeper until all

	<p>obligations of the Issuer under the Compartment 5 Notes represented by it have been satisfied. Definitive notes and interest coupons will not be issued.</p> <p>Copies of the form of the Global Notes are available free of charge at the specified offices of the Paying Agent.</p>
Status of the Compartment 5 Notes	<p>The Compartment 5 Notes constitute direct, unconditional and unsubordinated obligations of the Issuer, ranking <i>pari passu</i> among themselves, subject to the applicable Priority of Payments. The Compartment 5 Notes benefit from security granted over the assets by the Issuer to the Trustee pursuant to the Trust Agreement and the Security Deed. The Compartment 5 Notes constitute limited recourse obligations of the Issuer.</p> <p>The payment of interest and principal on the Compartment 5 Notes is conditional upon, <i>inter alia</i>, the performance of the Purchased Loan Receivables.</p>
Interest Rate	<p>Class A Compartment 5 Notes: EURIBOR plus 0.27 per cent. per annum. Class B Compartment 5 Notes: 2.00 per cent. per annum.</p>
Signing Date	20 October 2014, the day on which the signing of all Transaction 5 Documents occurs.
Issue Date	22 October 2014.
Legal Maturity Date	15 October 2022.
Payment Date	<p>Means (in respect to the first Payment Date) 17 November 2014 and thereafter the 15th of each calendar month, subject to the Business Day Convention.</p> <p>Unless redeemed earlier, the last Payment Date will be the Legal Maturity Date.</p>
Interest Period	In respect of the first Payment Date, the period commencing on (and including) the Issue Date and ending on (but excluding) the first Payment Date and in respect of any subsequent Payment Date, the period commencing on (and including) the immediately preceding Payment Date and ending on (but excluding) such Payment Date.
Amortisation	The Issuer will redeem the Compartment 5 Notes in whole or in part on each Payment Date, subject to the Available Distribution Amount and in accordance with the applicable Priority of Payments.
Clean-Up Call	<p>The Seller will have the option to exercise the Clean-Up Call to repurchase all then outstanding Purchased Loan Receivables at the Repurchase Price from the Issuer on any Payment Date following the Determination Date on which the Aggregate Outstanding Loan Principal Amount is less than 10 per cent. of the Aggregate Outstanding Loan Principal Amount as of the Cut-Off Date, subject to the notice provided by the Seller to the Issuer in accordance with the terms of the Loan Receivables Purchase Agreement.</p> <p>See "TERMS AND CONDITIONS OF THE COMPARTMENT 5 NOTES – 8.3".</p>

Available Distribution Amount	<p>Means, with respect to a Payment Date, the sum of:</p> <ul style="list-style-type: none"> (a) the Collections; (b) the amount standing to the credit of the General Reserve Ledger; (c) the Net Swap Receipts payable by the Swap Counterparty to the Issuer on the Payment Date; (d) the amount standing to the credit of the Commingling Reserve Ledger upon the occurrence of a Servicer Termination Event, to the extent necessary to cover any Servicer Shortfall; (e) the amount standing to the credit of the Set Off Reserve Ledger, if and only to the extent that the Servicer has, as of the previous Payment Date, failed to transfer to the Issuer any Collections or indemnity payments in relation to the set off risk related to the Seller; and (f) any other amount standing to the credit of the Operating Ledger, including any interest accrued on the Operating Ledger.
Pre-enforcement Priority of Payments	<p>Prior to the issuance of an Enforcement Notice by the Trustee, the Issuer will distribute the Available Distribution Amount on each Payment Date in accordance with the Pre-enforcement Priority of Payments as set out in Condition 7.4.</p> <p>See "TERMS AND CONDITIONS OF THE COMPARTMENT 5 NOTES – 7.4".</p>
Post-enforcement Priority of Payments	<p>After the issuance of an Enforcement Notice by the Trustee, the Trustee will apply the Available Distribution Amount on each Payment Date towards the discharge of the claims of the Compartment 5 Noteholders and the other creditors of the Issuer in accordance with the Post-enforcement Priority of Payments as set out in Condition 9.</p> <p>See "TERMS AND CONDITIONS OF THE COMPARTMENT 5 NOTES – 9".</p>
Use of Proceeds from the Compartment 5 Notes	<p>The Issuer will apply the net proceeds of the Compartment 5 Notes for, in particular, the purchase of the Loan Receivables from the Seller on the Issue Date.</p>
Subscription	<p>On the Issue Date the Joint Lead Managers and Joint Bookrunners will subscribe the Compartment 5 Notes from the Issuer, subject to certain conditions as described in the Subscription Agreement.</p>
Selling Restrictions	<p>Subject to certain exceptions, the Compartment 5 Notes are not being offered or sold within the United States.</p> <p>For a description of these and other restrictions on sale and transfer, see "SUBSCRIPTION AND SALE – Selling Restrictions"</p>
Listing	<p>Application will be made to the Luxembourg Stock Exchange for the Class A Compartment 5 Notes to be listed on the official list of the Luxembourg Stock Exchange and to be admitted to trading on its regulated market.</p> <p>The Class B Compartment 5 Notes will not be listed.</p>
Settlement	<p>Clearstream Banking, société anonyme, Luxembourg, 42 Avenue J.F. Kennedy, L-1885 Luxembourg; and Euroclear Banking S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels, Kingdom of Belgium.</p>
Governing Law	<p>The Compartment 5 Notes will be governed by the laws of the Federal Republic of Germany. The application of the provisions of articles 86 to 94-8 of the Luxembourg Companies Law is expressly excluded.</p>

Ratings	<p>The Class A Compartment 5 Notes are expected to be rated AAA (sf) by Fitch and AAA (sf) by S&P.</p> <p>The Class B Compartment 5 Notes are not expected to be rated by the Rating Agencies.</p>

THE ASSETS & RESERVES

Assets backing the Compartment 5 Notes	<p>The Compartment 5 Notes are backed by the Purchased Loan Receivables as described herein and as acquired by the Issuer in accordance with the Loan Receivables Purchase Agreement.</p> <p>Under the Loan Receivables Purchase Agreement, the Seller sells and assigns to the Issuer the Portfolio of the Purchased Loan Receivables with an Aggregate Outstanding Loan Principal Amount of EUR 1,075,299,922.32 as of the Cut-Off Date.</p>
Eligibility Criteria and Seller Loan Warranties	<p><i>A. Eligibility Criteria</i></p> <p>To be eligible for purchase by the Issuer on the Purchase Date, pursuant to the Loan Receivables Purchase Agreement a set of criteria (the "Eligibility Criteria") must have been met by the Purchased Loan Receivables on the Cut-Off Date.</p> <p><i>B. Seller Loan Warranties</i></p> <p>As of the Purchase Date the Seller represents and warrants to the Issuer certain Seller Loan Warranties.</p> <p>If one or more Purchased Loan Receivables did not fulfill the Eligibility Criteria on the Cut-Off Date, or the Seller is in breach of one or more of the Seller Loan Warranties, the Seller shall be obliged to repurchase such Loan Receivable at the relevant Repurchase Price on the next Payment Date. See "DESCRIPTION OF THE PORTFOLIO AND OF THE LOAN COLLATERAL – Eligibility Criteria" and "DESCRIPTION OF THE PORTFOLIO AND OF THE LOAN COLLATERAL – Seller Loan Warranties".</p>
Issuer Account-C5	<p>On or before the Signing Date, the Issuer will open and maintain the Issuer Account-C5 with following ledgers (the "Issuer Account-C5") with the Account Bank which must have the Required Rating:</p> <ul style="list-style-type: none"> (a) Operating Ledger; (b) General Reserve Ledger; (c) Commingling Reserve Ledger; (d) Set Off Reserve Ledger; and (e) Swap Collateral Ledger. <p>The Issuer shall, during the life of the Transaction 5, maintain the Issuer Account-C5 with an account bank which must have the Required Rating. If at any time the Account Bank ceases to have the Required Rating, the Account Bank shall take certain remedial actions required by the Rating Agencies to maintain the rating of the Class A Compartment 5 Notes. If the Issuer should fail to appoint such successor account bank within thirty (30) days after receipt of the resignation notice given by the Account Bank, then the resigning Account Bank may appoint a successor account bank which has the Required Rating and is approved in writing by the Trustee, with the required capacities in the name and for the account of the</p>

	Issuer by giving not less than thirty (30) days' prior notice to the Issuer. The Account Bank shall continue to provide services under the Bank Account Agreement in any case until a successor Account Bank with the Required Rating is validly appointed by the Issuer.
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THE MAIN TRANSACTION 5 DOCUMENTS

Loan Receivables Purchase Agreement	<p>Pursuant to the Loan Receivables Purchase Agreement, the Seller sells and assigns the Loan Receivables to the Issuer, against payment of the Purchase Price on the Purchase Date.</p> <p>See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION 5 DOCUMENTS — Loan Receivables Purchase Agreement".</p>
Servicing Agreement	<p>Pursuant to the Servicing Agreement, the Servicer shall service, collect and administer the Purchased Loan Receivables and shall perform all related functions in accordance with the provisions of the Servicing Agreement and the Credit and Collection Policy.</p> <p>See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION 5 DOCUMENTS — Servicing Agreement".</p>
Bank Account Agreement	<p>Pursuant to the Bank Account Agreement, the Issuer appoints the Account Bank to establish the Issuer Account-C5 to be operated by the Calculation Agent under the Transaction 5 Documents.</p> <p>See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION 5 DOCUMENTS — Bank Account Agreement".</p>
Calculation Agency Agreement	<p>Pursuant to the Calculation Agency Agreement, the Issuer appoints the Calculation Agent to perform certain calculations with respect to the payments due according to the applicable Priority of Payments based on the information received from the Servicer.</p> <p>See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION 5 DOCUMENTS — Calculation Agency Agreement".</p>
Trust Agreement	<p>Pursuant to the Trust Agreement, the Issuer assigns and transfers for security purposes its rights and claims (i.e., <i>inter alia</i>, the rights to the Purchased Loan Receivables) to the Trustee who holds such security for the benefit of the Secured Parties, other than as set out in the Security Deed.</p> <p>See "MATERIAL TERMS OF THE TRUST AGREEMENT".</p>
Security Deed	<p>Pursuant to the English law governed Security Deed, the Issuer has granted certain collateral as security for the payment or discharge of the Trustee Claim in connection with the English law governed Swap Agreement and Custody Agreement.</p> <p>See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION 5 DOCUMENTS — Security Deed".</p>
Data Trust Agreement	<p>Pursuant to the Data Trust Agreement, the Seller will deliver to the Data Trustee the Decryption Key relating to certain encrypted Portfolio Information received by the Issuer from the Seller under the Loan Receivables Purchase Agreement.</p> <p>See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION 5 DOCUMENTS — Data Trust Agreement".</p>

Corporate Services Agreement	<p>Pursuant to the Corporate Services Agreement (relating to all Compartments of the Issuer) dated 8 November 2005 and as amended from time to time, the Issuer has appointed the Corporate Services Provider to perform certain corporate and administrative services for the Issuer and also in relation to Compartment 5.</p> <p>See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION 5 DOCUMENTS — Corporate Services Agreement".</p>
Custody Agreement	<p>Pursuant to the Custody Agreement, the Custodian provides certain services in relation to the investment into Permitted Investments in case such investment shall be made in securities.</p> <p>See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION 5 DOCUMENTS — Custody Agreement".</p>
Agency Agreement	<p>Pursuant to the Agency Agreement, the Issuer will appoint the Paying Agent to forward payments to be made by the Issuer to the Compartment 5 Noteholders and will appoint the Interest Determination Agent to determine the relevant EURIBOR rate for the Class A Compartment 5 Notes.</p> <p>See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION 5 DOCUMENTS — Agency Agreement".</p>
Subscription Agreement	<p>Pursuant to the Subscription Agreement, the Joint Lead Managers and Joint Bookrunners will, subject to certain customary closing conditions, subscribe for the Compartment 5 Notes.</p> <p>See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION 5 DOCUMENTS — Subscription Agreement".</p>
Subordinated Loan Agreement	<p>Pursuant to the Subordinated Loan Agreement, the Subordinated Lender grants a loan to the Issuer in an amount equal to EUR 10,753,000.</p> <p>See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION 5 DOCUMENTS — Subordinated Loan Agreement".</p>
Swap Agreement	<p>Pursuant to the Swap Agreement, the Issuer will hedge certain interest risk arising in connection with the Class A Compartment 5 Notes.</p> <p>See "SUMMARY OF THE OTHER PRINCIPAL TRANSACTION 5 DOCUMENTS — Swap Agreement".</p>
Governing Law	<p>The Transaction 5 Documents are governed by the laws of the Federal Republic of Germany apart from, the Swap Agreement, the Security Deed and the Custody Agreement, which are governed by English law, and the Corporate Services Agreement which is governed by Luxembourg law.</p>

COMPLIANCE WITH ARTICLE 405 OF THE CRR AND ARTICLE 17 OF THE AIFMD

Retention statement

The Seller confirms that it has covenanted with the Issuer and the Trustee under the Trust Agreement that the Seller will, on an on-going basis, (i) retain all Class B Compartment 5 Notes and (ii) grant the Subordinated Loan to the Issuer. As at the Issue Date this corresponds to the material net economic interest of not less than five (5) per cent. in the meaning of Article 405 of the CRR and in the meaning of Article 17 of the AIFMD, as specified by Article 51 of the AIFMR.

Investors to assess compliance; Information

Each prospective investor is, however, required to independently assess and determine the sufficiency of the information described above and in this Offering Circular generally for the purposes of complying with Article 406 of the CRR and Article 52 of the AIFMR and none of the Issuer, the Joint Lead Managers and Joint Bookrunners, the Managers or the Seller make any representation that the information described above or in this Offering Circular is sufficient in all circumstances for such purposes. In addition, each prospective Compartment 5 Noteholder should ensure that they comply with the implementing provisions in respect of Article 406 of the CRR and Article 52 of the AIFMR in their relevant jurisdiction.

Prospective investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

In order to enable the Compartment 5 Noteholders to conduct their own assessments, each Monthly Investor Report will contain a statement in respect of the retention of the Class B Compartment 5 Notes and the funding provided under the Subordinated Loan Agreement by the Seller as at the end of the corresponding Collection Period.

Pursuant to the provisions of the Servicing Agreement, the Servicer will provide, upon reasonable request by the Issuer, such further information as reasonably requested by Compartment 5 Noteholders for the purposes of compliance of such Compartment 5 Noteholder with the requirements under Article 406 of the CRR and Article 52 of the AIFMR and the implementation into the relevant national law, subject to applicable law and availability provided that the Servicer shall be entitled to limit the frequency of the disclosure of such additional information to not more than four times in a calendar year.

In addition, the Seller has further covenanted with the Issuer and the Trustee under the Trust Agreement that it will provide the Issuer with all information reasonably required with a view to complying with Article 409 of the CRR and Article 52 of the AIFMR.

PCS LABEL

Application has been only made to Prime Collateralised Securities (UK) Limited for the Class A Compartment 5 Notes to receive the Prime Collateralised Securities label (the "**PCS Label**"). The PCS Label is not a recommendation to buy, sell or hold securities. There can be no assurance that the Class A Compartment 5 Notes will receive the PCS Label (either before issuance or at any time thereafter) and if the Class A Compartment 5 Notes do receive the PCS Label, there can be no assurance that the PCS Label will not be withdrawn from the Class A Compartment 5 Notes at a later date. It is not investment advice whether generally or as defined under Markets in Financial Instruments Directive (2004/39/EC) and it is not a credit rating whether generally or as defined under the Credit Rating Agency Regulation (1060/2009/EC) or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended by the Credit Agency Reform Act of 2006). Prime Collateralised Securities (PCS) UK Limited is not an "expert" as defined in the United States Securities Acts of 1933 (as amended).

By awarding the PCS Label to certain securities, no views are expressed about the creditworthiness of these securities or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities. To understand the nature of the PCS Label, you must read the information set out in www.pcsmarket.org.

TERMS AND CONDITIONS OF THE COMPARTMENT 5 NOTES

The terms and conditions of the Compartment 5 Notes (the "**Conditions**") are set out below. Appendix A to the Conditions sets out the "MASTER DEFINITIONS SCHEDULE" (see page 171 *et seq.*), Appendix B to the Conditions sets out the "MATERIAL TERMS OF THE TRUST AGREEMENT, including its Schedules I and II" (see page 53 *et seq.*), Appendix C to the Conditions sets out the Eligibility Criteria (see the "DESCRIPTION OF THE PORTFOLIO AND OF THE LOAN COLLATERAL — Eligibility Criteria" on page 82 *et seq.*) and the Seller Loan Warranties (see the "DESCRIPTION OF THE PORTFOLIO AND OF THE LOAN COLLATERAL — Seller Loan Warranties" on page 82 *et seq.*) and Appendix D to the Conditions sets out the Credit and Collection Policy for information purposes as in force as of the Issue Date, see the "THE SELLER, THE SERVICER AND THE SUBORDINATED LENDER — Credit and Collection Policy" on page 151 *et seq.*

1. **Appendixes**

Appendix A, Appendix B, Appendix C and Appendix D to the Conditions (as attached hereto) are integral parts of the Conditions and form integral parts thereof. Capitalised terms not defined but used herein shall have the same meanings herein as in Appendix A, Appendix B, Appendix C or Appendix D to these Conditions.

2. **Form and denomination**

(a) On the Issue Date, Silver Arrow S.A. (the "**Issuer**") will issue (*begeben*), acting in respect of its Compartment 5, the following classes Compartment 5 Notes in bearer form (*Inhaberschuldverschreibungen*) (each, a "**Class**" and collectively, the "**Compartment 5 Notes**") pursuant to these Conditions:

- (i) The floating rate class A Compartment 5 notes due October 2022 (the "**Class A Compartment 5 Notes**") which are issued in an initial Aggregate Outstanding Note Principal Amount of EUR 1,000,000,000 and divided into 10,000 Compartment 5 Notes, each having an initial Outstanding Note Principal Amount of EUR 100,000; and
- (ii) The fixed rate class B Compartment 5 notes due October 2022 (the "**Class B Compartment 5 Notes**") which are issued in an initial Aggregate Outstanding Note Principal Amount of EUR 75,300,000 and divided into 753 Compartment 5 Notes, each having an initial Outstanding Note Principal Amount of EUR 100,000.

The holders of the Compartment 5 Notes are referred to as the "**Compartment 5 Noteholders**".

(b) Each Class of Compartment 5 Notes shall be initially represented by a temporary global bearer note in NGN form (each a "**Temporary Global Note**") without coupons attached. The Temporary Global Notes shall be exchangeable, as provided in paragraph (c) below, for permanent global bearer notes in NGN form (the "**Permanent Global Notes**") without coupons attached representing each such Class. Each Permanent Global Note and each Temporary Global Note is also referred to herein as a "**Global Note**" and, together, as "**Global Notes**". The Global Notes shall be held in book-entry form only. The Permanent Global Notes will not be exchangeable, in whole or in part for definitive Compartment 5 Notes. Definitive Compartment 5 Notes will not be issued. The Global Notes will, on or around the Issue Date, be deposited with the Common Safekeeper for Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream Luxembourg**") and, together with Euroclear, the "**ICSDs**"). The Global Notes shall be effectuated by the Common Safekeeper. The Class A Compartment 5 Notes are intended to be held in a manner which will allow Eurosystem eligibility. This does not mean that the Class A Compartment 5 Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon, *inter alia*, satisfaction of the Eurosystem

eligibility criteria. The Global Note will bear the personal signatures of two directors of the Issuer and will be authenticated by an employee of Elavon Financial Services Limited, UK Branch (the "**Paying Agent**").

- (c) The Temporary Global Notes shall be exchanged for the Permanent Global Notes on a date not earlier than forty (40) calendar days after the later of the commencement of the offering and the Issue Date. Each Permanent Global Note delivered in exchange for the relevant Temporary Global Note shall be delivered only outside of the United States. Any exchange of a Temporary Global Note pursuant to this Condition 2(c) shall be made free of charge to the Compartment 5 Noteholders. On an exchange (also of a portion only) of the Compartment 5 Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered (*pro rata*, if applicable) in the records of the ICSDs.
- (d) Payments of interest or principal on the Compartment 5 Notes represented by a Temporary Global Note shall be made only after delivery by the relevant participants to Euroclear or Clearstream Luxembourg, as relevant, and by Euroclear or Clearstream Luxembourg to the Paying Agent of the certifications described in paragraph (c) above.
- (e) Copies of the Global Note representing Class A Compartment 5 Notes are available for inspection at the main offices of the Issuer and, as long as the Class A Compartment 5 Notes are listed on the official list of the Luxembourg Stock Exchange and are admitted to trading on its regulated market, from the Paying Agent (as defined in Condition 12(a) (*Agents; Determinations Binding*)).
- (f) The Compartment 5 Notes are subject to the provisions of a trust agreement relating to Compartment 5 (the "**Trust Agreement**") between, *inter alia*, the Issuer (acting in respect of its Compartment 5) and the Trustee dated on or about the Signing Date. The main provisions of the Trust Agreement (including its Schedules I and II) are set out in Appendix B to these Conditions.
- (g) The nominal amount of Compartment 5 Notes represented by the relevant Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Compartment 5 Notes) shall be conclusive evidence of the nominal amount of Compartment 5 Notes represented by such Global Note and, for these purposes, a statement issued by an ICSD stating that the nominal amount of the Compartment 5 Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time.

On any redemption or payment of an instalment or interest being made in respect of, or purchase and cancellation of, any of the Compartment 5 Notes represented by the relevant Global Note the Issuer shall procure that details of such redemption, payment or purchase and cancellation (as the case may be) in respect of the Global Note shall be entered *pro rata* in the records of the ICSDs and, upon any such entry being made, the nominal amount of the Compartment 5 Notes recorded in the records of the ICSDs and represented by the relevant Global Note shall be reduced by the aggregate nominal amount of the Compartment 5 Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid.

3. Status and priority

- (a) The Compartment 5 Notes constitute direct, secured and (subject to Condition 4.2 (*Limited recourse, non-petition*)) unconditional obligations of the Issuer in respect of its Compartment 5.
- (b) The obligations of the Issuer under the Class A Compartment 5 Notes rank *pari passu* amongst themselves without any preference among themselves, subject to the applicable Priority of Payments as set out in Conditions 7.4 (*Pre-enforcement Priority of Payments*) and Condition 9 (*Post-enforcement Priority of Payments*). The obligations of the Issuer under the Class B Compartment 5 Notes rank junior to the Class A Compartment 5 Notes and rank *pari*

passu amongst themselves, subject to the applicable Priority of Payments as set out in Conditions 7.4 (*Pre-enforcement Priority of Payments*) and Condition 9 (*Post-enforcement Priority of Payments*).

4. Provision of Security; Limited Payment Obligation; Issuer Event of Default

4.1 Compartment 5 Security

Pursuant to the provisions of the Trust Agreement, the Issuer has assigned to the Trustee all its rights, claims and interests in the Purchased Loan Receivables and the Loan Collateral (that was transferred by the Seller to it under the Loan Receivables Purchase Agreement), all of its rights, claims and interests arising under certain Transaction 5 Documents to which the Issuer is a party and certain other rights specified in the Trust Agreement (such collateral as created pursuant to Clause 8 (*Creation of Compartment 5 Security*) of the Trust Agreement, the "**Compartment 5 Security**") as security for the Issuer's obligations under the Compartment 5 Notes and the obligations owed by the Issuer to the other Secured Parties.

4.2 Limited recourse, non-petition

(a) All payments of principal, interest or any other amount to be made by the Issuer in respect of each Class of Compartment 5 Notes will be payable only from, and to the extent of, the sums paid to, or recovered by or on behalf of, the Issuer or the Trustee in respect of the Compartment 5 Security. If the proceeds of the Compartment 5 Security are not sufficient to pay any amounts due in respect of the relevant Class, no other assets of the Issuer, in particular no assets relating to another Compartment will be available to meet such insufficiency. The Compartment 5 Noteholders of such Class will rely solely on such sums and the rights of the Issuer in respect of the Compartment 5 Security for payments to be made by the Issuer in respect of such Compartment 5 Notes. The obligations of the Issuer to make payments in respect of the Compartment 5 Notes will be limited to such sums (in the case of the holders) following realisation of the Compartment 5 Security and the Trustee and such Compartment 5 Noteholders will have no further recourse to the Issuer in respect thereof.

(b) Extinguishment of Claims

Having realised the Compartment 5 Security and distributed the Available Distribution Amount in accordance with the Post-enforcement Priority of Payments, neither the Trustee nor the Compartment 5 Noteholders may take any further steps against the Issuer to recover any sum still unpaid and any remaining obligations to pay such amount shall be extinguished.

(c) Non-petition

Neither the Compartment 5 Noteholders nor the Trustee may, until the expiry of one year and one day after the payment of all sums outstanding and owing under the latest maturing relevant Compartment 5 Notes take any corporate action or other steps or legal proceedings for the winding-up, dissolution or reorganisation of, or the institution of Insolvency Proceedings against, the Issuer or (in the case of the Compartment 5 Noteholders only) for the appointment of a receiver, administrator, liquidator or similar officer of the Issuer in respect of any or all of its revenues and assets provided that the Trustee may prove or lodge a claim in the event of a liquidation of the Issuer initiated by another party.

4.3 Enforcement of payment obligations

The Trustee shall enforce the Compartment 5 Security upon the occurrence of an Enforcement Event on the conditions and in accordance with the terms of the Trust Agreement, in particular Clause 14.2 of the Trust Agreement.

4.4 Issuer Event of Default and Enforcement Event

The Issuer Event of Default shall have the meaning given to it in the Master Definitions Schedule. Upon the occurrence of an Issuer Event of Default and the service of an Enforcement Notice by the Trustee, an Enforcement Event will occur.

5. General Covenants of the Issuer

Appointment of Trustee

As long as any Compartment 5 Notes are outstanding, the Issuer shall ensure that a trustee is appointed at all times who undertakes to perform substantially the same functions and obligations as the Trustee pursuant to the Trust Agreement.

6. Payments on the Compartment 5 Notes

6.1 Payment Dates

Payments of interest and, in accordance with the provisions herein, principal in respect of the Compartment 5 Notes to the Compartment 5 Noteholders shall become due and payable monthly on each 15th day of each calendar month, subject to the Business Day Convention (each such day, a "**Payment Date**"). The first Payment Date shall be 17 November 2014.

6.2 Outstanding Note Principal Amount

The initial Aggregate Outstanding Note Principal Amount of all Class A Compartment 5 Notes is EUR 1,000,000,000, and of all Class B Compartment 5 Notes EUR 75,300,000.

6.3 Payments and discharge

- (a) Payments of principal and interest in respect of the Compartment 5 Notes shall be made by the Issuer, through the Paying Agent, on each Payment Date to, or to the order of, Euroclear and Clearstream Luxembourg, as relevant, for credit to the relevant participants in Euroclear and Clearstream Luxembourg for subsequent transfer to the Compartment 5 Noteholders.
- (b) All payments made by the Issuer to, or to the order of Euroclear and Clearstream Luxembourg shall discharge the liability of the Issuer under the relevant Compartment 5 Notes to the extent of the sums so paid.

7. Payment of Interest

7.1 Interest calculation

- (a) Each Compartment 5 Note shall bear interest on its Outstanding Note Principal Amount from the Issue Date until the close of the day preceding the day on which such Compartment 5 Note has been redeemed in full.
- (b) The amount of interest payable by the Issuer in respect of a Compartment 5 Note on a Payment Date shall be calculated by the Calculation Agent by applying the relevant Class A Interest Rate and Class B Interest Rate (Condition 7.3 (*Interest Rate*)), to the Outstanding Note Principal Amount of such Compartment 5 Note as of the immediately preceding Payment Date (or in case of the first Payment Date as of the Issue 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 EUR 0.01 (with EUR 0.005 being rounded upwards) (each being the "**Class A Interest Amount**" or the "**Class B Interest Amount**").

7.2 Interest Period

"**Interest Period**" means, in respect of the first Payment Date, the period commencing on (and including) the Issue Date and ending on (but excluding) the first Payment Date and in respect of any subsequent Payment Date, the period commencing on (and including) the immediately preceding Payment Date and ending on (but excluding) such Payment Date, provided that the last Interest Period shall end on (but exclude) the Legal Maturity Date or, if earlier, the date on which all Compartment 5 Notes are redeemed in full.

7.3 Interest Rate

The applicable rate of interest payable on the Compartment 5 Notes for each Interest Period shall be:

- (i) in the case of the Class A Compartment 5 Notes EURIBOR + 0.27 per cent. per annum (the "**Class A Interest Rate**"),
- (ii) in the case of the Class B Compartment 5 Notes, 2.00 per cent. per annum (the "**Class B Interest Rate**").

7.4 *Pre-enforcement Priority of Payments*

Prior to the issuance of an Enforcement Notice by the Trustee, the Issuer will distribute the Available Distribution Amount on each Payment Date in accordance with the following Pre-enforcement Priority of Payments:

- (a) *first*, any due and payable taxes owed by the Issuer;
- (b) *second*, any due and payable amounts to the Trustee under the Trust Agreement;
- (c) *third*, (on a *pro rata* and *pari passu* basis) any due and payable Administration Expenses and Servicing Fee;
- (d) *fourth*, any due and payable Net Swap Payments and Swap Termination Payments under the Swap Agreement (provided that the Swap Counterparty is not the defaulting party (as defined in the Swap Agreement) and there has been no termination of the Swap Agreement (due to a termination event relating to the Swap Counterparty's downgrade));
- (e) *fifth*, (on a *pro rata* and *pari passu* basis) any due and payable Class A Interest Amount on the Class A Compartment 5 Notes;
- (f) *sixth*, an amount equal to the General Reserve Required Amount to the General Reserve Ledger;
- (g) *seventh*, (on a *pro rata* and *pari passu* basis) the Class A Principal Redemption Amount in respect of the redemption of the Class A Compartment 5 Notes until the Aggregate Outstanding Note Principal Amount of the Class A Compartment 5 Notes is reduced to zero;
- (h) *eighth*, (on a *pro rata* and *pari passu* basis) any due and payable Class B Interest Amount on the Class B Compartment 5 Notes;
- (i) *ninth*, (on a *pro rata* and *pari passu* basis) the Class B Principal Redemption Amount in respect of the redemption of the Class B Compartment 5 Notes until the Aggregate Outstanding Note Principal Amount of the Class B Compartment 5 Notes is reduced to zero;
- (j) *tenth*, any due and payable interest amount on the Subordinated Loan;
- (k) *eleventh*, the Subordinated Loan Redemption Amount in respect of the redemption of the Subordinated Loan until the Subordinated Loan is reduced to zero;
- (l) *twelfth*, any indemnity payments to any party under the Transaction 5 Documents;
- (m) *thirteenth*, any payments due under the Swap Agreement other than those made under item fourth above; and
- (n) *fourteenth*, the Final Success Fee to the Seller.

8. **Redemption**

8.1 *Amortisation — Pre-enforcement*

The Issuer will redeem the Class A Compartment 5 Notes and the Class B Compartment 5 Notes subject to the Available Distribution Amount and in accordance with the applicable Priority of Payments.

8.2 *Final Redemption*

On the Legal Maturity Date, each Class A Compartment 5 Note shall, unless previously redeemed, be redeemed in full at the Aggregate Outstanding Note Principal Amount of the Class A Compartment 5 Notes and, after all the Class A Compartment 5 Notes have been redeemed in full, each Class B Compartment 5 Note shall, unless previously redeemed, be redeemed in full at the Aggregate Outstanding Note Principal Amount of the Class B Compartment 5 Notes.

8.3 *Clean-Up Call*

- (a) As of any Payment Date following the respective Determination Date on which the Aggregate Outstanding Loan Principal Amount is reduced to less than 10 per cent. of the Aggregate

Outstanding Loan Principal Amount at the Cut-Off Date, the Seller will (provided that on the relevant Payment Date no Enforcement Event has occurred) have the option under the Loan Receivables Purchase Agreement (the "**Clean-Up Call**") to acquire all Purchased Loan Receivables (together with any related Loan Collateral) then outstanding against payment of the Repurchase Price, subject to the following requirements (the "**Clean-Up Call Conditions**"):

- (i) the Repurchase Price should, together with funds credited to the General Reserve Ledger and to the Operating Ledger be at least equal to the sum of (x) the aggregate Outstanding Note Principal Amount of all Class A Compartment 5 Notes plus (y) accrued interest thereon plus (z) all claims of any creditors of the Issuer in respect of Compartment 5 ranking prior to the claims of the Class A Compartment 5 Noteholders according to the applicable Priority of Payments; and
 - (ii) the Seller shall have notified the Issuer of its intention to exercise the Clean-Up Call at least 10 days prior to the contemplated settlement date of the Clean-Up Call.
- (b) An early redemption of the Compartment 5 Notes pursuant to this Condition 8.3 (*Clean-Up Call*) shall be excluded if the Clean-Up Call associated with that early redemption does not fully satisfy German regulatory requirements (applicable from time to time) in respect of Clean-Up Calls.
- (c) Upon payment in full of the amounts specified in Condition 8.3(a)(i) to, or for the order of, the Compartment 5 Noteholders, no Compartment 5 Noteholders shall be entitled to receive any further payments of interest or principal.

9. Post-enforcement Priority of Payments

After the issuance of an Enforcement Notice by the Trustee, the Trustee will apply the Available Distribution Amount on each Payment Date towards the discharge of the claims of the Compartment 5 Noteholders and the other creditors of the Issuer in accordance with the following Post-enforcement Priority of Payments:

- (a) *first*, any due and payable taxes owed by the Issuer;
- (b) *second*, any due and payable amounts to the Trustee under the Trust Agreement;
- (c) *third*, (on a *pro rata* and *pari passu* basis) any due and payable Administration Expenses and Servicing Fee;
- (d) *fourth*, any due and payable Net Swap Payments and Swap Termination Payments under the Swap Agreement (provided that the Swap Counterparty is not the defaulting party (as defined in the Swap Agreement) and there has been no termination of the Swap Agreement (due to a termination event relating to the Swap Counterparty's downgrade));
- (e) *fifth*, (on a *pro rata* and *pari passu* basis) any due and payable Class A Interest Amount on the Class A Compartment 5 Notes;
- (f) *sixth*, (on a *pro rata* and *pari passu* basis) the redemption of the Class A Compartment 5 Notes until the Aggregate Outstanding Note Principal Amount of the Class A Compartment 5 Notes is reduced to zero;
- (g) *seventh*, (on a *pro rata* and *pari passu* basis) any due and payable Class B Interest Amount on the Class B Compartment 5 Notes;
- (h) *eighth*, (on a *pro rata* and *pari passu* basis) the redemption of the Class B Compartment 5 Notes until the Aggregate Outstanding Note Principal Amount of the Class B Compartment 5 Notes is reduced to zero;
- (i) *ninth*, any due and payable interest amount on the Subordinated Loan;
- (j) *tenth*, any due and payable principal amounts on the Subordinated Loan until the Subordinated Loan is reduced to zero;

- (k) *eleventh*, any indemnity payments to any party under the Transaction 5 Documents;
- (l) *twelfth*, any payments due under the Swap Agreement other than those made under item fourth above; and
- (m) *thirteenth*, the Final Success Fee to the Seller.

10. Notifications

With respect to each Payment Date, on the Calculation Date preceding such Payment Date, the Calculation Agent shall notify the Issuer, the Corporate Services Provider, the Swap Counterparty, the Paying Agent, the Trustee and, on behalf of the Issuer, by means of notification in accordance with Condition 11 (*Form of Notices*), the Compartment 5 Noteholders, and for so long as any of the Compartment 5 Notes are listed on the official list and are admitted to trading on the regulated market of the Luxembourg Stock Exchange through a listing agent in respect of Class A Compartment 5 Notes only, as follows:

- (i) in respect of the amount of principal payable in respect of each Class A Compartment 5 Note and each Class B Compartment 5 Note pursuant to Condition 8 (*Redemption*) and the Interest Periods, the Class A Interest Amount and the Class B Interest Amount pursuant to Condition 7.1 (*Interest Calculation*) in accordance with the applicable Priority of Payments and subject to the Available Distribution Amount to be paid on such Payment Date;
- (ii) in respect of the Aggregate Outstanding Note Principal Amount of Class A Compartment 5 Notes, the Aggregate Outstanding Note Principal Amount of Class B Compartment 5 Notes, the Class A Principal Redemption Amount and the Class B Principal Redemption Amount as from such Payment Date;
- (iii) in the event of the final payment in respect of the Compartment 5 Notes pursuant to Condition 8.2 (*Final Redemption*) or Condition 8.3 (*Clean-Up Call*), about the fact that such is the final payment; and
- (iv) in the event of the payment of interest and redemption after the occurrence of an Enforcement Event, in respect of the amounts of interest and principal to be paid in accordance with Condition 9 (*Post-enforcement Priority of Payments*).

11. Form of Notices

All notices to the Compartment 5 Noteholders hereunder, and in particular the notifications mentioned in Condition 10 (*Notifications*) shall be (i) published in the *Luxemburger Wort* or on the website of the Luxembourg Stock Exchange (www.bourse.lu) (or such other publication conforming to the rules of the Luxembourg Stock Exchange) if and to the extent a publication in such form is required by the rules of the Luxembourg Stock Exchange and (ii) delivered to Euroclear and Clearstream Luxembourg for communication by it to the Compartment 5 Noteholders. Any notice referred to under (i) above shall be deemed to have been given to all Compartment 5 Noteholders on the date of such publication in the *Luxemburger Wort* or on the website of the Luxembourg Stock Exchange (www.bourse.lu) (or such other publication conforming to the rules of the Luxembourg Stock Exchange). Any notice referred to under (ii) above shall be deemed to have been given to all Compartment 5 Noteholders on the seventh calendar day after the day on which such notice was delivered to Euroclear and Clearstream Luxembourg.

12. Agents; Determinations Binding

- (a) The Issuer has appointed Elavon Financial Services Limited, UK Branch as initial paying agent (the "**Paying Agent**"), as the initial interest determination agent (the "**Interest Determination Agent**"), and as the initial calculation agent (the "**Calculation Agent**").
- (b) The Issuer shall procure that for so long as any Compartment 5 Notes are outstanding there shall always be a paying agent to perform the functions assigned to the Paying Agent in the

Agency Agreement, provided that for so long as the Compartment 5 Notes are listed on the official list and are admitted to trading on the regulated market of the Luxembourg Stock Exchange, there shall always be a listing agent being appointed. The Paying Agent and the Listing Agent shall act solely as agents for the Issuer and shall not have any agency, fiduciary or trustee relationship with the Compartment 5 Noteholders.

- (c) All calculations and determinations made by the Calculation Agent, the Interest Determination Agent or the Paying Agent, as the case may be, for the purposes of these Conditions shall, in the absence of manifest error, be final and binding.

13. Taxation

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 or its interpretation. The Issuer shall account for the deducted or withheld taxes with the competent government agencies and shall, upon request of a Compartment 5 Noteholder, provide proof thereof. The Issuer is not obliged to pay any additional amounts as compensation for taxes deducted or withheld in accordance with this Condition 13 (*Taxation*).

14. Miscellaneous

14.1 Presentation Period

The presentation period for the Global Notes shall end five (5) years after the Legal Maturity Date.

14.2 Amendments to the Conditions, Noteholders' Representative

The Noteholders of each Class of Compartment 5 Notes may agree to amendments of the Conditions applicable to such Class by majority vote and appoint a noteholders' representative for all Compartment 5 Noteholders of such Class for the preservation of their rights (section 5 paragraph (1) sentence 1 of the German Act on Debt Securities from Entire Issues (*Gesetz über Schuldverschreibungen aus Gesamtemissionen – SchVG*). Majority resolutions will be adopted in a noteholders' meeting of the Compartment 5 Noteholders of the respective Class.

14.3 Governing Law

The form and content of the Compartment 5 Notes and all of the rights and obligations of the Compartment 5 Noteholders and the Issuer under the Compartment 5 Notes shall be governed in all respects by the laws of Germany.

14.4 Jurisdiction

The non-exclusive place of jurisdiction for any action or other legal proceedings arising out of or in connection with the Compartment 5 Notes shall be the District Court (*Landgericht*) in Frankfurt am Main, Germany. The Issuer hereby submits to the jurisdiction of such court. The German courts shall have exclusive jurisdiction over the annulment of the Global Notes in the event of their Loss or destruction.

14.5 Process Agent

With regard to any proceedings in connection with the Compartment 5 Notes brought against the Issuer in a court of Germany, the Issuer has appointed Mercedes-Benz Bank AG as its agent for service of process. The Issuer shall maintain an agent for service of process in Germany for so long as any Compartment 5 Notes remain outstanding.

MATERIAL TERMS OF THE TRUST AGREEMENT

The following is the text of the material terms of the Trust Agreement, including its Schedules I and II. The text is attached as Appendix B to the Conditions and constitutes an integral part of the Conditions – in case of any overlap or inconsistency in the definitions of a term or expression in the Trust Agreement and elsewhere in the Offering Circular, the definitions and expressions in the Trust Agreement will prevail. For the purpose of this Offering Circular, and Schedule III which contains a form of accession, have been omitted.

The descriptions in this section refer to certain material terms of the Trust Agreement. These descriptions do not purport to be complete and are subject to, and are qualified in their entirety by, the detailed provisions of the Trust Agreement.

The Trust Agreement is made on or about the Closing Date between Silver Arrow S.A. as the Issuer acting in respect of Compartment 5, Wilmington Trust SP Services (Frankfurt) GmbH as Trustee and Data Trustee, Mercedes-Benz Bank A.G as Seller, Servicer and Subordinated Lender, Elavon Financial Services Limited, UK Branch as Account Bank, Paying Agent, Interest Determination Agent, Custodian and Calculation Agent and Structured Finance Management (Luxembourg) S.A. as Corporate Services Provider.

1 DEFINITIONS, INTERPRETATIONS AND COMMON TERMS

1.1 Definitions

- (a) Unless otherwise defined herein or the context requires otherwise, capitalised terms used in this Agreement have the meanings ascribed to them in Clause 1 of the Master Definitions Schedule (the "**Master Definitions Schedule**") set out in Schedule 1 of the Incorporated Terms Memorandum (the "**Incorporated Terms Memorandum**") which is dated on or about the date of this Agreement and signed for the purpose of identification by, *inter alia*, each of the parties hereto. The terms of the Master Definitions Schedule are hereby expressly incorporated into this Agreement by reference.
- (b) In the event of any conflict between the Master Definitions Schedule and this Agreement, this Agreement shall prevail.

1.2 Interpretations

Terms in this Agreement, except where otherwise stated or where the context otherwise requires, shall be interpreted in the same way as set forth in Clause 2 of the Master Definitions Schedule.

1.3 Common Terms

- (a) Incorporation of Common Terms

Except as provided below, the Common Terms apply to this Agreement and shall be binding on the parties to this Agreement as if set out in full in this Agreement.
- (b) Common Terms and applicable Priority of Payments

If there is any conflict between the provisions of the Common Terms and the provisions of this Agreement, the provisions of this Agreement shall prevail, subject always to compliance with Paragraph 6 (*Non-Petition and Limited Recourse*) of the

Common Terms. Nothing in the Agreement shall be construed as to prevail over or otherwise alter the applicable Priority of Payments.

(c) Governing Law and Jurisdiction

This Agreement and all matters arising from or connected with it shall be governed by German law in accordance with Paragraph 25 (*Governing Law*) of the Common Terms. Paragraph 26 (*Jurisdiction*) of the Common Terms applies to this Agreement as if set out in full in this Agreement.

2 RIGHTS AND OBLIGATIONS OF THE TRUSTEE, BINDING EFFECT OF CONDITIONS

2.1 This Agreement sets out, *inter alia*, the rights and obligations of the Trustee to the Secured Parties and the legal relationship between the Issuer, the Trustee and the Secured Parties.

2.2 The Trustee shall exercise its rights and perform its obligations under this Agreement and the Security Deed, the Conditions and the other Transaction 5 Documents to which it is a party as trustee for the benefit of the Secured Parties subject to Clauses 2.3 and 2.4.

2.3 Notwithstanding the fact that a Compartment 5 Noteholder may not be a party to this Agreement and the Security Deed, the Trustee agrees (i) that each Compartment 5 Noteholder may demand performance by the Trustee of its obligations under this Agreement and the Security Deed and (ii), to give effect to sub-clause (i), that each of this Agreement and the Security Deed shall, in respect of each Compartment 5 Noteholder, be construed as an agreement for the unrestricted benefit of third parties (*echter Vertrag zugunsten Dritter*).

2.4 All parties hereto agree to be bound by, and concur that their rights are subject to, the Conditions.

2.5 The Trustee shall have only those duties, obligations and responsibilities expressly specified in this Agreement and the Security Deed and shall not have any implied duties, obligations and responsibilities.

2.6 If the Trustee is to grant its consent pursuant to the terms hereof or any of the Transaction 5 Documents, the Trustee may grant or withhold its consent or approval at its sole professional judgment taking into account what the Trustee believes to be the interests of the Secured Parties subject to Clause 15 hereof.

3 GENERAL COVENANTS OF THE TRUSTEE

3.1 The Trustee undertakes to the Issuer for the benefit of the Compartment 5 Noteholders and the other Secured Parties that it shall exercise and perform, without limitation to Clause 15 hereof, with the standard of care that the Trustee exercises in its own affairs (*eigenübliche Sorgfalt*; the "**Trustee Standard of Care**"), all discretions, powers and authorities vested in it under or in connection with this Agreement and the Security Deed giving sole regard to the best interest of the Compartment 5 Noteholders and the other Secured Parties and to direct any conflict between the interests of the various classes of Secured Parties in compliance with Clause 15 (*Conflicts of interest*), the other provisions of this Agreement and the relevant provisions of the Security Deed.

3.2 In individual instances, the Trustee may, at market prices (if appropriate, after obtaining several offers), retain the services of a suitable law firm, credit institution, financial advisor or

other expert to assist it in performing the duties assigned to it under this Agreement, by delegating the entire or partial performance of the following duties:

- (a) the undertaking of measures required to be taken by the Trustee upon a breach by the Issuer or a Secured Party of any of its respective obligations under the Transaction 5 Documents;
 - (b) the foreclosure on Compartment 5 Security; and
 - (c) the settlement of payments pursuant to Clause 17.2(c) (*Application of Payments - Post Enforcement*).
- 3.3 If third parties are retained pursuant to Clause 3.2, the Trustee shall only be liable for the exercise of due care in the selection and supervision of the third party in each case in accordance with the Trustee Standard of Care. The Trustee, however, shall not be liable for any negligence of the third party.
- 3.4 The Trustee shall promptly notify the Issuer and the Seller of any intended or actual delegation.

4 COMPARTMENT 5 SECURITY HELD ON TRUST

The Trustee shall hold the Compartment 5 Security (Clause 8 (*Creation of Compartment 5 Security*)) as a security trustee (Clause 7 (*Appointment as Trustee*)) for security purposes (Clause 9 (*Security Purpose*)) and on trust for the Issuer as security for the payment of the Secured Obligations. The Trustee shall segregate the Compartment 5 Security from its other assets in the manner of a professional security trustee (*Sicherheitentreuhänder*) giving due regard to its duties owed to the Secured Parties under this Agreement and the Security Deed.

5 COVENANT TO PAY

5.1 Secured Obligations

The Issuer covenants with the Trustee that, subject as provided in the relevant Transaction 5 Documents, the Security Deed and this Agreement, it will:

- (a) as and when any sum becomes due and payable by the Issuer to the Compartment 5 Noteholders in respect of the Class A Compartment 5 Notes and/or the Class B Compartment 5 Notes, whether by way of principal, interest or otherwise, until all such payments (after as well as before any judgment or other order of any court of competent jurisdiction) are duly made, unconditionally pay or procure to be paid to or to the order of the Compartment 5 Noteholders such sum on the dates and in the amounts specified in the Conditions; and
- (b) as and when any sum falls due and payable by the Issuer to any Secured Party (other than the Compartment 5 Noteholders) in respect of any relevant Transaction 5 Document owing by the Issuer pursuant to the terms of the relevant Transaction 5 Document and any other document, instrument or agreement relating thereto, until all such payments (after as well as before any judgment or other order of any court of competent jurisdiction) are duly paid unconditionally pay or procure to be paid to or to the order of the relevant Secured Party such sum in such currency and manner as is specified in the relevant Transaction 5 Document subject to the applicable Priority of Payments.

5.2 Covenant to pay held on trust

The Trustee shall, subject to the other provisions hereof and the Security Deed, hold the benefit of the covenant to pay pursuant to Clause 5.1 (a) and (b) on trust for itself, the Compartment 5 Noteholders and the other Secured Parties.

6 PARALLEL DEBT

(a) Trustee joint and several creditor

In respect of the covenant to pay set forth in Clause 5.1 (a) and (b), the Trustee shall be a joint and several creditor (together with any other relevant Secured Party) in respect of the Secured Obligations. Accordingly, the Trustee will have an independent right ("**Trustee Claim**") to demand performance by the Issuer of the Secured Obligations. Any discharge of the Secured Obligations to the Trustee or to any other relevant Secured Party shall, to the same extent, discharge the corresponding obligations owing to the other.

(b) Separate enforcement

The Trustee Claim may be enforced separately from the relevant Secured Party's claim in respect of the same payment obligation of the Issuer.

7 APPOINTMENT AS TRUSTEE

(a) The Issuer hereby appoints the Trustee as security trustee (*Sicherheitentreuhänder*) of the Compartment 5 Security and of all of the covenants, (including the covenant to pay set forth in Clause 5.1 (*Secured Obligations*)) undertakings, mortgages, assignments and other security interests made or given under, or in connection with, this Agreement and the Security Deed by the Issuer or any guarantor of a Secured Party for the benefit of the Secured Parties in respect of the Secured Obligations owed to each of them respectively by the Issuer (the "**Trust Property**").

(b) The Secured Parties (other than the Compartment 5 Noteholders) hereby acknowledge the Trustee as their security trustee (*Sicherheitentreuhänder*) and they instruct the Trustee to hold the Trust Property on trust for itself and the other Secured Parties (including the Compartment 5 Noteholders) on the terms and conditions of this Agreement and the Security Deed.

8 CREATION OF COMPARTMENT 5 SECURITY

The parties hereto agree that the Issuer shall create Adverse Claims in favour of the Trustee and for the benefit of the Trustee, the Compartment 5 Noteholders and the other Secured Parties as set out in the following Clauses 8.1 (*Transfer for security purposes of Assigned Assets*) and Clause 8.2 (*Pledge*) and the relevant provisions in the Security Deed.

8.1 Transfer for security purposes of Assigned Assets

(a) Assignment

The Issuer hereby assigns and transfers for security purposes (*Sicherungsabtretung und Sicherungsübereignung*) the following rights and claims (including any contingent rights (*Anwartschaftsrechte*) to such rights and claims) relating to its

Compartment 5 (together, the "**Assigned Assets**") to the Trustee, for the security purposes set out in Clause 9 (*Security Purpose*):

- (i) all Purchased Loan Receivables together with any related Loan Collateral and all rights, claims and interests relating thereto;
- (ii) all title (*Sicherungseigentum*) to the Financed Vehicles relating to the Purchased Loan Receivables which are identified by reference to the serial numbers delivered by the Issuer for identification purposes to the Trustee on or about the date of this Agreement;
- (iii) all rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Seller or the Servicer and/or any other party pursuant to or in respect of the Loan Receivables Purchase Agreement and the Servicing Agreement, including all rights of the Issuer relating to any additional security;
- (iv) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Subordinated Lender and/or any other party pursuant to or in respect of the Subordinated Loan Agreement;
- (v) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to any of the Joint Lead Managers and Joint Bookrunners, the Managers and/or any other party pursuant to or in respect of the Subscription Agreement;
- (vi) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Paying Agent, the Interest Determination Agent, the Calculation Agent and/or any other party pursuant to or in respect of the Agency Agreement;
- (vii) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Data Trustee and/or any other party pursuant to or in respect of the Data Trust Agreement; and
- (viii) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Calculation Agent pursuant to or in respect of the Calculation Agency Agreement.

Each case (i) to (viii) above includes any and all related non-ancillary (*selbständige*) and ancillary (*unselbständige*) rights to determine unilaterally legal relationships (*Gestaltungsrechte*), including any termination rights (*Kündigungsrechte*).

The Issuer hereby covenants in favour of the Trustee that it will assign and/or transfer to the Trustee any future assets received by the Issuer as security for any of the foregoing or otherwise in connection with the Transaction 5 Documents, in particular such assets which the Issuer receives from any of its counterparties in relation to any of the Transaction 5 Documents as security for the obligations of such counterparty towards the Issuer. The Issuer will perform such covenant in accordance with the provisions of this Agreement.

- (b) The Trustee hereby accepts the assignment and the transfer of the Assigned Assets and any security related thereto and the covenants of the Issuer hereunder.
- (c) The existing Assigned Assets shall pass to the Trustee on the Issue Date, and any future Assigned Assets shall directly pass to the Trustee at the date on which such Assigned Assets arise, and in each case at the earliest at the time at which the Issuer has acquired the rights and claims of which the relevant Assigned Assets consists.

The Issuer undertakes to assign and transfer to the Trustee, on the terms and conditions and for the purposes set out herein, any rights and claims under any future Transaction 5 Document or further agreement relating to the Transaction 5 upon execution of any such documents.

- (d) To the extent that title to the Assigned Assets cannot be transferred by sole agreement between the Issuer and the Trustee as contemplated by the foregoing sub-clauses (a) to (c), the Issuer and the Trustee agree that:
 - (i) with respect to the Financed Vehicles, the delivery (*Übergabe*) necessary to effect the transfer of title for security purposes with regard to the Financed Vehicles (and any vehicle certificates (*Fahrzeugbriefe/Zulassungsbescheinigungen Teil II*) and any other moveable Loan Collateral with regard to any subsequently inserted parts thereof or with regard to any subsequently arising co-ownership interest, is hereby substituted by the agreement between the Issuer and the Trustee that the Issuer hereby assigns to the Trustee all claims, present and future, to request transfer of possession (*Abtretung aller Herausgabeansprüche* – section 931 of the Civil Code) against any third party (including the Seller, Servicer and any Obligor) which is in the direct possession (*unmittelbarer Besitz*) or indirect possession (*mittelbarer Besitz*) of the Financed Vehicles (and any car or vehicle certificates (*Fahrzeugbriefe/Zulassungsbescheinigungen Teil II*)) with respect thereto) or other moveable Loan Collateral. In addition to the foregoing it is hereby agreed between the Issuer and the Trustee that, in the event that (but only in the event that) the related Financed Vehicle or other moveable Loan Collateral are in the Issuer's direct possession (*unmittelbarer Besitz*), the Issuer shall hold possession on behalf of the Trustee and shall grant the Trustee indirect possession (*mittelbarer Besitz*) of the related Financed Vehicle and other moveable Loan Collateral by keeping it with due care free of charge (*als unentgeltlicher Verwahrer*) for the Trustee until the related Financed Vehicle or other moveable Loan Collateral is released or replaced in accordance with the Transaction 5 Documents;
 - (ii) any notice to be given in order to effect transfer of title in the Assigned Assets shall immediately be given by the Issuer in such form as the Trustee requires and the Issuer hereby agrees that if it fails to give such immediate notice, the Trustee is hereby irrevocably authorised to give such notice on behalf of the Issuer;
 - (iii) any other thing to be done, form to be filed or registration to be made to perfect a first priority security interest in the Assigned Assets for the benefit of the Trustee in favour of the Secured Parties shall be immediately done, filed or made by the Issuer at its own costs; and
 - (iv) the Issuer shall procure that the Seller provides the Data Trustee with any and all necessary details in order to identify the Financed Vehicles (title to

which has been transferred hereunder from the Issuer to the Trustee as contemplated herein) no later than the date on which these Assigned Assets become effective including the vehicle identification number (*Fahrgestellnummern*) of each Financed Vehicle title to which it has acquired under or pursuant to the Loan Receivables Purchase Agreement.

The Trustee hereby accepts each of the fore-going assignments and transfers.

(e) Acknowledgement of assignment

All parties to this Agreement hereby acknowledge that the rights and claims of the Issuer which constitute the Assigned Assets and which have arisen under contracts and agreements between the Issuer and the parties hereto and which are owed by such parties, are assigned to the Trustee and that the Issuer is entitled to continue to exercise and collect such rights and claims only in accordance with Clause 12 (*Collection*) and the other provisions hereof and subject to the restrictions contained in this Agreement. Upon notification to any party hereto by the Trustee in respect of the occurrence of an Enforcement Event, the Trustee shall be entitled to exercise the rights of the Issuer under the Transaction 5 Document referred to in this Clause 8.1 (*Transfer for security purposes of Assigned Assets*), including, without limitation, the right to give instructions to each such party pursuant to the relevant Transaction 5 Document and each party hereto agrees to be bound by such instructions of the Trustee given pursuant to the relevant Transaction 5 Document to which such party is a party.

8.2 Pledges

- (a) The Issuer hereby pledges (*Verpfändung*) to the Trustee all its present and future claims against the Trustee arising under or in connection with this Agreement. The Issuer hereby pledges (*Verpfändung*) to the Trustee all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to the Account Bank and the Issuer Account-C5 and/or any other party pursuant to or in respect of the Account Agreement.
- (b) The Issuer hereby gives notice to the Trustee of such pledge and the Trustee hereby confirms receipt of such notice. The Trustee is under no obligation to enforce any claims of the Issuer against it pledged to the Trustee pursuant to this Clause 8.2 (*Pledge*). The Issuer hereby gives notice to the Account Bank of such pledge and the Account Bank hereby confirms receipt of such notice.

9 SECURITY PURPOSE

Except for the Swap Collateral Ledger, the Compartment 5 Security created pursuant to Clause 8 (*Creation of Compartment 5 Security*) and the other provisions of this Agreement and the Security Deed shall serve as security for the Secured Obligations and the Trustee Claim. The Compartment 5 Security shall be enforced, collected and distributed pursuant to the provisions of this Agreement and the Security Deed.

In the event that the Swap Counterparty is required to collateralise its obligations pursuant to the terms of the Swap Agreement, the Trustee will hold any cash deposited in the Swap Collateral Ledger in trust. For the avoidance of doubt, the Swap Collateral Ledger shall be segregated from the Operating Ledger and any of the other ledger of the Issuer Account-C5 and from the general cash flow of the Issuer. Collateral deposited in such Swap Collateral Ledger shall not constitute Collections and shall be monitored on a specific collateral ledger.

Amounts standing to the credit of the Swap Collateral Ledger shall secure solely the payment obligations of the Swap Counterparty to the Issuer under the Swap Agreement. The amounts in the Swap Collateral Ledger will be applied in or towards satisfaction of the Swap Counterparty's obligations to the Issuer upon termination of the Swap Agreement. Any amount in excess of such obligations and owing to the Swap Counterparty pursuant to the Swap Agreement shall not be available to Secured Parties and shall be returned to such Swap Counterparty outside of the Priority of Payments.

10 REPRESENTATIONS AND WARRANTIES

10.1 Representations and warranties of the Issuer

On the date hereof and on the Issue Date, the Issuer gives certain representations and warranties to the Trustee, also for the benefit of the other Secured Parties, on the terms set out in Schedule 7 to the Incorporated Terms Memorandum (*Issuer's Representations and Warranties*).

10.2 Representations and warranties of the Trustee

On the date hereof and on the Issue Date, the Trustee hereby represents and warrants to the other parties as follows:

- (i) the Trustee has legal personality and is duly incorporated with limited liability as a *Gesellschaft mit beschränkter Haftung* under the laws of Germany; and
- (ii) the Trustee has the requisite power and authority to enter into this Agreement and Security Deed, and to undertake and perform the obligations expressed to be assumed by it in this Agreement and the Security Deed.

11 ADMINISTRATION OF SECURITY

11.1 With respect to the Compartment 5 Security, the Trustee shall, in relation to the Issuer and the Secured Parties, have the rights and obligations of a party taking security (*Sicherungsnehmer*). The Trustee is obligated to release the Compartment 5 Security after the Issuer has fully and finally discharged all of the Secured Obligations (Clause 17 (*Release of Compartment 5 Security*)).

11.2 The Trustee shall not release the Compartment 5 Security or dispose of the Assigned Assets except as expressly provided herein. The Trustee shall be entitled to assign and transfer the Compartment 5 Security in the event that the Trustee is replaced with a successor Trustee pursuant to Clause 20 (*Resignation and Substitution of the Trustee*).

11.3 Third parties may deal with the Assigned Assets, collect and release related Loan Collateral if and to the extent the Trustee has given its authorisation or consent in accordance with Clause 12 (*Collections*).

12 COLLECTIONS

12.1 For so long as no Enforcement Event has occurred the Servicer shall be authorised (*ermächtigt*) by the Issuer to collect or, have collected, in the ordinary course of business or otherwise exercise or deal with the Assigned Assets (including, for the avoidance of doubt, to enforce related Loan Collateral).

- 12.2 The Trustee hereby consents, for so long as no notice in respect of the occurrence of a Servicer Termination Event has been delivered to the Servicer by the Issuer and the Trustee has not been notified of the delivery of such notice, to the release or replacement by the Servicer of any related Loan Collateral pursuant to the terms of the Servicing Agreement.

13 FURTHER ASSURANCE AND POWERS OF ATTORNEY

- 13.1 The Issuer shall from time to time execute and do all such things as the Trustee may require for perfecting or protecting the security created or intended to be created pursuant to this Agreement, and at any time after the Compartment 5 Security becomes enforceable, the Issuer shall execute and do all such things as the Trustee may require in respect of the facilitation of the enforcement, in whole or in part, of the Compartment 5 Security and the exercise of all powers, authorities and discretionary rights vested in the Trustee, including, without limitation, to make available to the Trustee copies of all notices to be given in accordance with the Conditions, to notify the Trustee of all amendments to the Transaction 5 Documents and to make available to the Trustee, upon the reasonable request of the Trustee, such information required by the Trustee to perform its obligations under this Agreement.
- 13.2 Subject to other provisions of this Agreement and the Security Deed, the Issuer hereby appoints the Trustee as its agent and empowers the Trustee to do all such acts and things, to make all necessary statements or declarations and execute all relevant documents, which the Issuer ought to do, make or execute under or in connection with this Agreement and the Security Deed or generally to give full effect to this Agreement, the Security Deed and any other Transaction 5 Documents. The Issuer hereby ratifies and agrees to ratify and approve whatever the Trustee as its agent shall do or purport to do in the exercise or purported exercise of the powers created pursuant to this Clause 13 (*Further Assurance and Power of Attorney*) and the provisions in the Security Deed.
- 13.3 All parties hereto undertake to provide all information to the Trustee that it shall require to exercise the powers contemplated by Clause 13.1 above or to carry out the Trustee's obligations under or in connection with this Agreement and the Security Deed. The Trustee (and its sub-agents) shall be exempted from the restrictions of section 181 of the Civil Code and any other restrictions under any other applicable law and shall be entitled to release any sub-agent from any such restriction.

14 WHEN COMPARTMENT 5 SECURITY BECOMES ENFORCEABLE AND THE RESPECTIVE PROCEDURE

14.1 When Compartment 5 Security becomes enforceable

- (a) The Compartment 5 Security shall become enforceable, in whole or in part, upon the occurrence of an Enforcement Event.
- (b) The Trustee shall be entitled to assume in the absence of notice provided to it by another party, that no Enforcement Event has occurred and is continuing.

14.2 Procedure

- (a) Upon an Issuer Event of Default, the Trustee shall as soon as reasonably practicable after having become aware thereof notify the Issuer and each of the other Secured Parties ("**Enforcement Notice**").
- (b) At any time after the service of an Enforcement Notice, the Trustee shall be entitled (but not obliged) to seek the advice, and/or fully rely upon such advice and any

written opinion, of a reputable and independent investment bank and/or legal advisor and/or other expert (such advice to be at the reasonably incurred cost of the Issuer), as to whether it should enforce or endeavour to enforce any of the Compartment 5 Security (which has become enforceable) and as to the manner in which it should do so or endeavour to do so.

- (c) Subject to it being indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself liable and all costs, charges, damages, expenses (including reasonable legal costs and expenses) which it may incur by so doing, the Trustee shall, after the service of an Enforcement Notice and without further notice to any party hereto, enforce the Compartment 5 Security, or any part of it, and shall incur no liability to any party for doing so.
- (d) The Trustee shall at all times undertake such actions as are reasonably necessary in order that it can comply with all provisions of this Agreement, the Security Deed and with all applicable German, English and Luxembourg laws relating to the discharge of its functions.
- (e) No person dealing with the Trustee or with any receiver of the Compartment 5 Security or any part thereof appointed by the Trustee shall be concerned to enquire whether the Secured Obligations remain outstanding or any event has happened upon which any of the powers, authorities and discretion conferred by or pursuant to this Agreement, the Security Deed or in connection therewith in relation to such property or any part thereof are or may be exercisable by the Trustee or by any such receiver or otherwise as to the propriety, validity or regularity of acts purporting or intending to be in exercise of any such powers.
- (f) Neither the Trustee nor any receiver shall be liable in respect of any Loss or damage which arises out of the exercise, or the failure to exercise any of their respective powers under any Transaction 5 Document, unless such Loss or damage is caused by its own gross negligence (*grobe Fahrlässigkeit*), bad faith or wilful misconduct (*Vorsatz*), or any gross negligence (*grobe Fahrlässigkeit*), bad faith or wilful misconduct (*Vorsatz*) of the agents, the appointees of the Trustee or the receiver.

15 STANDARD OF CARE; EXCLUSION OF LIABILITY

15.1 Standard of Care

Neither the Trustee nor any receiver shall be liable in respect of any Loss or damage which arises out of the exercise, or the failure to exercise any of their respective powers under any Transaction 5 Document, unless such Loss or damage is caused by its own gross negligence (*grobe Fahrlässigkeit*), bad faith or wilful misconduct (*Vorsatz*), or any gross negligence (*grobe Fahrlässigkeit*), bad faith or wilful misconduct (*Vorsatz*) of the agents, the appointees of the Trustee or the receiver.

15.2 Exclusion of Liability

The Trustee shall not be liable for: (i) any action or failure to act of the Issuer or of other parties to the Transaction 5 Documents, (ii) the Compartment 5 Notes, the Subordinated Loan Agreement, the Purchased Loan Receivables and the Loan Collateral and the other Transaction 5 Documents being legal, valid, binding, or enforceable, or for the operativeness, efficiency, adequacy or fairness of the provisions set forth in any of them, (iii) a loss of documents related to the Purchased Loan Receivables or Loan Collateral unless directly caused by a violation of the Trustee Standard of Care.

16 CONFLICTS OF INTEREST

16.1 Interests of Secured Parties

Subject to the other provisions of this Clause 16 (*Conflicts of Interest*), the Trustee shall have regard to the interests of the Secured Parties in the respective order pursuant to the Post-enforcement Priority of Payments as regards the exercise and performance of all powers, trusts, authorities, duties and discretions of the Trustee in respect of the Trust Property under this Agreement, the Security Deed or under any other documents the rights or benefits in which are comprised in the Trust Property (except where expressly provided otherwise).

16.2 Exoneration of Trustee

Each of the Secured Parties hereby acknowledges and concurs with Clauses 16.1 (*Interests of Secured Parties*) and each of them agrees that it shall have no claim against the Trustee for acting in accordance with the provisions of such clause.

16.3 Reliance by Trustee

- (a) Without prejudice to any other right conferred upon the Trustee,
 - (i) whenever the Trustee is required to or desires to determine the interests of any of the Secured Parties; or
 - (ii) otherwise in connection with the performance of its duties under this Agreement, the Security Deed and/or the other Transaction 5 Documents to which it is a party,

the Trustee may in its professional judgment seek the advice and/or written opinion, and/or fully rely upon such advice and/or written opinion, of a law firm, credit institution, financial advisor or other expert (such advice to be at the reasonably incurred cost of the Issuer). If third parties are retained pursuant to Clause 3.2, the Trustee shall only be liable for the exercise of due care in the selection and supervision of the third party in each case in accordance with the Trustee Standard of Care. The Trustee, however, shall not be liable for any negligence of the third party. Moreover, the Trustee shall not be liable for any damage or losses caused by acting in reliance on the information or the advice of such person. If the Trustee is unable within a reasonable time to obtain such advice or opinions, the Trustee may employ such other method as it considers fit for so determining and shall not (save in the case of wilful misconduct (*Vorsatz*), bad faith or gross negligence (*grobe Fahrlässigkeit*) as regards the choice of such other method) be liable to the Secured Parties, the Issuer or any of them for such determination or for the consequences thereof.

- (b) The Trustee may call for and shall be at liberty to accept a certificate duly signed by any two directors of the Issuer which are authorised to sign on behalf of the Issuer pursuant to a list of authorised signatories to be delivered to the Trustee from time to time as sufficient evidence of any fact or matter or the expediency of any transaction or thing, save for manifest errors, and to treat such a certificate to the effect that any particular dealing or transaction or step or thing is, in the opinion of the persons so certifying, expedient or proper as sufficient evidence that it is expedient or proper, and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss or liability that may be caused by acting on any such certificate. Save for manifest errors, the Trustee may rely and shall not be liable or

responsible for the existence, accuracy or sufficiency of any opinions (other than legal opinions on which accuracy or sufficiency the Trustee may rely without limitation), searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection with the Transaction 5 Documents.

17 APPLICATION OF PAYMENTS

17.1 Pre-enforcement

Each of the Secured Parties acknowledges and agrees that, prior to the service of an Enforcement Notice, all moneys of the Issuer shall be applied in accordance with the Pre-enforcement Priority of Payments. The Trustee hereby agrees that the Issuer shall authorise the Calculation Agent to make payments required on behalf of the Issuer in accordance with Clause 6 (*Application of Funds*) of the Calculation Agency Agreement.

17.2 Post-enforcement

Each of the Issuer and the Secured Parties hereby agrees and authorises that from the date upon which the Trustee serves an Enforcement Notice on the Issuer:

- (a) the Issuer may not make any withdrawal from the Issuer Account-C5;
- (b) unless with the express consent from the Trustee, the Issuer shall refrain from exercising any rights in relation to the Compartment 5 Security; and
- (c) the Trustee may withdraw moneys from the Issuer Account-C5 and apply such moneys in or towards payment of the Secured Obligations in accordance with the Post-enforcement Priority of Payment.

18 RELEASE OF COMPARTMENT 5 SECURITY

Upon the Trustee being satisfied that the Secured Obligations and the Trustee Claim have been fully and finally discharged (the Trustee being, for this purpose, entitled to rely, in its absolute discretion, on any statement of payment, discharge or satisfaction certified by one or more directors or officers of the Issuer) the Trustee shall, at the request and the expense of the Issuer, do all such acts and things and execute all such release documents (in the case of a Clean-Up Call, in substantially the same form as Schedule III) as may be necessary to release the Compartment 5 Security and the Trustee shall to the extent applicable assign and re-transfer all Assigned Assets to the Issuer or to the order of the Issuer.

19 COVENANTS BY THE ISSUER

The Issuer covenants with the Trustee on the terms of the issuer covenants as set out in Schedule 8 to the Incorporated Terms Memorandum (*Issuer Covenants*).

20 RETENTION BY THE SELLER

- 20.1 The Seller covenants with the Issuer and the Trustee that during the life of the Transaction 5 it will (i) hold all of the Class B Compartment 5 Notes itself on a continuing basis, and (ii) grant the Subordinated Loan on an ongoing basis. As at the Issue Date, this corresponds to the material net economic interest of not less than five (5) per cent. in the meaning of Article 405 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending

Regulation (EU) No 648/2012 ("CRR") and Article 17 of Directive (EU) No 2011/61 ("AIFMD"), specified by Article 51 of Regulation (EU) No 231/2013 ("AIFM Regulation").

- 20.2 The Seller further covenants with the Issuer and the Trustee that during the life of the Transaction 5 it shall provide the Issuer with all information reasonably required with a view to comply with Article 409 of the CRR.

21 RESIGNATION AND SUBSTITUTION OF THE TRUSTEE

21.1 Trustee terminating trusteeship and appointment of new Trustee

The Trustee may resign for good cause (*wichtiger Grund*) from its office as Trustee hereunder at any time giving two (2) months' prior written notice provided that, for so long as Secured Obligations remain outstanding, upon or prior to the last Business Day of such notice period, (i) a reputable accounting firm or financial institution which is experienced in the business of trusteeship relating to the securitisation of receivables originated in Germany has been duly appointed by the Issuer as substitute Trustee, (ii) such substitute Trustee mentioned in Clause (i) holds all required licenses and authorisations, and (iii) such substitute Trustee (mentioned in Clause (i)) (by way of novation or otherwise) assumes, and is vested with, all rights and obligations, authorities, powers and trusts set forth in this Agreement, the Security Deed and the other relevant Transaction 5 Documents.

21.2 Issuer terminating trusteeship and appointing new Trustee

The Issuer shall be authorised and obligated to terminate the appointment of the Trustee and appoint a successor Trustee in accordance with, *mutatis mutandis*, the provisions of Clause 21.1 (*Trustee terminating trusteeship and appointment of new Trustee*) if the Trustee is Insolvent.

21.3 Transfer of Compartment 5 Security, rights and interests

In the event of a substitution of an existing Trustee with a new Trustee, as contemplated by Clause 21.1 (*Trustee terminating trusteeship and appointment of new Trustee*) or Clause 21.2 (*Issuer terminating trusteeship and appointing new Trustee*) the existing Trustee shall forthwith (by way of novation or otherwise) transfer the Compartment 5 Security together with any other rights it holds under the Security Deed and any other Transaction 5 Documents including, for the avoidance of doubt, its Trustee Claim pursuant to Clause 6(a) (*Trustee joint and several creditor*) or grant analogous security interests to the new Trustee. Without prejudice to the obligation of the Trustee set out in the immediately preceding sentence, the Trustee hereby irrevocably grants power of attorney to the Issuer to transfer all the rights, Compartment 5 Security and interests mentioned in such preceding sentence on behalf of the Trustee to the new Trustee and for that purpose the Issuer (and its sub-agents) shall be exempted from the restrictions of section 181 of the Civil Code and any similar restrictions under any other applicable laws.

21.4 Assumption of obligations

In the event of a substitution of an existing Trustee with a new Trustee, as contemplated by Clause 21.1 (*Trustee terminating trusteeship and appointment of new Trustee*) or Clause 21.2 (*Issuer terminating trusteeship and appointing new Trustee*), the existing Trustee shall (i) transfer (by way of novation or otherwise) all of its rights and obligations hereunder, under the Security Deed and under any other Transaction 5 Documents to the new Trustee on terms substantially similar to the terms of this Agreement, the Security Deed and under any other Transaction 5 Documents; (ii) notify the Servicer, the Issuer, the Account Bank, the Paying

Agent and the Calculation Agent. Upon such transfer, the Trustee shall be released from all obligations hereunder, under the Security Deed and under any other Transaction 5 Documents.

21.5 Costs

The costs incurred in connection with a substitution of the Trustee as contemplated by Clause 21 (*Resignation and substitution of the Trustee*) shall be borne by the Issuer provided however that nothing herein shall prejudice or limit the Issuer's claims against the Trustee arising by operation of general law of obligations (*Schuldrecht*) or tort (*unerlaubte Handlungen*) due to the Trustee's gross negligence (*grobe Fahrlässigkeit*) or willful misconduct (*Vorsatz*). The resigning Trustee shall reimburse the Issuer any fees paid by the Issuer to the resigning Trustee for periods after the date on which the substitution of the Trustee is taking effect.

21.6 Accounting

The existing Trustee shall be obliged, on its departure, to account to the new Trustee for its activities in respect of this Agreement, the Security Deed and all other Transaction 5 Documents.

22 FEES, INDEMNITIES AND INDIRECT TAXES

22.1 Trustee's Fee

The Issuer shall pay the Trustee a standard fee as separately agreed between them in a fee letter dated on or about the Signing Date.

Upon the occurrence of an Enforcement Event or a default of any party (other than the Trustee) to a Transaction 5 Document which results in that the Trustee undertakes additional tasks, the Issuer shall pay or procure to be paid to the Trustee an additional remuneration for each hour of additional services performed by the Trustee at an hourly rate as shall be agreed in the aforesaid fee letter. In the event that the Issuer and the Trustee, as applicable, fail to agree as to whether and/or in which amount an additional remuneration shall be payable in accordance with the preceding sentence, such matters shall be determined by a bank, financial services institution or auditing firm of recognised standing (acting as an expert and not as an arbitrator) determined by the Trustee. The determination made by such expert shall be final and binding upon the Issuer and the Trustee.

22.2 No entitlement to remuneration

The Trustee shall not be entitled to remuneration in respect of any period after the date on which all the Secured Obligations have been paid or discharged and the Assigned Assets shall have been released and re-assigned and re-transferred to the Issuer and all obligations of the Trustee hereunder, under the Security Deed and any other Transaction 5 Document shall have been fully performed.

22.3 Indemnity

The Issuer will indemnify the Trustee against all costs, expenses and damages which may arise as a result of or in connection with the performance of its obligations hereunder, provided that no such indemnification shall be made to the extent such losses result from the Trustee not applying the Trustee Standard of Care.

The Trustee shall not be bound to take any action under or in connection with this Agreement, the Security Deed or any other Transaction 5 Documents or any document executed pursuant

to any of them including, without limitation, forming any opinion or employing any agent, unless in all cases, it is fully indemnified (including under the applicable Priority of Payments), and is reasonably satisfied that the Issuer will be able to honour any indemnity in accordance with the applicable Priority of Payments, against all liabilities, proceedings, claims and demands to which it may be or become liable and all direct costs, charges and expenses which may be incurred by it in connection with them.

22.4 Indirect taxes

The Issuer shall in addition pay to the Trustee (if so required) an amount equal to the amount of any value added tax or similar indirect taxes charged in respect of payments due to it under this Clause 21 (*Fees, Indemnities and indirect taxes*).

The Issuer shall bear all stamp duties, transfer taxes and other similar taxes, duties or charges or charge which are imposed in connection with (i) the creation of, holding of, or enforcement of the Compartment 5 Security, and (ii) any action taken by the trustee pursuant to the terms and conditions of the Notes or the other Transaction 5 Documents.

23 MISCELLANEOUS

23.1 Ringfencing and further securities/transactions

All parties hereto agree that each Transaction 5 Document (other than the Corporate Services Agreement) shall incur obligations and liabilities in respect of Compartment 5 of the Issuer only and that the Transaction 5 Documents shall not, at present or in the future, create any obligations or liabilities in respect of the Issuer generally or in respect of any Compartment of the Issuer other than Compartment 5. All parties hereto further agree that the immediately preceding sentence shall be an integral part of all Transaction 5 Documents and that, in the event of any conflict between any provision of any Transaction 5 Documents and the immediately preceding sentence, the immediately preceding sentence shall prevail.

23.2 Global condition precedent

All parties hereto agree that it shall constitute a global condition precedent in respect of each individual Transaction 5 Document that all Transaction 5 Documents have, no later than the Signing Date, been executed and delivered by each of the relevant parties thereto. Each party hereto acknowledges that all other parties are entering into the Transaction 5 Documents in reliance upon all Transaction 5 Documents being validly entered into by all relevant parties to such documents.

23.3 Duty to appoint process agent

All parties to the Transaction 5 Documents that are not resident in Germany have the duty to appoint a German process agent no later than the Issue Date.

23.4 Amendment

- (A) By agreement between the Swap Counterparty and the Issuer, each of the Swap Counterparty and the Issuer shall be entitled:
 - (a) to amend the Swap Agreement to ensure that the terms hereof, and the parties obligations thereunder, are in compliance with the Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, known as

the European Market Infrastructure Regulation ("**EMIR**") and/or the then subsisting technical standards under EMIR; or

(b) to amend or waive (subject at all times to Article 15 (*Dispute resolution*), Chapter VII of the technical standards under EMIR (which relate to, *inter alia*, non-financial counterparties, risk-mitigation techniques for over the counter derivative contracts not cleared by a central counterparty) any of the time periods set out Part 6(c) of the schedule to the Swap Agreement.

(B) The Servicer or the relevant parties to the Transaction 5 Documents, as the case may be, and the Issuer shall be entitled to amend the Servicing Agreement or any other Transaction 5 Documents to ensure that the terms hereof, and the parties obligations thereunder, are in compliance with EMIR and/or the then subsisting technical standards under EMIR,

in the case of (A) above, with the consent of the Issuer and the Swap Counterparty but without the consent of any Compartment 5 Noteholder, the Subordinated Lender or any other Person and in the case of (B) above, with the consent of the Issuer but without the consent of any Compartment 5 Noteholder, the Subordinated Lender or any other Person. In the case of both (A) and (B) above, such amendment or waiver shall only become valid if it is notified to the Trustee and the Rating Agencies. For the avoidance of doubt, none of the aforesaid amendments shall impose any obligation on or limit any of the rights of the Trustee.

23.5 Termination

This Agreement shall automatically terminate when the Compartment 5 Security has been fully released in accordance with Clause 17 (*Release of Compartment 5 Security*) of this Agreement.

IN WITNESS WHEREOF, this Agreement is duly executed and delivered on the date and the year first above written.

Schedule I: Pre-enforcement Priority of Payments

Prior to the issuance of an Enforcement Notice by the Trustee, the Issuer will distribute the Available Distribution Amount on each Payment Date in accordance with the following Pre-enforcement Priority of Payments:

- (a) *first*, any due and payable taxes owed by the Issuer;
- (b) *second*, any due and payable amounts to the Trustee under the Trust Agreement;
- (c) *third*, (on a *pro rata* and *pari passu* basis) any due and payable Administration Expenses and Servicing Fee;
- (d) *fourth*, any due and payable Net Swap Payments and Swap Termination Payments under the Swap Agreement (provided that the Swap Counterparty is not the defaulting party (as defined in the Swap Agreement) and there has been no termination of the Swap Agreement (due to a termination event relating to the Swap Counterparty's downgrade));
- (e) *fifth*, (on a *pro rata* and *pari passu* basis) any due and payable Class A Interest Amount on the Class A Compartment 5 Notes;
- (f) *sixth*, an amount equal to the General Reserve Required Amount to the General Reserve Ledger;
- (g) *seventh*, (on a *pro rata* and *pari passu* basis) the Class A Principal Redemption Amount in respect of the redemption of the Class A Compartment 5 Notes until the Aggregate Outstanding Note Principal Amount of the Class A Compartment 5 Notes is reduced to zero;
- (h) *eighth*, (on a *pro rata* and *pari passu* basis) any due and payable Class B Interest Amount on the Class B Compartment 5 Notes;
- (i) *ninth*, (on a *pro rata* and *pari passu* basis) the Class B Principal Redemption Amount in respect of the redemption of the Class B Compartment 5 Notes until the Aggregate Outstanding Note Principal Amount of the Class B Compartment 5 Notes is reduced to zero;
- (j) *tenth*, any due and payable interest amount on the Subordinated Loan;
- (k) *eleventh*, the Subordinated Loan Redemption Amount in respect of the redemption of the Subordinated Loan until the Subordinated Loan is reduced to zero;
- (l) *twelfth*, any indemnity payments to any party under the Transaction 5 Documents;
- (m) *thirteenth*, any payments due under the Swap Agreement other than those made under item fourth above; and
- (n) *fourteenth*, the Final Success Fee to the Seller.

Schedule II: Post-enforcement Priority of Payments

After the issuance of an Enforcement Notice by the Trustee, the Trustee will apply the Available Distribution Amount on each Payment Date towards the discharge of the claims of the Compartment 5 Noteholders and the other creditors of the Issuer in accordance with the following Post-enforcement Priority of Payments:

- (a) *first*, any due and payable taxes owed by the Issuer;
- (b) *second*, any due and payable amounts to the Trustee under the Trust Agreement;
- (c) *third*, (on a *pro rata* and *pari passu* basis) any due and payable Administration Expenses and Servicing Fee;
- (d) *fourth*, any due and payable Net Swap Payments and Swap Termination Payments under the Swap Agreement (provided that the Swap Counterparty is not the defaulting party (as defined in the Swap Agreement) and there has been no termination of the Swap Agreement (due to a termination event relating to the Swap Counterparty's downgrade));
- (e) *fifth*, (on a *pro rata* and *pari passu* basis) any due and payable Class A Interest Amount on the Class A Compartment 5 Notes;
- (f) *sixth*, (on a *pro rata* and *pari passu* basis) the redemption of the Class A Compartment 5 Notes until the Aggregate Outstanding Note Principal Amount of the Class A Compartment 5 Notes is reduced to zero;
- (g) *seventh*, (on a *pro rata* and *pari passu* basis) any due and payable Class B Interest Amount on the Class B Compartment 5 Notes;
- (h) *eighth*, (on a *pro rata* and *pari passu* basis) the redemption of the Class B Compartment 5 Notes until the Aggregate Outstanding Note Principal Amount of the Class B Compartment 5 Notes is reduced to zero;
- (i) *ninth*, any due and payable interest amount on the Subordinated Loan;
- (j) *tenth*, any due and payable principal amounts on the Subordinated Loan until the Subordinated Loan is reduced to zero;
- (k) *eleventh*, any indemnity payments to any party under the Transaction 5 Documents;
- (l) *twelfth*, any payments due under the Swap Agreement other than those made under item fourth above; and
- (m) *thirteenth*, the Final Success Fee to the Seller.

SUMMARY OF THE OTHER PRINCIPAL TRANSACTION 5 DOCUMENTS

1. Loan Receivables Purchase Agreement

Pursuant to the Loan Receivables Purchase Agreement the Issuer will purchase the Portfolio on or prior to the Issue Date. The Purchase Price of EUR **1,075,299,922.32** for the Portfolio is paid to the Issuer.

Pursuant to the Loan Receivables Purchase Agreement, the Seller represents to the Issuer that each Purchased Loan Receivable and the related Loan Agreement complied, as of the Cut-Off Date, with the Eligibility Criteria and, as of the Purchase Date, with the Seller Loan Warranties set out in the Description of the Portfolio and of the Loan Collateral.

The Offer by the Seller for the Purchase of Loan Receivables under the Loan Receivables Purchase Agreement contains certain relevant information for the purpose of identification of the Purchased Loan Receivables. In the Offer, the Seller represents that certain representations and warranties with respect to the relevant Loan Receivable are true and correct as of the Purchase Date, (Seller Loan Warranties). See "DESCRIPTION OF THE PORTFOLIO AND OF THE LOAN COLLATERAL — Seller Loan Warranties".

The Seller offered and upon acceptance, the Issuer acquires or purports to acquire in respect of the relevant Loan Receivables unrestricted title as from the Cut-Off Date, other than any Loan Receivables which have become due prior to or on the Cut-Off Date together with all of the Seller's rights, title and interest in the related Loan Collateral in accordance with the Loan Receivables Purchase Agreement. As a result, the Issuer obtains the full legal and economic ownership in the Purchased Loan Receivables as from the Cut-Off Date, including Principal Collection, Interest Collection, and is free to transfer or otherwise dispose over (*verfügen*) the Purchased Loan Receivables, subject only to the contractual restrictions provided in the relevant Loan Agreement and the contractual agreements underlying the related Loan Collateral.

If for any reason title to any Purchased Loan Receivable or related Loan Collateral is not transferred to the Issuer, the Seller, upon receipt of the Purchase Price and without undue delay, is obliged to take all action necessary to perfect the transfer of title. All Losses, costs and expenses which the Issuer incurred or will incur by taking additional measures due to the Purchased Loan Receivables or the related Loan Collateral not being sold or transferred or only being sold and transferred will be borne by the Seller.

A sale and assignment of the Loan Receivables pursuant to the Loan Receivables Purchase Agreement constitutes a sale without recourse (*regressloser Verkauf wegen Bonitätsrisiken*). This means that the Seller will not bear the risk of the inability of any Obligor to pay the relevant Purchased Loan Receivables. However, in the event of any breach of the Eligibility Criteria and/or Seller Loan Warranties, the Seller owes the payment of the Repurchase Price regardless of the respective Obligor's credit strength.

Pursuant to the Loan Receivables Purchase Agreement, the delivery (*Übergabe*) necessary to effect the transfer of title in respect of the Financed Vehicles (including any subsequently inserted parts in the Financed Vehicles) and other moveable related Loan Collateral (including any vehicle certificate (*Kfz-Brief/Zulassungsbescheinigung Teil II*)) is replaced by the Seller's assignment to the Issuer of all claims, present or future, to request transfer of possession (*Herausgabeanspruch*) thereof from the relevant third parties holding such possession. In addition, where the Seller holds direct possession of any of the Financed Vehicles and other moveable related Loan Collateral, the Issuer has been granted indirect constructive possession (*mittelbarer Besitz*) by the Seller in respect thereof.

Repurchase Price

If certain events occur with respect to a Purchased Loan Receivable, the Seller shall pay to the Issuer the Repurchase Price. The Repurchase Price shall be equal to the sum of the Outstanding Loan Principal Amounts of the affected Purchased Loan Receivables. Upon receipt thereof, such Purchased Loan Receivable and the relevant Loan Collateral (unless it is extinguished) will be automatically re-assigned by the Issuer to the Seller on the next immediately following Payment Date 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.

Use of Loan Collateral

The Issuer has agreed to make use of any Loan Collateral only in accordance with the provisions governing such Loan Collateral and the related Loan Agreement.

The Seller will, at its own cost, keep the Loan Collateral free of, or release such from any interference or security rights of third parties and undertake all steps necessary to protect the interest of the Issuer in the Financed Vehicles.

Taxes and Increased Costs

All payments to be made by the Seller to the Issuer pursuant to the Loan Receivables Purchase Agreement will be made free and clear of and without deduction for or on account of any tax. The Seller will reimburse the Issuer for any deductions or retentions which may be made on account of any tax. The Seller will have the opportunity and authorisation to raise defences against the relevant payment at the Seller's own costs.

Where the Issuer has received a credit against a relief or remission for, or repayment of, any tax, then if and to the extent that the Issuer determines that such credit, relief, remission or repayment is in respect of the deduction or withholding giving rise to such additional payment or with reference to the liability, expense or Loss which caused such additional payments, the Issuer will, to the extent that it can do so without prejudice to the retention of the amount of such credit, relief, remission or repayment, pay to the Seller such amount as the Issuer will have concluded to be attributable to such deduction or withholding or, as the case may be, such liability, expense or Loss, provided that the Issuer will not be obliged to make any such payment until it is, in its sole opinion, satisfied that its tax affairs for its tax year in respect of which such credit, relief, remission or repayment was obtained have been finally settled.

Set Off Reserve Required Amount

Under the terms of the Loan Receivables Purchase Agreement, the Seller shall have to provide to the Issuer specific collateral on any Payment Date on which the Set Off Exposure exceeds 0.5 per cent. of the Aggregate Outstanding Loan Principal Amount as of the Cut-Off Date. The amount of any such collateral shall equal the Set Off Reserve Required Amount. On each Payment Date, any amount standing to the credit of the Set Off Reserve Ledger which exceeds the Set Off Reserve Required Amount will be paid back by the Issuer to the Seller outside the Priority of Payments. If on any Payment Date, the Seller fails to provide the Set Off Reserve Required Amount (and does not cure such failure within five (5) Business Days after the relevant Payment Date), for as long as the Seller remains as Servicer, a Servicer Termination Event will be triggered.

Insurance and Financed Vehicles

Any credit default (*Ratenschutz*) and purchase price (*Kaufpreisschutz*) insurance payments in respect of any Financed Vehicles or other Loan Collateral form part of the Loan Collateral which has been assigned to the Issuer under the Loan Receivables Purchase Agreement. If the Seller or the Servicer receives any proceeds from property insurances (*Kaskoversicherungen*) or claims from third parties which have damaged any Financed Vehicles as well as claims against the insurer of such third parties which form part of the Loan Collateral, such proceeds will be used to repair such damaged Financed Vehicles. If the relevant damaged Financed Vehicle cannot be repaired, such proceeds will be applied in repayment of the relevant Loan Receivables.

Notification of Assignment

The Obligors will only be notified by the Servicer in respect of the assignment of the Purchased Loan Receivables and related Loan Collateral upon request by the Issuer following the occurrence of an Obligor Notification Event. Should the Servicer fail to notify the Obligors within three (3) Business Days of such request, the Issuer or Wilmington Trust SP Services (Frankfurt) GmbH as an agent of the Issuer that is compatible with the German data protection laws and banking secrecy rules instructed by the Issuer, shall promptly notify the relevant Obligors of the assignment of the Purchased Loan Receivables and related Loan Collateral to the Issuer within five (5) Business Days after the Servicer fails to notify the relevant Obligors.

In addition, at any time after an Obligor Notification Event has occurred or whenever it is necessary to protect the justified interests of the Issuer, the Seller, upon request of the Issuer, will inform any relevant insurance company of the assignment of any insurance claims and procure the issuance of a

security certificate (*Sicherungsschein*) in the Issuer's name. The Issuer is authorised to notify the relevant insurance company of the assignment on behalf of the Seller. Prior to notification, the Obligors will continue to make all payments to the account of the Seller as provided in the relevant Loan Agreement between each Obligor and the Seller and each Obligor will obtain a valid discharge of its payment obligation.

Instalment of new parts or replacement parts in Financed Vehicles

If, after transfer of title to any Financed Vehicle to the Issuer, any new parts or any new replacement parts are installed into such Financed Vehicle and the Seller acquires title to or a co-ownership interest in such parts, the Seller will transfer such title or co-ownership interest by way of security to the Issuer and the Issuer will not be obliged to make any further payments in respect of such parts.

Clean-Up Call

In the circumstances described in Condition 8.3, the Seller may exercise the Clean-Up Call.

2. Servicing Agreement

Pursuant to the Servicing Agreement between the Servicer, the Trustee, the Calculation Agent and the Issuer, the Servicer has the right and obligation to administer the Purchased Loan Receivables and the related Loan Collateral, collect and, if necessary, enforce the Purchased Loan Receivables and enforce the related Loan Collateral and pay all proceeds to the Issuer.

Obligation of the Servicer

The Servicer shall act as agent (*Beauftragter*) of the Issuer under the Servicing Agreement. The duties of the Servicer include the assumption of servicing, collection, administrative and enforcement tasks and specific duties as set out below (the "**Services**"):

- (a) collect any and all amounts payable, from time to time, by the Obligors under or in relation to the Loan Agreements as and when they fall due;
- (b) identify the Collections as either Principal Collection or Interest Collection, or, as the case may be, Recovery Collections;
- (c) endeavour, at the expense of the Issuer, to seek Recovery Collections due from Obligors in accordance with the Credit and Collection Policy;
- (d) keep records in relation to the Purchased Loan Receivables which can be segregated from all other records of the Servicer relating to other receivables made or serviced by such Servicer otherwise;
- (e) keep records for all taxation purposes;
- (f) hold, subject to the German data protection laws and banking secrecy rules and the provisions of the Data Trust Agreement, all records relating to the Purchased Loan Receivables in its possession in trust (*treuhänderisch*) for, and to the order of, the Issuer and co-operate with the Data Trustee, the Trustee or any other party to Transaction 5 Documents to the extent required under or in connection with any of the Transaction 5 Documents;
- (g) release on behalf of the Issuer any Loan Collateral in accordance with its Credit and Collection Policy;
- (h) enforce the Loan Collateral upon a Purchased Loan Receivables becoming a Defaulted Loan Receivable in accordance with the Credit and Collection Policy and apply the enforcement proceeds to the relevant Secured Obligations, and insofar as such enforcement proceeds are applied to Purchased Loan Receivables and constitute Collections, pay such Collections to the Issuer into the Operating Ledger on the same date as the on-payment of the Collections;
- (i) make available Monthly Reports on each Reporting Date to the Issuer with a copy to the Corporate Services Provider, the Calculation Agent and the Trustee;

- (j) assist the Issuer's auditors and provide, subject to the German data protection laws and banking secrecy rules and the provisions of the Data Trust Agreement, information to them upon request;
- (k) promptly notify all Obligor following the occurrence of an Obligor Notification Event, or, if the Servicer fails to deliver such Obligor Notification Event Notice within three (3) Business Days after the Obligor Notification Event, the Issuer shall have the right to instruct a successor Servicer or Wilmington Trust SP Services (Frankfurt) GmbH as an agent of the Issuer that is compatible with the German data protection laws and banking secrecy rules to deliver on its behalf the Obligor Notification Event Notice; and
- (l) on or about each Payment Date update the Portfolio Information as described in the Loan Receivables Purchase Agreement and send the updated Portfolio Information to the Issuer whilst at the same time ensuring that the Decryption Key entrusted to the Data Trustee remains valid and, if not, swiftly provide the Data Trustee with a new Decryption Key.

The Servicer will administer the Portfolio in accordance with its respective standard procedures, set out in its Credit and Collection Policy for the administration and enforcement of its own consumer loans and related collateral, subject to the provisions of the Servicing Agreement and the Loan Receivable Purchase Agreement. In the administration and servicing of the Portfolio, the Servicer will exercise the due care and diligence of a prudent business person (*Sorgfalt eines ordentlichen Kaufmannes*) as if it was administering receivables on its own behalf. The Servicer will ensure that it has all required licences, approvals, authorisations and consents which are necessary or desirable for the performance of its duties under the Servicing Agreement.

Pursuant to the Servicing Agreement, the Servicer shall be authorised to modify the terms of a Purchased Loan Receivable provided that the Servicer may not extend the maturity date of a Purchased Loan Receivable beyond the latest maturity date permitted in the Eligibility Criteria.

Use of Third Parties

The Servicer may delegate and sub-contract its duties in connection with its Services, provided that such third party has all licences required for the performance of the servicing delegated to it, in particular any licences required under the Act on Rendering Legal Services (*Rechtsdienstleistungsgesetz*).

Servicing Expenses and Reimbursement of Enforcement Expenses

As consideration for the performance of the Services pursuant to the Servicing Agreement, the Servicer is entitled to a market standard Servicing Fee as agreed between the Issuer and the Servicer in a separate side letter. The Servicing Fee will be paid by the Issuer in accordance with the applicable Priority of Payments in monthly instalments on each Payment Date with respect to the immediately preceding Collection Period in arrears.

The Servicing Fee will cover any tax including value added tax (if applicable) and all costs, expenses and other disbursements reasonably incurred in connection with the enforcement and servicing of the Performing Loan Receivables and related Loan Collateral as well as the rights and remedies of the Issuer (excluding, for the avoidance of doubt, Defaulted Loan Receivables) and the other Services.

Cash Collection Arrangements

Under the terms of the Servicing Agreement, the Collections received by the Servicer in respect of a Collection Period will be transferred on the Payment Date related to such Collection Period into the Operating Ledger or as otherwise directed by the Issuer or the Trustee. Until such transfer, the Servicer will hold the Collections and any other amount received on trust (*treuhänderisch*) for the Issuer. All payments will be made free of all bank charges and costs as well as any tax for the recipient thereof.

Information and Regular Reporting

The Servicer will use all reasonable endeavours to safely maintain records in relation to each Purchased Loan Receivable in computer readable form. The Servicer will notify the Issuer, the Calculation Agent, the Paying Agent, the Trustee and the Rating Agencies of its intention to adversely change its administrative or operating procedures relating to the keeping and maintaining of records. Any such

adverse change requires, prior to its implementation, the prior written consent of the Issuer. For this purpose, "adverse change" means a material change to the respective administrative or operative procedures that has, or could have, a negative impact on the collectability or enforceability of the Purchased Loan Receivables.

The Servicing Agreement requires the Servicer to furnish on each Reporting Date the Monthly Reports to the Issuer, with a copy to the Corporate Services Provider, the Calculation Agent and the Trustee provided that in any event the German data protection laws and banking secrecy rules shall be observed.

Loan Level Data

Subject to applicable German data protection laws and banking secrecy rules, MBB as Servicer undertakes to the Issuer that it will, as long as the Class A Compartment 5 Notes are outstanding and are intended to be held in a manner which will allow Eurosystem eligibility, make loan level data in such a manner available as may be required to comply with the Eurosystem eligibility criteria (as set out in appendix 8 (loan-level data reporting requirements for asset-backed securities) of the Guideline of the European Central Bank of 20 September 2011 on monetary policy instruments and procedures of the Eurosystem (recast) (ECB/2011/14) as amended and applicable from time to time).

Duty under the Swap Agreement

Under the Servicing Agreement, the Servicer undertakes to the Issuer that it will perform, prepare and submit the relevant reports, confirmations, reconciliation and keep the relevant records as required pursuant to the European Market Infrastructure Regulation (EMIR) and its relevant technical standards.

Termination of Loan Agreements and Enforcement

If an Obligor defaults on a Purchased Loan Receivable, the Servicer will proceed in accordance with the Credit and Collection Policy. The Servicer will abide by the enforcement and realisation procedures as set out in the Loan Receivables Purchase Agreement and the Servicing Agreement in conjunction with the Credit and Collection Policy. If the related Loan Collateral is to be enforced, the Servicer will take such measures as (within the limits of the Credit and Collection Policy) it deems necessary in its professional discretion to realise the related Loan Collateral.

The Servicer will pay the portion of the enforcement proceeds to the Issuer which have been or are to be applied to the Purchased Loan Receivables or to which the Issuer is otherwise entitled in accordance with the Servicing Agreement.

Termination of appointment of the Servicer

Under the Servicing Agreement, the Issuer may at any time after the occurrence of a Servicer Termination Event terminate the appointment of the Servicer and appoint a successor Servicer. Pursuant to the terms of the Servicing Agreement, the Calculation Agent has agreed that it will facilitate the appointment of a suitable entity with all necessary facilities available to act as successor Servicer and will use reasonable efforts to ensure that such entity enters into a successor servicing agreement, the terms of which are similar to the terms of the Servicing Agreement, with the parties to the Servicing Agreement upon receipt of notice by the Servicer of the occurrence of a Servicer Termination Event.

According to the Servicing Agreement, the appointment of the Servicer is, *inter alia*, automatically terminated in the event that the Servicer is Insolvent and such event shall constitute an Obligor Notification Event.

Upon termination of the appointment of the Servicer and pursuant to the provisions of the Servicing Agreement, the Data Trustee shall have to, *inter alia*, at the request of the Issuer, despatch the Decryption Key to any successor Servicer or any agent, and the Issuer shall despatch the encrypted Portfolio Information to any successor Servicer or any agent.

The Servicer is only entitled to resign as Servicer under the Servicing Agreement for good cause (*aus wichtigem Grund*).

The outgoing Servicer and the Issuer will execute such documents and take such actions as the Issuer may require for the purpose of transferring to the successor Servicer the rights and obligations of the

outgoing Servicer, assumption by any successor Servicer of the specific obligations of a successor Servicer under the Servicing Agreement and releasing the outgoing Servicer from its future obligations under the Servicing Agreement. Upon termination of the Servicing Agreement with respect to the Servicer and the appointment of a successor Servicer, the Servicer will transfer to the successor Servicer all records and any and all related material, documentation and information.

Any termination of the appointment of the Servicer or of a successor Servicer will be notified by the Issuer (acting through the Corporate Services Provider) to the Servicer, the Rating Agencies, the Trustee, the Paying Agent, the Interest Determination Agent, the Data Trustee, the Account Bank, the Calculation Agent and the Swap Counterparty.

Set-off against claims of Mercedes-Benz Bank AG

If Mercedes-Benz Bank AG in its capacity as Servicer has breached any of its obligations under the Servicing Agreement and if as a result of such breach the Issuer has a claim for the payment of damages against Mercedes-Benz Bank AG and such indemnification has become due and payable, then the Issuer will be entitled to set off its indemnification claim(s) against all its payment obligations to Mercedes-Benz Bank AG under, *inter alia*, the Subordinated Loan Agreement (entered into by Mercedes-Benz Bank AG in its capacity as Subordinated Lender) or the Loan Receivables Purchase Agreement (entered into by Mercedes-Benz Bank AG in its capacity as Seller).

Commingling Reserve Ledger

Upon the occurrence and continuance of a Commingling Reserve Trigger Event, the Servicer undertakes to remit to the Issuer on the Issue Date and on any relevant Payment Date, as applicable, an amount such that the amount standing to the credit of the Commingling Reserve Ledger is equal to the Commingling Reserve Required Amount as of such date.

On any Payment Date, if any amount standing to the credit of the Commingling Reserve Ledger exceeds the Commingling Reserve Required Amount, the Issuer shall release such excess to the Servicer outside the Priority of Payments. For the avoidance of doubt, any interest accrued on the Commingling Reserve Required Amount shall not constitute Interest Collections.

The remittance of any amounts constituting Commingling Reserve Required Amount by the Servicer shall not discharge the Servicer of its obligations towards the Issuer relating to the transfer of the Collections in accordance with the provisions of the Servicing Agreement.

3. Subordinated Loan Agreement

Pursuant to the Subordinated Loan Agreement, a committed subordinated term loan will be made available to the Issuer by the Subordinated Lender. Pursuant to the terms of the Subordinated Loan Agreement, the Issuer will have to draw all amounts thereunder EUR 10,753,000 on or before the Issue Date which the Issuer will credit to the General Reserve Ledger.

The Subordinated Loan will be repaid in accordance with the applicable Priority of Payments.

All payments of principal and interest payable by the Issuer to the Subordinated Lender will be made free and clear of, and without any withholding or deduction for or, on account of, tax (if any) applicable to the Subordinated Loan 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.

The Subordinated Loan will constitute limited recourse obligations of the Issuer in respect of its Compartment 5. The Subordinated Lender will also agree under the Subordinated Loan Agreement not to take any corporate action or any legal proceedings regarding some or all of the Issuer's revenues or assets, and not to have any right to take any steps for the purpose of obtaining payment of any amounts payable to it under the Subordinated Loan Agreement by the Issuer. All of the Issuer's obligations to the Subordinated Lender will be subordinated to the Issuer's obligations in respect of the Compartment 5 Notes. The claims of the Subordinated Lender will be secured by the Compartment 5 Security, subject to the applicable Priority of Payments. If the net proceeds, resulting from the Compartment 5 Security becoming enforceable in accordance with the Trust Agreement, are not sufficient to pay all

Secured Parties, payments of all other claims ranking in priority to the Subordinated Loan will be made first in accordance with the Post-enforcement Priority of Payment specified in Schedule II to the Trust Agreement and no other assets of the Issuer will be available for payment of any shortfall to the Subordinated Lender. Claims in respect of any such remaining shortfall will be extinguished.

4. Data Trust Agreement

Pursuant to the terms of the Data Trust Agreement, the Seller will deliver to the Data Trustee the Decryption Key relating to the encrypted Portfolio Information received by the Issuer from the Seller under the Loan Receivable Purchase Agreement. The Data Trust Agreement has been structured to comply with the German data protection laws and banking secrecy rules. Pursuant to the Data Trust Agreement, the Data Trustee will keep the Decryption Key in safe custody and will protect it against unauthorised access by third parties.

If an Obligor Notification Event has occurred, pursuant to the Data Trust Agreement the Data Trustee will fully co-operate with the Trustee and the Issuer, any successor Servicer appointed by the Issuer and with agents of the Issuer that are compatible with the German data protection laws and banking secrecy rules. In this event the Data Trustee will also use its best endeavours to ensure, subject always to the German data protection laws and banking secrecy rules, that all information necessary to permit timely Collections from the Obligors, especially the Decryption Key, is at the request of the Issuer duly and swiftly transferred either to the successor Servicer or any agent.

5. Calculation Agency Agreement

Pursuant to the Calculation Agency Agreement, the Calculation Agent will, on behalf of the Issuer, *inter alia*, provide certain information to the Servicer for completion of the Monthly Report and upon receipt of the Monthly Reports provided by the Servicer, according to the Servicing Agreement, verify the plausibility, completeness and consistency of the data contained in the Monthly Reports, verify the Servicer's calculations in respect of Collections and any Repurchase Price and verify the Servicer's calculations in respect of the Pre-enforcement Priority of Payments.

Under the Calculation Agency Agreement, the Calculation Agent has undertaken to the Issuer to make available through the Calculation Agent's website (which is currently located at www.usbank.com/abs) the Monthly Investor Reports and any other post-issuance transaction information, no later than on each Calculation Date. The Monthly Investor Reports shall be based upon information provided in the Monthly Reports by the Servicer in accordance with the Servicing Agreement and will be in a form substantially the same as set out in Schedule 3 of the Calculation Agency Agreement. The Calculation Agent's website does not form part of the information provided for the purposes of this Offering Circular and disclaimers may be posted with respect to the information posted thereon. Registration may be required for access to such website and persons wishing to access the website will be required to certify that they are Compartment 5 Noteholders or any of the other persons referred to above (as the case may be).

The Calculation Agent will only publish the complete Monthly Investor Report (including the data contained in the Monthly Report) if the Servicer has provided the Calculation Agent with the Monthly Report no later than on the relevant Reporting Date. The Calculation Agent will publish the Monthly Investor Report even if it has not received the Monthly Report from the Servicer to the extent possible.

In addition, the Calculation Agent will be performing certain cash management duties on behalf of the Issuer and will provide the payment instructions to the Account Bank to make cash payments due by the Issuer on the respective Payment Date pursuant to the applicable Priority of Payments. The Calculation Agent will further invest surplus moneys standing to the credit of the Issuer Account-C5 in Permitted Investments.

The obligations of the Calculation Agent under the Calculation Agency Agreement shall terminate upon at least thirty (30) Business Days' written notice of termination from the Issuer, the Servicer or the Calculation Agent provided that the Calculation Agent may only terminate the Calculation Agency Agreement for good cause (*aus wichtigem Grund*) including a change of its general business strategy. The Calculation Agent shall notify the Issuer, the Trustee and the Rating Agencies of its intention to terminate the Calculation Agency Agreement.

6. Agency Agreement

Pursuant to the Agency Agreement, the Issuer has appointed the Paying Agent to act as paying agent with respect to the Compartment 5 Notes and to forward payments to be made by the Issuer to the Compartment 5 Noteholders and has appointed the Interest Determination Agent to act as interest determination agent to determine the relevant EURIBOR rate on each Interest Determination Date and provide such figure, *inter alia*, to the Calculation Agent and the Servicer.

The functions, rights and duties of the Paying Agent and the Interest Determination Agent are set out in the Conditions. See "TERMS AND CONDITIONS OF THE COMPARTMENT 5 NOTES".

7. Subscription Agreement

Under the Subscription Agreement entered into by the Issuer, the Joint Lead Managers and Joint Bookrunners, the Managers and the Seller on or about the Signing Date, the Joint Lead Managers and Joint Bookrunners have agreed, subject to certain customary closing conditions, to subscribe, severally not jointly, for the Compartment 5 Notes. See "SUBSCRIPTION AND SALE".

8. Corporate Services Agreement

Pursuant to a Corporate Services Agreement dated 8 November 2005, the Corporate Services Provider provides the Issuer with certain corporate and administrative functions in respect of all Compartments of the Issuer. Such services to the Issuer include, *inter alia*, providing directors of the Issuer, keeping the corporate records, convening director's meetings, providing 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 claims of the Issuer under the Corporate Services Agreement have been transferred to the Trustee for security purposes pursuant to the Trust Agreement. The Corporate Services Agreement is governed by the laws of Luxembourg.

9. Bank Account Agreement

Pursuant to the Bank Account Agreement, the Account Bank is appointed by the Issuer and will act as agent of the Issuer to hold the Issuer Account-C5 for the Issuer in respect of its Compartment 5. During the life of the Transaction 5, the Account Bank shall maintain the Required Rating.

The functions, rights and duties of the Account Bank are set out in the Bank Account Agreement.

Operating Ledger

The Operating Ledger of the Issuer will be maintained with the Account Bank.

The Servicer will forward the monthly Collections with respect to a Collection Period to the Operating Ledger at the latest on the Payment Date.

The Issuer will use the Collections standing to the credit of the Operating Ledger together with the other amounts forming the Available Distribution Amount and will apply those amounts according to the applicable Priority of Payments.

General Reserve Ledger

The General Reserve Ledger of the Issuer will be maintained with the Account Bank.

The amount standing to the credit of the General Reserve Ledger as of the Issue Date will be EUR 10,753,000.

The Issuer will use the amounts standing to the credit of the General Reserve Ledger together with the other amounts forming the Available Distribution Amount and will apply those amounts according to the applicable Priority of Payments.

On each Payment Date, prior to the issuance of an Enforcement Notice, the Issuer will credit to the General Reserve Ledger an amount such that the amount standing to the credit of the General Reserve Ledger is equal to the General Reserve Required Amount, subject to the Available Distribution Amount and in accordance with the Pre-enforcement Priority of Payments.

The amounts standing to the credit of the General Reserve Ledger from time to time will serve as liquidity support for the Class A Compartment 5 Notes throughout the life of the transaction and will eventually serve as credit enhancement to the Compartment 5 Notes.

Set Off Reserve Ledger

The Set Off Reserve Ledger of the Issuer will be maintained with the Account Bank.

On any Payment Date, on which the Set Off Exposure exceeds 0.5 per cent. of the Aggregate Outstanding Loan Principal Amount as of the Cut-Off Date, the Seller shall provide the Issuer with a cash amount such that the amount standing to the credit of the Set Off Reserve Ledger is equal to the Set Off Reserve Required Amount.

The Set Off Exposure is monitored by the Seller on a monthly basis.

On each Payment Date, any amount standing to the credit of the Set Off Reserve Ledger which exceeds the Set Off Reserve Required Amount will be paid back by the Issuer to the Seller outside the Priority of Payments.

Commingling Reserve Ledger

The Commingling Reserve Ledger of the Issuer will be maintained with the Account Bank.

Upon the occurrence and continuance of a Commingling Reserve Trigger Event, the Servicer undertakes to remit to the Issuer on the Issue Date and on any relevant Payment Date, as applicable, an amount such that the amount standing to the credit of the Commingling Reserve Ledger is equal to the Commingling Reserve Required Amount as of such date.

On each Payment Date, any amount standing to the credit of the Commingling Reserve Ledger which exceeds the Commingling Reserve Required Amount will be paid back by the Issuer to the Seller outside the Priority of Payments.

Swap Collateral Ledger

The Swap Collateral Ledger of the Issuer will be maintained with the Account Bank.

If the Swap Counterparty ceases to be an Eligible Swap Counterparty, the Swap Counterparty shall use its reasonable endeavours to take the actions in accordance with the Swap Agreement, including posting eligible collateral into the interest-bearing Swap Collateral Ledger in accordance with the provisions of the Swap Agreement.

The deposit in the Swap Collateral Ledger shall not constitute Collections and shall secure solely the payment obligations of the Swap Counterparty to the Issuer under the Swap Agreement and not any obligations of the Issuer.

On each Payment Date, any amount standing to the credit of the Swap Collateral Ledger which exceeds any required collateral amounts will be paid back by the Issuer to the Swap Counterparty outside the Priority of Payments.

10. Custody Agreement

Pursuant to the Custody Agreement, the Custodian provides certain services in relation to the investment into Permitted Investments in case such investment shall be made in securities. Under the Custody Agreement, the Custodian will establish the Eligible Securities Account and invest, upon instruction of the Calculation Agent on behalf of the Issuer, the amounts standing to the credit of certain Issuer Account-C5 in securities, provided these qualify as Permitted Investments. The Custody Agreement is governed by English law.

11. Swap Agreement

The Issuer has entered into the Swap Agreement. The purpose of the Swap Agreement is to mitigate the interest rate risk of the Issuer arising in connection with the issuance of the Class A Compartment 5 Notes. The Swap Agreement consists of an ISDA Master Agreement, the associated schedule, a confirmation and a credit support annex.

Pursuant to the Swap Agreement entered into by the Issuer and the Swap Counterparty (which shall be an Eligible Swap Counterparty) in relation to the Class A Compartment 5 Notes, the Issuer will pay to the Swap Counterparty on each Payment Date an amount equal to the product of (i) the Swap Notional Amount and (ii) the Swap Fixed Rate and (iii) the Day Count Fraction.

In return, the Swap Counterparty will pay to the Issuer on each Payment Date an amount equal to the product of (i) the Swap Notional Amount and (ii) a rate equal to EURIBOR and (iii) the Day Count Fraction.

The Swap Agreement will be constructed to fulfil the criteria of the Rating Agencies to support the AAA (sf)/ AAA (sf) target rating for the Class A Compartment 5 Notes. The Swap Agreement is governed by English law.

Payments under the Swap Agreement will be exchanged on a net basis on each Payment Date. Payments made by the Issuer under the Swap Agreement (provided that there has been no event of default under the Swap Agreement where the Swap Counterparty is the defaulting party (as defined in the Swap Agreement) and there has been no termination of the transaction under the Swap Agreement due to a termination event relating to the Swap Counterparty's downgrade) rank higher in priority than all payments on the Compartment 5 Notes. If the amounts paid by the Issuer to the Swap Counterparty are insufficient to meet the Issuer's payment obligations under the Swap Agreement, such payments by the Issuer will be used for payments due under the Swap Agreement. Payments by the Swap Counterparty to the Issuer under the Swap Agreement (except for payments by the Swap Counterparty into the Swap Collateral Ledger) will be made into the Operating Ledger and will, to the extent necessary, be increased to ensure that such payments are free and clear of all taxes.

Events of default under the Swap Agreement applicable to the Issuer are limited to, and (among other things) events of default applicable to the Swap Counterparty include, the following:

- (1) failure to make a payment under the Swap Agreement when due, if such failure is not remedied within three (3) Business Days of notice of such failure being given; or
- (2) the occurrence of certain bankruptcy and insolvency events.

Termination events under the Swap Agreement include, among other things, the following:

- (1) illegality of the transactions contemplated by the Swap Agreement;
- (2) either party is required to pay additional amounts under the Swap Agreement due to certain taxes, or has the amount payable to it under the Swap Agreement reduced due to certain taxes, and a transfer to another office or affiliate of the Swap Counterparty that would eliminate the effect of such taxes has not taken place after the time set forth in the Swap Agreement;
- (3) an Enforcement Event under the Trust Agreement occurs or any Clean-Up Call or prepayment in full, but not in part, of the Compartment 5 Notes occurs; or
- (4) failure of the Swap Counterparty to maintain its credit rating at certain levels required by the Swap Agreement, which failure may not constitute a termination event if (in the time set forth in the Swap Agreement) the Swap Counterparty:
 - (i) posts an amount of collateral (in the form of cash and/or securities) as calculated in accordance with the credit support annex to the Swap Agreement; or
 - (ii) obtains a guarantee from an institution with an acceptable rating; or

- (iii) transfers its rights and obligations under the Swap Agreement to a successor Swap Counterparty which is an Eligible Swap Counterparty; or
- (iv) take such other action in order to maintain the rating of the Class A Compartment 5 Notes, or to restore the rating of the Class A Compartment 5 Notes to the level it would have been at immediately prior to such downgrade.

A segregated Swap Collateral Ledger is established with the Account Bank and security created over such account in favour of the Trustee in accordance with provisions in the Bank Account Agreement and the Trust Agreement. Any cash collateral posted to such Swap Collateral Ledger as a result of a ratings downgrade (as referred to in paragraph 4(i) above) shall be monitored on a specific collateral ledger and shall bear interest. Such cash collateral shall be segregated from the Operating Ledger and from the general cash flow of the Issuer and shall not constitute Collections. Collateral posted to such Swap Collateral Ledger is solely for the purposes of, and in connection with, collateralising the Swap Agreement.

Upon the occurrence of any event of default or termination event specified in the Swap Agreement, the non-defaulting party (in case of an event of default) or the party not being regarded as responsible for causing a termination event (pursuant to the provisions of the Swap Agreement) may, after a period of time set forth in the Swap Agreement, elect to terminate such Swap Agreement. If the Swap Agreement is terminated due to an event of default or a termination event, a Swap Termination Payment may be due to the Swap Counterparty by the Issuer out of its available funds. The amount of any such swap termination payment may be based on the actual cost or market quotations of the cost of entering into a similar swap transaction or such other methods as may be required under the Swap Agreement, in each case in accordance with the procedures set forth in the Swap Agreement. Any such Swap Termination Payment could, if market rates or other conditions have changed materially, be substantial. Under certain circumstances, termination payments required to be made by the Issuer to the Swap Counterparty will rank higher in priority than all payments on the Compartment 5 Notes.

The Swap Counterparty may transfer its rights and obligations under the Swap Agreement to a third party which is an Eligible Swap Counterparty.

12. Security Deed

Pursuant to the Security Deed, the Issuer assigns and charges by way of a first fixed charge with full title guarantee to the Trustee as security for the payment and discharge of the Secured Obligations all of the Issuer's right, title, benefit and interest from time to time deriving or accruing from the Swap Agreement, from the Custody Agreement (subject to obtaining any necessary consents to such assignment from any third party) and to and under the Issuer Account-C5 and the Custody Accounts. All rights, benefits and interests granted to or conferred upon the Trustee pursuant to Clause 3.1 and 3.2 of the Security Deed and all other rights, powers and discretions granted to or conferred upon the Trustee under the Security Deed shall be held by the Trustee on trust for the benefit of itself and for the Secured Parties from time to time subject to and in accordance with the Security Deed and the Trust Agreement. The Security Deed is governed by English law.

DESCRIPTION OF THE PORTFOLIO AND OF THE LOAN COLLATERAL

The following is a description of the Portfolio and the Loan Collateral. The Portfolio is not actively managed, and the Purchased Loan Receivables may not be replenished or replaced.

1. Eligibility Criteria

"**Eligibility Criteria**" means, in respect of any Purchased Loan Receivable that is the subject of an Offer:

- (a) such Loan Receivable has been originated by the Seller pursuant to a Loan Agreement in the ordinary course of the Seller's business in compliance with the Credit and Collection Policy;
- (b) the Obligor is not Insolvent;
- (c) the title to each vehicle to which such Loan Receivable relates is held by the Seller as security for the financing of such vehicle pursuant to a Loan Agreement;
- (d) each Loan Receivable has an original term of no longer than 72 months;
- (e) each Loan Receivable has a seasoning above or equal to one month;
- (f) each Obligor to which such Loan Receivable relates is a resident of Germany;
- (g) such Loan Receivable can be validly transferred by way of sale and assignment, such transfer is not subject to any legal or contractual restriction which prevents the valid transfer thereof to the Issuer;
- (h) such Loan Receivable is owned by the Seller free of third party rights, including any set-off rights, any defence, retention or revocation rights of the relevant Obligor;
- (i) such Loan Receivable is not in arrears and not defaulted;
- (j) such Loan Receivable is denominated in euro;
- (k) such Loan Receivable is governed by the laws of Germany;
- (l) such Loan Receivable constitutes the legal, valid and binding obligations of the Obligor(s), enforceable against the Obligor(s) in accordance with its terms;
- (m) such Loan Receivable is amortised on a monthly basis and gives rise to monthly instalment payments, whereby Balloon Loan Receivables may be included in the Portfolio;
- (n) the relevant Obligor is not an employee of Daimler AG or any of its affiliates (i.e. "*Firmenangehörigengeschäft*" is excluded);
- (o) each Loan Receivable bears interest at an interest rate above or equal to 0.5 per cent. and the interest rate applicable to the Loan Receivable is fixed;
- (p) the vehicle under the Loan Agreement has a sale price below or equal to EUR 200,000;
- (q) the monthly instalments are paid by the Obligor through direct debit; and
- (r) such Loan Receivable is not subject to a current account relationship (*Kontokorrentabrede*).

If one or more Loan Receivables did not fulfill the Eligibility Criteria on the Cut-Off Date, the Issuer shall be obliged to repurchase such Loan Receivable at the relevant Repurchase Price on the next Payment Date.

2. Seller Loan Warranties

As of the Purchase Date the Seller represents and warrants the following:

- (a) that all Purchased Loan Receivables comply with the Eligibility Criteria on the Cut-off Date, including that they are valid and enforceable and not subject to any right of revocation, set-off or counter-claim, warranty claims of the Obligors or any other right of objection due to their compliance with all relevant applicable consumer legislation in Germany. Any misrepresentation of the Seller regarding the non-eligibility shall be remedied only in accordance with Clause 12 of the Loan Receivables Purchase Agreement;
- (b) it has not altered the Purchased Loan Receivables' legal existence or otherwise waived, altered or modified any provision in relation to any Loan Receivable, in particular, it has not impaired (*beeinträchtigen*) the Receivables by challenge (*Anfechtung*), termination (*Kündigung*) or any other means, unless made in accordance with the provisions of the Servicing Agreement;
- (c) all information given in respect of the Purchased Loan Receivables including any related Loan Collateral is true and correct in all material aspects, a Loan Agreement identifier therein allows each Purchased Loan Receivable to be identifiable in the Seller's systems and the Financed Vehicle's identification number stated in each of the Loan Agreements or any information or document relating thereto, allows each Financed Vehicle relating to a Loan Receivable to be separately identified; and
- (d) the Seller, in its role as Servicer, will, on behalf of the Issuer, satisfy and provide loan-level data to the European DataWarehouse.

PORTFOLIO CHARACTERISTICS AND HISTORICAL DATA

The portfolio information presented in this Offering Circular is based on the Purchased Loan Receivables as of the Cut-Off Date.

1. Portfolio Characteristics

Cut-Off Date	30/09/2014
Aggregate Outstanding Loan Principal Amount	€ 1,075,299,922.32
Aggregate Original Loan Principal Amount	€ 1,588,602,271
Number of Loans	62,770
Number of Obligors	58,432
Average Outstanding Loan Principal Amount	€ 17,131
Weighted Average Interest Rate	3.70%
Weighted Average Seasoning	16.92 months
Weighted Average Remaining Term	29.36 months
Weighted Average Original Term	47.06 months

Portfolio Information – Distribution by SubPortfolio

Sub Portfolio	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
New Commercial Balloon	264,745,458.98	24.62%	9,773	15.57%
New Commercial Amortizing	207,460,575.69	19.29%	9,715	15.48%
New Private Balloon	178,943,679.40	16.64%	7,353	11.71%
Used Private Balloon	175,626,546.59	16.33%	12,488	19.89%
Used Commercial Balloon	73,258,879.60	6.81%	4,168	6.64%
Used Private Amortizing	69,947,922.35	6.50%	10,038	15.99%
Used Commercial Amortizing	69,393,574.23	6.45%	6,735	10.73%
New Private Amortizing	35,923,285.48	3.34%	2,500	3.98%
Total	1,075,299,922.32	100.00%	62,770	100.00%

Portfolio Information – Distribution by Aggregate Outstanding Loan Principal Amount

Aggregate Outstanding Loan Principal Amount (€)	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
0 < x <= 10,000	122,464,805.32	11.39%	21,582	34.38%
10,000 < x <= 20,000	314,602,283.23	29.26%	21,296	33.93%
20,000 < x <= 30,000	303,746,881.78	28.25%	12,481	19.88%
30,000 < x <= 40,000	142,809,312.27	13.28%	4,199	6.69%
40,000 < x <= 50,000	62,081,890.50	5.77%	1,396	2.22%
50,000 < x <= 60,000	37,102,657.88	3.45%	681	1.08%
60,000 < x <= 70,000	23,323,878.36	2.17%	362	0.58%
70,000 < x <= 80,000	19,108,767.87	1.78%	256	0.41%
80,000 < x <= 90,000	17,677,949.85	1.64%	208	0.33%
90,000 < x <= 100,000	13,222,314.68	1.23%	140	0.22%
100,000 < x <= 110,000	9,194,240.91	0.86%	88	0.14%
110,000 < x <= 120,000	5,049,335.08	0.47%	44	0.07%
120,000 < x <= 130,000	2,346,847.24	0.22%	19	0.03%
130,000 < x <= 140,000	1,349,904.36	0.13%	10	0.02%
> 140,000	1,218,852.99	0.11%	8	0.01%
Total	1,075,299,922.32	100.00%	62,770	100.00%
Max	186,842.94			
Min	1,000.91			
Avg	17,130.79			

Portfolio Information – Distribution by Aggregate Original Loan Principal Amount

Aggregate Original Loan Principal Amount (€)	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
0 < x <= 10,000	45,128,996.62	4.20%	9,506	15.14%
10,000 < x <= 20,000	204,084,203.47	18.98%	19,624	31.26%
20,000 < x <= 30,000	287,851,399.79	26.77%	16,453	26.21%
30,000 < x <= 40,000	222,370,902.23	20.68%	9,415	15.00%
40,000 < x <= 50,000	100,154,642.56	9.31%	3,324	5.30%
50,000 < x <= 60,000	57,331,389.14	5.33%	1,564	2.49%
60,000 < x <= 70,000	29,682,196.59	2.76%	704	1.12%
70,000 < x <= 80,000	21,082,576.65	1.96%	460	0.73%
80,000 < x <= 90,000	22,202,772.42	2.06%	455	0.72%
90,000 < x <= 100,000	24,503,031.91	2.28%	434	0.69%
100,000 < x <= 110,000	22,914,611.98	2.13%	338	0.54%
110,000 < x <= 120,000	18,154,581.36	1.69%	255	0.41%
120,000 < x <= 130,000	9,313,016.97	0.87%	116	0.18%
130,000 < x <= 140,000	5,022,308.71	0.47%	62	0.10%
> 140,000	5,503,291.92	0.51%	60	0.10%
Total	1,075,299,922.32	100.00%	62,770	100.00%
Max	196,907.82			
Min	1,500.00			
Avg	25,308.30			

Portfolio Information – Distribution by Vehicle Type (New/Used)

New / Used Vehicle	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
New	687,072,999.55	63.90%	29,341	46.74%
Used	388,226,922.77	36.10%	33,429	53.26%
Total	1,075,299,922.32	100.00%	62,770	100.00%

Portfolio Information – Distribution by Client Type (Private/Commercial)

Client Type	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
Commercial	614,858,488.50	57.18%	30,391	48.42%
Private	460,441,433.82	42.82%	32,379	51.58%
Total	1,075,299,922.32	100.00%	62,770	100.00%

Portfolio Information – Distribution by Contract Type (Amortising/Balloon)

Amortisation Type	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
Amortising	382,725,357.75	35.59%	28,988	46.18%
Balloon	692,574,564.57	64.41%	33,782	53.82%
Total	1,075,299,922.32	100.00%	62,770	100.00%

Portfolio Information – Distribution by Postcode

Post Code (first digit)	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
0	118,157,933.21	10.99%	6,323	10.07%
1	119,486,270.81	11.11%	6,956	11.08%
2	110,176,309.87	10.25%	6,765	10.78%
3	109,895,539.99	10.22%	6,242	9.94%
4	117,942,252.62	10.97%	7,210	11.49%
5	109,635,353.11	10.20%	6,446	10.27%
6	105,659,478.29	9.83%	6,215	9.90%
7	115,111,225.34	10.71%	6,862	10.93%
8	88,653,441.18	8.24%	5,214	8.31%
9	80,582,117.90	7.49%	4,537	7.23%
Total	1,075,299,922.32	100.00%	62,770	100.00%

Portfolio Information – Distribution by Client Interest Rate

Interest Rate (%)	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
0.50 < x <= 1.00	26,637,693.24	2.48%	1,350	2.15%
1.00 < x <= 1.50	53,521,470.76	4.98%	2,666	4.25%
1.50 < x <= 2.00	80,489,535.12	7.49%	3,747	5.97%
2.00 < x <= 2.50	44,615,185.30	4.15%	1,755	2.80%
2.50 < x <= 3.00	219,868,124.07	20.45%	10,228	16.29%
3.00 < x <= 3.50	49,512,553.36	4.60%	1,342	2.14%
3.50 < x <= 4.00	136,894,962.49	12.73%	7,390	11.77%
4.00 < x <= 4.50	245,519,818.30	22.83%	17,490	27.86%
4.50 < x <= 5.00	72,624,390.03	6.75%	3,850	6.13%
5.00 < x <= 5.50	23,664,346.12	2.20%	1,646	2.62%
5.50 < x <= 6.00	44,782,156.21	4.16%	2,502	3.99%
6.00 < x <= 6.50	57,342,222.85	5.33%	5,623	8.96%
6.50 < x <= 7.00	2,230,241.19	0.21%	263	0.42%
7.00 < x <= 7.50	16,439,311.89	1.53%	2,627	4.19%
> 7.50	1,157,911.39	0.11%	291	0.46%
Total	1,075,299,922.32	100.00%	62,770	100.00%
Max	8.64			
Min	0.50			
Wavg	3.70			

Portfolio Information – Distribution by Original Term

Original Term (months)	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
0 < x <= 12	2,323,783.95	0.22%	338	0.54%
12 < x <= 24	22,656,521.44	2.11%	2,585	4.12%
24 < x <= 36	242,270,923.07	22.53%	18,052	28.76%
36 < x <= 48	621,484,534.44	57.80%	33,805	53.86%
48 < x <= 60	148,863,021.99	13.84%	6,470	10.31%
60 < x <= 72	37,701,137.43	3.51%	1,520	2.42%
Total	1,075,299,922.32	100.00%	62,770	100.00%
Max	72.00			
Min	5.00			
Wavg	47.06			

Portfolio Information – Distribution by Remaining Term

Remaining Term (months)	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
0 < x <= 12	151,291,045.51	14.07%	14,090	22.45%
12 < x <= 24	249,423,413.57	23.20%	17,427	27.76%
24 < x <= 36	309,949,618.63	28.82%	16,925	26.96%
36 < x <= 48	277,832,948.96	25.84%	11,499	18.32%
48 < x <= 60	77,159,965.39	7.18%	2,626	4.18%
60 < x <= 72	9,642,930.26	0.90%	203	0.32%
Total	1,075,299,922.32	100.00%	62,770	100.00%
Max	70.00			
Min	1.00			
Wavg	29.36			

Portfolio Information – Distribution by Seasoning

Seasoning (months)	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
0 < x <= 12	502,981,586.98	46.78%	24,562	39.13%
12 < x <= 24	282,358,487.13	26.26%	17,010	27.10%
24 < x <= 36	199,352,161.53	18.54%	13,725	21.87%
36 < x <= 48	83,485,440.79	7.76%	6,520	10.39%
48 < x <= 60	6,075,678.71	0.57%	774	1.23%
60 < x <= 72	1,046,567.18	0.10%	179	0.29%
Total	1,075,299,922.32	100.00%	62,770	100.00%
Max	71.00			
Min	2.00			
Wavg	16.92			

Portfolio Information – Distribution by Vehicle Type

Vehicle Type	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
Car (MB)	598,886,236.22	55.69%	37,670	60.01%
Van	290,168,982.70	26.98%	17,302	27.56%
Truck	164,310,335.96	15.28%	4,219	6.72%
Car (Smart)	18,553,251.14	1.73%	3,500	5.58%
Bus	3,381,116.30	0.31%	79	0.13%
Total	1,075,299,922.32	100.00%	62,770	100.00%

Portfolio Information – Top 20 Obligators

Top 20 Obligators	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
Top 1	327,852.50	0.03%	4	0.01%
Top 2	326,906.61	0.03%	4	0.01%
Top 3	285,262.93	0.03%	3	0.00%
Top 4	284,359.94	0.03%	4	0.01%
Top 5	275,698.89	0.03%	3	0.00%
Top 6	248,089.25	0.02%	4	0.01%
Top 7	245,619.21	0.02%	8	0.01%
Top 8	243,261.08	0.02%	3	0.00%
Top 9	242,192.68	0.02%	2	0.00%
Top 10	242,018.35	0.02%	4	0.01%
Top 11	240,738.86	0.02%	2	0.00%
Top 12	238,336.54	0.02%	2	0.00%
Top 13	234,128.33	0.02%	3	0.00%
Top 14	228,816.03	0.02%	3	0.00%
Top 15	224,990.07	0.02%	5	0.01%
Top 16	223,622.01	0.02%	4	0.01%
Top 17	223,377.58	0.02%	2	0.00%
Top 18	221,064.27	0.02%	3	0.00%
Top 19	219,813.90	0.02%	2	0.00%
Top 20	219,661.52	0.02%	3	0.00%
Total	4,995,810.55	0.46%	68	0.11%

Portfolio Information – Distribution by Monthly Instalment

0 < x <= 250	160,257,094.04	14.90%	17,017	27.11%
250 < x <= 500	435,004,286.55	40.45%	27,464	43.75%
500 < x <= 750	226,941,151.63	21.10%	11,114	17.71%
750 < x <= 1,000	82,132,752.26	7.64%	3,245	5.17%
1,000 < x <= 1,250	43,540,700.91	4.05%	1,380	2.20%
1,250 < x <= 1,500	37,837,557.73	3.52%	875	1.39%
1,500 < x <= 1,750	30,008,400.10	2.79%	605	0.96%
1,750 < x <= 2,000	23,835,972.90	2.22%	432	0.69%
2,000 < x <= 2,250	15,732,047.54	1.46%	304	0.48%
2,250 < x <= 2,500	9,594,238.66	0.89%	146	0.23%
> 2500	10,415,720.00	0.97%	188	0.30%
Total	1,075,299,922.32	100.00%	62,770	100.00%
Max	9,012.36			
Min	10.97			
Wavg	632.17			

Portfolio Information – Distribution by Balloon as Percentage of Vehicle Sale Price (Balloon Loans only)

Balloon / Purchase Price (%)	Aggregate Outstanding Loan Principal Amount (€)	%	Number of Loans	%
0 < x <= 10	8,285,110.68	1.20%	520	1.54%
10 < x <= 20	40,375,494.75	5.83%	2,449	7.25%
20 < x <= 30	85,689,561.09	12.37%	4,618	13.67%
30 < x <= 40	253,715,304.33	36.63%	12,369	36.61%
40 < x <= 50	238,070,523.85	34.37%	11,337	33.56%
50 < x <= 60	66,438,569.87	9.59%	2,489	7.37%
Total	692,574,564.57	100.00%	33,782	100.00%
Max	60.00			
Wavg	37.94			

Amortisation Schedule

Period Number	Determination Date	Aggregate Outstanding Loan Principal Amount	Pool factor in %
0	30/09/2014	1,075,299,922.32	100.00%
1	31/10/2014	1,044,037,035.45	97.09%
2	30/11/2014	1,011,761,577.99	94.09%
3	31/12/2014	981,755,510.07	91.30%
4	31/01/2015	951,997,328.31	88.53%
5	28/02/2015	920,653,399.39	85.62%
6	31/03/2015	888,085,195.63	82.59%
7	30/04/2015	855,650,423.01	79.57%
8	31/05/2015	821,180,669.91	76.37%
9	30/06/2015	785,315,472.06	73.03%
10	31/07/2015	753,619,627.94	70.08%
11	31/08/2015	723,153,934.65	67.25%
12	30/09/2015	693,158,819.62	64.46%
13	31/10/2015	663,625,083.93	61.72%
14	30/11/2015	632,397,169.18	58.81%
15	31/12/2015	605,391,996.86	56.30%
16	31/01/2016	581,601,094.15	54.09%
17	29/02/2016	556,826,792.27	51.78%
18	31/03/2016	530,783,140.34	49.36%
19	30/04/2016	505,035,318.70	46.97%
20	31/05/2016	477,732,927.16	44.43%
21	30/06/2016	451,335,913.29	41.97%
22	31/07/2016	426,148,667.14	39.63%
23	31/08/2016	402,148,771.04	37.40%
24	30/09/2016	377,999,673.78	35.15%
25	31/10/2016	353,586,887.48	32.88%
26	30/11/2016	329,176,645.15	30.61%
27	31/12/2016	307,882,365.01	28.63%
28	31/01/2017	288,998,478.13	26.88%
29	28/02/2017	268,618,148.59	24.98%
30	31/03/2017	248,414,372.62	23.10%
31	30/04/2017	229,672,105.57	21.36%
32	31/05/2017	209,694,509.52	19.50%
33	30/06/2017	192,977,515.96	17.95%
34	31/07/2017	178,020,793.51	16.56%
35	31/08/2017	163,653,957.79	15.22%
36	30/09/2017	150,073,758.97	13.96%
37	31/10/2017	134,643,585.02	12.52%
38	30/11/2017	118,686,622.88	11.04%
39	31/12/2017	104,918,074.97	9.76%
40	31/01/2018	93,222,354.73	8.67%
41	28/02/2018	80,444,368.78	7.48%
42	31/03/2018	66,811,144.45	6.21%
43	30/04/2018	54,553,170.50	5.07%
44	31/05/2018	41,283,033.63	3.84%
45	30/06/2018	29,673,910.53	2.76%
46	31/07/2018	25,650,655.06	2.39%
47	31/08/2018	23,468,260.19	2.18%
48	30/09/2018	21,549,563.61	2.00%
49	31/10/2018	19,656,095.82	1.83%
50	30/11/2018	17,791,868.71	1.65%
51	31/12/2018	16,032,242.05	1.49%
52	31/01/2019	13,850,639.27	1.29%
53	28/02/2019	11,704,690.07	1.09%
54	31/03/2019	9,482,779.62	0.88%
55	30/04/2019	7,441,757.23	0.69%
56	31/05/2019	4,930,203.04	0.46%
57	30/06/2019	2,965,033.65	0.28%
58	31/07/2019	2,152,879.44	0.20%
59	31/08/2019	1,922,250.95	0.18%
60	30/09/2019	1,684,432.34	0.16%
61	31/10/2019	1,477,707.53	0.14%
62	30/11/2019	1,251,332.40	0.12%
63	31/12/2019	1,003,145.10	0.09%
64	31/01/2020	821,088.49	0.08%
65	29/02/2020	588,150.11	0.05%
66	31/03/2020	425,286.24	0.04%
67	30/04/2020	265,801.37	0.02%
68	31/05/2020	155,736.63	0.01%
69	30/06/2020	28,307.03	0.00%
70	31/07/2020	0	0.00%

2. Historical performance data

The historical performance data set out hereafter relate to the portfolio of auto loan receivables granted by the Seller to retail (includes private and commercial but not corporate) borrowers, with and without a final balloon instalment, relating to used or new vehicles. Loans to employees (i.e. "Firmenangehörigeschäft") have been excluded from the historical performance data.

In each of the tables below, "Q1" refers to the period from 1 January to 31 March, "Q2" refers to the period from 1 April to 30 June, "Q3" refers to the period from 1 July to 30 September and "Q4" refers to the period from 1 October to 31 December.

The tables below were prepared on the basis of the internal records of the Seller.

There can be no assurance that the future experience and performance of the Purchased Loan Receivables will be similar to the historical performance set out in the tables below.

Production

Quarterly production – Total portfolio

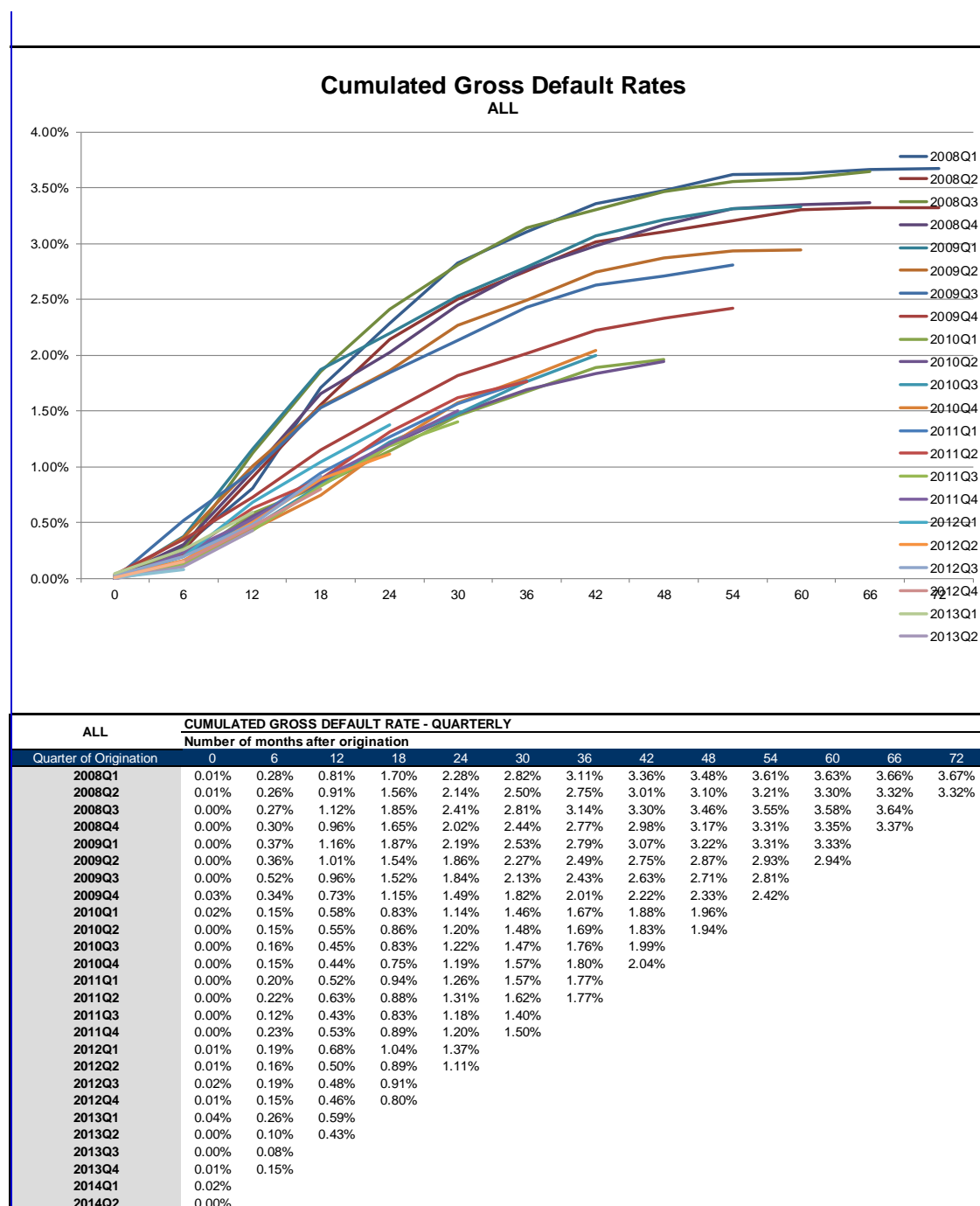
Quarter of Origination	Originated Amount (€)
2008Q1	541,495,657
2008Q2	614,780,420
2008Q3	592,965,257
2008Q4	639,785,088
2009Q1	522,541,858
2009Q2	535,797,060
2009Q3	531,037,501
2009Q4	576,797,634
2010Q1	437,777,477
2010Q2	540,296,440
2010Q3	560,772,674
2010Q4	615,038,380
2011Q1	534,519,112
2011Q2	803,668,294
2011Q3	757,133,168
2011Q4	775,206,201
2012Q1	553,616,247
2012Q2	671,226,516
2012Q3	643,601,656
2012Q4	642,411,389
2013Q1	529,453,643
2013Q2	635,553,405
2013Q3	636,570,161
2013Q4	705,738,898
2014Q1	642,524,385
2014Q2	672,951,397

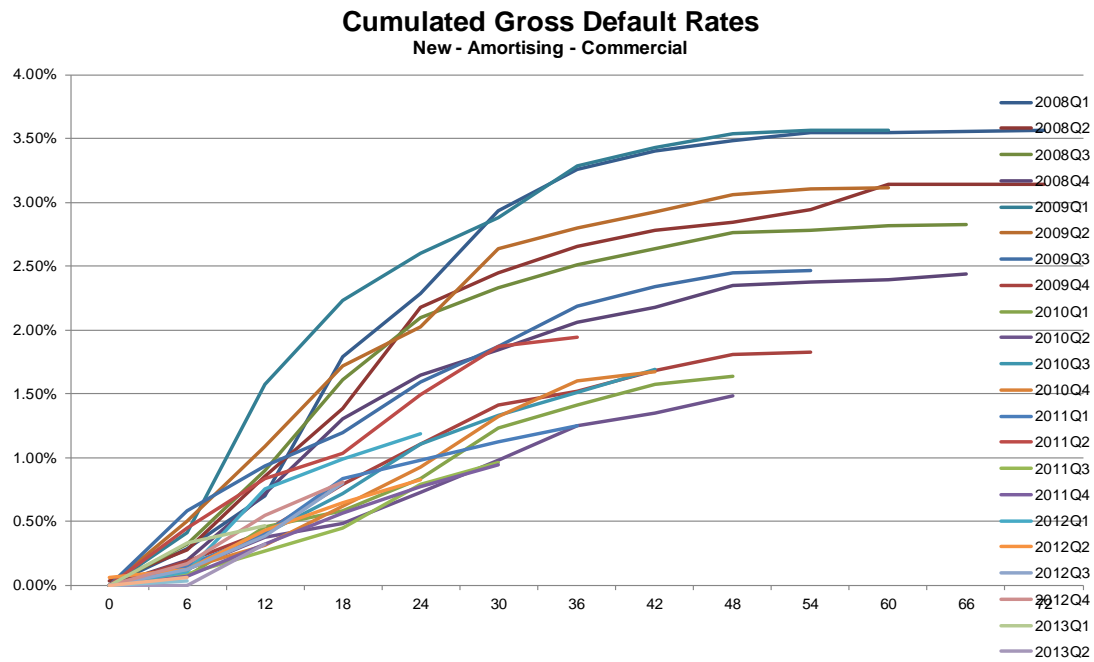
Gross default rates

For a generation of originated loans (being all loans originated during the same quarter), the cumulative gross default rate in respect of a month is calculated as the ratio of:

- (i) the cumulative defaulted amount recorded between the quarter when such loans were originated and the relevant month, to
- (ii) the initial outstanding amount of such loans.

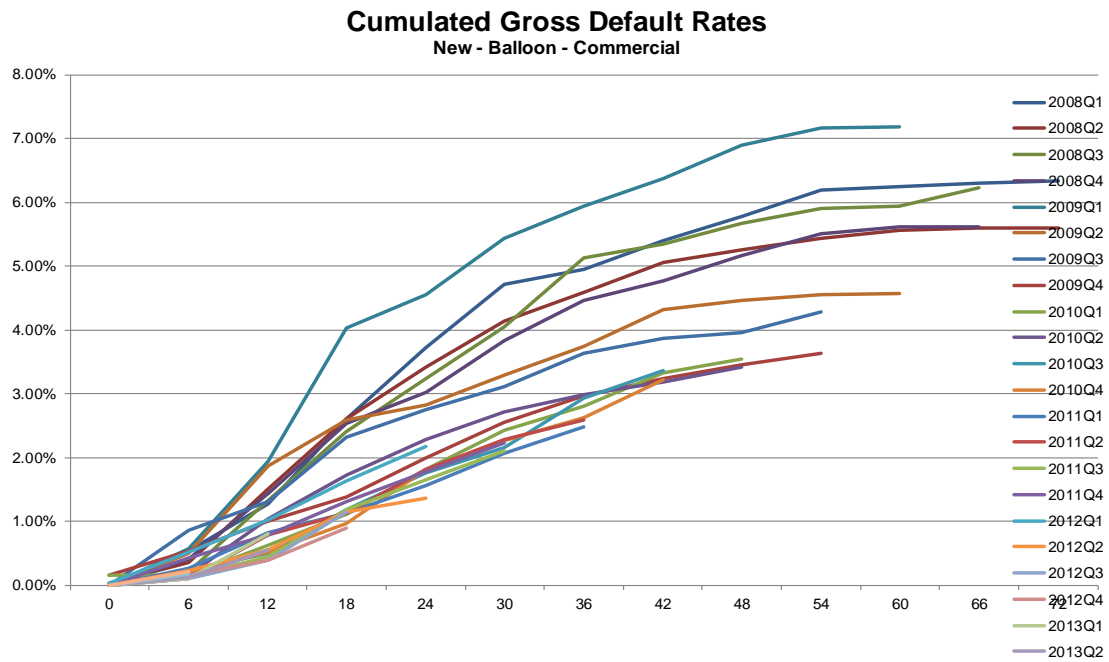
Cumulative gross default rate - Total portfolio





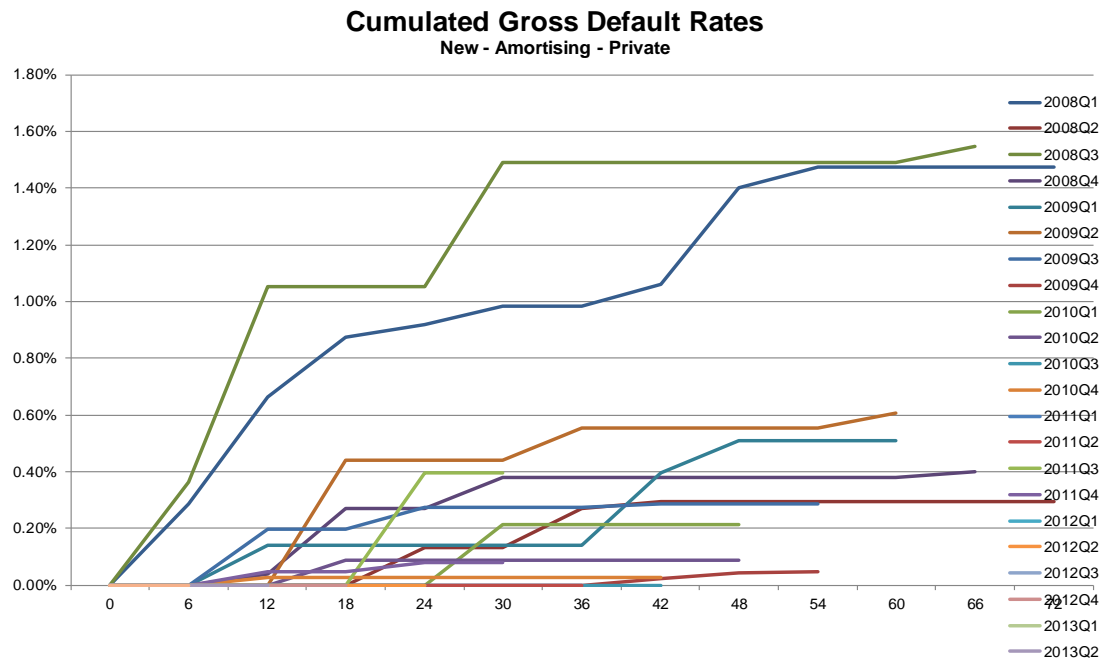
New - Amortising - Commercial Quarter of Origination	CUMULATED GROSS DEFAULT RATE - QUARTERLY												
	Number of months after origination												
	0	6	12	18	24	30	36	42	48	54	60	66	72
2008Q1	0.00%	0.28%	0.70%	1.79%	2.28%	2.93%	3.26%	3.40%	3.48%	3.55%	3.55%	3.55%	3.56%
2008Q2	0.03%	0.28%	0.85%	1.38%	2.18%	2.45%	2.65%	2.78%	2.84%	2.94%	3.14%	3.14%	3.14%
2008Q3	0.00%	0.32%	0.90%	1.61%	2.09%	2.33%	2.51%	2.64%	2.77%	2.78%	2.82%	2.82%	
2008Q4	0.00%	0.20%	0.71%	1.30%	1.64%	1.84%	2.06%	2.18%	2.34%	2.38%	2.39%	2.43%	
2009Q1	0.00%	0.41%	1.57%	2.23%	2.60%	2.88%	3.29%	3.43%	3.54%	3.57%	3.57%		
2009Q2	0.00%	0.50%	1.08%	1.72%	2.02%	2.64%	2.80%	2.93%	3.06%	3.10%	3.11%		
2009Q3	0.00%	0.58%	0.94%	1.19%	1.59%	1.87%	2.18%	2.34%	2.45%	2.47%			
2009Q4	0.00%	0.19%	0.42%	0.79%	1.10%	1.41%	1.52%	1.68%	1.81%	1.82%			
2010Q1	0.00%	0.07%	0.46%	0.58%	0.84%	1.23%	1.41%	1.57%	1.64%				
2010Q2	0.00%	0.12%	0.38%	0.48%	0.72%	0.98%	1.25%	1.34%	1.48%				
2010Q3	0.00%	0.15%	0.41%	0.71%	1.10%	1.33%	1.51%	1.69%					
2010Q4	0.00%	0.13%	0.31%	0.62%	0.92%	1.32%	1.60%	1.67%					
2011Q1	0.00%	0.15%	0.40%	0.84%	0.98%	1.12%	1.25%						
2011Q2	0.00%	0.44%	0.84%	1.03%	1.49%	1.87%	1.94%						
2011Q3	0.00%	0.09%	0.27%	0.44%	0.78%	0.96%							
2011Q4	0.00%	0.07%	0.32%	0.56%	0.77%	0.94%							
2012Q1	0.00%	0.10%	0.76%	0.99%	1.19%								
2012Q2	0.06%	0.13%	0.43%	0.65%	0.82%								
2012Q3	0.00%	0.12%	0.38%	0.80%									
2012Q4	0.00%	0.17%	0.54%	0.80%									
2013Q1	0.00%	0.33%	0.47%										
2013Q2	0.00%	0.00%	0.32%										
2013Q3	0.00%	0.03%											
2013Q4	0.00%	0.06%											
2014Q1	0.00%												
2014Q2	0.00%												

Cumulative gross default rate - New vehicles / Balloon loans/ Commercial retail customer



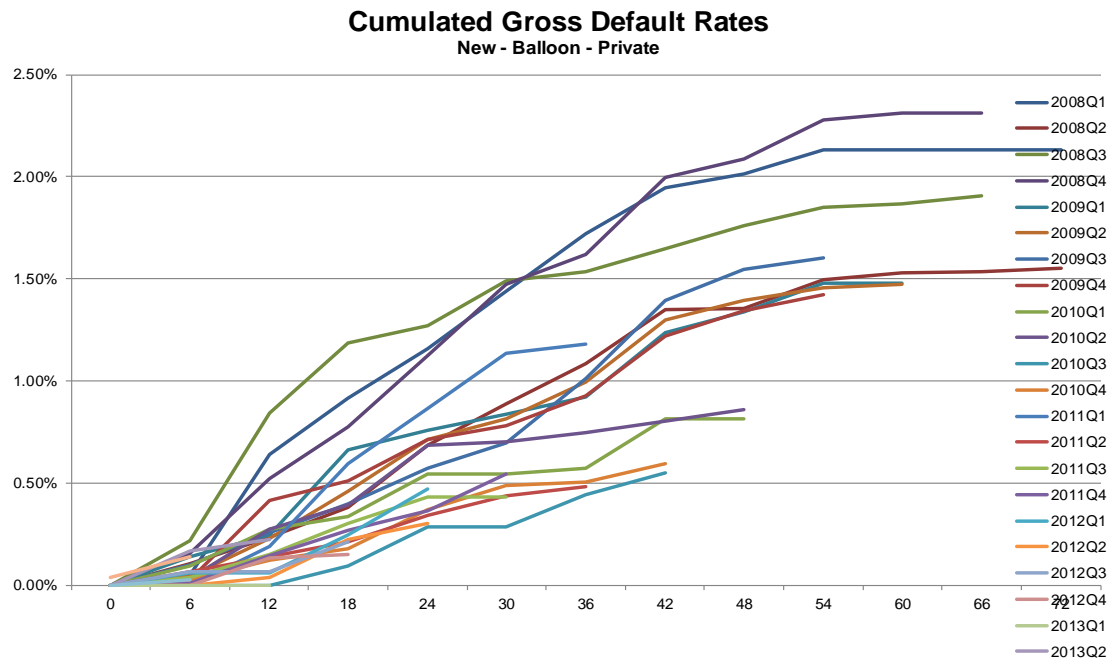
New - Balloon - Commercial	CUMULATED GROSS DEFAULT RATE - QUARTERLY												
	Quarter of Origination	Number of months after origination											
	0	6	12	18	24	30	36	42	48	54	60	66	72
2008Q1	0.00%	0.54%	1.27%	2.60%	3.71%	4.71%	4.94%	5.40%	5.78%	6.19%	6.24%	6.30%	6.33%
2008Q2	0.02%	0.35%	1.50%	2.60%	3.42%	4.13%	4.58%	5.05%	5.26%	5.44%	5.57%	5.59%	5.59%
2008Q3	0.00%	0.20%	1.32%	2.41%	3.23%	4.04%	5.12%	5.34%	5.68%	5.90%	5.95%	6.22%	
2008Q4	0.00%	0.41%	1.43%	2.53%	3.02%	3.82%	4.45%	4.76%	5.17%	5.51%	5.61%	5.62%	
2009Q1	0.00%	0.57%	1.94%	4.02%	4.55%	5.44%	5.93%	6.37%	6.89%	7.15%	7.19%		
2009Q2	0.00%	0.50%	1.87%	2.59%	2.83%	3.29%	3.73%	4.31%	4.45%	4.56%	4.56%		
2009Q3	0.00%	0.86%	1.30%	2.31%	2.75%	3.12%	3.63%	3.86%	3.96%	4.28%			
2009Q4	0.15%	0.53%	0.99%	1.38%	1.99%	2.56%	2.96%	3.24%	3.45%	3.64%			
2010Q1	0.15%	0.15%	0.62%	1.10%	1.82%	2.43%	2.80%	3.32%	3.55%				
2010Q2	0.00%	0.15%	1.04%	1.71%	2.27%	2.72%	2.99%	3.19%	3.41%				
2010Q3	0.00%	0.22%	0.50%	1.18%	1.75%	2.16%	2.92%	3.35%					
2010Q4	0.00%	0.21%	0.51%	0.96%	1.81%	2.27%	2.62%	3.22%					
2011Q1	0.00%	0.26%	0.82%	1.12%	1.56%	2.05%	2.48%						
2011Q2	0.00%	0.10%	0.79%	1.13%	1.80%	2.27%	2.59%						
2011Q3	0.00%	0.14%	0.44%	1.19%	1.64%	2.11%							
2011Q4	0.00%	0.43%	0.79%	1.31%	1.78%	2.22%							
2012Q1	0.02%	0.51%	1.01%	1.63%	2.17%								
2012Q2	0.00%	0.23%	0.55%	1.14%	1.35%								
2012Q3	0.00%	0.11%	0.39%	1.14%									
2012Q4	0.00%	0.15%	0.38%	0.88%									
2013Q1	0.00%	0.10%	0.80%										
2013Q2	0.00%	0.12%	0.55%										
2013Q3	0.00%	0.18%											
2013Q4	0.00%	0.20%											
2014Q1	0.10%												
2014Q2	0.00%												

Cumulative gross default rate - New vehicles / Amortising loans/ Private retail customer



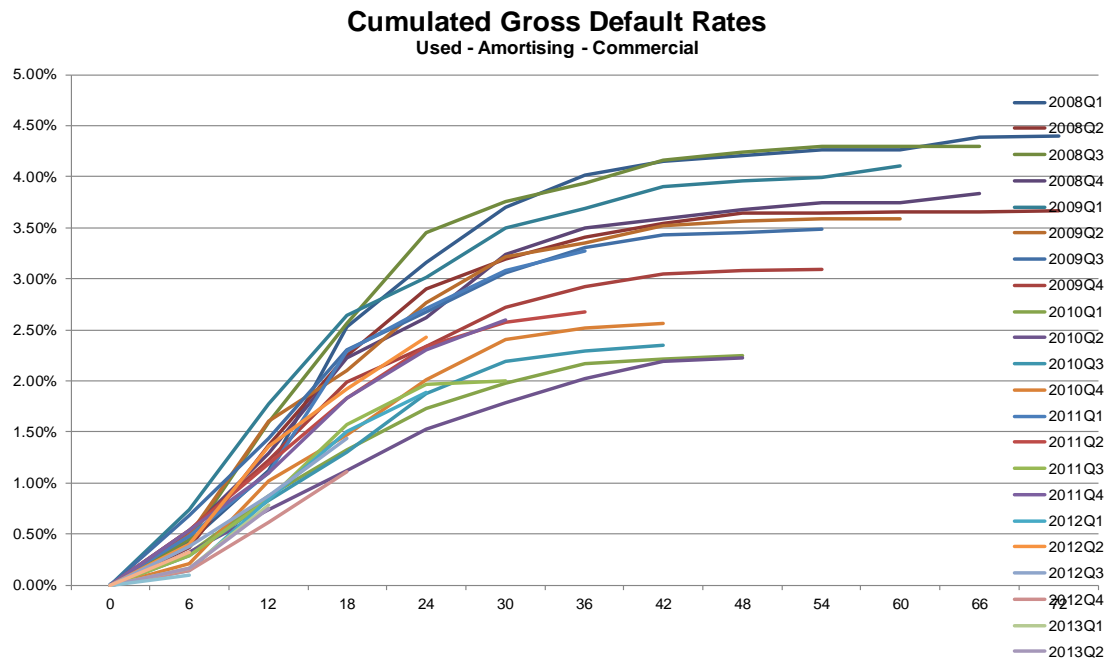
New - Amortising - Private Quarter of Origination	CUMULATED GROSS DEFAULT RATE - QUARTERLY													
	Number of months after origination													
	0	6	12	18	24	30	36	42	48	54	60	66	72	
2008Q1	0.00%	0.29%	0.66%	0.87%	0.92%	0.98%	0.98%	1.06%	1.40%	1.47%	1.47%	1.47%	1.47%	
2008Q2	0.00%	0.00%	0.00%	0.00%	0.13%	0.13%	0.27%	0.29%	0.29%	0.29%	0.29%	0.29%	0.29%	
2008Q3	0.00%	0.36%	1.05%	1.05%	1.05%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.49%	1.55%	
2008Q4	0.00%	0.00%	0.04%	0.27%	0.27%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.38%	0.40%	
2009Q1	0.00%	0.00%	0.14%	0.14%	0.14%	0.14%	0.14%	0.39%	0.51%	0.51%	0.51%	0.51%		
2009Q2	0.00%	0.00%	0.00%	0.44%	0.44%	0.44%	0.55%	0.55%	0.55%	0.55%	0.60%			
2009Q3	0.00%	0.00%	0.20%	0.20%	0.27%	0.27%	0.27%	0.29%	0.29%	0.29%	0.29%			
2009Q4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.04%	0.05%				
2010Q1	0.00%	0.00%	0.00%	0.00%	0.00%	0.21%	0.21%	0.21%	0.21%					
2010Q2	0.00%	0.00%	0.00%	0.09%	0.09%	0.09%	0.09%	0.09%	0.09%					
2010Q3	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%						
2010Q4	0.00%	0.00%	0.03%	0.03%	0.03%	0.03%	0.03%	0.03%						
2011Q1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							
2011Q2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							
2011Q3	0.00%	0.00%	0.00%	0.00%	0.39%	0.39%								
2011Q4	0.00%	0.00%	0.05%	0.05%	0.08%	0.08%								
2012Q1	0.00%	0.00%	0.00%	0.00%	0.00%									
2012Q2	0.00%	0.00%	0.00%	0.00%	0.00%									
2012Q3	0.00%	0.00%	0.00%	0.00%										
2012Q4	0.00%	0.00%	0.00%	0.00%										
2013Q1	0.00%	0.00%	0.00%											
2013Q2	0.00%	0.00%	0.00%											
2013Q3	0.00%	0.00%												
2013Q4	0.00%	0.00%												
2014Q1	0.00%													
2014Q2	0.00%													

Cumulative gross default rate - New vehicles / Balloon loans/ Private retail customer



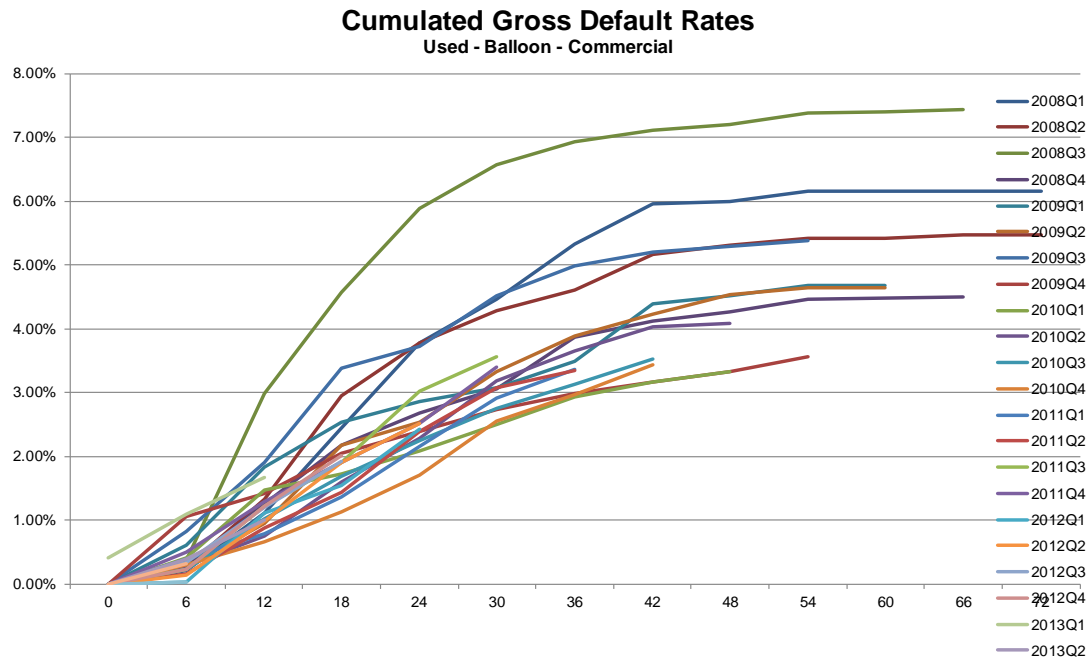
New - Balloon - Private	CUMULATED GROSS DEFAULT RATE - QUARTERLY												
	Number of months after origination												
Quarter of Origination	0	6	12	18	24	30	36	42	48	54	60	66	72
2008Q1	0.00%	0.05%	0.64%	0.92%	1.16%	1.44%	1.72%	1.94%	2.01%	2.13%	2.13%	2.13%	2.13%
2008Q2	0.00%	0.11%	0.24%	0.38%	0.68%	0.89%	1.08%	1.35%	1.36%	1.50%	1.53%	1.53%	1.55%
2008Q3	0.00%	0.22%	0.84%	1.18%	1.27%	1.49%	1.54%	1.65%	1.76%	1.85%	1.87%	1.91%	
2008Q4	0.00%	0.15%	0.52%	0.77%	1.12%	1.47%	1.62%	2.00%	2.09%	2.28%	2.31%	2.31%	
2009Q1	0.00%	0.14%	0.24%	0.66%	0.76%	0.83%	0.92%	1.23%	1.34%	1.48%	1.48%		
2009Q2	0.00%	0.04%	0.23%	0.46%	0.71%	0.81%	1.00%	1.30%	1.39%	1.46%	1.47%		
2009Q3	0.00%	0.10%	0.25%	0.40%	0.57%	0.70%	1.01%	1.39%	1.54%	1.60%			
2009Q4	0.00%	0.02%	0.41%	0.51%	0.71%	0.78%	0.93%	1.22%	1.34%	1.42%			
2010Q1	0.00%	0.09%	0.27%	0.34%	0.54%	0.54%	0.57%	0.81%	0.81%				
2010Q2	0.00%	0.03%	0.27%	0.39%	0.68%	0.70%	0.75%	0.80%	0.86%				
2010Q3	0.00%	0.00%	0.00%	0.09%	0.29%	0.29%	0.44%	0.55%					
2010Q4	0.00%	0.03%	0.12%	0.18%	0.37%	0.49%	0.50%	0.59%					
2011Q1	0.00%	0.00%	0.19%	0.59%	0.87%	1.13%	1.18%						
2011Q2	0.00%	0.06%	0.14%	0.21%	0.34%	0.44%	0.48%						
2011Q3	0.00%	0.04%	0.15%	0.30%	0.43%	0.43%							
2011Q4	0.00%	0.01%	0.15%	0.27%	0.36%	0.54%							
2012Q1	0.00%	0.06%	0.06%	0.25%	0.47%								
2012Q2	0.00%	0.00%	0.03%	0.22%	0.30%								
2012Q3	0.00%	0.06%	0.06%	0.21%									
2012Q4	0.00%	0.00%	0.13%	0.15%									
2013Q1	0.00%	0.00%	0.00%										
2013Q2	0.00%	0.17%	0.22%										
2013Q3	0.00%	0.02%											
2013Q4	0.04%	0.14%											
2014Q1	0.00%												
2014Q2	0.00%												

Cumulative gross default rate - Used vehicles / Amortising loans/ Commercial retail customer



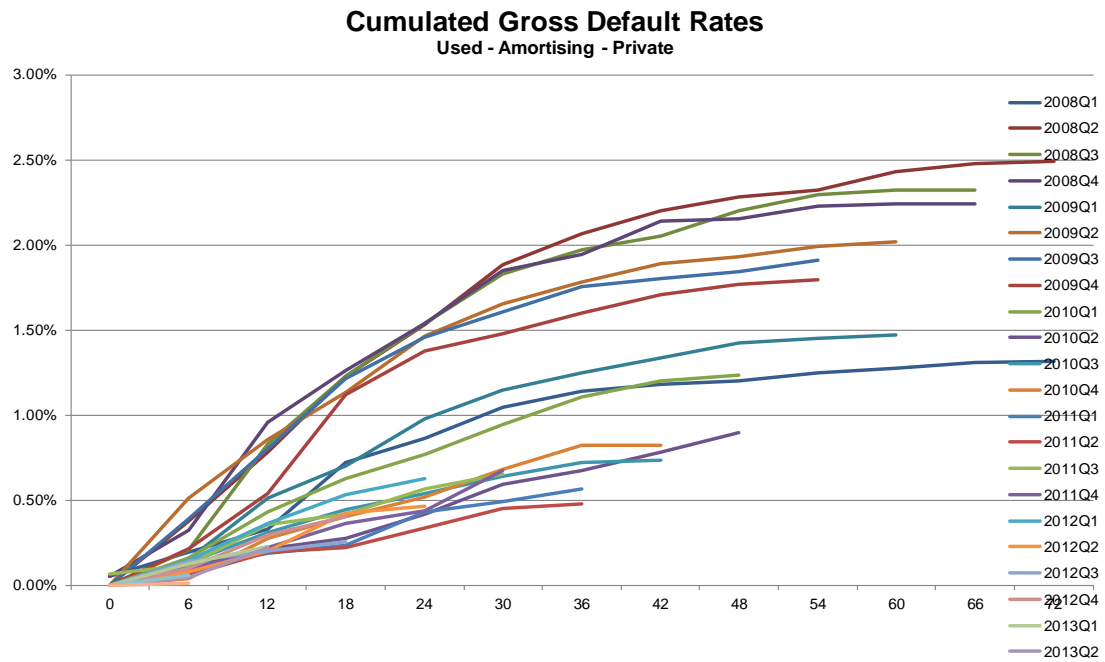
Used - Amortising - Commercial	CUMULATED GROSS DEFAULT RATE - QUARTERLY												
	Quarter of Origination	0	6	12	18	24	30	36	42	48	54	60	66
2008Q1	0.00%	0.42%	1.12%	2.53%	3.16%	3.70%	4.01%	4.15%	4.21%	4.26%	4.27%	4.39%	4.40%
2008Q2	0.00%	0.37%	1.37%	2.24%	2.90%	3.19%	3.41%	3.54%	3.64%	3.64%	3.65%	3.65%	3.67%
2008Q3	0.00%	0.44%	1.59%	2.57%	3.45%	3.75%	3.94%	4.16%	4.24%	4.29%	4.29%	4.30%	
2008Q4	0.00%	0.52%	1.29%	2.22%	2.62%	3.23%	3.49%	3.59%	3.67%	3.74%	3.74%	3.83%	
2009Q1	0.00%	0.73%	1.78%	2.64%	3.01%	3.50%	3.68%	3.90%	3.96%	3.99%	4.10%		
2009Q2	0.00%	0.49%	1.61%	2.10%	2.76%	3.22%	3.35%	3.52%	3.56%	3.58%	3.59%		
2009Q3	0.00%	0.69%	1.43%	2.30%	2.67%	3.06%	3.30%	3.43%	3.45%	3.48%			
2009Q4	0.00%	0.54%	1.22%	1.98%	2.33%	2.72%	2.93%	3.04%	3.08%	3.09%			
2010Q1	0.00%	0.31%	0.87%	1.33%	1.72%	1.98%	2.16%	2.22%	2.25%				
2010Q2	0.00%	0.32%	0.74%	1.12%	1.52%	1.78%	2.02%	2.19%	2.22%				
2010Q3	0.00%	0.29%	0.83%	1.30%	1.87%	2.19%	2.29%	2.35%					
2010Q4	0.00%	0.21%	1.02%	1.47%	2.01%	2.40%	2.52%	2.56%					
2011Q1	0.01%	0.48%	1.10%	2.29%	2.70%	3.08%	3.27%						
2011Q2	0.00%	0.53%	1.19%	1.83%	2.34%	2.57%	2.68%						
2011Q3	0.00%	0.29%	0.84%	1.57%	1.97%	2.00%							
2011Q4	0.00%	0.54%	1.09%	1.83%	2.30%	2.60%							
2012Q1	0.00%	0.14%	0.84%	1.51%	1.88%								
2012Q2	0.00%	0.40%	1.35%	1.92%	2.43%								
2012Q3	0.00%	0.37%	0.87%	1.44%									
2012Q4	0.00%	0.14%	0.61%	1.11%									
2013Q1	0.00%	0.17%	0.78%										
2013Q2	0.00%	0.16%	0.75%										
2013Q3	0.00%	0.09%											
2013Q4	0.00%	0.33%											
2014Q1	0.00%												
2014Q2	0.00%												

Cumulative gross default rate - Used vehicles / Balloon loans/ Commercial retail customer



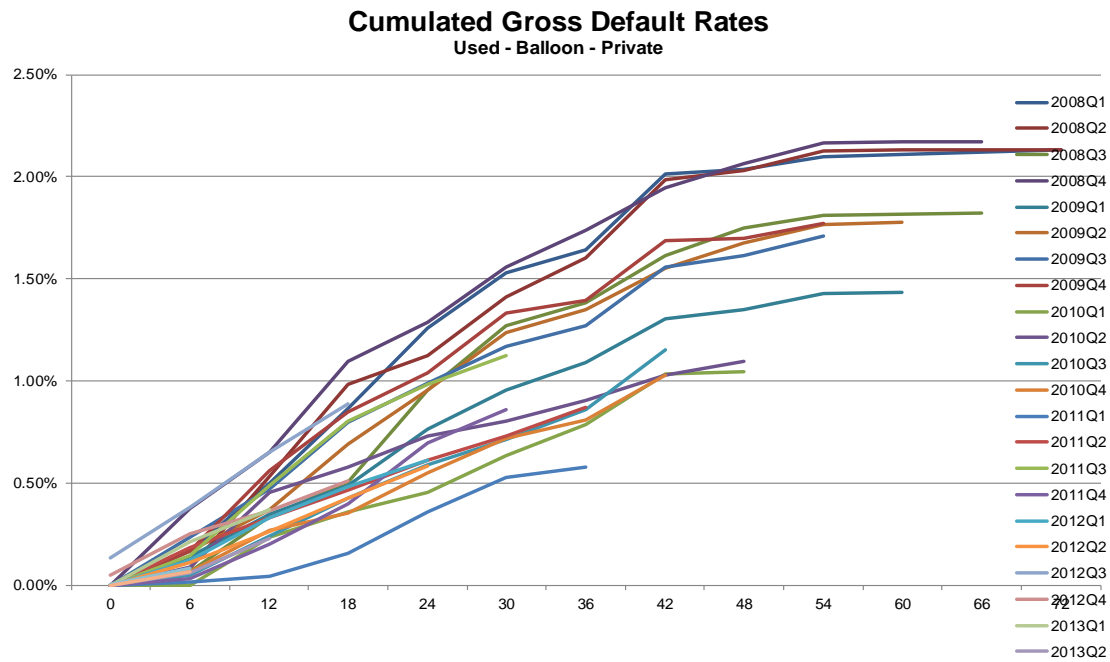
Used - Balloon - Commercial	CUMULATED GROSS DEFAULT RATE - QUARTERLY												
	Number of months after origination												
Quarter of Origination	0	6	12	18	24	30	36	42	48	54	60	66	72
2008Q1	0.00%	0.20%	1.11%	2.45%	3.78%	4.47%	5.33%	5.96%	5.99%	6.16%	6.16%	6.16%	6.16%
2008Q2	0.00%	0.26%	1.33%	2.95%	3.78%	4.28%	4.61%	5.16%	5.30%	5.41%	5.41%	5.47%	5.47%
2008Q3	0.00%	0.36%	2.98%	4.57%	5.89%	6.57%	6.93%	7.11%	7.19%	7.38%	7.40%	7.43%	
2008Q4	0.00%	0.26%	1.25%	2.18%	2.68%	3.06%	3.87%	4.12%	4.26%	4.46%	4.47%	4.49%	
2009Q1	0.00%	0.61%	1.84%	2.53%	2.86%	3.07%	3.49%	4.39%	4.52%	4.67%	4.67%		
2009Q2	0.00%	0.26%	0.95%	2.16%	2.53%	3.32%	3.88%	4.22%	4.53%	4.64%	4.64%		
2009Q3	0.00%	0.81%	1.90%	3.38%	3.72%	4.52%	4.98%	5.20%	5.30%	5.38%			
2009Q4	0.00%	1.05%	1.41%	2.05%	2.39%	2.73%	2.97%	3.16%	3.32%	3.57%			
2010Q1	0.00%	0.40%	1.47%	1.72%	2.08%	2.49%	2.93%	3.16%	3.32%				
2010Q2	0.00%	0.27%	0.75%	1.60%	2.28%	3.18%	3.64%	4.02%	4.09%				
2010Q3	0.00%	0.22%	1.02%	1.68%	2.25%	2.74%	3.13%	3.53%					
2010Q4	0.00%	0.31%	0.65%	1.13%	1.70%	2.56%	2.97%	3.44%					
2011Q1	0.00%	0.39%	0.79%	1.35%	2.16%	2.92%	3.37%						
2011Q2	0.00%	0.15%	0.87%	1.43%	2.38%	3.06%	3.34%						
2011Q3	0.00%	0.23%	1.22%	1.89%	3.01%	3.56%							
2011Q4	0.00%	0.50%	1.28%	1.90%	2.52%	3.40%							
2012Q1	0.00%	0.02%	1.10%	1.54%	2.43%								
2012Q2	0.00%	0.13%	0.98%	1.90%	2.52%								
2012Q3	0.00%	0.33%	1.19%	1.91%									
2012Q4	0.00%	0.23%	1.22%	2.00%									
2013Q1	0.40%	1.08%	1.67%										
2013Q2	0.00%	0.38%	0.99%										
2013Q3	0.00%	0.03%											
2013Q4	0.00%	0.31%											
2014Q1	0.00%												
2014Q2	0.00%												

Cumulative gross default rate - Used vehicles / Amortising loans/ Private retail customer



Used - Amortising - Private Quarter of Origination	CUMULATED GROSS DEFAULT RATE - QUARTERLY												
	Number of months after origination												
	0	6	12	18	24	30	36	42	48	54	60	66	72
2008Q1	0.05%	0.19%	0.33%	0.72%	0.86%	1.04%	1.14%	1.18%	1.20%	1.25%	1.28%	1.31%	1.32%
2008Q2	0.00%	0.38%	0.78%	1.23%	1.53%	1.88%	2.06%	2.20%	2.28%	2.32%	2.43%	2.48%	2.49%
2008Q3	0.00%	0.21%	0.82%	1.22%	1.54%	1.83%	1.97%	2.05%	2.20%	2.29%	2.32%	2.32%	
2008Q4	0.05%	0.32%	0.96%	1.26%	1.53%	1.85%	1.95%	2.14%	2.15%	2.23%	2.24%	2.24%	
2009Q1	0.00%	0.15%	0.51%	0.70%	0.97%	1.15%	1.24%	1.34%	1.42%	1.45%	1.47%		
2009Q2	0.00%	0.51%	0.86%	1.13%	1.47%	1.65%	1.78%	1.89%	1.93%	1.99%	2.02%		
2009Q3	0.00%	0.39%	0.80%	1.22%	1.45%	1.61%	1.76%	1.80%	1.84%	1.91%			
2009Q4	0.00%	0.21%	0.53%	1.12%	1.38%	1.48%	1.59%	1.70%	1.76%	1.79%			
2010Q1	0.00%	0.16%	0.43%	0.62%	0.76%	0.94%	1.10%	1.20%	1.23%				
2010Q2	0.00%	0.11%	0.21%	0.27%	0.42%	0.59%	0.67%	0.78%	0.89%				
2010Q3	0.00%	0.13%	0.31%	0.45%	0.54%	0.64%	0.72%	0.73%					
2010Q4	0.00%	0.04%	0.28%	0.40%	0.52%	0.68%	0.82%	0.82%					
2011Q1	0.00%	0.10%	0.18%	0.23%	0.43%	0.49%	0.56%						
2011Q2	0.00%	0.06%	0.19%	0.22%	0.34%	0.45%	0.48%						
2011Q3	0.06%	0.12%	0.36%	0.42%	0.56%	0.65%							
2011Q4	0.00%	0.09%	0.22%	0.36%	0.43%	0.67%							
2012Q1	0.00%	0.15%	0.36%	0.53%	0.62%								
2012Q2	0.00%	0.08%	0.20%	0.42%	0.47%								
2012Q3	0.00%	0.14%	0.20%	0.25%									
2012Q4	0.00%	0.10%	0.30%	0.40%									
2013Q1	0.00%	0.12%	0.23%										
2013Q2	0.00%	0.04%	0.22%										
2013Q3	0.00%	0.06%											
2013Q4	0.00%	0.01%											
2014Q1	0.03%												
2014Q2	0.00%												

Cumulative gross default rate - Used vehicles / Balloon loans/ Private retail customer



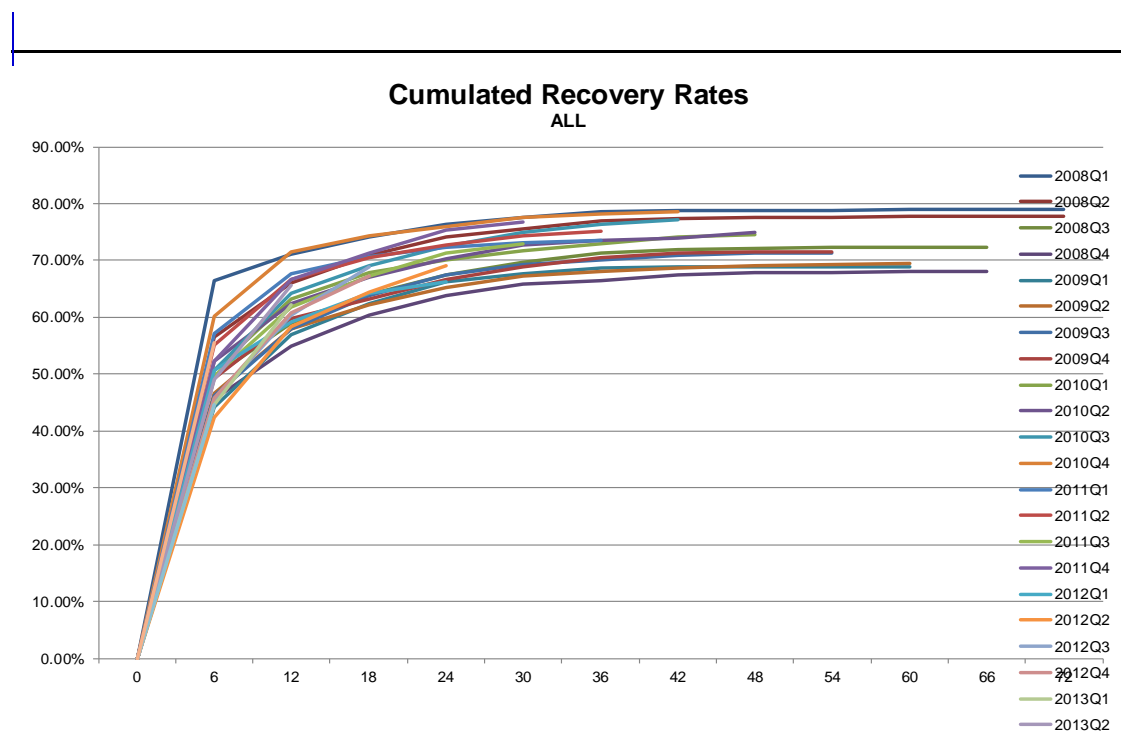
Used - Balloon - Private	CUMULATED GROSS DEFAULT RATE - QUARTERLY												
	Number of months after origination												
Quarter of Origination	0	6	12	18	24	30	36	42	48	54	60	66	72
2008Q1	0.00%	0.16%	0.50%	0.87%	1.26%	1.53%	1.64%	2.01%	2.04%	2.10%	2.11%	2.12%	2.13%
2008Q2	0.00%	0.08%	0.53%	0.98%	1.12%	1.41%	1.60%	1.98%	2.03%	2.12%	2.13%	2.13%	2.13%
2008Q3	0.00%	0.07%	0.34%	0.50%	0.95%	1.27%	1.38%	1.61%	1.75%	1.81%	1.81%	1.82%	
2008Q4	0.00%	0.38%	0.65%	1.10%	1.29%	1.56%	1.74%	1.94%	2.06%	2.16%	2.17%	2.17%	
2009Q1	0.00%	0.14%	0.35%	0.49%	0.76%	0.96%	1.09%	1.30%	1.35%	1.43%	1.43%		
2009Q2	0.00%	0.16%	0.37%	0.69%	0.96%	1.24%	1.35%	1.55%	1.68%	1.77%	1.77%		
2009Q3	0.00%	0.24%	0.47%	0.80%	0.99%	1.17%	1.27%	1.55%	1.61%	1.71%			
2009Q4	0.00%	0.17%	0.56%	0.85%	1.04%	1.33%	1.39%	1.69%	1.70%	1.77%			
2010Q1	0.00%	0.00%	0.23%	0.36%	0.45%	0.63%	0.79%	1.03%	1.04%				
2010Q2	0.00%	0.09%	0.45%	0.58%	0.73%	0.80%	0.90%	1.03%	1.10%				
2010Q3	0.00%	0.05%	0.24%	0.42%	0.59%	0.71%	0.86%	1.15%					
2010Q4	0.00%	0.06%	0.27%	0.35%	0.55%	0.72%	0.81%	1.03%					
2011Q1	0.00%	0.02%	0.04%	0.16%	0.36%	0.53%	0.58%						
2011Q2	0.00%	0.18%	0.33%	0.47%	0.61%	0.73%	0.87%						
2011Q3	0.00%	0.15%	0.49%	0.80%	0.98%	1.13%							
2011Q4	0.00%	0.03%	0.20%	0.40%	0.70%	0.86%							
2012Q1	0.00%	0.12%	0.33%	0.48%	0.61%								
2012Q2	0.00%	0.11%	0.26%	0.42%	0.58%								
2012Q3	0.13%	0.38%	0.65%	0.89%									
2012Q4	0.05%	0.25%	0.36%	0.51%									
2013Q1	0.00%	0.21%	0.37%										
2013Q2	0.00%	0.06%	0.23%										
2013Q3	0.01%	0.08%											
2013Q4	0.00%	0.07%											
2014Q1	0.00%												
2014Q2	0.00%												

Recovery rates

For a generation of defaulted loans (being all loans defaulted during the same quarter), the cumulative recovery rate in respect of a month is calculated as the ratio of:

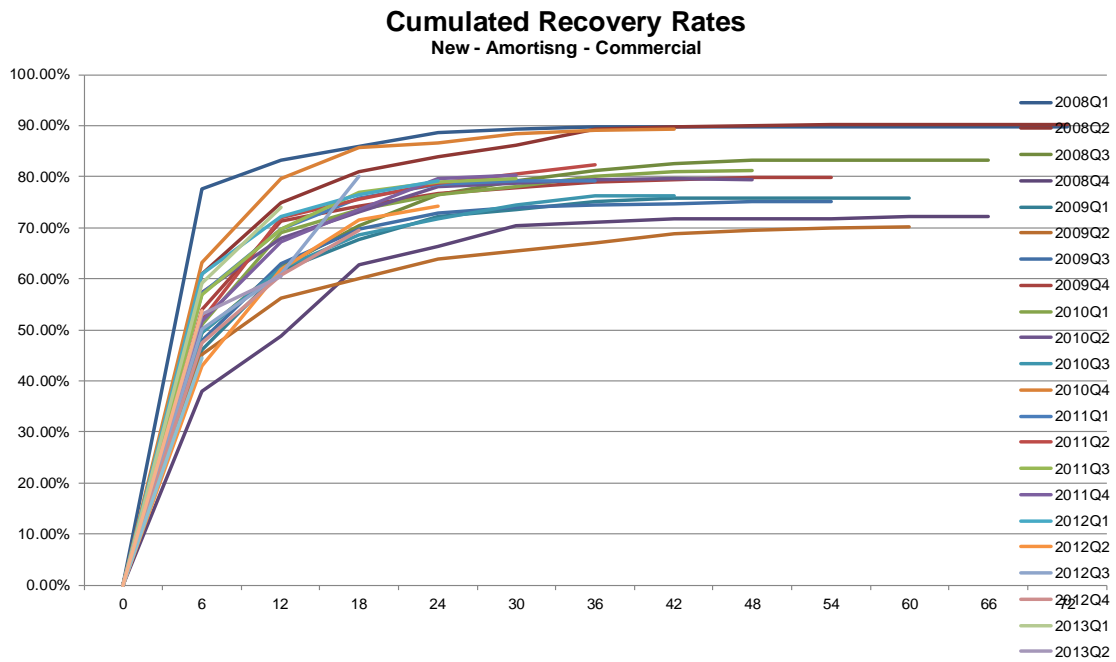
- (i) the cumulative recovered amounts recorded between the quarter when such loans were defaulted and the relevant month, to
- (ii) the gross defaulted amount of such loans.

Cumulative recovery rate - Total portfolio



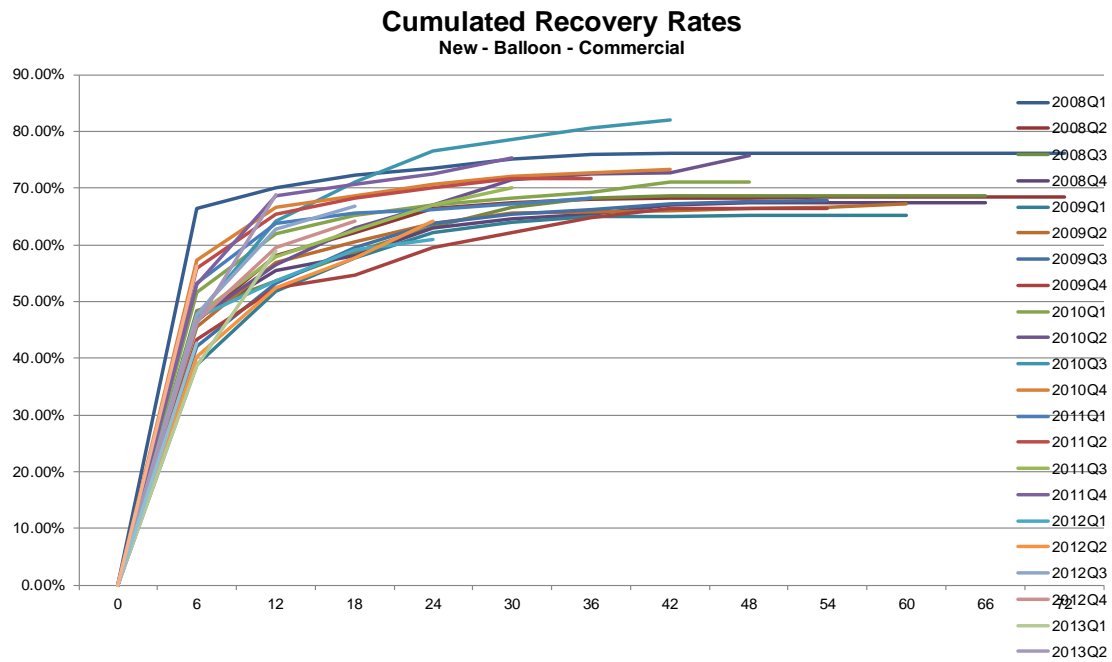
Quarter of Default	CUMULATED RECOVERY RATE - QUARTERLY												
	Number of months after default												
	0	6	12	18	24	30	36	42	48	54	60	66	72
ALL	0.00%	66.35%	71.08%	74.20%	76.34%	77.63%	78.50%	78.70%	78.81%	78.86%	78.89%	78.94%	78.98%
2008Q1	0.00%	56.55%	65.99%	70.91%	74.10%	75.58%	76.94%	77.36%	77.52%	77.62%	77.68%	77.70%	77.70%
2008Q2	0.00%	49.65%	59.01%	64.00%	67.51%	69.68%	71.31%	71.99%	72.19%	72.24%	72.23%	72.23%	
2008Q3	0.00%	45.70%	54.85%	60.38%	63.84%	65.80%	66.53%	67.44%	67.76%	67.85%	68.02%	68.03%	
2008Q4	0.00%	44.09%	56.98%	62.45%	66.14%	67.65%	68.59%	68.78%	68.91%	68.92%	68.92%		
2009Q1	0.00%	46.57%	57.90%	62.18%	65.27%	67.20%	67.98%	68.67%	69.05%	69.28%	69.53%		
2009Q2	0.00%	46.24%	57.91%	63.72%	67.53%	69.20%	70.12%	70.83%	71.29%	71.39%			
2009Q3	0.00%	49.26%	59.76%	63.11%	66.66%	68.88%	70.44%	71.28%	71.43%	71.44%			
2009Q4	0.00%	50.76%	63.20%	67.75%	70.08%	71.67%	72.98%	74.16%	74.57%				
2010Q1	0.00%	52.26%	62.33%	66.99%	70.20%	72.77%	73.50%	73.94%	74.97%				
2010Q2	0.00%	50.70%	64.14%	69.17%	72.51%	74.98%	76.29%	77.19%					
2010Q3	0.00%	60.23%	71.51%	74.32%	75.92%	77.46%	78.26%	78.60%					
2010Q4	0.00%	57.08%	67.55%	70.60%	72.20%	73.08%	73.54%						
2011Q1	0.00%	55.09%	66.66%	70.52%	72.73%	74.31%	75.07%						
2011Q2	0.00%	49.63%	61.81%	67.31%	71.21%	72.98%							
2011Q3	0.00%	52.21%	66.56%	71.39%	75.37%	76.80%							
2011Q4	0.00%	50.56%	59.20%	64.15%	66.33%								
2012Q1	0.00%	42.36%	58.29%	64.43%	69.05%								
2012Q2	0.00%	45.59%	60.32%	68.88%									
2012Q3	0.00%	45.84%	60.80%	67.23%									
2012Q4	0.00%	44.52%	62.26%										
2013Q1	0.00%	48.98%	65.71%										
2013Q2	0.00%	44.50%											
2013Q3	0.00%	55.59%											
2013Q4	0.00%												
2014Q1	0.00%												
2014Q2	0.00%												

Cumulative recovery rate - New vehicles / Amortising loans/ Commercial retail customer



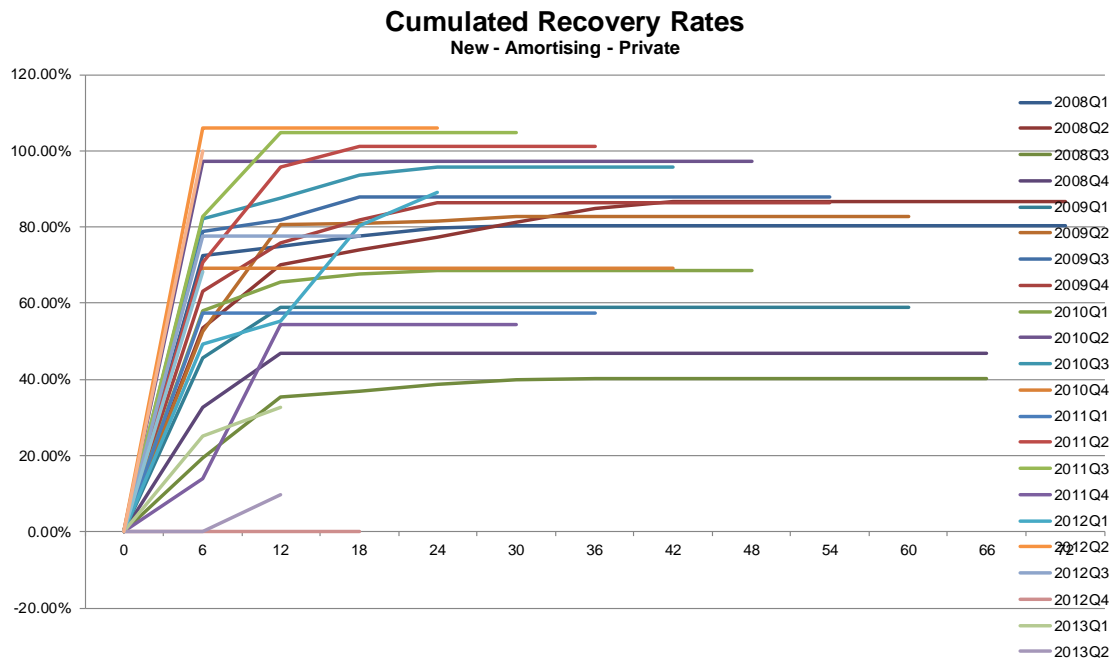
New - Amortising - Commercial Quarter of Default	CUMULATED RECOVERY RATE - QUARTERLY												
	Number of months after default												
	0	6	12	18	24	30	36	42	48	54	60	66	72
2008Q1	0.00%	77.68%	83.15%	85.82%	88.58%	89.28%	89.86%	89.72%	89.77%	89.77%	89.77%	89.77%	89.77%
2008Q2	0.00%	60.95%	74.94%	80.92%	83.86%	86.17%	89.29%	89.74%	90.03%	90.10%	90.16%	90.22%	90.23%
2008Q3	0.00%	49.40%	62.22%	70.38%	76.57%	79.24%	81.13%	82.50%	83.11%	83.29%	83.29%	83.29%	
2008Q4	0.00%	37.93%	48.77%	62.72%	66.38%	70.36%	71.11%	71.70%	71.73%	71.73%	72.08%	72.08%	
2009Q1	0.00%	46.02%	61.63%	67.79%	72.20%	73.59%	75.21%	75.70%	75.71%	75.71%	75.71%		
2009Q2	0.00%	45.27%	56.12%	60.06%	63.74%	65.49%	67.07%	68.86%	69.56%	70.01%	70.06%		
2009Q3	0.00%	47.76%	62.92%	69.80%	72.94%	74.01%	74.44%	74.73%	75.12%	75.12%			
2009Q4	0.00%	53.97%	71.21%	74.14%	76.77%	77.85%	78.93%	79.37%	79.77%	79.78%			
2010Q1	0.00%	50.93%	68.93%	73.49%	76.48%	77.98%	80.02%	80.89%	81.24%				
2010Q2	0.00%	57.40%	67.87%	72.99%	77.93%	78.78%	79.37%	79.72%	79.49%				
2010Q3	0.00%	49.40%	62.10%	68.55%	71.70%	74.41%	76.17%	76.34%					
2010Q4	0.00%	63.21%	79.51%	85.64%	86.70%	88.30%	89.02%	89.19%					
2011Q1	0.00%	57.14%	69.75%	75.73%	78.50%	79.24%	79.09%						
2011Q2	0.00%	51.99%	71.94%	75.60%	78.78%	80.61%	82.31%						
2011Q3	0.00%	56.92%	69.67%	76.99%	78.93%	79.64%							
2011Q4	0.00%	51.67%	67.25%	73.64%	79.65%	80.30%							
2012Q1	0.00%	60.84%	72.20%	76.58%	79.16%								
2012Q2	0.00%	43.00%	61.91%	71.45%	74.12%								
2012Q3	0.00%	50.07%	60.90%	80.10%									
2012Q4	0.00%	47.48%	60.63%	69.47%									
2013Q1	0.00%	59.10%	73.94%										
2013Q2	0.00%	53.02%	60.37%										
2013Q3	0.00%	44.47%											
2013Q4	0.00%	53.73%											
2014Q1	0.00%												
2014Q2	0.00%												

Cumulative recovery rate - New vehicles / Balloon loans/ Commercial retail customer



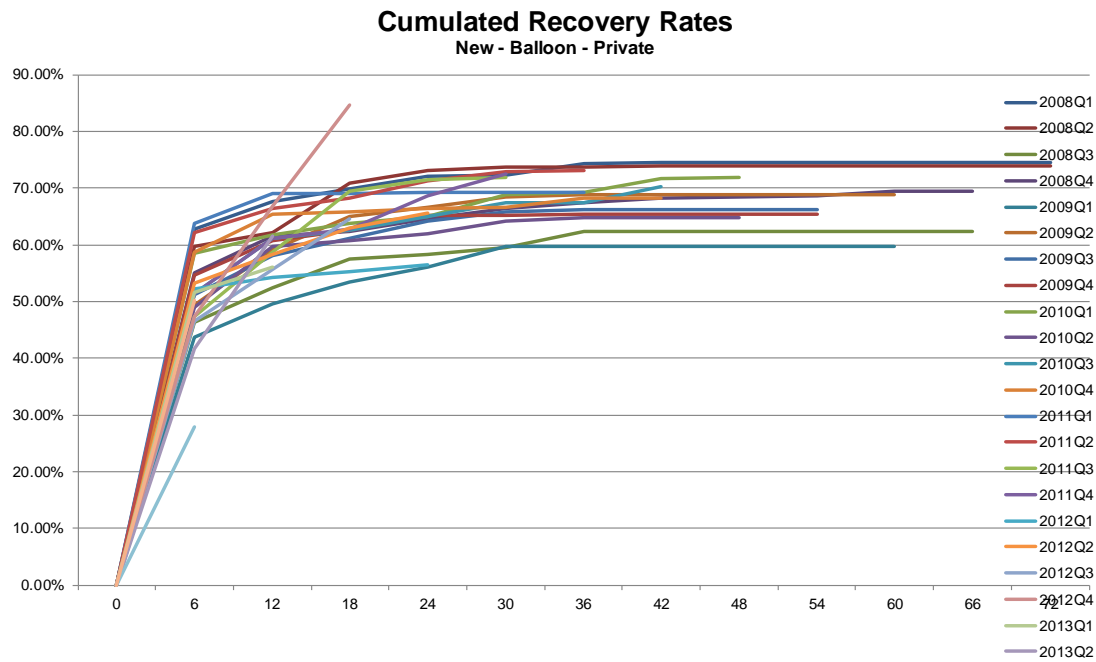
New - Balloon - Commercial Quarter of Default	CUMULATED RECOVERY RATE - QUARTERLY												
	Number of months after default												
	0	6	12	18	24	30	36	42	48	54	60	66	72
2008Q1	0.00%	66.30%	70.08%	72.24%	73.46%	75.14%	75.89%	76.12%	76.12%	76.12%	76.11%	76.11%	76.11%
2008Q2	0.00%	46.56%	58.01%	62.17%	66.43%	67.47%	68.06%	68.22%	68.25%	68.46%	68.46%	68.46%	68.46%
2008Q3	0.00%	48.27%	53.69%	58.73%	63.08%	66.66%	68.29%	68.71%	68.71%	68.71%	68.71%	68.71%	68.71%
2008Q4	0.00%	47.02%	55.50%	58.02%	62.98%	64.64%	65.41%	66.94%	67.50%	67.50%	67.50%	67.50%	67.50%
2009Q1	0.00%	38.75%	51.82%	57.63%	62.23%	64.00%	64.91%	64.92%	65.22%	65.22%	65.22%	65.22%	65.22%
2009Q2	0.00%	45.45%	56.92%	60.57%	63.83%	65.60%	65.77%	66.05%	66.46%	66.50%	67.17%		
2009Q3	0.00%	42.04%	53.26%	59.42%	63.75%	65.38%	66.14%	67.23%	67.68%	67.76%			
2009Q4	0.00%	43.31%	52.41%	54.69%	59.54%	62.10%	64.81%	66.46%	66.46%	66.46%			
2010Q1	0.00%	51.51%	61.95%	65.23%	67.08%	68.19%	69.16%	70.96%	71.09%				
2010Q2	0.00%	46.91%	56.42%	62.88%	66.95%	71.37%	72.41%	72.76%	75.79%				
2010Q3	0.00%	47.53%	64.21%	71.12%	76.57%	78.45%	80.56%	81.95%					
2010Q4	0.00%	57.25%	66.64%	68.71%	70.63%	72.04%	72.68%	73.28%					
2011Q1	0.00%	53.30%	63.73%	65.68%	66.25%	67.27%	68.19%						
2011Q2	0.00%	55.78%	65.37%	68.16%	70.03%	71.73%	71.74%						
2011Q3	0.00%	47.53%	57.81%	62.49%	67.00%	70.04%							
2011Q4	0.00%	52.95%	68.66%	70.74%	72.39%	75.31%							
2012Q1	0.00%	47.19%	53.56%	59.07%	60.83%								
2012Q2	0.00%	40.30%	52.37%	57.72%	64.11%								
2012Q3	0.00%	47.68%	62.83%	66.88%									
2012Q4	0.00%	46.61%	59.54%	64.10%									
2013Q1	0.00%	38.70%	58.91%										
2013Q2	0.00%	46.09%	68.73%										
2013Q3	0.00%	42.65%											
2013Q4	0.00%	56.27%											
2014Q1	0.00%												
2014Q2	0.00%												

Cumulative recovery rate - New vehicles / Amortising loans/ Private retail customer



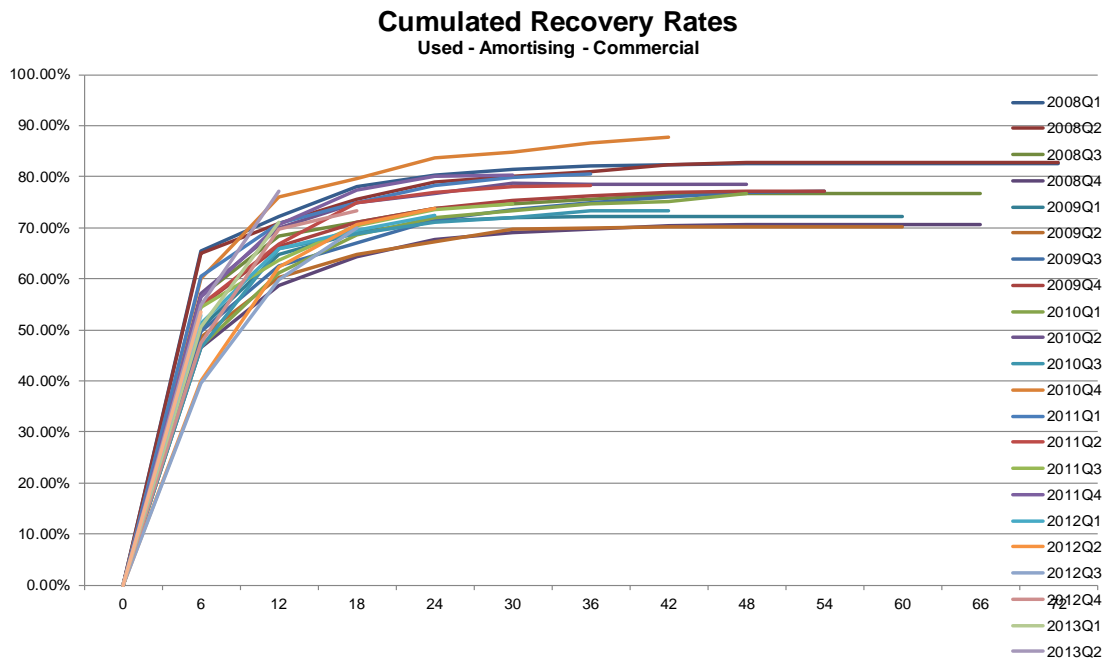
New - Amortising - Private Quarter of Default	CUMULATED RECOVERY RATE - QUARTERLY												
	Number of months after default												
	0	6	12	18	24	30	36	42	48	54	60	66	72
2008Q1	0.00%	72.47%	75.00%	77.53%	79.66%	80.29%	80.29%	80.29%	80.29%	80.29%	80.29%	80.29%	80.29%
2008Q2	0.00%	53.56%	70.18%	73.85%	77.44%	81.11%	84.77%	86.62%	86.62%	86.62%	86.62%	86.62%	86.62%
2008Q3	0.00%	19.27%	35.25%	36.79%	38.72%	40.00%	40.15%	40.15%	40.15%	40.15%	40.15%	40.15%	40.15%
2008Q4	0.00%	32.67%	46.87%	46.87%	46.87%	46.87%	46.87%	46.87%	46.87%	46.87%	46.87%	46.87%	46.87%
2009Q1	0.00%	45.70%	58.80%	58.80%	58.80%	58.80%	58.80%	58.80%	58.80%	58.80%	58.80%	58.80%	58.80%
2009Q2	0.00%	52.63%	80.56%	80.96%	81.46%	82.84%	82.84%	82.84%	82.84%	82.84%	82.84%	82.84%	82.84%
2009Q3	0.00%	78.75%	81.78%	87.82%	87.82%	87.82%	87.82%	87.82%	87.82%	87.82%	87.82%	87.82%	87.82%
2009Q4	0.00%	63.21%	75.88%	81.84%	86.35%	86.35%	86.35%	86.35%	86.35%	86.35%	86.35%	86.35%	86.35%
2010Q1	0.00%	57.94%	65.67%	67.56%	68.69%	68.69%	68.69%	68.69%	68.69%	68.69%	68.69%	68.69%	68.69%
2010Q2	0.00%	97.20%	97.20%	97.20%	97.20%	97.20%	97.20%	97.20%	97.20%	97.20%	97.20%	97.20%	97.20%
2010Q3	0.00%	82.10%	87.45%	93.69%	95.86%	95.86%	95.86%	95.86%	95.86%	95.86%	95.86%	95.86%	95.86%
2010Q4	0.00%	69.13%	69.12%	69.12%	69.12%	69.12%	69.12%	69.12%	69.12%	69.12%	69.12%	69.12%	69.12%
2011Q1	0.00%	57.45%	57.45%	57.45%	57.45%	57.45%	57.45%	57.45%	57.45%	57.45%	57.45%	57.45%	57.45%
2011Q2	0.00%	70.56%	95.66%	101.13%	101.13%	101.13%	101.13%	101.13%	101.13%	101.13%	101.13%	101.13%	101.13%
2011Q3	0.00%	82.66%	104.85%	104.85%	104.85%	104.85%	104.85%	104.85%	104.85%	104.85%	104.85%	104.85%	104.85%
2011Q4	0.00%	13.94%	54.41%	54.41%	54.41%	54.41%	54.41%	54.41%	54.41%	54.41%	54.41%	54.41%	54.41%
2012Q1	0.00%	49.36%	55.35%	80.35%	89.04%	89.04%	89.04%	89.04%	89.04%	89.04%	89.04%	89.04%	89.04%
2012Q2	0.00%	105.89%	105.89%	105.89%	105.89%	105.89%	105.89%	105.89%	105.89%	105.89%	105.89%	105.89%	105.89%
2012Q3	0.00%	77.76%	77.76%	77.76%	77.76%	77.76%	77.76%	77.76%	77.76%	77.76%	77.76%	77.76%	77.76%
2012Q4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2013Q1	0.00%	25.00%	32.65%	32.65%	32.65%	32.65%	32.65%	32.65%	32.65%	32.65%	32.65%	32.65%	32.65%
2013Q2	0.00%	-0.03%	9.71%	9.71%	9.71%	9.71%	9.71%	9.71%	9.71%	9.71%	9.71%	9.71%	9.71%
2013Q3	0.00%	68.15%	68.15%	68.15%	68.15%	68.15%	68.15%	68.15%	68.15%	68.15%	68.15%	68.15%	68.15%
2013Q4	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
2014Q1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2014Q2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Cumulative recovery rate - New vehicles / Balloon loans/ Private retail customer



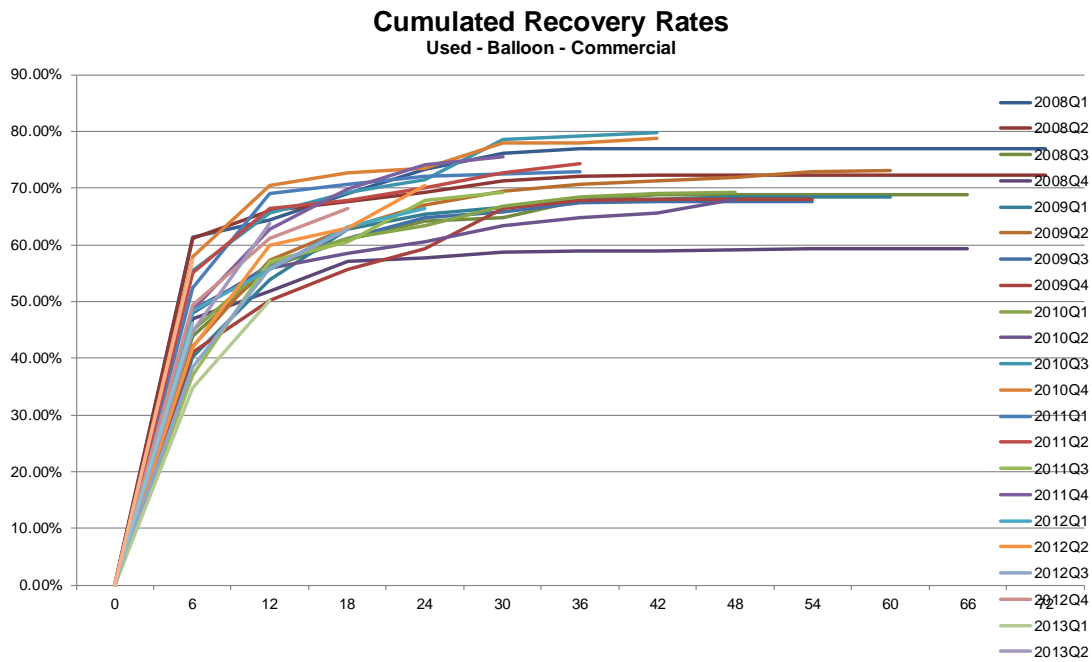
New - Balloon - Private	CUMULATED RECOVERY RATE - QUARTERLY													
	Quarter of Default	0	6	12	18	24	30	36	42	48	54	60	66	72
2008Q1	0.00%	62.64%	67.54%	69.80%	72.10%	72.29%	74.32%	74.44%	74.44%	74.44%	74.44%	74.44%	74.44%	74.44%
2008Q2	0.00%	59.69%	62.19%	70.79%	73.13%	73.63%	73.75%	73.90%	73.90%	73.90%	73.90%	73.90%	73.90%	73.90%
2008Q3	0.00%	46.39%	52.45%	57.41%	58.19%	59.44%	62.39%	62.39%	62.39%	62.39%	62.39%	62.39%	62.39%	62.39%
2008Q4	0.00%	55.05%	61.43%	62.36%	64.56%	66.42%	67.35%	68.27%	68.43%	68.58%	69.37%	69.37%	69.37%	69.37%
2009Q1	0.00%	43.61%	49.54%	53.40%	56.00%	59.75%	59.75%	59.75%	59.75%	59.75%	59.75%	59.75%	59.75%	59.75%
2009Q2	0.00%	49.40%	59.00%	64.89%	66.59%	68.47%	68.88%	68.88%	68.88%	68.88%	68.88%	68.88%	68.88%	68.88%
2009Q3	0.00%	51.20%	58.08%	61.10%	64.25%	65.80%	66.16%	66.16%	66.16%	66.16%	66.16%	66.16%	66.16%	66.16%
2009Q4	0.00%	54.61%	60.61%	62.55%	65.23%	65.26%	65.28%	65.28%	65.28%	65.28%	65.28%	65.28%	65.28%	65.28%
2010Q1	0.00%	58.57%	61.78%	63.76%	65.04%	68.74%	69.18%	71.66%	71.80%	71.80%	71.80%	71.80%	71.80%	71.80%
2010Q2	0.00%	48.85%	59.67%	60.79%	61.96%	64.20%	64.68%	64.73%	64.73%	64.73%	64.73%	64.73%	64.73%	64.73%
2010Q3	0.00%	51.40%	61.19%	62.56%	64.87%	67.34%	67.33%	70.25%	70.25%	70.25%	70.25%	70.25%	70.25%	70.25%
2010Q4	0.00%	58.75%	65.34%	65.87%	66.31%	66.55%	68.18%	68.18%	68.18%	68.18%	68.18%	68.18%	68.18%	68.18%
2011Q1	0.00%	63.84%	69.03%	69.03%	69.25%	69.25%	69.25%	69.25%	69.25%	69.25%	69.25%	69.25%	69.25%	69.25%
2011Q2	0.00%	62.19%	66.39%	68.23%	71.26%	72.81%	73.17%	73.17%	73.17%	73.17%	73.17%	73.17%	73.17%	73.17%
2011Q3	0.00%	47.25%	58.77%	69.43%	71.37%	71.87%	71.87%	71.87%	71.87%	71.87%	71.87%	71.87%	71.87%	71.87%
2011Q4	0.00%	51.41%	61.16%	62.74%	68.65%	72.46%	72.46%	72.46%	72.46%	72.46%	72.46%	72.46%	72.46%	72.46%
2012Q1	0.00%	52.19%	54.22%	55.33%	56.41%	56.41%	56.41%	56.41%	56.41%	56.41%	56.41%	56.41%	56.41%	56.41%
2012Q2	0.00%	53.14%	58.37%	62.93%	65.61%	65.61%	65.61%	65.61%	65.61%	65.61%	65.61%	65.61%	65.61%	65.61%
2012Q3	0.00%	46.56%	55.56%	64.57%	64.57%	64.57%	64.57%	64.57%	64.57%	64.57%	64.57%	64.57%	64.57%	64.57%
2012Q4	0.00%	47.40%	66.77%	84.63%	84.63%	84.63%	84.63%	84.63%	84.63%	84.63%	84.63%	84.63%	84.63%	84.63%
2013Q1	0.00%	51.61%	56.02%	56.02%	56.02%	56.02%	56.02%	56.02%	56.02%	56.02%	56.02%	56.02%	56.02%	56.02%
2013Q2	0.00%	41.72%	61.61%	61.61%	61.61%	61.61%	61.61%	61.61%	61.61%	61.61%	61.61%	61.61%	61.61%	61.61%
2013Q3	0.00%	27.93%	27.93%	27.93%	27.93%	27.93%	27.93%	27.93%	27.93%	27.93%	27.93%	27.93%	27.93%	27.93%
2013Q4	0.00%	50.09%	50.09%	50.09%	50.09%	50.09%	50.09%	50.09%	50.09%	50.09%	50.09%	50.09%	50.09%	50.09%
2014Q1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2014Q2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Cumulative recovery rate - Used vehicles / Amortising loans/ Commercial retail customer



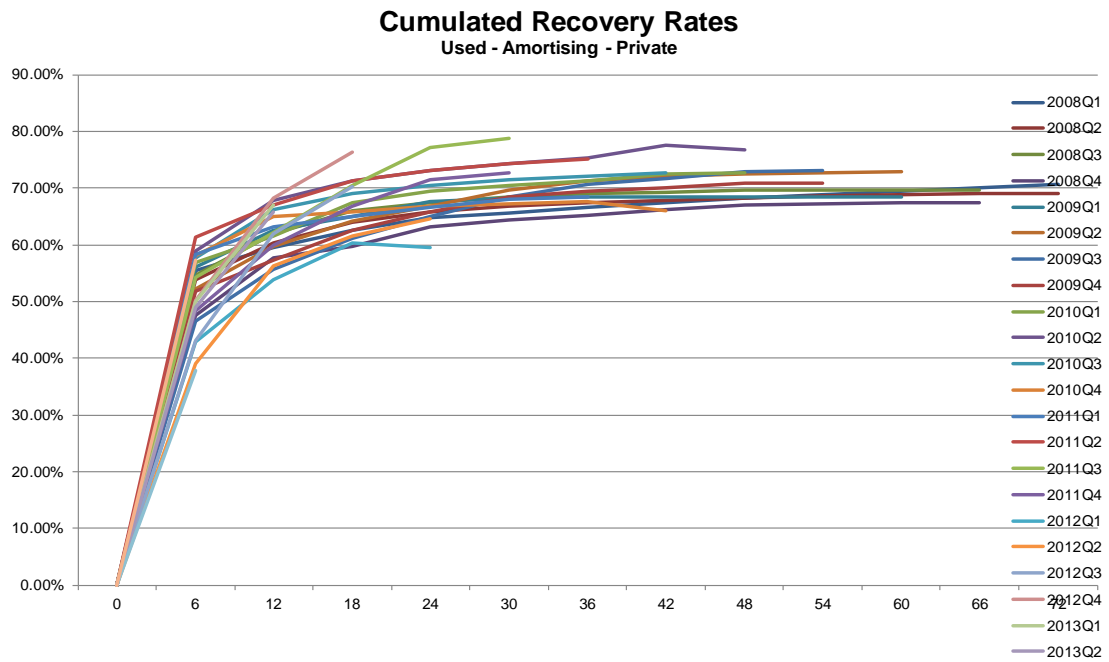
Used - Amortising - Commercial Quarter of Default	CUMULATED RECOVERY RATE - QUARTERLY												
	Number of months after default												
	0	6	12	18	24	30	36	42	48	54	60	66	72
2008Q1	0.00%	65.52%	72.24%	78.12%	80.40%	81.53%	82.07%	82.37%	82.49%	82.53%	82.53%	82.53%	82.53%
2008Q2	0.00%	64.97%	70.80%	75.61%	78.92%	80.00%	81.01%	82.37%	82.68%	82.68%	82.68%	82.68%	82.68%
2008Q3	0.00%	56.71%	68.39%	71.11%	73.79%	74.65%	75.48%	76.44%	76.68%	76.67%	76.65%	76.65%	
2008Q4	0.00%	46.45%	58.63%	64.34%	67.73%	68.97%	69.69%	70.30%	70.63%	70.63%	70.70%	70.70%	
2009Q1	0.00%	50.24%	64.81%	69.10%	71.19%	71.86%	72.07%	72.19%	72.19%	72.19%	72.19%	72.19%	
2009Q2	0.00%	48.45%	60.14%	64.86%	67.28%	69.62%	69.92%	70.21%	70.22%	70.19%	70.19%		
2009Q3	0.00%	49.60%	62.57%	66.90%	71.60%	73.59%	74.91%	76.00%	76.80%	77.20%			
2009Q4	0.00%	54.63%	66.22%	71.06%	73.67%	75.25%	76.30%	76.96%	77.10%	77.11%			
2010Q1	0.00%	46.72%	61.26%	68.67%	71.86%	73.27%	74.72%	75.13%	76.72%				
2010Q2	0.00%	57.06%	69.92%	74.96%	76.65%	78.62%	78.60%	78.60%	78.60%				
2010Q3	0.00%	46.43%	65.79%	68.75%	71.03%	72.05%	73.37%	73.38%					
2010Q4	0.00%	59.92%	76.08%	79.62%	83.69%	84.80%	86.68%	87.72%					
2011Q1	0.00%	60.51%	70.86%	74.96%	78.34%	79.83%	80.59%						
2011Q2	0.00%	54.84%	66.76%	74.90%	76.95%	78.01%	78.23%						
2011Q3	0.00%	54.32%	63.63%	70.33%	73.44%	74.63%							
2011Q4	0.00%	56.49%	70.66%	77.32%	80.10%	80.25%							
2012Q1	0.00%	51.25%	65.89%	69.48%	72.33%								
2012Q2	0.00%	40.08%	62.34%	70.69%	73.71%								
2012Q3	0.00%	39.57%	59.80%	69.89%									
2012Q4	0.00%	47.47%	69.63%	73.27%									
2013Q1	0.00%	50.60%	71.04%										
2013Q2	0.00%	54.75%	77.25%										
2013Q3	0.00%												
2013Q4	0.00%	53.42%											
2014Q1	0.00%												
2014Q2	0.00%												

Cumulative recovery rate - Used vehicles / Balloon loans/ Commercial retail customer



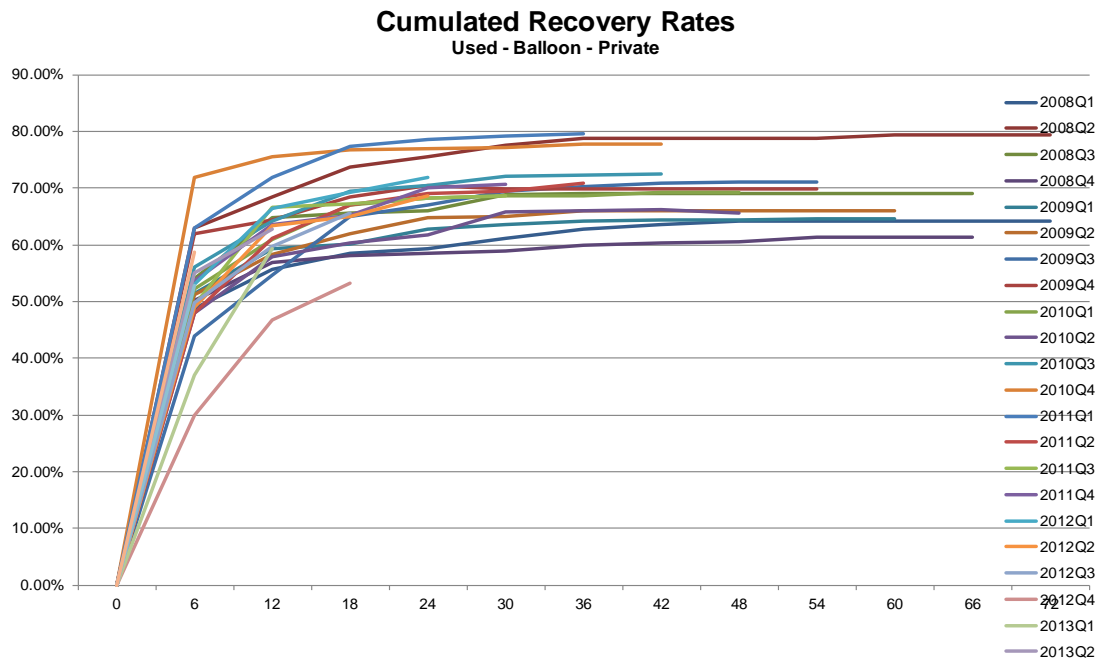
Used - Balloon - Commercial Quarter of Default	CUMULATED RECOVERY RATE - QUARTERLY												
	0	6	12	18	24	30	36	42	48	54	60	66	72
2008Q1	0.00%	61.31%	64.43%	68.92%	73.23%	76.06%	76.94%	76.94%	76.94%	76.94%	76.94%	76.94%	76.94%
2008Q2	0.00%	61.03%	65.95%	67.53%	69.16%	71.26%	72.10%	72.33%	72.33%	72.33%	72.33%	72.33%	72.33%
2008Q3	0.00%	43.85%	56.03%	60.96%	64.07%	64.74%	67.71%	68.76%	68.85%	68.85%	68.85%	68.85%	68.85%
2008Q4	0.00%	46.88%	51.85%	57.13%	57.74%	58.67%	58.82%	58.97%	59.15%	59.35%	59.35%	59.35%	59.35%
2009Q1	0.00%	40.28%	53.90%	62.64%	65.37%	66.62%	67.84%	68.11%	68.40%	68.40%	68.40%	68.40%	68.40%
2009Q2	0.00%	42.08%	57.31%	62.96%	66.93%	69.36%	70.59%	71.28%	71.94%	72.82%	73.17%	73.17%	73.17%
2009Q3	0.00%	48.01%	56.39%	61.03%	64.67%	65.86%	67.33%	67.65%	67.65%	67.65%	67.65%	67.65%	67.65%
2009Q4	0.00%	41.01%	50.18%	55.54%	59.29%	66.32%	67.78%	68.06%	68.06%	68.06%	68.06%	68.06%	68.06%
2010Q1	0.00%	44.87%	56.75%	61.17%	63.36%	66.71%	68.34%	69.10%	69.26%	69.26%	69.26%	69.26%	69.26%
2010Q2	0.00%	48.51%	55.85%	58.50%	60.58%	63.31%	64.78%	65.64%	68.01%	68.01%	68.01%	68.01%	68.01%
2010Q3	0.00%	55.47%	65.54%	69.14%	71.53%	78.53%	79.15%	79.70%	79.70%	79.70%	79.70%	79.70%	79.70%
2010Q4	0.00%	57.91%	70.42%	72.68%	73.57%	77.88%	77.88%	78.66%	78.66%	78.66%	78.66%	78.66%	78.66%
2011Q1	0.00%	52.43%	69.01%	70.54%	71.98%	72.53%	72.84%	72.84%	72.84%	72.84%	72.84%	72.84%	72.84%
2011Q2	0.00%	54.95%	66.41%	67.84%	70.08%	72.66%	74.33%	74.33%	74.33%	74.33%	74.33%	74.33%	74.33%
2011Q3	0.00%	36.91%	57.04%	60.43%	67.87%	69.31%	69.31%	69.31%	69.31%	69.31%	69.31%	69.31%	69.31%
2011Q4	0.00%	48.60%	62.82%	69.90%	74.07%	75.44%	75.44%	75.44%	75.44%	75.44%	75.44%	75.44%	75.44%
2012Q1	0.00%	48.29%	55.69%	63.13%	66.46%	66.46%	66.46%	66.46%	66.46%	66.46%	66.46%	66.46%	66.46%
2012Q2	0.00%	41.79%	59.87%	63.00%	70.45%	70.45%	70.45%	70.45%	70.45%	70.45%	70.45%	70.45%	70.45%
2012Q3	0.00%	38.35%	55.76%	62.71%	62.71%	62.71%	62.71%	62.71%	62.71%	62.71%	62.71%	62.71%	62.71%
2012Q4	0.00%	49.33%	61.20%	66.44%	66.44%	66.44%	66.44%	66.44%	66.44%	66.44%	66.44%	66.44%	66.44%
2013Q1	0.00%	34.85%	50.21%	50.21%	50.21%	50.21%	50.21%	50.21%	50.21%	50.21%	50.21%	50.21%	50.21%
2013Q2	0.00%	44.69%	63.66%	63.66%	63.66%	63.66%	63.66%	63.66%	63.66%	63.66%	63.66%	63.66%	63.66%
2013Q3	0.00%	46.10%	46.10%	46.10%	46.10%	46.10%	46.10%	46.10%	46.10%	46.10%	46.10%	46.10%	46.10%
2013Q4	0.00%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%
2014Q1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2014Q2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Cumulative recovery rate - Used vehicles / Amortising loans/ Private retail customer



Used - Amortising - Private Quarter of Default	CUMULATED RECOVERY RATE - QUARTERLY												
	Number of months after default												
	0	6	12	18	24	30	36	42	48	54	60	66	72
2008Q1	0.00%	55.39%	59.50%	62.61%	64.73%	65.62%	66.60%	67.48%	68.26%	68.79%	69.40%	69.97%	70.54%
2008Q2	0.00%	53.85%	60.26%	63.98%	65.78%	66.69%	67.48%	67.83%	68.22%	68.53%	68.88%	68.99%	68.99%
2008Q3	0.00%	54.71%	61.96%	65.92%	67.37%	68.38%	68.99%	69.31%	69.56%	69.64%	69.64%	69.64%	69.64%
2008Q4	0.00%	47.50%	57.61%	59.79%	63.19%	64.34%	65.17%	66.21%	66.90%	67.19%	67.45%	67.49%	
2009Q1	0.00%	56.10%	62.52%	65.03%	67.54%	68.20%	68.47%	68.47%	68.47%	68.47%	68.47%	68.47%	
2009Q2	0.00%	52.25%	59.77%	64.22%	66.70%	69.64%	71.21%	72.07%	72.37%	72.61%	72.79%		
2009Q3	0.00%	46.44%	55.58%	61.07%	64.92%	68.49%	70.73%	71.65%	72.81%	73.03%			
2009Q4	0.00%	51.76%	57.26%	62.60%	65.87%	68.43%	69.34%	70.03%	70.76%	70.93%			
2010Q1	0.00%	56.95%	61.61%	67.50%	69.38%	70.41%	71.35%	72.44%	72.66%				
2010Q2	0.00%	58.94%	67.73%	71.27%	73.11%	74.35%	75.37%	77.45%	76.73%				
2010Q3	0.00%	57.59%	66.22%	69.02%	70.52%	71.45%	72.14%	72.63%					
2010Q4	0.00%	58.06%	64.93%	65.80%	66.82%	67.21%	67.61%	65.96%					
2011Q1	0.00%	58.21%	63.24%	65.02%	66.67%	68.02%	68.45%						
2011Q2	0.00%	61.38%	66.92%	71.35%	72.99%	74.25%	75.13%						
2011Q3	0.00%	54.21%	62.15%	70.36%	77.14%	78.67%							
2011Q4	0.00%	48.37%	59.86%	66.84%	71.51%	72.65%							
2012Q1	0.00%	42.93%	53.83%	60.21%	59.53%								
2012Q2	0.00%	39.11%	56.25%	61.60%	64.61%								
2012Q3	0.00%	43.05%	61.96%	70.19%									
2012Q4	0.00%	50.11%	68.11%	76.28%									
2013Q1	0.00%	50.02%	66.95%										
2013Q2	0.00%	48.92%	65.68%										
2013Q3	0.00%	37.78%											
2013Q4	0.00%	57.35%											
2014Q1	0.00%												
2014Q2	0.00%												

Cumulative recovery rate - Used vehicles / Balloon loans / Private retail customer



Used - Balloon - Private	CUMULATED RECOVERY RATE - QUARTERLY													
	Quarter of Default	0	6	12	18	24	30	36	42	48	54	60	66	72
2008Q1	0.00%	48.78%	55.55%	58.49%	59.29%	61.04%	62.75%	63.47%	64.15%	64.15%	64.15%	64.15%	64.15%	64.15%
2008Q2	0.00%	62.90%	68.32%	73.70%	75.46%	77.55%	78.85%	78.85%	78.85%	78.85%	79.42%	79.42%	79.42%	79.42%
2008Q3	0.00%	53.98%	64.77%	65.52%	66.00%	68.79%	69.05%	69.05%	69.05%	69.05%	69.05%	69.05%	69.05%	69.05%
2008Q4	0.00%	50.26%	56.93%	58.06%	58.42%	58.83%	59.91%	60.26%	60.55%	61.28%	61.28%	61.28%	61.28%	61.28%
2009Q1	0.00%	51.29%	59.35%	60.15%	62.73%	63.64%	64.19%	64.41%	64.41%	64.51%	64.51%	64.51%	64.51%	64.51%
2009Q2	0.00%	51.13%	58.37%	61.87%	64.67%	64.88%	65.95%	65.95%	65.95%	65.95%	65.95%	65.95%	65.95%	65.95%
2009Q3	0.00%	43.79%	54.68%	65.02%	66.92%	69.37%	70.23%	70.79%	70.95%	70.95%	70.95%	70.95%	70.95%	70.95%
2009Q4	0.00%	61.84%	64.42%	68.34%	70.46%	69.79%	69.79%	69.79%	69.79%	69.79%	69.79%	69.79%	69.79%	69.79%
2010Q1	0.00%	52.28%	60.96%	67.01%	68.25%	68.65%	68.64%	69.26%	69.26%	69.26%	69.26%	69.26%	69.26%	69.26%
2010Q2	0.00%	47.92%	57.90%	60.29%	61.82%	65.87%	66.07%	66.23%	65.59%	65.59%	65.59%	65.59%	65.59%	65.59%
2010Q3	0.00%	56.07%	64.19%	69.38%	70.49%	72.08%	72.34%	72.57%	72.57%	72.57%	72.57%	72.57%	72.57%	72.57%
2010Q4	0.00%	71.83%	75.54%	76.64%	76.94%	77.17%	77.78%	77.83%	77.83%	77.83%	77.83%	77.83%	77.83%	77.83%
2011Q1	0.00%	63.04%	71.93%	77.43%	78.64%	79.15%	79.48%	79.48%	79.48%	79.48%	79.48%	79.48%	79.48%	79.48%
2011Q2	0.00%	48.01%	61.22%	67.08%	68.92%	69.35%	70.84%	70.84%	70.84%	70.84%	70.84%	70.84%	70.84%	70.84%
2011Q3	0.00%	49.35%	66.56%	67.27%	68.15%	68.58%	68.58%	68.58%	68.58%	68.58%	68.58%	68.58%	68.58%	68.58%
2011Q4	0.00%	53.56%	63.63%	65.19%	69.98%	70.54%	70.54%	70.54%	70.54%	70.54%	70.54%	70.54%	70.54%	70.54%
2012Q1	0.00%	53.10%	66.48%	69.24%	71.93%	71.93%	71.93%	71.93%	71.93%	71.93%	71.93%	71.93%	71.93%	71.93%
2012Q2	0.00%	48.98%	63.26%	65.07%	68.66%	68.66%	68.66%	68.66%	68.66%	68.66%	68.66%	68.66%	68.66%	68.66%
2012Q3	0.00%	49.83%	59.76%	65.55%	65.55%	65.55%	65.55%	65.55%	65.55%	65.55%	65.55%	65.55%	65.55%	65.55%
2012Q4	0.00%	29.81%	46.63%	53.25%	53.25%	53.25%	53.25%	53.25%	53.25%	53.25%	53.25%	53.25%	53.25%	53.25%
2013Q1	0.00%	37.06%	59.29%	59.29%	59.29%	59.29%	59.29%	59.29%	59.29%	59.29%	59.29%	59.29%	59.29%	59.29%
2013Q2	0.00%	55.08%	62.64%	62.64%	62.64%	62.64%	62.64%	62.64%	62.64%	62.64%	62.64%	62.64%	62.64%	62.64%
2013Q3	0.00%	52.80%	52.80%	52.80%	52.80%	52.80%	52.80%	52.80%	52.80%	52.80%	52.80%	52.80%	52.80%	52.80%
2013Q4	0.00%	58.77%	58.77%	58.77%	58.77%	58.77%	58.77%	58.77%	58.77%	58.77%	58.77%	58.77%	58.77%	58.77%
2014Q1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2014Q2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Prepayments

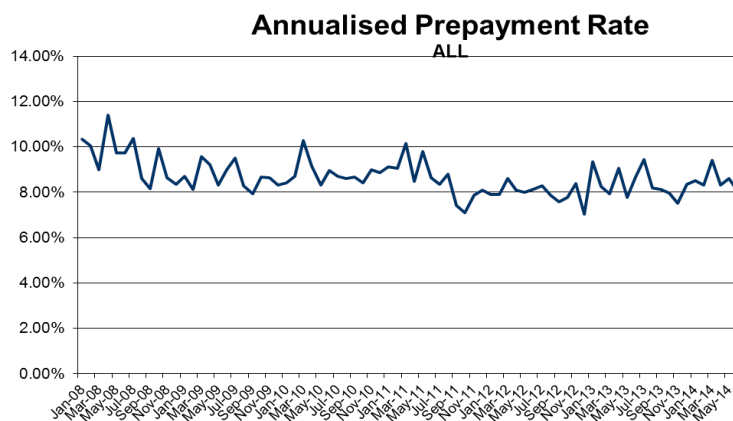
For a given month, the annual prepayment rate (APR) is calculated from the monthly prepayment rate (MPR) according to the following formula: $APR = 1 - (1 - MPR)^{12}$.

The monthly prepayment rate (MPR) is calculated as the ratio of:

- (i) the outstanding principal balance of all loans prepaid during the month, to
- (ii) the outstanding principal balance of all loans (defaulted loans excluded) at the end of the previous month.

Annual prepayment rates – Total portfolio

Month	Annualised Prepayment Rate (%)
2008-Jan	10.34%
2008-Feb	10.05%
2008-Mar	8.99%
2008-Apr	11.41%
2008-May	9.73%
2008-Jun	9.73%
2008-Jul	10.38%
2008-Aug	8.60%
2008-Sep	8.14%
2008-Oct	9.91%
2008-Nov	8.62%
2008-Dec	8.36%
2009-Jan	8.69%
2009-Feb	8.13%
2009-Mar	9.58%
2009-Apr	9.21%
2009-May	8.32%
2009-Jun	8.99%
2009-Jul	9.49%
2009-Aug	8.27%
2009-Sep	7.92%
2009-Oct	8.66%
2009-Nov	8.64%
2009-Dec	8.33%
2010-Jan	8.42%
2010-Feb	8.71%
2010-Mar	10.28%
2010-Apr	9.15%
2010-May	8.33%
2010-Jun	8.96%
2010-Jul	8.69%
2010-Aug	8.59%
2010-Sep	8.66%
2010-Oct	8.41%
2010-Nov	8.97%
2010-Dec	8.86%
2011-Jan	9.13%
2011-Feb	9.05%
2011-Mar	10.16%
2011-Apr	8.48%
2011-May	9.79%
2011-Jun	8.63%
2011-Jul	8.33%
2011-Aug	8.80%
2011-Sep	7.41%
2011-Oct	7.10%
2011-Nov	7.86%
2011-Dec	8.09%
2012-Jan	7.89%
2012-Feb	7.88%
2012-Mar	8.62%
2012-Apr	8.08%
2012-May	8.00%
2012-Jun	8.13%
2012-Jul	8.29%
2012-Aug	7.88%
2012-Sep	7.57%
2012-Oct	7.77%
2012-Nov	8.38%
2012-Dec	7.04%
2013-Jan	9.35%
2013-Feb	8.24%
2013-Mar	7.91%
2013-Apr	9.06%
2013-May	7.78%
2013-Jun	8.66%
2013-Jul	9.45%
2013-Aug	8.19%
2013-Sep	8.12%
2013-Oct	7.96%
2013-Nov	7.51%
2013-Dec	8.33%
2014-Jan	8.50%
2014-Feb	8.32%
2014-Mar	9.39%
2014-Apr	8.31%
2014-May	8.60%
2014-Jun	8.07%

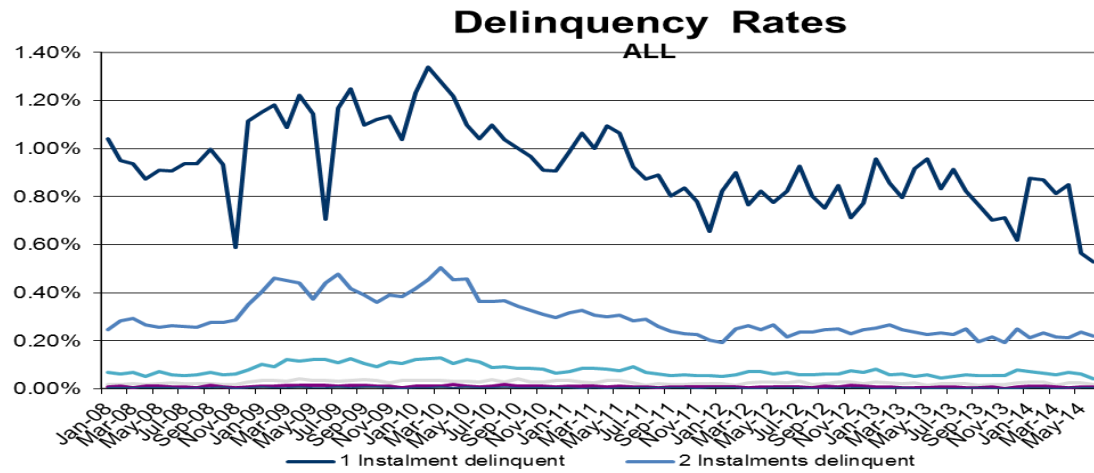


Delinquencies

For a given month and a given delinquency bucket (e.g. 1 instalment delinquent), the delinquency rate is calculated as the ratio of:

- (i) the outstanding principal balance of all delinquent loans (in the same delinquency bucket) during the month, to
- (ii) the outstanding principal balance of all loans (defaulted loans excluded) at the end of the month.

Delinquency rates – Total portfolio



Month	1 Instalment delinquent	2 Instalments delinquent	3 Instalments delinquent	4 Instalments delinquent	5 Instalments delinquent	6 Instalments delinquent
2008-Jan	1.04%	0.25%	0.07%	0.02%	0.01%	0.00%
2008-Feb	0.95%	0.28%	0.06%	0.02%	0.01%	0.00%
2008-Mar	0.94%	0.29%	0.07%	0.02%	0.01%	0.01%
2008-Apr	0.87%	0.27%	0.05%	0.02%	0.01%	0.00%
2008-May	0.91%	0.26%	0.07%	0.02%	0.01%	0.00%
2008-Jun	0.91%	0.26%	0.06%	0.03%	0.01%	0.01%
2008-Jul	0.94%	0.26%	0.05%	0.02%	0.01%	0.00%
2008-Aug	0.94%	0.26%	0.06%	0.02%	0.01%	0.00%
2008-Sep	1.00%	0.28%	0.07%	0.02%	0.01%	0.00%
2008-Oct	0.94%	0.28%	0.06%	0.02%	0.01%	0.01%
2008-Nov	0.59%	0.29%	0.06%	0.02%	0.00%	0.00%
2008-Dec	1.12%	0.35%	0.08%	0.03%	0.01%	0.00%
2009-Jan	1.15%	0.40%	0.10%	0.03%	0.01%	0.01%
2009-Feb	1.18%	0.46%	0.09%	0.04%	0.01%	0.01%
2009-Mar	1.09%	0.45%	0.12%	0.03%	0.02%	0.01%
2009-Apr	1.22%	0.44%	0.12%	0.04%	0.01%	0.01%
2009-May	1.15%	0.37%	0.12%	0.04%	0.02%	0.01%
2009-Jun	0.71%	0.44%	0.12%	0.04%	0.02%	0.01%
2009-Jul	1.17%	0.48%	0.11%	0.03%	0.01%	0.01%
2009-Aug	1.25%	0.42%	0.12%	0.03%	0.01%	0.01%
2009-Sep	1.10%	0.39%	0.11%	0.04%	0.01%	0.01%
2009-Oct	1.12%	0.36%	0.09%	0.03%	0.01%	0.01%
2009-Nov	1.14%	0.39%	0.11%	0.03%	0.01%	0.01%
2009-Dec	1.04%	0.38%	0.11%	0.04%	0.01%	0.00%
2010-Jan	1.23%	0.42%	0.12%	0.03%	0.01%	0.00%
2010-Feb	1.34%	0.45%	0.13%	0.03%	0.01%	0.00%
2010-Mar	1.28%	0.50%	0.13%	0.03%	0.01%	0.01%
2010-Apr	1.22%	0.45%	0.10%	0.03%	0.02%	0.01%
2010-May	1.10%	0.46%	0.12%	0.03%	0.01%	0.01%
2010-Jun	1.04%	0.36%	0.11%	0.03%	0.01%	0.01%
2010-Jul	1.10%	0.36%	0.09%	0.04%	0.01%	0.01%
2010-Aug	1.04%	0.37%	0.09%	0.03%	0.02%	0.01%
2010-Sep	1.00%	0.34%	0.08%	0.04%	0.01%	0.00%
2010-Oct	0.97%	0.33%	0.09%	0.03%	0.01%	0.00%
2010-Nov	0.91%	0.31%	0.08%	0.03%	0.01%	0.00%
2010-Dec	0.91%	0.30%	0.06%	0.03%	0.01%	0.00%
2011-Jan	0.99%	0.32%	0.07%	0.03%	0.01%	0.00%
2011-Feb	1.07%	0.33%	0.08%	0.03%	0.01%	0.00%
2011-Mar	1.00%	0.31%	0.09%	0.02%	0.01%	0.01%
2011-Apr	1.10%	0.30%	0.08%	0.03%	0.01%	0.00%
2011-May	1.06%	0.31%	0.08%	0.04%	0.01%	0.00%
2011-Jun	0.92%	0.28%	0.09%	0.03%	0.01%	0.01%
2011-Jul	0.87%	0.29%	0.07%	0.02%	0.01%	0.00%
2011-Aug	0.89%	0.26%	0.06%	0.02%	0.01%	0.00%
2011-Sep	0.80%	0.24%	0.05%	0.02%	0.01%	0.00%
2011-Oct	0.84%	0.23%	0.06%	0.02%	0.01%	0.01%
2011-Nov	0.78%	0.23%	0.05%	0.02%	0.01%	0.00%
2011-Dec	0.66%	0.20%	0.05%	0.02%	0.01%	0.00%
2012-Jan	0.82%	0.19%	0.05%	0.02%	0.01%	0.00%
2012-Feb	0.90%	0.25%	0.06%	0.02%	0.01%	0.00%
2012-Mar	0.77%	0.26%	0.07%	0.03%	0.01%	0.00%
2012-Apr	0.82%	0.25%	0.07%	0.03%	0.01%	0.00%
2012-May	0.78%	0.27%	0.06%	0.03%	0.01%	0.00%
2012-Jun	0.82%	0.22%	0.07%	0.03%	0.01%	0.01%
2012-Jul	0.93%	0.24%	0.06%	0.03%	0.01%	0.00%
2012-Aug	0.80%	0.24%	0.06%	0.02%	0.01%	0.00%
2012-Sep	0.75%	0.25%	0.06%	0.02%	0.01%	0.00%
2012-Oct	0.85%	0.25%	0.06%	0.03%	0.01%	0.00%
2012-Nov	0.71%	0.23%	0.07%	0.03%	0.01%	0.00%
2012-Dec	0.77%	0.24%	0.07%	0.02%	0.01%	0.01%
2013-Jan	0.96%	0.25%	0.08%	0.03%	0.01%	0.00%
2013-Feb	0.86%	0.27%	0.06%	0.02%	0.01%	0.00%
2013-Mar	0.80%	0.24%	0.06%	0.02%	0.01%	0.00%
2013-Apr	0.92%	0.23%	0.05%	0.02%	0.00%	0.00%
2013-May	0.96%	0.23%	0.06%	0.02%	0.01%	0.00%
2013-Jun	0.83%	0.23%	0.05%	0.02%	0.01%	0.00%
2013-Jul	0.92%	0.23%	0.05%	0.02%	0.01%	0.00%
2013-Aug	0.82%	0.25%	0.06%	0.02%	0.01%	0.00%
2013-Sep	0.77%	0.20%	0.05%	0.02%	0.01%	0.00%
2013-Oct	0.70%	0.22%	0.05%	0.02%	0.01%	0.00%
2013-Nov	0.71%	0.19%	0.06%	0.02%	0.00%	0.00%
2013-Dec	0.62%	0.25%	0.08%	0.02%	0.01%	0.00%
2014-Jan	0.88%	0.21%	0.07%	0.03%	0.01%	0.00%
2014-Feb	0.87%	0.23%	0.06%	0.03%	0.01%	0.00%
2014-Mar	0.81%	0.22%	0.06%	0.01%	0.01%	0.00%
2014-Apr	0.85%	0.21%	0.07%	0.02%	0.01%	0.00%
2014-May	0.57%	0.24%	0.06%	0.02%	0.01%	0.00%
2014-Jun	0.53%	0.22%	0.04%	0.02%	0.01%	0.00%

3. Inferential statement of the Issuer

The Issuer states herewith that the securitised assets backing the issue have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Compartment 5 Notes. However, this is not a guarantee given by the Issuer and the Issuer as a special purpose entity has only limited resources available as described under the "RISK FACTORS – Factors that may affect the Issuer's ability to fulfil its obligations under the Compartment 5 Notes – Structural and other credit risks – Limited resources of the Issuer".

EXPECTED MATURITY AND AVERAGE LIFE OF NOTES AND ASSUMPTIONS

The weighted average life of the Compartment 5 Notes refers to the average amount of time that will elapse from the Issue Date of the Compartment 5 Notes to the date of distribution of amounts of principal to the Compartment 5 Noteholders.

The weighted average life of the Compartment 5 Notes will be influenced by, amongst other things, the rate at which the Purchased Loan Receivables are repaid or reduced, which may be in the form of scheduled amortisation, prepayments or defaults. The weighted average life of the Notes may also be influenced by factors like arrears.

The following table is prepared on the basis of certain assumptions, as described below:

- (i) the Compartment 5 Notes are issued on the Issue Date of 22 October 2014;
- (ii) the first Payment Date will be 17 November 2014 and thereafter each following Payment Date will be on the 15th calendar day of each month;
- (iii) the relative scheduled amortisation profile of the Purchased Loan Receivables as of the Cut-Off Date;
- (iv) the Purchased Loan Receivables are subject to a constant annual rate of principal prepayments as set out in the below table;
- (v) the Purchased Loan Receivables are fully performing and do not show any delinquencies or defaults;
- (vi) the Purchased Loan Receivables are not subject to loan restructuring;
- (vii) no Purchased Loan Receivables are repurchased by the Seller from the Issuer in any situation other than under (viii);
- (viii) the Seller will exercise its right to exercise the Clean-Up Call at the earliest Payment Date possible; and
- (ix) the initial amount of each Class of Compartment 5 Notes is equal to the Aggregate Outstanding Note Principal Amount as set forth on the front cover of this Offering Circular.

The approximate weighted average lives and principal payment windows of each Class of Compartment 5 Notes, at various assumed rates of prepayment of the Purchased Loan Receivables, would be as follows (with "CPR" being the constant prepayment rate):

Class A Compartment 5 Notes average life and payment windows

Class A Notes			
CPR in %	Weighted Average Life (in Years)	First Principal Payment Date	Expected Maturity Date
0.0%	1.50	Nov 14	Jan 18
5.0%	1.40	Nov 14	Dec 17
9.0%	1.33	Nov 14	Nov 17
10.0%	1.31	Nov 14	Nov 17
15.0%	1.23	Nov 14	Sep 17

Class B Compartment 5 Notes average life and payment windows

Class B Notes			
CPR in %	Weighted Average Life (in Years)	First Principal Payment Date	Expected Maturity Date
0.0%	3.25	Jan 18	Jan 18
5.0%	3.17	Dec 17	Dec 17
9.0%	3.08	Nov 17	Nov 17
10.0%	3.08	Nov 17	Nov 17
15.0%	2.92	Sep 17	Sep 17

The exact average life of the Class A Compartment 5 Notes and of the Class B Compartment 5 Notes cannot be predicted as the actual rate at which the Purchased Loan Receivables will be repaid and a number of other relevant factors are unknown.

The average lives of each Class of Compartment 5 Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and the estimates above will prove in any way to be realistic and they must, therefore, be viewed with considerable caution.

Assumed Amortisation of the Compartment 5 Notes

This amortisation scenario is based on the assumptions listed above under Weighted Average Life of the Compartment 5 Notes and is assuming a CPR of 9 per cent.. It should be noted that the actual amortisation of the Compartment 5 Notes may differ substantially from the amortisation scenario indicated below.

Payment Date	Class A Outstanding Note Principal Amount	Class B Outstanding Note Principal Amount	Class A Principal Redemption Amount	Class A Principal Redemption Amount
Closing	1,000,000,000	75,300,000		
Nov-14	960,563,875	75,300,000	39,436,125	-
Dec-14	920,682,593	75,300,000	39,881,282	-
Jan-15	883,578,753	75,300,000	37,103,840	-
Feb-15	847,235,018	75,300,000	36,343,735	-
Mar-15	809,876,905	75,300,000	37,358,113	-
Apr-15	771,879,282	75,300,000	37,997,623	-
May-15	734,548,623	75,300,000	37,330,659	-
Jun-15	695,839,553	75,300,000	38,709,070	-
Jul-15	656,386,763	75,300,000	39,452,790	-
Aug-15	621,358,641	75,300,000	35,028,122	-
Sep-15	587,962,377	75,300,000	33,396,263	-
Oct-15	555,474,526	75,300,000	32,487,851	-
Nov-15	523,871,253	75,300,000	31,603,273	-
Dec-15	491,206,471	75,300,000	32,664,782	-
Jan-16	462,769,550	75,300,000	28,436,921	-
Feb-16	437,577,608	75,300,000	25,191,943	-
Mar-16	411,886,706	75,300,000	25,690,901	-
Apr-16	385,464,709	75,300,000	26,421,997	-
May-16	359,681,335	75,300,000	25,783,374	-
Jun-16	332,944,958	75,300,000	26,736,377	-
Jul-16	307,368,161	75,300,000	25,576,797	-
Aug-16	283,184,476	75,300,000	24,183,684	-
Sep-16	260,346,983	75,300,000	22,837,493	-
Oct-16	237,721,530	75,300,000	22,625,453	-
Nov-16	215,213,099	75,300,000	22,508,431	-
Dec-16	193,039,969	75,300,000	22,173,130	-
Jan-17	173,716,398	75,300,000	19,323,571	-
Feb-17	156,613,201	75,300,000	17,103,196	-
Mar-17	138,571,074	75,300,000	18,042,128	-
Apr-17	120,936,686	75,300,000	17,634,388	-
May-17	104,710,781	75,300,000	16,225,905	-
Jun-17	87,766,258	75,300,000	16,944,523	-
Jul-17	73,591,718	75,300,000	14,174,540	-
Aug-17	60,976,617	75,300,000	12,615,101	-
Sep-17	48,997,933	75,300,000	11,978,684	-
Oct-17	37,791,233	75,300,000	11,206,700	-
Nov-17	-	-	37,791,233	75,300,000
Dec-17	-	-	-	-

THE ISSUER

1. General

Silver Arrow S.A., a company with limited liability (*société anonyme*), was incorporated as a special purpose company under the laws of Luxembourg on 21 October 2005, for an unlimited period and with registered office at 9B, Boulevard Prince Henri, L-1724 Luxembourg (telephone: + 352 20 20 41 00). Silver Arrow S.A. is registered with the Luxembourg Commercial Register under registration number B 111345 on 27 October 2005.

Silver Arrow S.A. has elected in its articles of incorporation to be governed by the Luxembourg Securitisation Law.

2. Corporate Purpose of the Issuer

Silver Arrow S.A. shall have as its business purpose the securitisation (within the meaning of the Luxembourg Securitisation Law which shall apply to Silver Arrow S.A.) of receivables (the "Permitted Assets"). Silver Arrow S.A. shall not actively source Permitted Assets but shall only securitise those Permitted Assets that are proposed to it by one or several originators. Silver Arrow S.A. may enter into any agreement and perform any action necessary or useful for the purposes of securitising Permitted Assets, provided it is consistent with (1) the Luxembourg Securitisation Law and (2) paragraph 35 of the Statement of Financial Accounting Standards No. 140 issued by the Financial Accounting Standards Board.

3. Compartments

The board of directors of Silver Arrow S.A. may create one or more Compartments within Silver Arrow S.A. Each Compartment shall, in respect of the corresponding funding, correspond to a distinct part of the assets and liabilities of Silver Arrow S.A. The resolution of the board of directors creating one or more Compartments within Silver Arrow S.A. as well as any subsequent amendments thereto, shall be binding as of the date of such resolution against any third party.

As between the Noteholders of Silver Arrow S.A., each Compartment of Silver Arrow S.A. shall be treated as a separate entity. Rights of creditors and investors of Silver Arrow S.A. that (i) have been designed as relating to a Compartment or (ii) have arisen in connection with the creation, the operation or the liquidation of a Compartment are strictly limited to the assets of that Compartment and such assets shall be exclusively available to satisfy such creditors and investors. Creditors and investors of Silver Arrow S.A. whose rights are designated as relating to a specific Compartment of Silver Arrow S.A. shall (subject to mandatory law) have no rights to the assets of any other Compartment.

Unless otherwise provided for in the resolution of the board of directors of Silver Arrow S.A. creating such Compartment, no resolution of the board of directors of Silver Arrow S.A. may be taken to amend the resolution creating such Compartment or take any other decision directly affecting the rights of the shareholders or creditors whose rights relate to such Compartment without the prior approval of the shareholders and creditors whose rights relate to such Compartment. Any decision of the board of directors taken in breach of this provision shall be void.

The liabilities and obligations of the Issuer incurred or arising in connection with the Compartment 5 Notes and the other Transaction 5 Documents and all matters connected therewith will only be satisfied or discharged against the assets of Compartment 5. At the Issue Date, Compartment 5 and all other Compartments established prior to the establishment of Compartment 5 will comprise all of the assets of Silver Arrow S.A. If new Compartments were to be created by Silver Arrow S.A., the liabilities and obligations of Silver Arrow S.A. to the Corporate Services Provider in respect of the Corporate Services Agreement would be capable of being satisfied or discharged against the assets of all the Compartments of Silver Arrow S.A. The assets of Compartment 5 will be exclusively available to satisfy the rights of the Compartment 5 Noteholders and the other creditors of the Issuer in respect of the Compartment 5 Notes, the other Transaction 5 Documents and all matters connected therewith, as provided therein, and (subject to mandatory law) no other creditors of Silver Arrow S.A. will have any recourse against the assets of Compartment 5 of the Issuer.

4. Business Activity

Silver Arrow S.A. has not previously carried on any business or activities other than those incidental to its incorporation, other than in respect of its Compartments established prior to the Issue Date and other than entering into certain transactions prior to the Issue Date with respect to the securitisation transaction contemplated herein.

In respect of Compartment 5, the Issuer's principal activities will be the issue of the Compartment 5 Notes, the granting of Compartment 5 Security, the entering into the Subordinated Loan Agreement, the entering into the Swap Agreement and the entering into all other Transaction 5 Documents to which it is a party and the opening of the Issuer Account-C5 and the exercise of related rights and powers and other activities reasonably incidental thereto.

In respect of Compartments other than Compartment 5, the principal activities of Silver Arrow S.A. will be the operation as a multi-issuance securitisation conduit for the purposes of, on an on-going basis, purchasing assets, directly or via intermediary purchasing entities, from several selling entities, or assuming the credit risk in respect of assets in any other way, and funding such purchases or risk assumptions in particular in the asset-backed markets. Each such securitisation transaction can be structured as a singular or as a revolving purchase of assets (or other assumption of credit risk) and shall be separate from all other securitisations entered into by Silver Arrow S.A. To that end, each securitisation carried out by Silver Arrow S.A. shall be allocated to a separate Compartment.

5. Corporate Administration and Management

The current Directors of Silver Arrow S.A. as appointed in the shareholder meeting following the incorporation of Silver Arrow S.A. and in a shareholder's resolution dated 21 October 2005, are as follows:

Director	Business address	Principal activities outside the Issuer
Hinnerk Koch, born on 15 March 1963	9B, Boulevard Prince Henri, L-1724 Luxembourg	Professional in providing corporate services
Martijn Sinnighe Damste, born on 2 November 1978	9B, Boulevard Prince Henri, L-1724 Luxembourg	Professional in providing corporate services
Laurent Belik, born on 2 September 1974	9B, Boulevard Prince Henri, L-1724 Luxembourg	Professional in providing corporate services

Each of the Directors confirms that there is no conflict of interest between his duties as a Director of Silver Arrow S.A. and his principal and/or other activities outside Silver Arrow S.A.

6. Capital and Shares, shareholders

The subscribed capital of Silver Arrow S.A. is set at EUR 31,000 divided into 3,100 shares fully paid up, registered shares with a par value of EUR 10 each.

The shareholders of Silver Arrow S.A. are the Stichting Bertdan and Stichting Cannelle, Dutch foundations (stichtingen) established under the laws of The Netherlands whose statutory seats are in Amsterdam and whose registered offices are at Claude Debussylaan 18, Amsterdam, 1082 MD, The Netherlands.

7. Capitalisation

The current share capital of Silver Arrow S.A. as at the date of this Offering Circular is as follows:

Share Capital
Authorised, issued and fully paid up: EUR 31,000

8. Indebtedness

Silver Arrow S.A., acting through its Compartment 5, has no material indebtedness, contingent liabilities and/or guarantees as at the date of the Offering Circular, other than that which it has incurred or shall incur in relation to its Compartments and the transactions including the ones contemplated in this Offering Circular.

9. Holding Structure

(a)	Stichting Bertdan, prenamed	1,550 shares
(b)	Stichting Cannelle, prenamed	<u>1,550 shares</u>
	Total	3,100 shares

10. Subsidiaries

Silver Arrow S.A. has no subsidiaries or Affiliates.

11. Name of the Issuer's financial auditors

KPMG Audit S.à r. l.
9, Allée Scheffer
L-2520 Luxembourg

KPMG Audit S.à.r.l. is a member of the Institut des Réviseurs d' Entreprises.

12. Main Process for Director's Meetings and Decisions

Silver Arrow S.A. is managed by a board of directors comprising at least three (3) members, whether shareholders or not, who are appointed for a period not exceeding six years by the general meeting of shareholders which may at any time remove them.

The number of directors, their term and their remuneration are fixed by the general meeting of the shareholders.

The office of a director shall be vacated if:

- He resigns his office by notice to Silver Arrow S.A., or
- He ceases by virtue of any provision of the law or he becomes prohibited or disqualified by law from being a director, or
- He becomes bankrupt or makes any arrangement or composition with his creditors generally, or
- He is removed from office by resolution of the shareholders.

The board of directors may elect from among its members a chairman.

The board of directors convenes upon call by the chairman, as often as the interest of Silver Arrow S.A. so requires. It must be convened each time two directors so request.

Directors may participate in a meeting of the board of directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and speak to each other, and such participation in a meeting will constitute presence in person at the meeting, provided that all actions approved by the Directors at any such meeting will be reproduced in writing in the form of resolutions.

Resolutions signed by all members of the board of directors will be as valid and effectual as if passed at a meeting duly convened and held. Such signatures may appear on a single document or multiple copies of an identical resolution and may be evidenced by letter, fax, email or similar communication.

The board of directors is vested with the powers to perform all acts of administration and disposition in compliance with the corporate objects of Silver Arrow S.A.

The board of directors can create one or several separate compartments, in accordance with article 5 of the articles of incorporation of Silver Arrow S.A.

Silver Arrow S.A. will be bound in any circumstances by the joint signatures of two members of the board of directors unless special decisions have been reached concerning the authorized signature in case of delegation of powers or proxies given by the board of directors pursuant to article 11 of the articles of incorporation of Silver Arrow S.A.

The board of directors may delegate its powers to conduct the daily management of Silver Arrow S.A. to one or more directors, who will be called managing directors.

It may also commit the management of all the affairs of Silver Arrow S.A. or of a special branch to one or more directors, and give special powers for determined matters to one or more proxy holders, selected from its own members or not, whether shareholders or not.

13. Financial Statements

Audited financial statements will be published by Silver Arrow S.A. on an annual basis.

The business year of Silver Arrow S.A. extends from 1 January to 31 December of each calendar year. The first business year began on 21 October 2005 and ended on 31 December 2005. KPMG Audit S.à r. l., as the auditor of Silver Arrow S.A., audited the annual accounts of Silver Arrow S.A. displayed hereunder for the periods from 1 January 2012 to 31 December 2012 and from 1 January 2013 to 31 December 2013. In the opinion of KPMG Audit S.à r. l. the below annual accounts gave, in conformity with Luxembourg legal and regulatory requirements, a true and fair report of the financial position of Silver Arrow S.A. as at 31 December 2012 and as at 31 December 2013 and of the result of its operations from 1 January 2012 to 31 December 2012 and from 1 January 2013 to 31 December 2013.

SILVER ARROW S.A.

Annual Accounts
as at 31 December 2012

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

9B, Boulevard Prince Henri
L-1724 Luxembourg
R.C. Luxembourg City
B.No. 111 345

SILVER ARROW S.A.

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To the Board of Directors of
Silver Arrow S.A.
9B, Boulevard du Prince Henri
L-1724 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the annual accounts

Following our appointment by the Board of Directors dated 13 March 2012, we have audited the accompanying annual accounts of Silver Arrow S.A., which comprise the balance sheet as at 31 December 2012 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Silver Arrow S.A. as of 31 December 2012, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements

The Directors' report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

Luxembourg, 22 March 2013

KPMG Luxembourg S.à r.l.
Cabinet de révision agréé



T. Feld

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors is pleased to present the annual accounts of SILVER ARROW S.A. (the "Company") for the financial year ended 31 December 2012

Financial highlights

	2012	2011
	EUR	EUR
Total Assets	91,164.23	10,184.17
Notes Issued	0.00	0.00
Net Profit (Loss) for the financial year	(19,413.69)	(26,857.43)

Activities and review of the business development

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

The Company's business purpose is, in accordance with the terms of the law of March 22, 2004, to create one or more compartments within the Company and to securitize permitted assets for such compartments. Each compartment shall be treated as a separate entity.

In 2012, no compartment was active. There was no business activity in 2012.

Acquisition of own shares

During the year ended 31 December 2012 the Company has not purchased any of its own shares.

Research and development activities

The Company was not involved or participating in any kind of research or development activities in the year ended 31 December 2012.

DIRECTORS' REPORT

Subsequent events

There are no subsequent events.

Directors' statement of responsibility

The directors confirm that to the best of their knowledge:

- The annual accounts are prepared in accordance with the Luxembourg accounting standards. They give a true and fair view of the assets, liabilities, financial position and result of the issuer.
- The summary of activities includes a fair review of the information required by the Disclosure and Transparency Rules.
- The Director's report includes a fair review of the development and performance of the business and adequately describes the principal risks and uncertainties faced by the Company.



Laurent Bélik
Director



Hinnerk Koch
Director

SILVER ARROW S.A.
Balance Sheet
as at December 31, 2012
(expressed in EUR)

ASSETS	Notes	2012	2011
Current assets		91,164.23	10,184.17
Cash at bank		91,164.23	10,184.17
TOTAL ASSETS		<u>91,164.23</u>	<u>10,184.17</u>
LIABILITIES			
Capital and reserves		84,770.48	4,184.17
Subscribed capital	3	31,000.00	31,000.00
Share premium	4	100,000.00	0.00
Reserves	5	3,100.00	3,100.00
Legal reserve		3,100.00	3,100.00
Profit or (loss) brought forward		(29,915.83)	(3,058.40)
Result for the financial year		(19,413.69)	(26,857.43)
Non subordinated debts		6,393.75	6,000.00
Trade creditors		6,000.00	6,000.00
becoming due and payable after less than one year		6,000.00	6,000.00
Tax and social security		393.75	0.00
Tax		393.75	0.00
TOTAL LIABILITIES		<u>91,164.23</u>	<u>10,184.17</u>

The accompanying notes form an integral part of the annual accounts.

SILVER ARROW S.A.
Profit and Loss Accounts for the period
from January 1, 2012 to December 31, 2012
 (expressed in EUR)

CHARGES	Notes	01/01/2012- 31/12/2012	01/01/2011- 31/12/2011
Other external charges		6,005.00	29,006.46
Other operating charges		11,833.69	2,618.62
Tax on profit or loss		1,575.00	2,656.60
TOTAL CHARGES		<u><u>19,413.69</u></u>	<u><u>34,281.68</u></u>
INCOME			
Other operating income		0.00	7,424.25
Loss for the financial year		19,413.69	26,857.43
TOTAL INCOME		<u><u>19,413.69</u></u>	<u><u>34,281.68</u></u>

The accompanying notes form an integral part of these annual accounts.

SILVER ARROW S.A.
Notes to the Annual Accounts
for the year ended December 31, 2012

1 General

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

The registered office of the Company is 9B, boulevard Prince Henri, L-1724 Luxembourg. The Company is established for an unlimited period of time.

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

The financial year covers the period from January 1 to December 31.

The Company's business purpose is, in accordance with the terms of the law of March 22, 2004 on securitization, and in particular its article 5, to enter into one or more compartments within the company. Each compartment of the company shall be treated as a separate entity.

In 2012, no compartment was active.

2 Significant Accounting Policies

2.1 Basis of presentation

The annual accounts have been prepared in accordance with the generally accepted accounting principles and in agreement with the laws and regulations in force in the Grand-Duchy of Luxembourg.

The Company is a small size corporation as per articles 35 and 36 of the law dated December 19, 2002. The Company takes into account the abridged preparation and disclosure requirements as per articles 35, 47 and 66 and the abridged publication requirements as per article 79 of this law.

2.2 Presentation of the comparative financial date

Among the figures for the year ending 31 December 2011 several positions have been reclassified to ensure the comparability with the figures for the year ended 31 December 2012. Following items have been reclassified to the accounts below.

Other creditors EUR 6,000.00 to assets and liabilities item: trade creditors.

Other operating charges EUR 29,006.46 to profit and loss item: other external charges.

2.3 Foreign currency translation

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

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

SILVER ARROW S.A.
Notes to the Annual Accounts
for the year ended December 31, 2012

Income and charges in foreign currency are converted into EUR at the average rate.

Realized exchange gains and losses and unrealized exchange losses are reflected in the profit and loss account.

3 Subscribed capital

The subscribed capital of EUR 31,000.00 is issued and fully paid, and is represented by 31 shares of EUR 1,000.00 each.

4 Share premium

During the course of May 2012, the company has received on its share capital account a total amount of EUR 100,000.00 from the shareholders and the payment has been recognize as a share premium.

5 Legal reserve

Under Luxembourg law, the Company must appropriate at least 5% of its statutory net profit to a non distributable legal reserve until the aggregate reserve reaches 10% of the subscribed share capital. The legal reserve is not distributable.

6 Taxation

Luxembourg securitization companies under the law of March 22, 2004 are fully liable to corporate income and municipal business tax.

7 Staff

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

8 Off-balance sheet activities

There are no contracts outstanding as at December 31, 2012.

9 Subsequent events

There are no subsequent events.

SILVER ARROW S.A.

Annual Accounts
for the year ended
December 31, 2013

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

9B, Boulevard Prince Henri
L-1724 Luxembourg
R.C. Luxembourg City
B.No. 111 345

SILVER ARROW S.A.

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To the Board of Directors of
Silver Arrow S.A.
9B, Boulevard Prince Henri
L-1724 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREÉ

Report on the annual accounts

Following our appointment by the Board of Directors dated March 22, 2013 we have audited the accompanying annual accounts of Silver Arrow S.A., which comprise the balance sheet as at December 31, 2013 and the profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG Luxembourg S.à.r.l. is a Luxembourg private limited liability company and a member of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

TVS: 32 2980077
Capital: 12.500 €
R.C.S. Luxembourg: B 11902



Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Silver Arrow S.A. as of December 31, 2013, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements

The Directors' report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

Luxembourg, October 9, 2014

KPMG Luxembourg S.à r.l.
Cabinet de révision agréé

C. Veeckmans

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors is pleased to present the annual accounts of SILVER ARROW S.A. (the "Company") for the financial year ended December 31, 2013

Financial highlights

	2013	2012
	EUR	EUR
Total Assets	1,097,962,718.91	91,164.23
Notes Issued	1,000,000,000.00	0.00
Net Profit (Loss) for the financial year	(24,138.86)	(19,413.69)

Activities and review of the business development

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

The Company's business purpose is, in accordance with the terms of the law of March 22, 2004, to create one or more compartments within the Company and to securitize permitted assets for such compartments. Each compartment shall be treated as a separate entity.

In the year 2013, the Company created the compartment 4, approved by the Board of Directors on November 19, 2013. In respect of the compartment, the Company issued Class A Notes for a nominal amount of EUR 925,000,000.00 and Class B Notes for a nominal amount of EUR 75,000,000.00 linked to the performance of Lease receivables from Mercedes-Benz BankAG.

Acquisition of own shares

During the year ended 31 December 2013 the Company has not purchased any of its own shares.

DIRECTORS' REPORT

Research and development activities

The Company was not involved or participating in any kind of research or development activities in the year ended December 31, 2013.

Subsequent events

No events occurred subsequent to December 31, 2013, that would have a material impact on these annual accounts. A new compartment with the name "Compartment 5" was approved for creation July 31, 2014.

Corporate Governance Declaration

The Company has issued securities quoted on the Luxembourg Stock Exchange and thus included a declaration on corporate governance, as defined by art.4 paragraph (1) point 14 of the Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.

Risk Management and Internal Control

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

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

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

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

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

- The management structure with delegated authority levels, segregation of duties, functional reporting lines and accountability;
- Authorisation processes for all capital expenditure, other purchases and expenses are subject to appropriate authorisation procedures;
- Formal reporting to the Board of Directors on specific areas of financial and operational risk.

DIRECTORS' REPORT

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

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

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

- Laurent Bélik, Director since May 05, 2011
- Hinnerk Koch, Director since October 12, 2010
- Martijn Sinninghe Damsté, Director since October 12, 2010

The current Board of Directors were appointed on the general meeting of shareholders of the Company after resignation of the prior Board of Directors

Directors' statement of responsibility

The directors confirm that to the best of their knowledge:

- The annual accounts are prepared in accordance with the Luxembourg accounting standards. They give a true and fair view of the assets, liabilities, financial position and result of the Company.
- The summary of activities includes a fair review of the information required by the Disclosure and Transparency Rules.
- The Directors' report includes a fair review of the development and performance of the business and adequately describes the principal risks and uncertainties faced by the Company.



Laurent Bélik
Director



Hinnerk Koch
Director
Represented by:
Laurent Bélik



Martijn Sinninghe Damsté
Director

SILVER ARROW S.A.
Combined Balance Sheet as at
December 31, 2013
 (expressed in EUR)

ASSETS	Notes	2013	2012
Fixed assets:		995,193,756.55	0.00
Financial assets		995,193,756.55	0.00
Loans and claims held as fixed assets	3	995,193,756.55	0.00
Current assets:		102,768,962.36	91,164.23
Debtors		10,708,098.29	0.00
Other debtors		10,708,098.29	0.00
becoming due and payable within one year	4	10,708,098.29	0.00
Cash at bank	5	92,060,864.07	91,164.23
TOTAL ASSETS		<u>1,097,962,718.91</u>	<u>91,164.23</u>
LIABILITIES			
Capital and reserves		60,631.62	84,770.48
Subscribed capital	6	31,000.00	31,000.00
Share premium and similar premiums	7	100,000.00	100,000.00
Reserves		3,100.00	3,100.00
Legal reserve	8	3,100.00	3,100.00
Profit or (loss) brought forward		(49,329.52)	(29,915.83)
Result for the financial year		(24,138.86)	(19,413.69)
Non subordinated debts:			
Debenture loans		1,097,902,087.29	6,393.75
Non convertible loans	9	1,000,555,758.34	0.00
becoming due and payable within one year		555,758.34	0.00
becoming due and payable after more than one year		1,000,000,000.00	0.00
Trade creditors		70,152.33	6,000.00
becoming due and payable within one year	10	70,152.33	6,000.00
Amounts owed to affiliated undertakings	11	97,077,168.01	0.00
becoming due and payable within one year		5,077,168.01	0.00
becoming due and payable after more than one year		92,000,000.00	0.00
Tax and social security		0.00	393.75
Tax	13	0.00	393.75
Other creditors		199,008.61	0.00
becoming due and payable after less than one year	12	199,008.61	0.00
TOTAL LIABILITIES		<u>1,097,962,718.91</u>	<u>91,164.23</u>

The accompanying notes form an integral part of these annual accounts.

SILVER ARROW S.A.
Combined Profit and Loss Accounts for the financial year
from January 1, 2013 to December 31, 2013
 (expressed in EUR)

CHARGES	Notes	January 1, to December 31, 2013	January 1, to December 31, 2012
Other external charges:	14	92,851.19	17,838.69
Value adjustments and fair value adjustments on financial fixed assets:	15	4,806,218.00	0.00
Interest payable and other similar charges concerning affiliated undertakings	16	5,831,934.96	0.00
other interest and similar charges		5,077,168.01	0.00
		754,766.95	0.00
Income tax	13	1,575.00	1,575.00
TOTAL CHARGES		<u>10,732,579.15</u>	<u>19,413.69</u>
INCOME			
Other operating income		135.00	0.00
Income from financial fixed assets:		6,909,930.73	0.00
other income from participating interests	17	6,909,930.73	0.00
Other interest and other financial income		3,798,374.56	0.00
other interest receivable and similar financial income	18	3,798,374.56	0.00
Loss for the financial year		24,138.86	19,413.69
TOTAL INCOME		<u>10,732,579.15</u>	<u>19,413.69</u>

The accompanying notes form an integral part of these annual accounts.

SILVER ARROW S.A.
Notes to the Annual Accounts
for the year ended December 31, 2013

1 General

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

The registered office of the Company is 9B, boulevard Prince Henri, L-1724 Luxembourg. The Company is established for an unlimited period of time.

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

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

On November 27, 2013, the Notes within Compartment 4 have funded the fifth securitization transaction. They are backed by a portfolio of car loan receivables secured by Loan Collateral.

Compartment 4 has obtained financing from affiliated and non-affiliated undertakings, in the form of listed and non listed notes and non subordinated loans, to fund the purchase of auto loan receivables and maintenance of various cash reserves as required by the seller of lease receivables. The priority of payments is mentioning the seniority of the Class A Noteholders, as the Compartment 4 Class A Notes are listed on the official list and are admitted to trading on the regulated market of the Luxembourg Stock Exchange. Class B Notes are not listed on the Luxembourg Stock Exchange.

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

The financial year covers the period from January 1 to December 31.

2 Significant Accounting Policies

2.1 Basis of presentation

The annual accounts have been prepared in accordance with the generally accepted accounting principles and in agreement with the laws and regulations in force in the Grand-Duchy of Luxembourg.

Some figures for the year ended December 31, 2012 have been reclassified and in some cases have been combined or separated as required, following the layout of balance sheet and profit and loss account, as set forth in the Law of December 10, 2010.

SILVER ARROW S.A.
Notes to the Annual Accounts
for the year ended December 31, 2013
(continued)

2.2 Financial assets

The Company's financial assets are stated at acquisition cost less any impairment in value or at the amount received (repaid instalments).

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

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

2.3 Foreign currency translation

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

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

Income and charges in foreign currency are converted into EUR at the rate of exchange ruling on the date of the transaction.

2.4 Final success fee payable

The final success fee is calculated in accordance with the offering circular as an amount equal to the available funds less amounts necessary to service the Notes and certain expenses. The fees are paid to Mercedes-Benz Bank AG, Germany ("MBB") on a monthly basis, and are accounted for as an expense.

2.5 General Reserve and Commingling Reserve

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

The amounts standing to the credit of the General Reserve account over time will serve as liquidity for the Class A Compartment 4 Notes throughout the life of the transaction and will eventually serve as credit enhancement to the Compartment 4 Notes.

SILVER ARROW S.A.
Notes to the Annual Accounts
for the year ended December 31, 2013
(continued)

2.5 General Reserve and Commingling Reserve (continued)

A Commingling Reserve account will also be maintained with the Bank. On each payment date any amount standing to the credit of this account which exceeds the Commingling Reserve required amount will be paid back by the issuer to the seller outside the priority of payments.

2.6 Cash excess to servicer

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

2.7 Off balance sheet transactions

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

The accounting policy for derivatives takes into consideration the losses not yet realized while unrealized gains are not accounted for.

3 Fixed assets

The Company used the net proceeds from the sale of the Notes to purchase a portfolio of auto loan receivables of Mercedes-Benz Bank AG, Germany ("MBB"). In return MBB paid interest and principal collections on Performing Loan receivables.

The evolution of the loan portfolio for the year ended December 31, 2013 is as follows:

	2013	2012
	EUR	EUR
Opening balance	0.00	0.00
Purchases during the year	999,999,974.55	0.00
Receivables collected during year	0.00	0.00
Individual value adjustment	(1,134,586.00)	0.00
Collective value adjustment	(3,671,632.00)	0.00
Ending balance	<u>995,193,756.55</u>	<u>0.00</u>

SILVER ARROW S.A.
Notes to the Annual Accounts
for the year ended December 31, 2013
(continued)

4 Debtors

As at December 31, 2013 other debtors becoming due and payable within one year are composed of:

	2013	2012
	EUR	EUR
Accrued interest on portfolio of lease receivables	6,909,930.73	0.00
Accrued interest on interest rate swaps	152,008.33	0.00
Cash excess to servicer	3,646,159.23	0.00
	<u>10,708,098.29</u>	<u>0.00</u>

The interest receivable collected by the servicing agent was collected for the year ended December 31, 2013, and paid to the Company on the next interest payment date on January 20, 2014.

5 Cash at banks

As at December 31, 2013 the cash and bank is made up as follows:

	2013	2012
	EUR	EUR
Cash held at bank	60,657.07	91,164.23
General Reserve account	10,000,022.50	0.00
Commingling Reserve account	82,000,184.50	0.00
	<u>92,060,864.07</u>	<u>91,164.23</u>

6 Subscribed capital

The subscribed capital of EUR 31,000.00 is issued and fully paid, and is represented by 31 shares of EUR 1,000.00 each.

SILVER ARROW S.A.
Notes to the Annual Accounts
for the year ended December 31, 2013
(continued)

7 Share premium

During the course of May 2012, the Company has received on its share capital account a total amount of EUR 100,000.00 from the Shareholders and the payment has been recognized as a share premium.

8 Legal reserve

Under Luxembourg law, the Company must appropriate at least 5% of its statutory net profit to a non distributable legal reserve until the aggregate reserve reaches 10% of the subscribed share capital. The legal reserve is not distributable.

9 Non convertible loans

The Company created a Compartment 4 on November 27, 2013 issuing two Classes A and B, amounting to nominal of EUR 1,000,000,000.00 maturing in 2021. The priority of payment is mentioning the seniority of the Class A Noteholders.

The Notes outstanding for Compartment 4 as at December 31, 2013 are comprised as follows:

In EUR		Notes issued	
Notes	Interest Rate	2013	2012
Class A	Euribor + 0.30%	925,000,000.00	0.00
Class B	Fixed 2.00%	75,000,000.00	0.00
Accrued interest		<u>555,758.34</u>	<u>0.00</u>
		<u>1,000,555,758.34</u>	<u>0.00</u>

10 Trade creditors

The amount can be analysed as follows:

	2013	2012
	EUR	EUR
Audit fees payable	15,000.00	6,000.00
Domiciliation fees payable	6,042.33	0.00
Listing fees payable	12,160.00	0.00
Vat payable	2,325.00	0.00
Trustee and agent fees	26,125.00	0.00
Other fees payable	8,500.00	0.00
	<u>70,152.33</u>	<u>6,000.00</u>

SILVER ARROW S.A.
Notes to the Annual Accounts
for the year ended December 31, 2013
(continued)

11 Amounts owed to affiliated undertakings

In EUR	Reference to notes	2013	2012
becoming due and payable within one year			
Final success fee payable		3,356,890.28	0.00
Servicing fees payable		1,666,666.62	0.00
Accrued Interest		23,611.11	0.00
		<u>5,077,168.01</u>	<u>0.00</u>
becoming due and payable after more than one year			
General Reserve	11.1	10,000,000.00	0.00
Commingling Reserve	11.2	<u>82,000,000.00</u>	<u>0.00</u>
		<u>92,000,000.00</u>	<u>0.00</u>
		<u>97,077,168.01</u>	<u>0.00</u>

11.1 General Reserve

The Compartment 4 entered into General Reserve in 2013 for an amount of EUR 10,000,000 with Mercedes-Benz Bank which was used to fund the deposit on the cash reserve account. No interest is charged on the outstanding balance.

11.2 Commingling Reserve

The Compartment 4 entered into Commingling Reserve in 2013 for an amount of EUR 82,000,000 with Mercedes-Benz Bank which was used to fund the deposit on the cash commingling reserve account. No interest is charged on the outstanding balance.

SILVER ARROW S.A.
Notes to the Annual Accounts
for the year ended December 31, 2013
(continued)

12 Other creditors

As at December 31, 2013 other creditors are composed as follows:

	2013	2012
	EUR	EUR
Accrued interest – interest rate swaps	199,008.61	0.00
	<u>199,008.61</u>	<u>0.00</u>

13 Taxation

Luxembourg securitization companies under the law of March 22, 2004 are fully liable to corporate income and municipal business tax.

14 Other external charges

Other external charges is composed of the following:

	2013	2012
	EUR	EUR
Audit fees	15,000.00	6,000.00
Domiciliation fees	28,571.19	0.00
Listing fees	12,160.00	0.00
Trustee and agent fees	26,125.00	0.00
VAT fees	2,325.00	11,838.69
Other fees	8,670.00	0.00
	<u>92,851.19</u>	<u>17,838.69</u>

15 Value adjustments and fair value adjustments on financial fixed assets

Value adjustments on financial fixed assets of EUR 4,806,218 (2012: EUR 0.00) included impairments on loan receivables for the year ended December 31, 2013.

SILVER ARROW S.A.
Notes to the Annual Accounts
for the year ended December 31, 2013
(continued)

16 Interest and other financial charges

Interest and other financial charges are composed of the following:

	2013	2012
	EUR	EUR
Concerning affiliated undertakings:		
Interest expenses – borrowings	23,611.11	0.00
Servicing fees	1,666,666.62	0.00
Final success fee payable to MBB	<u>3,386,890.28</u>	<u>0.00</u>
	<u>5,077,168.01</u>	<u>0.00</u>
Other interest and similar financial charges:		
Interest expenses – interest rate swap	199,008.61	0.00
Interest expenses – notes issued	<u>555,758.34</u>	<u>0.00</u>
	<u>754,766.95</u>	<u>0.00</u>
	<u>5,831,934.96</u>	<u>0.00</u>

17 Income from financial fixed assets

Income from financial fixed assets of EUR 6,909,930.73 (2012: EUR 0.00) includes interest income recorded for the year ended December 31, 2013 on the portfolio of auto loan receivables.

18 Other interest and other financial income

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

	2013	2012
	EUR	EUR
Interest income – interest rate swap	152,008.33	0.00
Interest income – cash at bank	207.00	0.00
Excess spread	<u>3,646,159.23</u>	<u>0.00</u>
	<u>3,798,374.56</u>	<u>0.00</u>

19 Staff

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

SILVER ARROW S.A.
Notes to the Annual Accounts
for the year ended December 31, 2013
(continued)

20 Off-balance sheet activities

The Compartment 4 entered into an interest rate swap agreement in order to hedge its interest rate exposure resulting from the fixed rate receivable under the purchased lease receivables and floating rate interest obligations under the Class A Compartment 4 Notes.

The details of this contract are summarised as follows:

Notional amount	Termination date	Interest rate receivable	Interest rate payable
EUR 925,000,000	2021	EURIBOR 1 month	0.2278% p.a.

Compartment 4 entered into an "interest rate settlement agreement" on November 27, 2013 in order to manage the respective risk exposure of each party involved in the transaction.

The settlement inflows and settlement outflows are based on the initial amount purchased initially.

The notional amount of the swap is reduced in line with the repayment of the Class A Compartment 4 Notes. The fair value of the swap of Compartment 4 as at December 31, 2013 was EUR 3,141,843.44 (December 31, 2012: EUR -).

SILVER ARROW S.A.
Notes to the Annual Accounts
for the year ended December 31, 2013
(continued)

21 Compartmental Balance sheet and Profit and loss account

Summary of compartmental assets, liabilities, income and charges for the year ended December 31, 2013 is given as below:

2013 (in EUR)	Capital Compartment	Compartment 4	Combined
ASSETS			
Loans and claims held as fixed assets	-	995,193,756.55	995,193,756.55
Other receivables	-	10,708,098.29	10,708,098.29
Cash at bank and in hand	60,631.62	92,000,232.45	92,060,864.07
	60,631.62	1,097,902,087.29	1,097,962,718.91
LIABILITIES			
Capital and reserves	60,631.62	-	60,631.62
Non convertible loans	-	1,000,555,758.34	1,000,555,758.34
Trade creditors	-	70,152.33	70,152.33
Amounts owed to affiliated undertakings	-	97,077,168.01	97,077,168.01
Other creditors	-	199,008.61	199,008.61
	60,631.62	1,097,902,087.29	1,097,962,718.91
CHARGES			
Other external charges	22,698.86	92,851.19	92,851.19
Value adjustments and fair value adjustments on financial fixed assets	-	4,806,218.00	4,806,218.00
Interest and other financial charges	-	5,831,934.96	5,831,934.96
Income tax	1,575.00	-	1,575.00
	24,273.86	10,708,305.29	10,732,579.15
INCOME			
Other operating income	135.00	-	135.00
Other income from participating interests	-	6,909,930.73	6,909,930.73
Other interest and similar financial income	-	3,798,374.56	3,798,374.56
Loss for the year	24,138.86	-	24,138.86
	24,273.86	10,708,305.29	10,732,579.15

There was no open compartment in 2012.

22 Subsequent events

No events occurred subsequent to December 31, 2013, that would have a material impact on these annual accounts. A new compartment with the name "Compartment 5" was approved for creation on July 31, 2014.

The above are the audited annual accounts for the periods from 1 January 2012 to 31 December 2012 and from 1 January 2013 to 31 December 2013. Copies of such audited annual accounts are available as set out in "GENERAL INFORMATION – Luxembourg Listing".

14. Inspection of Documents

For the life of the Compartment 5 Notes, the following documents (or copies thereof)

- (a) the articles of incorporation of Silver Arrow S.A.;
- (b) the resolution of the board of directors of Silver Arrow S.A. (acting in respect of its Compartment 5) approving the issue of the Compartment 5 Notes;
- (c) the Offering Circular and all the Transaction 5 Documents referred in this Offering Circular;
- (d) the shareholders' resolution approving the negative covenants as set out in the Transaction 5 Documents; and
- (e) the historical financial information (if any) of Silver Arrow S.A.;

may be inspected at the Issuer's office at 9B, Boulevard Prince Henri, L-1724 Luxembourg.

The Compartment 5 Notes will be obligations of the Issuer acting in respect of its Compartment 5 only and will not be guaranteed by, or be the responsibility of Mercedes-Benz Bank AG, Daimler AG or any other person or entity. It should be noted, in particular, that the Compartment 5 Notes will not be obligations of, and will not be guaranteed by the Issuer (in respect of Compartments other than Compartment 5), the Seller, the Servicer (if different), the Trustee, the Arranger, the Joint Lead Managers and Joint Bookrunners, the Managers or any of their respective Affiliates, the Subordinated Lender, the Account Bank, the Custodian, the Paying Agent, the Interest Determination Agent, the Data Trustee, the Swap Counterparty, the Calculation Agent, the Listing Agent, the Corporate Services Provider or the Stichting Bertdan and the Stichting Cannelle.

THE SELLER, THE SERVICER AND THE SUBORDINATED LENDER

BUSINESS AND ORGANISATION OF MERCEDES-BENZ BANK AG

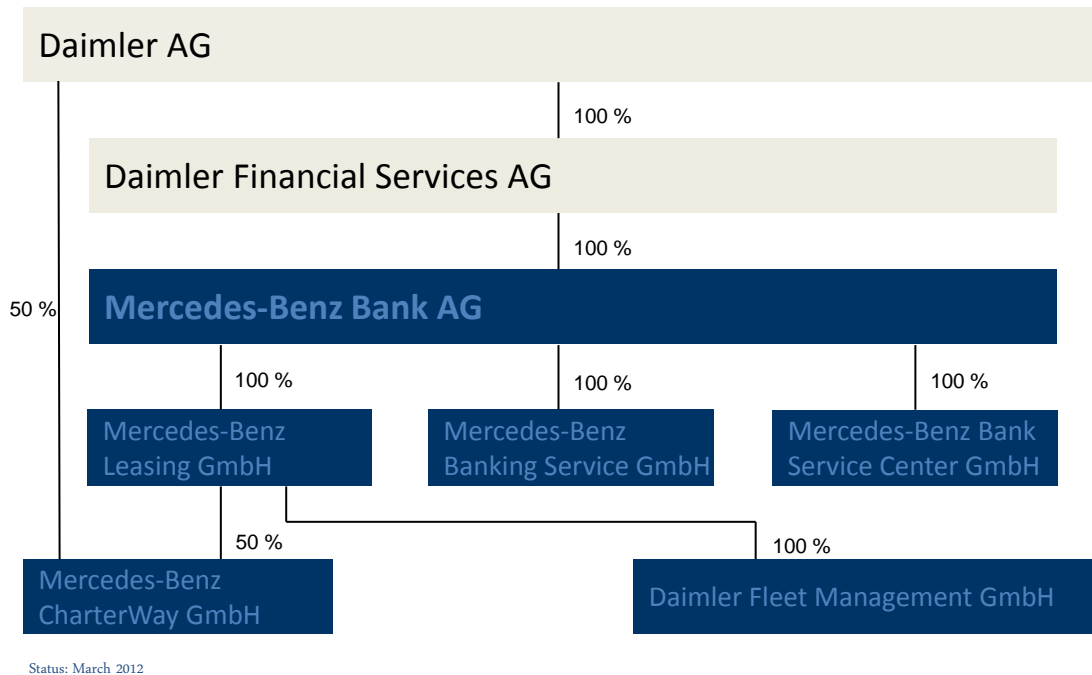
Description of the Seller

Mercedes-Benz Bank AG is a lending and finance company incorporated in Germany, licensed under the German Banking Act ("*Vollbanklizenz*") and a member of the deposit protection fund ("*Einlagensicherungsfonds*"). Mercedes-Benz Bank AG is a wholly-owned subsidiary of Daimler Financial Services AG, the worldwide financial services provider of the Daimler group (see corporate structure chart below). Daimler Financial Services AG has a presence in more than 40 countries. With over one million customers and an outstanding leasing and financing portfolio of €18.4 billion (figures as of June 2014), Mercedes-Benz Bank AG is one of the leading automotive banks in Germany. Mercedes-Benz Bank AG has been supporting Daimler group sales in Germany for over three decades. Since October 2009 the Daimler brands in Germany encompass Mercedes-Benz, smart, Mitsubishi Fuso and Setra. In its key business automotive leasing and financing, Mercedes-Benz Bank AG has continuously expanded its market share. Its growth has outpaced the market for years; it finances or leases more than every second vehicle of all new Daimler passenger and commercial vehicles in Germany. A lean cost structure, customer tailored solutions and qualified and motivated employees contribute to this success. Sales partners for automotive financial services are the Daimler automobile dealerships. In Germany, Mercedes-Benz Bank AG aims to be the first choice provider of financial services for dealers and customers in partnership with the automotive brands of the Daimler group. Like these prime automotive brands, the automotive financial services and banking products offered by Mercedes-Benz Bank AG are committed to safety, reliability and innovation. With the support of Mercedes-Benz Bank AG's dedicated staff of over 1,500 dedicated employees throughout the nation, its long-term goal is to continue to live up to these commitments.

History of Mercedes-Benz Bank AG

- 1967 First leasing activities of Daimler-Benz AG
- 1979 Foundation of Mercedes Leasing GmbH
- 1987 Start of financing business through formation of Mercedes-Benz Finanz GmbH ("*Mercedes-Benz Lease Finanz*")
- 1990 Integration in Daimler-Benz InterServices AG, the service division of the Daimler-Benz Group
- 1992 Start commercial vehicle fleet management through Mercedes-Benz CharterWay GmbH
- 1997 Passenger car fleet management introduced to the market through debis car fleet management GmbH (today's Daimler Fleet Management GmbH)
- 1999 Integration of Chrysler Bank and Chrysler Leasing in course of the merger of Daimler-Benz and Chrysler.
- 2002 Change of legal name to DaimlerChrysler Bank AG
Start of deposit business with new banking products
- 2003 Introduction of mutual funds;
Inauguration of the new headquarters, Pragsattel/Stuttgart
- 2006 Number of customers reaches 1 million
- 2008 Change of the name to Mercedes-Benz Bank AG; introduction of the product "*Private Leasing Plus*" to the market and implementation branch in Spain for dealer financing
- 2009 Implementation of a branch in the UK for dealer financing
- 2010 Restructuring Sales Organisation
- 2013 Starting concentration of European Collection Activities at Service Centre Berlin

Current Corporate Structure of Mercedes-Benz Bank AG



Mercedes-Benz Bank AG Activities

Until 2001 Mercedes-Benz Bank AG focused its activities on financing, leasing and fleet management. Between 2001 and 2008, Mercedes-Benz Bank AG widened its product range in order to support sales and to create added value for the Daimler Group: set-up of deposit business, launch of funds and credit card businesses and new focus on insurance business. During this period, the main development has been the start of the direct banking business in July 2002.

The innovation aims at:

- satisfying the growing demand of retail customers for banking services;
- completing and further developing the automotive value chain: creation of additional revenues;
- supporting vehicle sales through new and innovative products and services;
- creating enhanced customer loyalty towards the products and cross-selling within the Daimler group;
- acquiring new customers who have not been Daimler customers up to now;
- accessing favorable refinancing sources to cover the funding needs of the leasing and financing business.

Loan Products

Mercedes-Benz Bank AG offers three types of loans to retail customers:

- **Standard Financing:** Equal monthly instalments (including interest) are paid until the full loan amount has been repaid.
- **Plus 3 Financing (Balloon Financing):** Combines the advantages of leasing (no ownership) with the possibility of acquiring ownership. By agreeing upon a guaranteed final instalment the customer benefits from low monthly instalments similar to leasing. With Plus 3 Financing the customer decides only at the end of the loan agreement if he wants to:

- return the vehicle to the dealer at a fixed repurchase value (which was fixed at inception of the loan contract) with which the final balloon instalment is paid;
 - keep the vehicle and pay the final balloon instalment from his own resources; or
 - sell the vehicle and pay the final balloon from the sales proceeds.
- **Final Instalment Financing (Balloon Financing):** This is comparable to Plus 3 Financing except that there is no put option with respect to the vehicle. Only the last two options mentioned under Plus 3 Financing apply:
 - keep the vehicle and pay the final balloon instalment; or
 - sell the vehicle and pay the final balloon from the sales proceeds.

For both loan types with balloon financing the customer can apply for a new loan contract in order to refinance the final balloon instalment.

Mercedes-Benz Bank AG offers its retail customers credit default (*Ratenschutz*) and purchase price (*Kaufpreisschutz*) insurance. Credit default insurance covers the risk that the customer is unable to make payments under the loan due to illness, accident, unemployment or disability. The insurance assumes liability for all remaining instalments due from the beginning of the second month after the inability occurred (except the final balloon instalment if any). In case of death all outstanding instalments are covered. Purchase price insurance covers the gap between the original purchase price of the vehicle and the replacement value in case of full damage or theft.

Points of Sale

The banking operation of Mercedes-Benz Bank AG is highly integrated within the Daimler dealer network.

The majority of the loans of Mercedes-Benz Bank AG is originated by Daimler dealers. Other channels are used both for fleet management contracts (direct lending) and for new business acquisitions in the private retail sector for used cars (non-Daimler dealers).

The sales organisation of Mercedes-Benz Bank AG is located in two service centers, one for commercial retail and corporate customers in Berlin and one for private retail customers located in Saarbrücken. Financial consultants of Mercedes-Benz Bank AG support the dealers in the loan origination process. Every dealer is linked to Mercedes-Benz Bank AG via the point-of-sale calculation software winLEAS21. This software is integrated into the IT infrastructure of the respective dealer. As a result, automatic data transfer is assured. Furthermore, at the point of sale, the sales person calculates the financing offer using the winLEAS21 software and then transfers the contract data electronically to Mercedes-Benz Bank AG.

Credit and Collection Policy

The following is a description of the Credit and Collection Policy. The text will be attached as Appendix D to the Conditions. In the case of any overlap or inconsistency in the Credit and Collection Policy and another account of Mercedes-Benz Bank AG's method of managing the credit aspects of its auto loan business elsewhere in the Offering Circular, this description of the Credit and Collection Policy will prevail.

Credit and Collection Policy in general

The Credit and Collection Policy of the Seller is a body of binding working instructions ("*Richtlinien*" and "*Arbeitsanweisungen*") created by the Seller for the standardisation of its credit and collection management. The "*Richtlinien*" are more general in nature whilst the "*Arbeitsanweisungen*" contain specific rules as to critical areas of the Seller's lending and financing business.

Credit Underwriting Process

The credit underwriting process at Mercedes-Benz Bank AG follows the general principle that work intensity of the credit analysis in the credit approval process should increase to the extent the credit application means a higher degree of credit risk. Mercedes-Benz Bank AG divides its loan portfolio into two sub-segments, in relation to retail and corporate customers. For these sub-portfolios, individual credit underwriting processes – the retail and the corporate process – have been developed. While both processes involve many common features such as the usage of risk classification procedures, the corporate process assesses customers on an individual basis whereas the retail process leans towards a very high degree of standardisation. The main criterion for the assignment of a customer to either the retail or the corporate underwriting process is the overall exposure of the relevant borrower unit. The threshold amount is EUR 750,000 with customers above that limit generally qualifying as corporate customers. At Mercedes-Benz Bank AG minimum disclosure requirements for credit approvals of private and commercial customers exist. Private customers have to submit their income statement or current salary slip as well as personal information. In addition, Mercedes-Benz Bank AG contacts SCHUFA (a German central credit inquiry agency) which provides information about the credit worthiness of private customers. Commercial retail customers have to provide information on their solvency such as financial statements or personal and/or commercial information. The amount of information requested depends on the risk of the respective exposure. Furthermore, Mercedes-Benz Bank AG requires SCHUFA information and/or credit information from a bank and/or bureau score. Mercedes-Benz Bank AG checks the information received as to its plausibility and the potential of fraud.

Scoring Process

Retail credit applications at Mercedes-Benz Bank AG are received electronically and then processed using a standardised scoring model. Mercedes-Benz Bank AG has been using scoring models since 1998. There are different scorecards for different finance products (loans, leases, credit cards) and different customers groups (private or small and medium enterprises (SMEs)). The results of the scorecards are regularly back-tested.

The retail scoring process distinguishes between private retail and commercial retail customers.

The private retail scoring process is very much standardised and automated with a decision within 15 minutes from receipt of the credit application. The scoring process of commercial retail customers distinguishes between a non-risk relevant and a risk relevant class. The chosen risk class depends on the calculated expected loss and defined decision rules. Both credit decisions of private retail customers and of the non-risk relevant class of commercial retail customers are taken in a one-vote process applied by the credit department. Credit decisions for commercial retail customers in the risk relevant class are taken in a two-vote process.

As all credit applications are scored several results can be obtained. The scorecard distinguishes in the private retail segment as well as in the non-risk relevant commercial retail class between automated and manual approval (in a one-vote process). In the risk relevant commercial retail class it distinguishes between manual approval and manual denial of the credit department. The distinction is made on the basis of the calculated expected loss, which is based on the assigned probability of default and the loss severity.

Rating Process

While retail customers are scored, risk classification for corporate customers is derived by a rating model. In the rating process the credit decision is taken manually. To assign a rating to a customer, qualitative and quantitative data will be analysed.

Release or Replacement of Loan Collateral

For existing loan contracts, the current collateral may be released or replaced from time to time. In the context of the collateral management a particularly high standard of care has to be applied. The release or replacement of collateral is done in accordance with the following criteria.

The release or replacement of collateral requires an internal decision equivalent to a new credit approval for the respective loan. The approval is based on Mercedes-Benz Bank AG's general credit standards. The respective credit officer does not have access to the information that is required to establish whether a Loan Receivable has been securitised or not. The credit approval responsibilities

are based on the current loan outstanding of the relevant obligor. Collateral may also be released if, due to the existence of excessive security, release is required as a matter of German law.

Servicing and Collection Procedures

As part of collection management back office is responsible for the servicing of contracts and manages the entire customer data. The opening balance of the contract account of a customer includes the outstanding principal amount plus interest and, if any, credit default (*Ratenschutz*) and purchase price (*Kaufpreisschutz*) insurance payments. On each scheduled instalment payment date, the monthly instalment is debited from the customer's bank account by means of direct debit.

The collection management department is staffed mostly with bankers or employees with business administration background and is responsible for customers that are either in delinquency or in default. Mercedes-Benz Bank AG's collection management process is started as soon as the relevant customer has missed one instalment. Customers with debt classified as high risk are given priority in the process whereby the risk is calculated in accordance with a defined IT-based decision tree.

Delinquent retail customers are called by the power dialer team to obtain a payment promise. In addition to regular phone calls, reminders are automatically sent by the collection management system CACS. The power dialer team is authorised to allow a payment deferral within given time limits. The final maturity date of a loan agreement is only postponed if the debt is restructured. Restructuring requires in any event a new credit application which is performed by the credit department. If the contract cannot be remedied within 90 days after the first instalment missed, the contract will be passed on to the late collection team.

The late collection team is responsible for the further processing of contracts of retail and commercial customers which have left the power dialer process. Additionally, the late collection team handles insolvencies and bankruptcies of commercial retail customers as these cases are excluded from the power dialer process. The team consists of highly specialised collection management experts.

If a loan agreement is terminated, the customer has to return the vehicle to Mercedes-Benz Bank AG. If the customer does not return the vehicle voluntarily, an external recovery agent is authorised to repossess the vehicle. The remarketing department is responsible for the sale of repossessed vehicles. Repossessed vehicles are mainly sold to Mercedes-Benz dealerships. After having realised the related collateral, all remaining outstanding amounts are written-off. Insolvency accounts are neither sold nor sent to third parties to service. In these accounts Mercedes-Benz Bank AG files its interest in the insolvency proceeding and they are handled by the court-appointed administrator. These represent approximately 50 per cent. of the written-off accounts.

Prepayment Management

Mercedes-Benz Bank AG distinguishes between unscheduled repayments (*Sondertilgungen*) and early terminations (*vorzeitige Vertragsbeendigung*) of a loan agreement.

The customer can make an unscheduled repayment once a month and has the option to:

- reduce the contract term, or
- waive the instalment, or
- reduce the instalment.

Thereafter, the customer receives a new payment schedule. Only if the unscheduled repayment is more than 90 per cent. of the remaining outstanding loan principal amount the system triggers an early termination of the contract. This also happens if the customer repays the full remaining outstanding loan principal amount. In both cases Mercedes-Benz Bank AG may charge a termination fee.

Finance and Control

The finance system of the group is derived from the principles of value-based management to attain an adequate return on the invested capital from the shareholders' perspective. In accordance with the need of shareholders to obtain a suitable return on their invested capital, the group has implemented a value-based finance system that supports value generation and enables group-wide transparency. This controlling system works according to the principle of conformity between internal finance and control and external financial reporting, and has initially been based on US GAAP. Since 2008 it is based on IFRS. Mercedes-Benz Bank AG meets all requirements with respect to internal controls over financial

reporting. The implementation of the necessary activities includes a "Code of Ethics" for senior officers, a written standard designed to deter wrongdoing and to promote accuracy and reliability of corporate disclosures made pursuant to securities laws, next to the implementation of "whistleblower procedures" on behalf of the audit committee. Periodic statutory financial reports are to include certifications by senior management. In addition, heads and finance directors of subsidiaries have to sign an "Internal Representation Letter" in support of the Mercedes-Benz Bank representation letter to be signed by CEO, CFO and CAO. Internal control of financial reporting is tested according to an internal control system, checked by internal audit and kept track of via a risk control tracking system, a system set up by Deloitte & Touche.

External Audits

KPMG Deutsche Treuhand-Gesellschaft, Wirtschaftsprüfungsgesellschaft, Stuttgart, audits the annual financial statements of Mercedes-Benz Bank AG.

THE TRUSTEE AND DATA TRUSTEE

No later than the Issue Date the Issuer will appoint Wilmington Trust SP Services (Frankfurt) GmbH as the Trustee and the Data Trustee.

Wilmington Trust SP Services (Frankfurt) GmbH, a company incorporated with limited liability (*Gesellschaft mit beschränkter Haftung*) under the laws of the Federal Republic of Germany, registered in the commercial register of the lower court (*Amtsgericht*) in Frankfurt am Main under registration number HRB 76380 and having its registered office at Steinweg 3-5, 60313 Frankfurt, Federal Republic of Germany, in its capacity as trustee of the Issuer in favour of the Secured Parties in relation to the Compartment 5 Notes and in its capacity as trustee and data trustee of the Issuer in relation to the Compartment 5 Notes.

Wilmington Trust SP Services (Frankfurt) GmbH provides a wide range of corporate and trust services in capital market transactions. Since its opening in 2006 Wilmington Trust SP Services (Frankfurt) GmbH acts as corporate administrator in about 70 German special purpose vehicles as corporate administrator, holds in numerous transactions the function of a security trustee and provides loan administration services for structured/syndicated loan transactions.

Wilmington Trust SP Services (Frankfurt) GmbH is ultimately held by M&T Bank Corp., Buffalo/New York, USA, a NYSE listed bank (trading symbol: "**MTB**") in the United States.

The information in the preceding 3 paragraphs has been provided by Wilmington Trust SP Services (Frankfurt) GmbH for use in this Offering Circular and Wilmington Trust SP Services (Frankfurt) GmbH is solely responsible for the accuracy of the preceding 3 paragraphs, provided that, with respect to any information included herein and specified to be sourced from Wilmington Trust SP Services (Frankfurt) GmbH (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the above information available to it from Wilmington Trust SP Services (Frankfurt) GmbH, no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the foregoing 3 paragraphs, Wilmington Trust SP Services (Frankfurt) GmbH, in its capacity as Trustee, and its affiliates have not been involved in the preparation of and does not accept responsibility for, this Offering Circular.

THE SWAP COUNTERPARTY

This description of the Swap Counterparty does not purport to be an abstract of, and is therefore subject to, and qualified in its entirety by reference to, the detailed provisions of the Swap Agreement and the other Transaction 5 Documents.

For the purposes of the Transaction, the Issuer has appointed DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main as Swap Counterparty.

History and Development

Legal name: DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main.

Commercial name: DZ BANK AG.

DZ BANK AG is registered in the Commercial Register of the local court of Frankfurt am Main under No. HRB 45651.

Domicile: Frankfurt am Main

Legal form, Legislation: DZ BANK AG is a stock corporation (*Aktiengesellschaft*) organised under German law and is comprehensively supervised by the German Central Bank (*Deutsche Bundesbank*) and the German Federal Financial Supervisory Authority (*BaFin - Bundesanstalt für Finanzdienstleistungsaufsicht*).

Country of incorporation: Federal Republic of Germany

Address of the registered office: Platz der Republik, 60265 Frankfurt am Main, Federal Republic of Germany.

Telephone Number of the registered office: +49 69 7447-01

Business Overview

In its capacity as the central credit institution DZ BANK AG shall, pursuant to its Articles of Incorporation, further the aims of the entire cooperative system. An essential element of this statutory task of the corporation is the furtherance of the aims of the primary level and the central banks of the cooperative system. DZ BANK AG shall participate in the furtherance of the cooperative housing sector. Furthering the economic aims of its shareholders is the basic policy from which all obligations of DZ BANK AG are derived. The shareholders have a corresponding obligation to support DZ BANK AG in the fulfilment of this duty. Mergers between cooperative credit institutions of the primary level and DZ BANK AG are not permitted.

DZ BANK AG may engage in all types of banking transactions that constitute the business of banking and in transactions complementary thereto, including the acquisition of equity investments. DZ BANK AG may also attain its objects indirectly.

In its capacity as a central credit institution DZ BANK AG shall conduct liquidity operations for the associated

Principal Activities

primary cooperatives and other institutions of the cooperative system.

DZ BANK AG is acting as a network-oriented central bank, corporate bank and parent holding company of the DZ BANK Group. The DZ BANK Group forms part of the German cooperative financial network, which comprises some 1,100 local cooperative banks and is one of Germany's largest financial services organisations measured in terms of total assets. DZ BANK AG functions both as a central bank for more than 900 cooperative banks and their 12,000 branch offices and as corporate bank.

DZ BANK AG is a network-oriented central institution and is closely geared to the interests of the local cooperative banks, which are both its owners and its most important customers. Using a customized product portfolio and customer-focused marketing, DZ BANK AG aims to ensure that the local cooperative banks continually improve their competitiveness on the basis of strong brands and a leading market position. In addition, DZ BANK AG in its function as central bank for more than 900 cooperative banks is responsible for liquidity management within the cooperative financial network.

As a commercial bank DZ BANK AG serves companies and institutions that need a banking partner that operates at the national level. DZ BANK AG offers the full range of products and services of an international oriented financial institution with a special focus on Europe. DZ BANK AG also provides access to the international financial markets for its partner institutions and their customers.

DZ BANK AG has four branches in the Federal Republic of Germany (Berlin, Hanover, Munich and Stuttgart) and four foreign branches (London, New York, Hong Kong and Singapore).

DZ BANK AG also fulfills a holding function for the DZ BANK Group's specialised service providers from the cooperative financial network and coordinates the specialised institutions within the group. The DZ BANK Group includes Bausparkasse Schwäbisch Hall, DG HYP, DZ PRIVATBANK, R+V Versicherung, TeamBank, Union Investment Group, VR LEASING and various other specialized institutions. With their strong brands, the companies of the DZ BANK Group constitute key pillars in the range of financial products and services (*Allfinanzangebot*) by the cooperative financial network. The DZ BANK Group sets out its strategy and range of services for the cooperative banks and their customers

through its four strategic business lines - Retail Banking, Corporate Banking, Capital Markets and Transaction Banking.

Listing of the shares of DZ BANK AG	The registered shares with restricted transferability are not listed on any domestic nor any foreign stock exchange.
Securities Listing	DZ BANK AG has issued securities that are listed and are admitted for trading on the Luxembourg Stock Exchange and the Frankfurt Stock Exchange.

The information in the foregoing paragraph regarding the Swap Counterparty has been provided by DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, and DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main is solely responsible for the accuracy of the preceding paragraph, provided that, with respect to any information included herein and specified to be sourced from the Swap Counterparty (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the above information available to it from the Swap Counterparty, no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the preceding paragraph, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main in its capacity as Swap Counterparty, and its affiliates have not been involved in the preparation of, and does not accept responsibility for, this Offering Circular..

THE CORPORATE SERVICES PROVIDER

Pursuant to the Corporate Services Agreement, the Issuer has appointed Structured Finance Management (Luxembourg) S.A. as corporate services provider (the "**Corporate Services Provider**") to provide management, secretarial and administrative services to the Issuer including the provision of managing directors (*Geschäftsführer*) of the Issuer. It is not in any manner associated with the Issuer or with Daimler AG.

Structured Finance Management (Luxembourg) S.A. is part of the SFM Europe group. SFM Europe is a provider of corporate services including independent directors, corporate governance and accounting services to SPVs on behalf of major institutions engaging in securitisations, structured financings and asset acquisitions, disposals and restructurings.

The information in the preceding paragraph has been provided by Structured Finance Management (Luxembourg) S.A. for use in this Offering Circular and Structured Finance Management (Luxembourg) S.A. is solely responsible for the accuracy of the preceding paragraph, provided that, with respect to any information included herein and specified to be sourced from the Corporate Services Provider (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the above information available to it from the Corporate Services Provider, no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the preceding paragraph, Structured Finance Management (Luxembourg) S.A. in its capacity as Corporate Services Provider, and its affiliates have not been involved in the preparation of, and does not accept responsibility for, this Offering Circular.

**THE ACCOUNT BANK, CALCULATION AGENT, INTEREST DETERMINATION
AGENT, CUSTODIAN AND PAYING AGENT**

No later than the Issue Date, the Issuer will appoint Elavon Financial Services Limited, UK Branch as Account Bank, Calculation Agent, Interest Determination Agent, Custodian and Paying Agent. See "SUMMARY OF THE OTHER PRINCIPAL DOCUMENTS — Bank Account Agreement", "SUMMARY OF THE OTHER PRINCIPAL DOCUMENTS —Calculation Agency Agreement", "SUMMARY OF THE OTHER PRINCIPAL DOCUMENTS – Custody Agreement" and "SUMMARY OF THE OTHER PRINCIPAL DOCUMENTS — Agency Agreement".

Elavon Financial Services Limited, a limited liability company registered in Ireland with the Companies Registration Office (registered number 418442), with its registered office at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland acting through its UK Branch (registered number BR009373) from its offices at 5th Floor, 125 Old Broad Street, London EC2N 1AR, United Kingdom, will be appointed as the Paying Agent, Calculation Agent, and Interest Determination Agent.

U.S. Bank Global Corporate Trust Services, which is a trading name of Elavon Financial Services Limited (a U.S. Bancorp group company), is an integral part of the worldwide Corporate Trust business of U. S. Bank. U.S. Bank Global Corporate Trust Services in Europe conducts business primarily through the U.K. Branch of Elavon Financial Services Limited from its offices in London at 125 Old Broad Street, London EC2N 1AR, United Kingdom.

Elavon Financial Services Limited is a bank incorporated in Ireland and a wholly owned subsidiary of U.S. Bank National Association. Elavon Financial Services Limited is authorised by the Central Bank of Ireland and the activities of its U.K. Branch are also subject to the limited regulation of the U.K. Financial Conduct Authority and Prudential Regulation Authority.

U.S. Bank Global Corporate Trust Services in combination with U. S. Bank National Association, the legal entity through which the Corporate Trust Division conducts business in the United States, is one of the world's largest providers of trustee services with more than \$4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and document custody through its network of 48 U.S.-based offices, an Argentinean office and European offices in London and Dublin.

U.S. Bancorp (NYSE: USB), with \$364 billion in assets as of Dec. 31, 2013, is the parent company of U.S. Bank, the 5th largest commercial bank in the United States. The company operates 3,081 banking offices in 25 states and 4,906 ATMs and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions.

The information in the preceding 4 paragraphs has been provided by Elavon Financial Services Limited, UK Branch for use in this Offering Circular and Elavon Financial Services Limited, UK Branch is solely responsible for the accuracy of the preceding 4 paragraphs, provided that, with respect to any information included herein and specified to be sourced from Elavon Financial Services Limited, UK Branch (i) the Issuer confirms that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the above information available to it from Elavon Financial Services Limited, UK Branch, no facts have been omitted, the omission would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy hereof. Except for the preceding 4 paragraphs, Elavon Financial Services Limited, UK Branch, in its capacity as Account Bank, Calculation Agent, Interest Determination Agent, Custodian and Paying Agent has not been involved in the preparation of and do not accept responsibility for, this Offering Circular.

TAXATION

1. General

The following information summarises certain aspects of the tax law in force, and the related practice applied in Germany and Luxembourg at the date of this Offering Circular. The tax related information contained in this Offering Circular is not intended as tax advice and does not purport to describe all of the tax considerations that may be relevant to a prospective investor in the Compartment 5 Notes. Prospective investors are advised to consult their own professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Compartment 5 Notes and the receipt of interest and distributions with respect to such Compartment 5 Notes under the laws of the jurisdictions in which they may be liable to taxation. Prospective investors should be aware that tax law and its practice and interpretation may change.

2. German Taxation

Taxation in Germany

This section should be read in conjunction with "RISK FACTORS — German taxation".

Resident Noteholders

Interest

A Compartment 5 Noteholder, who is tax resident in Germany (i.e., persons whose residence, habitual abode, statutory seat, or effective place of management is located in Germany) and receives interest on the Compartment 5 Notes, is subject to personal or corporate income tax (plus solidarity tax (*Solidaritätszuschlag*) thereon currently at a rate of 5.5 per cent. and church tax, if applicable). The interest may also be subject to trade tax if the Notes form part of the property of a German trade or business.

If the Compartment 5 Noteholder keeps the Notes in a custodial account with a German financial institution or financial services institution (including a German branch of a non-German financial institution or financial services institution, but excluding a non-German branch of a German financial institution or financial services institution, the "Institution"), the interest is principally subject to a flat rate withholding tax at a rate of 25 per cent. (plus solidarity surcharge thereon currently at a rate of 5.5 per cent. plus church tax, if applicable). The flat rate withholding tax is to be withheld by the Institution which credits or pays out the interest to the Compartment 5 Noteholder. With the flat rate withholding tax the income from capital investments is deemed discharged and the taxpayer is no longer required to include the income in his or her tax return. Foreign withholding tax on interest income may be credited against German tax. The flat rate withholding tax would not apply, if the Compartment 5 Noteholder is a German financial institution or financial services institution.

For individual resident Compartment 5 Noteholders an annual exemption for investment income of EUR 801 for individual tax payers or EUR 1,602 for married tax payers who are assessed jointly principally may apply if their Compartment 5 Notes do not form part of the property of a trade or business nor give rise to income from the letting and leasing of property. Therefore, the Compartment 5 Noteholders may be exempt from the flat rate withholding tax on interest, if (i) their interest income qualifies as investment income and (ii) if they filed a withholding exemption certificate (*Freistellungsauftrag*) with the Institution having the respective Compartment 5 Notes in custody. However, the exemption applies only to the extent the interest income derived from the Compartment 5 Notes together with other investment income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no flat rate withholding tax will be levied if the Compartment 5 Noteholder submits a certificate of non-assessment (*Nichtveranlagungsbescheinigung*) issued by the relevant local tax office to the German institution having the respective Compartment 5 Notes in custody. Furthermore, if the flat tax rate exceeds the personal income tax rate of the individual resident Compartment 5 Noteholder, the Compartment 5 Noteholder may elect a personal assessment to apply his or her personal income tax rate.

Capital Gains

If the Compartment 5 Noteholder keeps the Compartment 5 Notes in a custodial account at a German financial institution or financial services institution, the gain from the sale or redemption of the Notes is principally subject to a flat rate withholding tax at a rate of 25 per cent. (plus solidarity surcharge thereon currently at a rate of 5.5 per cent. plus church tax, if applicable) levied by the Institution which credits or pays out the capital gain to the Compartment 5 Noteholder. The flat rate withholding tax also applies to interest accrued through the date of the sale of the Notes and shown separately on the respective settlement statement (*Stückzinsen*). With the flat rate withholding tax the income from capital investments is deemed discharged and the taxpayer is no longer required to include the income in his tax return. Flat rate withholding tax exemptions are available as explained under "Interest" above. The possibilities to offset losses from the sale or redemption of the Compartment 5 Notes are restricted, as losses may only be offset against other investment income.

Non-resident Noteholders

In principle, interest income deriving from Compartment 5 Notes held by non-resident Compartment 5 Noteholders is not regarded as taxable income in Germany unless such income qualifies as German source income because

- a. the Compartment 5 Notes are secured by land charge on German real estate or ships registered in a German ship register or by domestic rights governed by the provisions of private law applicable to real estate; or
- b. the Compartment 5 Notes are held as business assets in a German permanent establishment or by a German-resident permanent representative of the Compartment 5 Noteholder;
- c. the interest payments are linked to the profit of the Issuer or the Compartment 5 Notes are qualified as *jouissance* rights ("*Genussrechte*"); or
- d. the interest income is paid out in course of an "over the counter transaction" ("*Tafelgeschäft*").

If the interest income deriving from the Notes qualifies as German source income and the Compartment 5 Notes are held in custody with a German credit institution or a German financial services institution, the German flat rate withholding tax (including solidarity surcharge) would principally apply. Flat rate withholding tax exemptions may be available as explained under "Interest" above.

Gains derived from the sale or redemption of the Compartment 5 Notes by a non-resident Noteholder are subject to German personal or corporate income tax (plus solidarity tax thereon currently at a rate of 5.5 per cent.) only if the Compartment 5 Notes form part of the business property of a permanent establishment maintained in Germany by the Noteholder or are held by a permanent representative of the Noteholder (in which case such capital gains may also be subject to trade tax on income). Double tax treaties concluded by Germany generally permit Germany to tax the interest income in this situation.

If the Compartment 5 Notes are held in custody with a German credit institution or a German financial services institution (including a German permanent establishment of a foreign credit institution), as disbursing agent (*inländische auszahlende Stelle*) for the individual Compartment 5 Noteholder, the German Central Tax Office is obliged to provide information on interest received by non-resident individual Noteholders to the tax authorities at the state of residence of the respective Compartment 5 Noteholder, provided that this Noteholder is resident of an EU-Member state or any other territory for which the provisions under the EU Savings Tax Directive are applicable.

Inheritance or Gift Tax

No inheritance or gift taxes will arise with respect to any Compartment 5 Note under the laws of Germany, if, in the case of inheritance tax, neither the descendant nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Compartment 5 Note is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions to this rule apply to certain German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the Compartment 5 Notes. Currently, net wealth tax is not levied in Germany.

German Taxation of the Issuer

Corporate Income Tax

The Issuer will derive income from carrying out certain business activities. Such income and gains, if any, should therefore be properly characterised as business profits (*Einkünfte aus Gewerbebetrieb*). Business profits derived by the Issuer will only be subject to German corporate income tax if the Issuer has its effective place of management in Germany or if the Issuer maintains a permanent establishment (*Betriebsstätte*) for its business in Germany or if the business profits are characterised as another category of income that constitutes German-source income. Subject to the detailed discussion set out in "RISK FACTORS — German taxation", there are good and valid reasons for expecting that the German tax authorities will be treating the Issuer as not maintaining a German permanent establishment by reason of having its effective place of management in Germany.

Trade Tax

Business profits derived by the Issuer will only be subject to German trade tax if the Issuer maintains a permanent establishment (*Betriebsstätte*) in Germany and to the extent that any net income derived by the Issuer is attributable to such permanent establishment. Subject to the detailed discussion set out in "RISK FACTORS – German taxation", there are good and valid reasons for expecting that the German tax authorities will be treating the Issuer as not maintaining a German permanent establishment by reason of having its place of effective management and control in Germany.

3. Luxembourg Taxation

By a law of 21 June 2005 (the "**Savings Law**"), Luxembourg has implemented the EU Savings Tax Directive. In essence, under the Savings Law, which is in effect as of 1 July 2005, Luxembourg will levy a withholding tax on payments of interest or other similar income paid by an economic operator (paying agent within the meaning of the EU Savings Tax Directive within its jurisdiction to or for an individual resident as well, in some cases, to specific forms of organisations such as partnerships (not being legal persons and not being themselves subject to business transaction, the so-called "residual activities") in another EU member state or in certain dependent or associated territories unless such individual agrees to an exchange of information regarding the interest or similar income it received between the tax authorities of Luxembourg and the relevant EU member state. The rate of the withholding tax is currently 35% as from 1 July 2011. The withholding tax on interest or similar income will be abolished as from 1 January 2015, as Luxembourg agreed to an automatic exchange of information under the EU Savings Tax Directive (bill of law 6668 of 18 March 2014 which aims at abolishing as from 1 January 2015 the withholding tax option with respect to interest payments within the meaning and in the framework of the EU Savings Tax Directive).

As of 1 July 2006, interest paid to an individual resident in Luxembourg may under certain circumstances be subject to a 10% withholding tax, which is a final flat tax.

Payments under the Compartment 5 Notes will only be made after deduction or withholding of any mandatory withholding or deductions on account of tax. The Issuer will not be required to pay additional amounts in respect of any such withholding or other deduction for or on account of any present or future taxes, duties or charges of whatever nature. See "TERMS AND CONDITIONS OF THE COMPARTMENT 5 NOTES — Condition 13 (*Taxation*)".

The Issuer has been advised that under the existing laws of Luxembourg:

- (a) save as otherwise stated above, all payments of interest and principal by the Issuer acting with respect to its Compartment 5 under the Compartment 5 Notes can be made free of withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or tax authority thereof or therein;

- (b) a holder of a Compartment 5 Note who derives income from a Compartment 5 Note or who realises a gain on the disposal or redemption of a Compartment 5 Note will not be subject to Luxembourg taxation on income or capital gains unless:
 - (i) the holder is, or is deemed to be, resident of Luxembourg for the purpose of the relevant provisions; or
 - (ii) such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg;
- (c) Luxembourg net worth tax will not be levied on a holder of a Compartment 5 Note unless:
 - (i) the holder is, or is deemed to be, a corporate entity being a resident in Luxembourg for the purpose of the relevant provisions; or
 - (ii) such Compartment 5 Note is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in Luxembourg;
- (d) Luxembourg gift or inheritance taxes will not be levied on the occasion of the transfer of a Compartment 5 Note by way of gift by, or on the death of, a holder unless:
 - (i) the holder is, or is deemed to be, resident of Luxembourg for the purpose of the relevant provisions at the time of the transfer; or
 - (ii) the gift is registered in Luxembourg;
- (e) there is no Luxembourg registration tax, capital tax, stamp duty or any other similar tax or duty payable in Luxembourg in respect of or in connection with the issue of the Compartment 5 Notes or in respect of the payment of principal or interest under the Compartment 5 Notes or the transfer of the Compartment 5 Notes. If any documents in respect of the Compartment 5 Notes are required to be registered in Luxembourg, they will be subject to a fixed registration duty;
- (f) there is no Luxembourg value-added tax payable in respect of payments in consideration of the issue of the Compartment 5 Notes or in respect of payments of interest or principal under the Compartment 5 Notes or the transfer of the Compartment 5 Notes, however, Luxembourg value added tax may be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes (i) the Issuer were deemed to be an entrepreneur, (ii) such services are rendered, or are deemed to be rendered, in Luxembourg and (iii) an exemption from value added tax does not apply with respect to such services; and
- (g) a holder of a Compartment 5 Note will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of a Compartment 5 Note or the execution, performance, delivery and/or enforcement of the Compartment 5 Note.

SUBSCRIPTION AND SALE

1. Subscription of the Compartment 5 Notes

The Joint Lead Managers and Joint Bookrunners, the Managers, the Issuer and the Seller are parties to the Subscription Agreement. Pursuant to the Subscription Agreement, the Joint Lead Managers and Joint Bookrunners have agreed, subject to certain conditions, to subscribe, or to procure subscriptions, for the Compartment 5 Notes and will distribute the Class A Compartment 5 Notes to potential investors and will pre-place the Class B Compartment 5 Notes with the Seller.

The Seller has agreed to pay each Joint Lead Manager and each Manager a placement commission on the Compartment 5 Notes, as agreed between the parties to the Subscription Agreement. The Seller has further agreed to reimburse each of the Joint Lead Managers and Joint Bookrunners for certain of its expenses in connection with the issue of the Compartment 5 Notes.

Pursuant to the Subscription Agreement, the Seller and the Issuer have agreed to indemnify the Joint Lead Managers and Joint Bookrunners, as more specifically described in the Subscription Agreement, for and against certain Losses and liabilities in connection with certain representations in respect of, *inter alia*, the accurateness of certain information contained in this Offering Circular.

In the Subscription Agreement, the Issuer has made certain representations and warranties in respect of its legal and financial matters.

2. Selling Restrictions

General

All applicable laws and regulations must be observed in any jurisdiction in which Compartment 5 Notes may be offered, sold or delivered. Each of the Joint Lead Managers and Joint Bookrunners and the Managers has agreed that it will not offer, sell or deliver any of the Compartment 5 Notes, directly or indirectly, or distribute this Offering Circular or any other offering material relating to the Compartment 5 Notes, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof and that will not impose any obligations on each of the Joint Lead Managers and Joint Bookrunners and the Managers except as set out in the Subscription Agreement.

United States of America and its Territories

- (1) The Compartment 5 Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any U.S. state securities law 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 the registration requirements of the Securities Act. Each of the Joint Lead Managers and Joint Bookrunners and Managers represents and agrees that it has not offered or sold the Compartment 5 Notes, and will not offer or sell the Compartment 5 Notes (i) as part of its distribution at any time or (ii) otherwise until forty (40) calendar days after the later of (a) the date the Compartment 5 Notes are first offered to Persons other than distributors in reliance on Regulation S and (b) the Issue Date, except, in either case, only in accordance with Rule 903 of Regulation S under the Securities Act. Neither the Joint Lead Managers and Joint Bookrunners, the Managers, nor their respective Affiliates nor any Persons acting on their behalf have engaged or will engage in any directed selling efforts with respect to the Compartment 5 Notes, 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 Compartment 5 Notes, the Joint Lead Managers and Joint Bookrunners and Managers will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Compartment 5 Notes from them during the distribution compliance 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 (i) as part of their distribution at any time or (ii) otherwise until forty (40) calendar days after the later of (a) the date the Compartment 5 Notes are first offered to Persons other than distributors in reliance on Regulation S and (b) the Issue Date, except in either case, in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them in Regulation S under the Securities Act".

Terms used in this section (1) have the meaning given to them in Regulation S under the Securities Act.

- (2) Further, each of the Joint Lead Managers and Joint Bookrunners and Managers represents and agrees that:
- (a) except to the extent permitted under U.S. Treas. Reg. section 1.163-5 (c)(2)(i)(D) (the "**TEFRA D Rules**"), (i) it has not offered or sold, and during the restricted period will not offer or sell, directly or indirectly, Compartment 5 Notes in bearer form to a person who is within the United States or its possessions or to a United States Person, and (ii) it has not delivered and will not deliver, directly or indirectly, within the United States or its possessions definitive Compartment 5 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 Compartment 5 Notes in bearer form are aware that such Compartment 5 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 Compartment 5 Notes for purposes of resale in connection with their original issuance and agrees that if it retains Compartment 5 Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. section 1.163-5 (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 Compartment 5 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 section (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 and Joint Bookrunners and Managers has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Compartment 5 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 Compartment 5 Notes in, from or otherwise involving the United Kingdom.

Republic of France

Each of the Joint Lead Managers and Joint Bookrunners and Managers has represented and agreed that:

- (a) the Offering Circular is not being distributed in the context of a public offering of financial securities (*offre au public de titres financiers*) in France within the meaning of Article L. 411-1 of the French Monetary and Financial Code (*Code monétaire et financier*) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF");
- (b) the Compartment 5 Notes have not been offered, sold or distributed and will not be offered, sold or distributed, directly or indirectly, to the public in France. Such offers, sales and distributions have been and shall only be made in France (i) to qualified investors (*investisseurs qualifiés*) acting for their own account and/or (ii) to persons providing portfolio management investment service for third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), each as defined in and in accordance with Articles L. 411-2-II, D. 411-1, D. 321-1, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code and any implementing regulation and/or (iii) in a transaction that, in accordance with Article L. 411-2-I of the French Monetary and Financial Code and Article 211-2 of the General Regulation of the AMF, does not constitute a public offering of financial securities;
- (c) pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the subsequent direct or indirect retransfer of the Notes to the public in France can only be made in compliance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 through L. 621-8-3 of the French Monetary and Financial Code; and
- (d) the Offering Circular and any other offering material relating to the Notes have not been and will not be submitted to the AMF for approval and, accordingly, may not be distributed or caused to be distributed, directly or indirectly, to the public in France.

USE OF PROCEEDS

The aggregate gross proceeds from the issue of the Compartment 5 Notes amounting to approximately EUR 1,075,300,000 will be used to purchase, on the Purchase Date, Eligible Loan Receivables secured by the Loan Collateral from the Seller and residual amounts, if any, will be invested by the Issuer in the Permitted Investments or kept at the Operating Ledger.

GENERAL INFORMATION

1. Subject of this Offering Circular

This Offering Circular relates to approximately EUR 1,075,300,000 aggregate principal amount of the Compartment 5 Notes issued by Silver Arrow S.A., acting in respect of its Compartment 5, 9B, Boulevard Prince Henri, L-1724 Luxembourg, R.C.S. Luxembourg B 111345.

2. Authorisation

The issue of the Compartment 5 Notes was authorised by a resolution of the board of directors of Silver Arrow S.A., acting in respect of its Compartment 5, passed on 14 October 2014.

3. Litigation

Neither Silver Arrow S.A. is, or has been since its incorporation and during the period covering at least the previous 12 months, nor the Seller is, or – during the period covering at least the previous 12 months – has 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 or profitability, and, as far as Silver Arrow S.A. and the Seller are aware, no such litigation or arbitration proceedings are pending or threatened, respectively.

4. Payment Information and Post-Issuance Information

The Issuer does not intend to provide any post-issuance transaction information regarding the Compartment 5 Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and the performance of the underlying Purchased Loan Receivables, except if required by any applicable laws and regulations.

For as long as the Class A Compartment 5 Notes are listed on the official list and are admitted to trading on the regulated market of the Luxembourg Stock Exchange, the Issuer will inform the Luxembourg Stock Exchange of the Class A Interest Amounts, the Interest Periods and the Class A Interest Rates and, if relevant, the payments of principal on the Class A Compartment 5 Notes, in each case in the manner described in the Conditions.

Payments and transfers of the Compartment 5 Notes will be settled through Clearstream Luxembourg and Euroclear, as described herein. The Compartment 5 Notes have been accepted for clearing by Clearstream Luxembourg and Euroclear.

All notices regarding the Compartment 5 Notes will either be published in a leading daily newspaper with general circulation in Luxembourg designated by the Luxembourg Stock Exchange (which is expected to be the *Luxemburger Wort* or on the website of the Luxembourg Stock Exchange at www.bourse.lu) or, when the rules of the Luxembourg Stock Exchange so permit, by delivery to Clearstream Luxembourg and Euroclear.

5. Material Change

There has been no material adverse change in the financial position or prospects of the Issuer as of the date of the last published audited financial statements (31 December 2013).

6. Miscellaneous

The Issuer will not publish interim accounts. The fiscal year in respect of the Issuer is the calendar year.

7. Listing and Admission to Trading

Application has been made for the Class A Compartment 5 Notes to be admitted to the official list and be traded on the regulated market of the Luxembourg Stock Exchange. The estimated total expenses related to the admission to trading are EUR 15,840.

From the Issue Date until the Legal Maturity Date, copies of the following documents may also be inspected during customary business hours at the specified offices of the Paying Agent:

- (a) the articles of incorporation of Silver Arrow S.A.;
- (b) the resolutions of the board of directors of Silver Arrow S.A. creating Compartment 5 and approving the issue of the Compartment 5 Notes;
- (c) the shareholders' resolution approving the negative covenants as set out in the Transaction 5 Documents;
- (d) the audited annual accounts of Silver Arrow S.A. for the periods from 1 January 2012 to 31 December 2012 and from 1 January 2013 to 31 December 2013;
- (e) the future annual financial statements of the Silver Arrow S.A. (interim financial statements will not be prepared);
- (f) the Monthly Investor Reports;
- (g) all notices given to the Compartment 5 Noteholders pursuant to the Conditions; and
- (h) this Offering Circular and all Transaction 5 Documents referred to in this Offering Circular.

The Monthly Investor Report shall include detailed summary statistics and information regarding the performance of the portfolio of the Purchased Loan Receivables and contain a glossary of the terms which can be found in the Master Definition Schedule of the Offering Circular. The first Monthly Investor Report issued by the Issuer shall additionally disclose the amount of Compartment 5 Notes (i) privately-placed with investors other than the Seller and its affiliated companies (together the "**Originator Group**"), (ii) retained by a member of the Originator Group and (iii) publicly-placed with investors which are not part of the Originator Group. In relation to any amount of Compartment 5 Notes initially retained by a member of the Originator Group but subsequently placed with investors outside the Originator Group such circumstance will be disclosed (to the extent legally permitted) in the next Monthly Investor Report following such outplacing.

Furthermore, the Issuer undertakes to make available to the Compartment 5 Noteholders on a regular basis from the Issue Date until the Legal Maturity Date loan level data and a cash flow model either directly or indirectly through one or more entities who provide such cash flow models to investors generally.

8. ICSDs

Euroclear Bank S.A./N.V.
1 Boulevard du Roi Albert II
B-1210 Brussels
Belgium

Clearstream Banking, société anonyme, Luxembourg
42 Avenue JF Kennedy
L-1885 Luxembourg

9. Clearing Codes

**Class A
Compartment 5 Notes**

ISIN: XS1103350325
Common Code: 110335032
WKN: A1ZNU0

**Class B
Compartment 5 Notes**

ISIN: XS1103350838
Common Code: 110335083
WKN: A1ZNU1

MASTER DEFINITIONS SCHEDULE

The following is part of the Master Definitions Schedule. The Master Definitions Schedule will be attached as Appendix A to the Conditions and constitutes an integral part of the Conditions – in case of any overlap or inconsistency in the definitions of a term or expression in the Master Definitions Schedule and elsewhere in the Offering Circular, the definitions of the Master Definitions Schedule will prevail.

1. DEFINITIONS

The parties hereto agree that, except where expressly stated to the contrary or where the context otherwise requires, the definitions set out below shall apply to terms or expressions referred to but not otherwise defined in each Transaction 5 Document.

"Account Bank" means Elavon Financial Services Limited, UK Branch or any successor thereof or any other Person appointed as replacement Account Bank from time to time in accordance with the Bank Account Agreement.

"Administration Expenses" means, during the life of Transaction 5, the fees, costs, and expenses (excluding indemnity payments) payable on each Payment Date with respect to:

- (a) the Corporate Services Provider under the Corporate Services Agreement;
- (b) the Account Bank under the Bank Account Agreement;
- (c) the Calculation Agent under the Calculation Agency Agreement;
- (d) the Custodian under the Custody Agreement;
- (e) the Data Trustee under the Data Trust Agreement;
- (f) the Paying Agent and the Interest Determination Agent under the Agency Agreement;
- (g) the accountants and auditors of the Issuer;
- (h) the Rating Agencies; and
- (i) such other persons appointed by the Issuer as servicer providers.

"Adverse Claim" means any mortgage, charge, pledge, hypothecation, lien or other security interest or encumbrance or other right or claim under the laws of any jurisdiction, of or on any Person's assets or properties in favour of any other Person.

"Agency Agreement" means the agency agreement entered into by the Issuer, the Servicer, the Corporate Services Provider, the Trustee, the Calculation Agent, the Paying Agent and Interest Determination Agent on or about the Signing Date, under which the Issuer has appointed the Paying Agent and the Interest Determination Agent to act as paying agent and interest determination agent with respect to the Compartment 5 Notes and to forward payments to be made by the Issuer under the Compartment 5 Notes to the Clearing Systems and to determine EURIBOR.

"Aggregate Outstanding Loan Principal Amount" means on the Cut-Off Date and on any Determination Date the aggregate of the Outstanding Loan Principal Amount of all Purchased Loan Receivables which are not Defaulted Loan Receivables.

"Aggregate Outstanding Note Principal Amount" means the aggregate of the Outstanding Note Principal Amount of a Class of Compartment 5 Notes on a Payment Date (taking into account the principal redemption on such Payment Date).

"Arranger" means Commerzbank Aktiengesellschaft.

"**Assigned Assets**" has the meaning assigned to it in Clause 8.1 (a) of the Trust Agreement.

"**Available Distribution Amount**" means, with respect to any Payment Date, the sum of:

- (a) the Collections;
- (b) the amount standing to the credit of the General Reserve Ledger;
- (c) the Net Swap Receipts payable by the Swap Counterparty to the Issuer on the Payment Date;
- (d) the amount standing to the credit of the Commingling Reserve Ledger upon the occurrence of a Servicer Termination Event, to the extent necessary to cover any Servicer Shortfall;
- (e) the amount standing to the credit of the Set Off Reserve Ledger, if and only to the extent that the Seller has, as of the previous Payment Date, failed to transfer to the Issuer any Collections or indemnity payments in relation to the set off risk related to the Seller;
- (f) any other amount standing to the credit of the Operating Ledger, including any interest accrued on the Operating Ledger.

"**Balloon Loan Receivable**" means a Loan Receivable with a final balloon instalment which is either (i) coupled with a matching obligation of the dealer of the Financed Vehicle to repurchase the Financed Vehicle at a fixed price (Plus 3 Finanzierung); or (ii) a stand-alone arrangement not coupled with any obligation of the dealer.

"**Bank Account Agreement**" means the bank account agreement entered into by the Issuer, the Account Bank and the Trustee on or about the Signing Date in which the Issuer has appointed the Account Bank to establish and operate the Issuer Account-C5 under the Transaction 5 Documents.

"**Business Day**" means any day on which commercial banks and foreign exchange markets settle payments and are generally open for business in Frankfurt, London, Luxembourg and Stuttgart and on which the TARGET2 is open for settlement of payments in euros.

"**Business Day Convention**" means that if any due date specified in a Transaction 5 Documents for performing a certain task (in particular, payments of any amounts) is not a Business Day, such task shall be performed (a payment shall be made) on the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such task shall be performed on the immediately preceding Business Day (*Modified Following Business Day Convention*).

"**Calculation Agency Agreement**" means the calculation agency agreement entered into by the Issuer, the Servicer, the Calculation Agent and the Trustee on or about the Signing Date, in which the Issuer has appointed the Calculation Agent to (i) provide certain information to the Servicer for completion of the Monthly Report, and (ii) verify the plausibility, completeness and consistency of the Monthly Report based on the information received from the Servicer. In addition, the Calculation Agent is responsible for publishing the Monthly Investor Report not later than on the Calculation Date and performs certain cash management duties including payment instructions to the Account Bank to make the payments due on the respective Payment Date.

"**Calculation Agent**" means Elavon Financial Services Limited, UK Branch, any successor thereof or any other Person appointed as replacement calculation agent from time to time in accordance with the Calculation Agency Agreement.

"**Calculation Agent Representations and Warranties**" means the Calculation Agent representations and warranties set out in Schedule 9 hereto.

"Calculation Date" means in relation to each Collection Period the 2nd Business Day preceding the relevant Payment Date.

"Class A Compartment 5 Noteholders" means the holders of the Class A Compartment 5 Notes.

"Class A Compartment 5 Notes" means the floating rate class A notes which are issued on the Issue Date in an initial Aggregate Outstanding Note Principal Amount of EUR 1,000,000,000 and divided into 10,000 Class A Compartment 5 Notes, each having an initial Outstanding Note Principal Amount of EUR 100,000.

"Class A Interest Amount" means on each Payment Date, the product of (i) the Outstanding Note Principal Amount of the Class A Compartment 5 Notes on the preceding Payment Date and (ii) the Class A Interest Rate and (iii) the Day Count Fraction, rounded to the nearest cent and multiplied by the number of Class A Compartment 5 Notes.

Any shortfall in the Class A Interest Amount according to the applicable Priority of Payments on a Payment Date will not be payable on that Payment Date but will become payable on subsequent Payment Dates if and to the extent that funds may be used for this purpose in accordance with the applicable Priority of Payments. Such shortfall will not accrue interest.

"Class A Interest Rate" means EURIBOR plus 0.27 per cent per annum.

"Class A Principal Redemption Amount" means on each Payment Date prior to the issuance of an Enforcement Notice the lower of:

- (a) an amount equal to the Aggregate Outstanding Note Principal Amount of the Class A Compartment 5 Notes on the preceding Payment Date (or in case of the first Payment Date, the Issue Date); and
- (b) the Required Principal Redemption Amount on such Payment Date.

"Class B Compartment 5 Noteholders" means the holders of the Class B Compartment 5 Notes.

"Class B Compartment 5 Notes" means the fixed rate class B notes which are issued on the Issue Date in an initial Aggregate Outstanding Note Principal Amount of EUR 75,300,000 and divided into 753 Class B Compartment 5 Notes, each having an initial Outstanding Note Principal Amount of EUR 100,000.

"Class B Interest Amount" means on each Payment Date, the product of (i) the Outstanding Note Principal Amount of the Class B Compartment 5 Notes on the preceding Payment Date and (ii) the Class B Interest Rate and (iii) the Day Count Fraction, rounded to the nearest cent and multiplied by the number of Class B Compartment 5 Notes.

Any shortfall in the Class B Interest Amount according to the applicable Priority of Payments on a Payment Date will not be payable on that Payment Date but will become payable on subsequent Payment Dates if and to the extent that funds may be used for this purpose in accordance with the applicable Priority of Payments. Such shortfall will not accrue interest.

"Class B Interest Rate" means 2.00 per cent per annum.

"Class B Principal Redemption Amount" means on each Payment Date prior to the issuance of an Enforcement Notice the lower of:

- (a) an amount equal to the Aggregate Outstanding Note Principal Amount of the Class B Compartment 5 Notes on the preceding Payment Date (or in case of the first Payment Date, the Issue Date); and
- (b) the difference of:

- (i) the Required Principal Redemption Amount on such Payment Date; and
- (ii) the Class A Principal Redemption Amount on such Payment Date.

"**Class of Compartment 5 Notes**" means each of the Class A Compartment 5 Notes and the Class B Compartment 5 Notes.

"**Clean-Up Call**" means the Seller's right to exercise a clean-up call when the Clean-Up Call Conditions are satisfied.

"**Clean-Up Call Conditions**" means, on any Payment Date, on which the Aggregate Outstanding Loan Principal Amount as per preceding Determination Date is less than 10% of the Aggregate Outstanding Loan Principal Amount at the Cut-Off Date, the Seller will have the option under the Loan Receivables Purchase Agreement to acquire all outstanding Purchased Loan Receivables (together with any related Loan Collateral) against payment of the Repurchase Price subject to the following requirements:

- (a) the Repurchase Price should, together with funds credited to the General Reserve Ledger and to the Operating Ledger be at least equal to the sum of (x) the aggregate Outstanding Note Principal Amount of all Class A Compartment 5 Notes plus (y) accrued interest thereon plus (z) all claims of any creditors of the Issuer in respect of Compartment 5 ranking prior to the claims of the Class A Compartment 5 Noteholders according to the applicable Priority of Payments; and
- (b) the Seller shall have notified the Issuer of its intention to exercise the Clean-Up Call at least 10 days prior to the contemplated settlement date of the Clean-Up Call.

"**Clearstream, Luxembourg**" means the Clearstream clearance system for internationally traded securities operated by Clearstream Banking, *société anonyme*, and any successor thereto.

"**Clearing Systems**" means Clearstream, Luxembourg and Euroclear.

"**Collection Period**" means each period (i) from but excluding the Cut-Off Date to and including the first Determination Date, and, (ii) thereafter from but excluding a Determination Date to and including the next following Determination Date.

"**Collections**" means for each Collection Period, all collections, including the Interest Collections, the Principal Collections and the Recovery Collections in respect of the Purchased Loan Receivables.

"**Commingling Reserve Ledger**" means the commingling reserve ledger of the Issuer Account-C5 opened on or before the Signing Date with the Account Bank in respect of Compartment 5 (with account details as set out in Schedule 11 of the Incorporated Terms Memorandum) or any successor account.

"**Commingling Reserve Required Amount**" means as of any Payment Date upon the occurrence and the continuance of a Commingling Reserve Trigger Event an amount equal to the product of (i) 1.25 and (ii) the sum of:

- (a) the amount of instalments scheduled to be received during the next Collection Period; and
- (b) the product of:
 - (i) the Aggregate Outstanding Loan Principal Amount on the preceding Determination Date; and
 - (ii) 10/12 per cent;

and otherwise zero.

The Commingling Reserve Required Amount as of the Issue Date will be EUR 54,404,247.

Any excess of the amount standing to the credit of the Commingling Reserve Ledger over the Commingling Reserve Required Amount as calculated on each Calculation Date will be paid on each following Payment Date directly by the Issuer to the Seller outside of the Priority of Payments.

"Commingling Reserve Trigger Event" means if, at any time for as long as the Seller remains the Servicer

- (a) the long-term unsecured, unsubordinated and unguaranteed debt obligations of Daimler AG are assigned a rating of lower than A (or its replacement) by S&P, or (x) the short-term unsecured, unguaranteed and unsubordinated debt obligations of Daimler AG are assigned a rating of lower than F1 (or its replacement) by Fitch, and (y) the long-term unsecured, unsubordinated and unguaranteed debt obligations of Daimler AG are assigned a rating of lower than A (or its replacement) by Fitch; or
- (b) Daimler AG ceases to own, directly or indirectly, at least 100 % of the share capital of the Seller, or a termination of the profit and loss transfer agreement between Daimler AG and the Servicer occurs,

provided that the ceasing of a Commingling Reserve Trigger Event shall remain subject to confirmation of S&P that the Class A Compartment 5 Notes will not be downgraded.

Independent of the above, a Commingling Reserve Trigger Event shall cease to continue upon all Obligors having redirected their payments directly to the Operating Ledger or any other of the Issuer Account-C5, compliant with the Transaction 5 Documents.

"Common Safekeeper" or **"CSK"** means the entity appointed by the ICSDs to provide safekeeping for the Compartment 5 Notes in NGN form.

"Common Services Provider" or **"CSP"** means the entity appointed by the ICSDs to provide asset servicing for the Compartment 5 Notes in NGN form.

"Common Terms" means the provisions set out in Schedule 2 of the Incorporated Terms Memorandum.

"Compartment" means a compartment of the Issuer within the meaning of the Luxembourg Securitisation Law.

"Compartment 5" means the Compartment of Silver Arrow S.A. created on 31 July 2014 and designated for the purposes of Transaction 5 and named 'Compartment 5'.

"Compartment 5 Noteholders" means collectively the Class A Compartment 5 Noteholders and the Class B Compartment 5 Noteholders.

"Compartment 5 Notes" means collectively the Class A Compartment 5 Notes and the Class B Compartment 5 Notes.

"Compartment 5 Security" means all Adverse Claims from time to time created by the Issuer in favour of the Trustee (and also for the benefit of the Secured Parties) pursuant to Clause 8 and the other provisions of the Trust Agreement and the provisions of the Security Deed.

"Conditions" means the terms and conditions of the Compartment 5 Notes (which terms and conditions are set out in the Offering Circular).

"Corporate Services Agreement" pursuant to the corporate services agreement (relating to all Compartments of the Issuer) entered into by Silver Arrow S.A. and the Corporate Services Provider on 8 November 2005 and as amended from time to time, the Issuer has appointed the Corporate Services Provider to perform certain corporate and administrative services for the Issuer in accordance with the Issuer's articles of association.

"Corporate Services Provider" means Structured Finance Management (Luxembourg) S.A.

"Credit and Collection Policy" means the policies, practices and procedures of the Servicer relating to the origination and collection of the Purchased Loan Receivables, as modified from time to time in accordance with the Servicing Agreement.

"Credit Support Annex" means the credit support annex to the ISDA Master Agreement executed in accordance with the provisions of the Swap Agreement.

"Custodian" means Elavon Financial Services Limited, UK Branch, any successor thereof or any other Person appointed as replacement custodian from time to time in accordance with the Custody Agreement.

"Custody Agreement" means the custody agreement entered into by the Issuer and the Custodian on or about the Signing Date, under which the Issuer has appointed the Custodian to provide certain services in relation to the investment into Permitted Investments. The Custodian will establish an Eligible Securities Account and invest, upon instruction of the Calculation Agent on behalf of the Issuer, the amounts standing to the credit of the General Reserve Ledger, the Commingling Reserve Ledger and the Set Off Reserve Ledger, if any, in Permitted Investments.

"Cut-Off Date" means 30 September 2014.

"Data Trust Agreement" means the data trust agreement entered into by the Seller, the Servicer, the Data Trustee, the Trustee and the Issuer on or about the Signing Date, in respect to Compartment 5, according to which the Seller will deliver to the Data Trustee the Decryption Key relating to certain encrypted Portfolio Information received by the Issuer from the Seller under the Loan Receivables Purchase Agreement.

"Data Trustee" means Wilmington Trust SP Services (Frankfurt) GmbH.

"Day Count Fraction" means in respect of an Interest Period, the actual number of days in such Interest Period divided by 360.

"Decryption Key" means a password allowing in the circumstances specified in the Data Trust Agreement, to decrypt certain encrypted Portfolio Information relating to the Purchased Loan Receivables.

"Defaulted Loan Receivable" means any Purchased Loan Receivable in respect of which:

- (a) The Obligor is with more than six (6) (not necessarily consecutive) instalments in arrears, or, if earlier,
- (b) the Purchased Loan Receivable has been declared defaulted in accordance with the Credit and Collection Policy of the Servicer.

"Determination Date" means the last calendar day of each calendar month. The first Determination Date will be 31 October 2014.

"EC Treaty" means the Treaty establishing the European Community (signed in Rome on 25 March, 1957), as amended by the Treaty on the European Union (signed in Maastricht on 7 February, 1992), as amended by the Treaty of Amsterdam (signed in Amsterdam on 2 November, 1997), as amended by the Treaty of Nice (signed in Nice on 26 February, 2001), as amended by the Treaty of Lisbon (signed in Lisbon on 13 December 2007).

"Eligibility Criteria" means the eligibility criteria set out in the Appendix 1 to Schedule 3, Part 3 of this Incorporated Terms Memorandum and being relevant as of the Cut-Off Date.

"Eligible Securities Account" means the securities account opened in the name of the Issuer, into which the securities owned by the Issuer will be deposited from time to time as a result of investing in Permitted Investments.

"Eligible Swap Counterparty" means with respect to the Swap Counterparty or any guarantor of the Swap Counterparty, respectively, any entity

- (a) (x) with an unsecured and unsubordinated short-term rating of at least F1 from Fitch and an unsecured and unsubordinated long-term rating of at least A from Fitch or (y) with an unsecured and unsubordinated short-term rating of at least F3 from Fitch and an unsecured and unsubordinated long-term rating of at least BBB- from Fitch and posts collateral in accordance with the Swap Agreement; and
- (b) that (x) has the S&P First Required Rating (in the event that S&P option 1 or S&P option 2 applies, as such terms are defined in the Swap Agreements) or (y) has the S&P Second Required Rating (in the event that S&P option 1 or S&P option 2 or S&P option 3 or S&P option 4 applies, as such terms are defined in the Swap Agreement) and posts collateral in accordance with the Swap Agreement.

"Enforcement Event" means the event that an Issuer Event of Default has occurred and the Trustee has served an Enforcement Notice on the Issuer.

"Enforcement Notice" means the written notice served by the Trustee on the Issuer upon the occurrence of an Issuer Event of Default, with a copy to each of the Secured Parties and the Rating Agencies in accordance with the Trust Agreement.

"EU Insolvency Regulation" means Council Regulation (EC) No. 1346/2000 of 29 May 2000.

"EUR" or **"Euro"** means the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the EC Treaty.

"EURIBOR" (Euro Interbank Offered Rate) means for the first Interest Period, commencing on the Issue Date, the rate which is the result of the straight-line interpolation between (i) the rate for deposits in Euro for a period of one month and (ii) the rate for deposits in Euro for a period of three weeks, both reference rates appearing on the Interest Determination Date at approximately 11.00 a.m. (Brussels time) on Reuters page EURIBOR01 (or such other page as may replace such page on that service for the purpose of displaying inter-bank offered rate quotations of major banks), and for any Interest Period commencing on the first Payment Date and thereafter, the rate for deposits in Euro for a period of one month, such reference rate shown on the Interest Determination Date at approximately 11.00 a.m. (Brussels time) on Reuters page EURIBOR01.

With respect to an Interest Determination Date for which EURIBOR does not appear on Reuters Page EURIBOR01 (or its successor page), EURIBOR will be determined on the basis of the rates at which deposits in EUR are offered by the Reference Banks at approximately 11:00 a.m. (Brussels time) on the Interest Determination Date to prime banks in the Euro-zone interbank market for the relevant Interest Period and in a principal amount equal to an amount that is representative for a single transaction in such market at such time. The Interest Determination Agent will request the principal Euro-zone office of each such Reference Bank to provide a quotation of its rate. If at least two such quotations are provided, EURIBOR on such Interest Determination Date will be the arithmetic mean as determined by the Interest Determination Agent (rounded, if necessary, to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such quotations. If fewer than two such quotations are provided, EURIBOR on such Interest Determination Date will be the arithmetic mean as determined by the Interest Determination Agent (rounded, if necessary, to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of the rates quoted by major banks in the Euro-zone selected by the Interest Determination Agent at approximately 11:00 a.m., Brussels time, on such Interest Determination Date for loans in EUR for the relevant Interest Period and in a principal amount equal to an amount that is representative for a single transaction in such market at such time to leading European banks.

If the Interest Determination Agent is on any Interest Determination Date required but unable to determine EURIBOR for the relevant Interest Period, EURIBOR for such Interest Period shall be the EURIBOR as determined on the previous Interest Determination Date.

"**Euroclear**" means Euroclear Bank S.A./N.V. as operator of the Euroclear System and any successor thereto.

"**Final Success Fee**" means on any Payment Date, (a) with respect to the Pre-enforcement Priority of Payments the remaining amount of the Available Distribution Amount after payment of the amounts (a) *first* to (m) *thirteenth* and (b) with respect to the Post-enforcement Priority of Payments the remaining amount of the Available Distribution Amount after payment of the amounts (a) *first* to (l) *twelfth*.

"**Financed Vehicle**" means any passenger car or commercial vehicle financed under a loan agreement.

"**Fitch**" means Fitch Ratings Limited or any successor to its rating business.

"**General Reserve Ledger**" means the general reserve ledger of the Issuer Account-C5 held in respect of Compartment 5 and opened on or before the Signing Date with the Account Bank (with account details as set out in Schedule 11 of the Incorporated Terms Memorandum) or any successor account.

"**General Reserve Required Amount**" means, in respect of any Payment Date:

- (a) as long as the Aggregate Outstanding Loan Principal Amount is greater than zero on the Determination Date preceding such Payment Date EUR 10,753,000; and
- (b) otherwise, zero.

"**German Transaction 5 Documents**" means, the Conditions, the Trust Agreement, the Subscription Agreement, the Agency Agreement, the Bank Account Agreement, the Calculation Agency Agreement, the Loan Receivables Purchase Agreement, the Servicing Agreement, the Data Trust Agreement, the New Global Notes representing the Compartment 5 Notes and the Subordinated Loan Agreement, which are governed by and shall be construed in accordance with the laws of Germany.

"**Germany**" means the Federal Republic of Germany.

"**ICSD**" or "**International Central Securities Depository**" means Clearstream Luxembourg or Euroclear, and "**ICSDs**" means both Clearstream Luxembourg and Euroclear collectively.

"**Incorporated Terms Memorandum**" means the memorandum so named dated on or about the Signing Date and signed for the purpose of identification by each of the parties to the Transaction 5 Documents.

"**Individual Obligor Set Off Exposure**" means with respect to each Obligor, the lesser of (i) the outstanding amount of deposits made by such Obligor with the Seller and (ii) the sum of the Outstanding Loan Principal Amounts of the Purchased Loan Receivables relating to such Obligor.

"**Insolvent**" means

- (a) in relation to any Person incorporated or situated in the Federal Republic of Germany,
 - (i) that the relevant Person is either:
 - (A) unable to fulfil its payment obligations as they become due and payable (including, without limitation, *Zahlungsunfähigkeit* pursuant to Section 17 InsO), or
 - (B) is presumably unable to pay its debts as they become due and payable (including, without limitation, imminent inability to pay (*drohende Zahlungsunfähigkeit*) pursuant to Section 18 InsO), or
 - (ii) that the liabilities of that Person exceed the value of its assets (including, without limitation, over-indebtedness (*Überschuldung*) pursuant to Section 19 InsO), or

- (iii) that any measures have been taken in respect of the Person pursuant to Section 46 et seq. KWG (including, without limitation, a moratorium); or
 - (iv) that any measures pursuant to Section 21 InsO have been taken in relation to the Person, or
- (b) in relation to any Person not incorporated or situated in the Federal Republic of Germany that similar circumstances have occurred or similar measures have been taken under foreign applicable law which corresponds to those listed in (i) above.

"Interest Collections" means the sum of all Collections under the Performing Loan Receivables other than the Principal Collections and the Recovery Collections during the relevant Collection Period.

"Interest Determination Agent" means Elavon Financial Services Limited, UK Branch, any successor thereof or any other Person appointed as replacement interest determination agent from time to time in accordance with the Agency Agreement.

"Interest Determination Date" means the second Business Day prior to the first day of the relevant Interest Period.

"Interest Period" means in respect of the first Payment Date, the period commencing on (and including) the Issue Date and ending on (but excluding) such first Payment Date, and, in respect of any subsequent Payment Date, the period commencing on (and including) the immediately preceding Payment Date and ending on (but excluding) such Payment Date.

"ISDA Master Agreement" means the 1992 ISDA Master Agreement (including the schedule and the Credit Support Annex thereto) dated 20 October 2014 and made between the Issuer and the Swap Counterparty.

"Issue Date" means 22 October 2014.

"Issue Outstanding Amount" or **"IOA"** means, in respect of a NGN, the total outstanding indebtedness of the Issuer as determined from time to time.

"Issuer" means Silver Arrow S.A., a special purpose company incorporated with limited liability in Luxembourg having its registered office at 9B, Boulevard Prince Henri, L-1724 Luxembourg, acting, solely in respect and on behalf of its Compartment 5.

"Issuer Account-C5" means the issuer account with the following separate ledgers of the Issuer opened on or before the Signing Date with the Account Bank:

- (a) Operating Ledger;
- (b) General Reserve Ledger;
- (c) Commingling Reserve Ledger;
- (d) Set Off Reserve Ledger; and
- (e) Swap Collateral Ledger.

"Issuer Event of Default" means any of the following events:

- (a) the Issuer becomes Insolvent;
- (b) subject to the Available Distribution Amount and in accordance with the Pre-enforcement Priority of Payments, a default occurs in the payment of interest on any Payment Date in respect of the most senior class of Compartment 5 Notes (and such default is not remedied within two (2) Business Days of its occurrence); or

- (c) the Issuer fails to perform or observe any of its other material obligations under the Conditions or the Transaction 5 Documents (other than the Subordinated Loan Agreement) and such failure continues for a period of thirty (30) days following written notice from the Trustee or any other Secured Parties.

"Issuer ICSDs Agreement" means the Issuer ICSDs agreement entered into by the Issuer and the ICSDs before any Compartment 5 Notes in NGN form will be accepted by the ICSDs.

"Issuer Share Capital Account" means the account initially maintained with Banque Générale du Luxembourg, in the name of the Issuer, with account no. IBAN LU14 0081 5581 3700 1003; and since 31 August 2009, the account maintained with Société Générale Frankfurt, in the name of the Issuer, with account no. 1495 0176 92 and IBAN DE 8651 2108 0014 9501 7692, which, for the avoidance of doubt, will remain at all times an account separate from the Issuer Account-C5.

"Joint Lead Managers and Joint Bookrunners" means Commerzbank Aktiengesellschaft and Lloyds Bank plc.

"Legal Maturity Date" means the Payment Date falling in October 2022.

"Loan Agreement" means any loan agreement (*Darlehensvertrag*) between the Seller in its capacity as lender (*Darlehensgeber*) and an Obligor in relation to the financing of Financed Vehicle(s), in particular, including in the form of standard business terms (*Allgemeine Geschäftsbedingungen*) governing the Seller's relationship with the respective Obligor.

"Loan Collateral" means (i) security interests in the respective Financed Vehicles (*Sicherungseigentum*) securing the Purchased Loan Receivables, (ii) any credit default (*Ratenschutz*) and purchase price (*Kaufpreisschutz*) insurance in respect of the Purchased Loan Receivables as administered by the Seller in accordance with its Credit and Collection Policy, and (iii) any other security interests related to the Purchased Loan Receivables.

"Loan Receivables" means secured auto loan claims by the Seller for the payment of principal and interest (including fees) under a Loan Agreement.

"Loan Receivables Purchase Agreement" means the loan receivables purchase agreement between, inter alia, the Seller, the Issuer, and the Trustee on or about the Signing Date, under which the Seller sells and assigns the Purchased Loan Receivables to the Issuer, against payment of the Purchase Price on the Purchase Date.

"Loss" means, in respect of any Person, any loss, liability, cost, expense, claim, action, suit, judgment, and out-of-pocket costs and expenses (including, without limitation, fees and expenses of any professional adviser to such Person) which such Person may have incurred or which may be made against such Person and any reasonable costs of investigation and defence.

"Luxembourg" means the Grand Duchy of Luxembourg.

"Luxembourg Companies Law" means the Luxembourg law on commercial companies of 10 August 1915, as amended.

"Luxembourg Stock Exchange" means Société de la Bourse de Luxembourg.

"Managers" means BNP Paribas, London Branch, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main and UniCredit Bank AG.

"Master Definitions Schedule" means Schedule 1 of this Incorporated Terms Memorandum.

"Material Adverse Effect" means in relation to any Person, any effect which results in, or could reasonably be expected to result in, such Person being Insolvent or otherwise hinders or could reasonably be expected to hinder not only temporarily, the performance of such Person's obligations under any of the Transaction 5 Documents as and when due.

"Member State" means, as the context may require, a member state of the European Union or of the European Economic Area.

"Monthly Investor Report" means the monthly investor report to be published by the Calculation Agent not later than on the Calculation Date on the Calculation Agent's website and electronically mailed to a predefined distribution list which includes the information on the performance of the Portfolio as well as the related information with regards to the payments to be made on the following Payment Date under the Compartment 5 Notes, in accordance with the Calculation Agency Agreement. Such Monthly Investor Report is substantially in the form as set out in Schedule 3 to the Calculation Agency Agreement.

"Monthly Report" means the monthly report to be prepared by the Servicer and sent to the Issuer and the Calculation Agent not later than on the Reporting Date, which includes the information on the performance of the Portfolio in relation to the Collection Period immediately preceding the Reporting Date, as well as the related information with regards to the payments to be made on the following Payment Date under the Compartment 5 Notes, in accordance with the Servicing Agreement. Such Monthly Report is substantially in the form of the Monthly Investor Report as set out in Schedule 3 to the Calculation Agency Agreement.

"Net Swap Payments" means the higher of:

- (a) zero; and
- (b) the difference of
 - (i) the amounts due by the Issuer to the Swap Counterparty, other than costs in connection with a termination of the Swap Agreement; and
 - (ii) the amounts due by the Swap Counterparty to the Issuer, other than costs in connection with a termination of the Swap Agreement.

"Net Swap Receipts" means the higher of:

- (a) zero; and
- (b) the difference of:
 - (i) the amounts due by the Swap Counterparty to the Issuer, other than costs in connection with a termination of the Swap Agreement; and
 - (ii) the amounts due by the Issuer to the Swap Counterparty, other than costs in connection with a termination of the Swap Agreement.

"New Global Note" or **"NGN"** means a new global note which refers to the books and records of the ICSDs to determine the total remaining indebtedness of the Issuer as determined from time to time.

"Obligor(s)" means, in respect of a Loan Receivable, a Person (including consumers and businesses) to whom the Seller has advanced an auto loan on the terms of the relevant Loan Agreement.

"Obligor Notification Event" means a Servicer Termination Event has occurred.

"Obligor Notification Event Notice" means in respect of a Purchased Loan Receivable a notice sent to the Obligors of the Purchased Loan Receivables stating that such Purchased Loan Receivable and title for security purposes (*Sicherungseigentum*) to the Financed Vehicle have been assigned by the Seller to the Issuer pursuant to the Loan Receivables Purchase Agreement and instructing the Obligors to make payments to the Operating Ledger or any other account compliant with the Transaction 5 Document and shall be in a form substantially as set out in Schedule 3 to the Loan Receivables Purchase Agreement.

"Offer" means an offer in written or electronic form meeting the requirements set out in the Loan Receivables Purchase Agreement. For the avoidance of doubt, the parties hereto intend to have only one offer covered by the Loan Receivables Purchase Agreement. The Offer delivered pursuant to the Loan Receivables Purchase Agreement shall contain:

- (a) the Aggregate Outstanding Loan Principal Amount (as on the Cut-Off Date) of the Loan Receivables offered;
- (b) a file containing the Portfolio Information with encrypted information as set out in Schedule 5 of the Loan Receivables Purchase Agreement.

"Offering Circular" means the prospectus dated on or about the Signing Date prepared in connection with the issue by the Issuer of the Compartment 5 Notes.

"Operating Ledger" means an operating ledger of the Issuer Account-C5 of the Issuer in relation to Compartment 5, opened on or before the Signing Date with the Account Bank and into which the Servicer transfers all Collections received by it on behalf of the Issuer in accordance with the Servicing Agreement (with account details as set out in Schedule 11 of this Incorporated Terms Memorandum) or any successor account.

"Outstanding Loan Principal Amount" means with respect to a Purchased Loan Receivable at any Determination Date, the amount of principal owed by the Obligor under such Purchased Loan Receivable.

"Outstanding Note Principal Amount" means with respect to any Payment Date the principal amount of any Compartment 5 Note (rounded, if necessary, to the nearest EUR 0.01, with EUR 0.005 being rounded upwards) equal to the initial principal amount of such Note (as at Issue Date) as, on or before such Payment Date, reduced by all amounts paid in respect of principal on such Note prior to or on such Payment Date.

"Paying Agent" means Elavon Financial Services Limited, UK Branch, any successor thereof or any other Person appointed as replacement interest determination agent from time to time in accordance with the Agency Agreement.

"Payment Date" means (in respect of the first Payment Date) 17th November 2014, and thereafter the 15th of each calendar month, subject to the Business Day Convention. Unless redeemed earlier, the last Payment Date will be the Final Maturity Date.

"PCS" means Prime Collateralised Securities (PCS) UK Limited.

"Performing Loan Receivable" means a Loan Receivable that is neither a Defaulted Loan Receivable, nor a Loan Receivable in respect of which all instalments have been paid.

"Permitted Investments" means

- (a) any bank account or deposit (including, for the avoidance of doubt, time deposits) held or made with any financial institution, which unsecured and unsubordinated debt obligations are rated at least:
 - (i) by Fitch: with a short-term rating of F1 and with a long-term rating of A; and
 - (ii) by S&P: with a short-term rating of A-1 and a long-term rating of A, or, if no short-term rating is available, a long-term rating of A+,

provided that each such bank account or deposit shall

- (i) have a predetermined fixed Euro amount of principal due at maturity that cannot change or vary, (ii) not have an "r" suffix attached to its rating, (iii) if such bank account or deposit has a variable interest rate, have an interest rate tied to a single

interest rate index plus a single fixed spread (if any) and move proportionately with that index, (iv) not be subject to liquidation prior to its maturity and (v) mature at the latest on the Business Day immediately prior to the next following Payment Date; and

provided that the relevant debtor is not required to deduct or withhold any amounts for or on account of any withholding tax or similar tax, unless such debtor is required to make "gross up" payments that ensure that the net amount actually received by the Issuer (free and clear of taxes, whether assessed against such debtor or the Issuer) will equal the full amount that the Issuer would have received had no such deduction or withholding been required; or

- (b) securities which are rated at least F1 by Fitch and A-1 by S&P, which mature prior to the next Payment Date and which meet the Eurosystem requirements for Eurosystem monetary policy operations pursuant to the Guidelines of the European Central Bank in force at the time of the relevant investment.

"Person" means an individual, partnership, corporation (including a business trust), unincorporated association, trust, joint stock company, limited liability company, joint venture or other entity, or a government or political subdivision, agency or instrumentality thereof.

"Portfolio" means at any time, all Purchased Loan Receivables (including the Loan Collateral).

"Portfolio Information" means a file of information sent by the Seller and/or the Servicer to the Issuer, including the names and addresses of the Obligor (in an encrypted form) as well as the non-encrypted and non-personal information in respect of the offered Loan Receivables and/or Purchased Loan Receivables as set out in the Loan Receivables Purchase Agreement and the Servicing Agreement.

"Post-enforcement Priority of Payments" means, after the service of an Enforcement Notice by the Trustee, the Trustee will apply the Available Distribution Amount on each Payment Date in accordance with the priority of payments set out in Condition 9.

"Pre-enforcement Priority of Payments" means, prior to the service of an Enforcement Notice, the Issuer will distribute the Available Distribution Amount on each Payment Date in accordance with the priority of payments set out in Condition 7.4.

"Principal Collections" means the sum of (i) all collections of principal under the Performing Loan Receivables that have been paid during the Collection Period, (ii) all collections of principal under the Performing Loan Receivables that have been prepaid during the Collection Period, excluding Recovery Collections received by the Servicer during the Collection Period and (iii) the Repurchase Price relating to the Collection Period.

"Priority of Payments" means either the Pre-enforcement Priority of Payments or the Post-enforcement Priority of Payments (as applicable).

"Prospectus Directive" means Directive 2003/71/EC, as amended by Directive 2010/73/EU, and includes, where the context requires, Commission Regulation (EC) No. 809/2004 and any relevant implementing measure in each relevant Member State of the European Economic Area.

"Purchase Date" means 22 October 2014.

"Purchased Loan Receivables" means the Loan Receivables purchased by the Issuer from the Seller on the Purchase Date under the Loan Receivables Purchase Agreement.

"Purchase Price" means the purchase price, payable by the Issuer to the Seller on the Issue Date, which equals the Aggregate Outstanding Loan Principal Amount of the Loan Receivables on the Cut-Off Date.

"Purchaser" means Silver Arrow S.A., acting in respect of its Compartment 5, a special purpose company incorporated with limited liability in Luxembourg.

"Rating Agencies" means Fitch and S&P.

"Recovery Collections" means all amounts received by the Servicer during the relevant Collection Period in respect of, or in connection with, any Purchased Loan Receivable after the date such Purchased Loan Receivable became a Defaulted Loan Receivable (provided that such Defaulted Loan Receivable has not been written off in total) including, for the avoidance of doubt, Principal, Interest, damages, reminder fees, past due interest and any other payment, by or for the account of the relevant Obligor minus all out of pocket expenses paid to third parties and incurred by the Servicer in connection with the collection of the Defaulted Loan Receivable or the enforcement of the related Loan Collateral in line with the Credit and Collection Policy of the Servicer.

"Reference Banks" means four major banks in the Euro-zone interbank market selected by the Interest Determination Agent.

"Reporting Date" means the 4th Business Day preceding the relevant Payment Date.

"Repurchase Date" means the date which falls on a Payment Date on which a Purchased Loan Receivable is repurchased by the Seller.

"Repurchase Price" means the repurchase price paid by the Seller to the Issuer in respect of the relevant Purchased Loan Receivables to be repurchased on a Repurchase Date, which is equal to the sum of the Outstanding Loan Principal Amounts of the affected Purchased Loan Receivables.

"Required Principal Redemption Amount" means prior to the issuance of an Enforcement Notice in respect of any Payment Date, a difference of:

- (a) the Aggregate Outstanding Note Principal Amount of all Class A and all Class B Compartment 5 Notes on the Payment Date immediately preceding such Payment Date; and
- (b) the Aggregate Outstanding Loan Principal Amount of the Purchased Loan Receivables on the Determination Date immediately preceding such Payment Date.

"Required Rating" means with respect to the Account Bank or any guarantor of the Account Bank, respectively, (i) by Fitch: a short term rating of F1 or above and a long term rating of A, and (ii) by S&P: a long term rating of A and a short term rating of A-1.

"S&P" means Standard and Poor's Rating Services.

"S&P First Required Rating" shall have the meaning given to it in the Swap Agreement.

"S&P Second Required Rating" shall have the meaning given to it in the Swap Agreement.

"Secured Obligations" means all duties and liabilities (present and future, actual and contingent) of the Issuer (in respect of Compartment 5) the Issuer has covenanted with the Trustee to pay to the Compartment 5 Noteholders and the other Secured Parties pursuant to Clause 5.1(a) and (b) of the Trust Agreement and the provisions of the Security Deed.

"Secured Parties" means the Compartment 5 Noteholders, Corporate Services Provider, the Calculation Agent, the Account Bank, the Swap Counterparty, the Paying Agent, the Custodian, the Interest Determination Agent, the Joint Lead Managers and Joint Bookrunners, the Managers, the Subordinated Lender, the Data Trustee, the Trustee, the Seller and the Servicer (if different).

"Security Deed" means the security deed between the Issuer and the Trustee with respect to Compartment 5 dated the Signing Date.

"Seller" means Mercedes-Benz Bank AG.

"Servicer" means Mercedes-Benz Bank AG or at any time the Person then authorised pursuant to the Servicing Agreement to service, administer and collect the Purchased Loan Receivables.

"Servicer Shortfall" means a shortfall in respect of payments of Collections due and payable by the Servicer to the Issuer pursuant to the terms of the Servicing Agreement.

"Servicer Termination Event" means the occurrence of any of the following events:

- (a) the Seller or the Servicer is Insolvent;
- (b) the Seller or the Servicer fails to make any payment or deposit required by the terms of the relevant Transaction 5 Document within five (5) Business Days of the date such payment or deposit is required to be made;
- (c) the Seller or the Servicer fails to perform any of its material obligations under the Loan Receivables Purchase Agreement and/or the Servicing Agreement (other than a payment or deposit required), and such breach, if capable of remedy, is not remedied within twenty (20) Business Days of written notice from the Issuer or the Trustee; or
- (d) any representation or warranty in the Loan Receivables Purchase Agreement or in the Servicing Agreement or in any report provided by the Seller or the Servicer is materially false or incorrect, and such inaccuracy, if capable of remedy, is not remedied within twenty (20) Business Days of written notice from the Issuer or the Trustee and has a Material Adverse Effect in relation to the Issuer.

"Servicing Agreement" means the servicing agreement entered into between the Issuer, the Servicer, the Calculation Agent and the Trustee on or about the Signing Date. The Calculation Agent has agreed that it will facilitate the appointment of a suitable entity with all necessary facilities available to act as successor Servicer and will use reasonable efforts to ensure that such entity enters into a successor servicing agreement with the parties to the Servicing Agreement upon receipt of notice by the Servicer of the occurrence of a Servicer Termination Event.

"Servicing Fee" means the fees to be paid by the Issuer to the Servicer in accordance with the Servicing Agreement.

"Set Off Exposure" means the sum of all Individual Obligor Set Off Exposures.

"Set Off Reserve Ledger" means the set off reserve ledger of the Issuer Account-C5 held in respect of Compartment 5 and with the Account Bank (with account details as set out in Schedule 11 of the Incorporated Terms Memorandum) or any successor account.

"Set Off Reserve Required Amount" means on any Payment Date on which the Set Off Exposure exceeds 0.5% of the Aggregate Outstanding Loan Principal Amount as on the Cut-Off Date, an amount equal to such exceeding Set Off Exposure and otherwise zero.

"Signing Date" means 20 October 2014.

"Subordinated Lender" means Mercedes-Benz Bank AG.

"Subordinated Loan" means the loan granted on or before the Issue Date by the Subordinated Lender to the Issuer in an amount of EUR 10,753,000. The proceeds of the Subordinated Loan will be used in order to fund the initial endowment to the General Reserve Ledger.

"Subordinated Loan Agreement" means the subordinated loan agreement entered into by the Issuer, the Subordinated Lender and the Trustee on or about the Signing Date, under which the Subordinated Lender will advance at the latest on the Issue Date the Subordinated Loan to the Issuer.

"Subordinated Loan Redemption Amount" means on any Payment Date, prior to an Enforcement Notice, the difference of

- (a) the General Reserve Required Amount on the previous Payment Date; and
- (b) the General Reserve Required Amount on the current Payment Date.

"Subscription Agreement" means the subscription agreement entered into by the Issuer, the Seller, the Joint Lead Managers and Joint Bookrunners, the Managers and the Trustee on or about the Signing Date, under which the Joint Lead Managers and Joint Bookrunners have agreed, subject to certain customary issue conditions, to subscribe for the Compartment 5 Notes.

"Swap Agreement" means the swap agreement, dated and executed on or about the Signing Date between the Issuer and the Swap Counterparty pursuant to the ISDA Master Agreement, a rating compliant schedule, a related Credit Support Annex and a confirmation.

"Swap Collateral Ledger" means the swap collateral ledger of the Issuer Account-C5 opened on or before the Signing Date with the Account Bank in respect of Compartment 5 (with account details as set out in Schedule 11 of the Incorporated Terms Memorandum) or any successor account.

"Swap Counterparty" means DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main.

"Swap Fixed Rate" means 0.0586 per cent.

"Swap Notional Amount" means on any Payment Date, the Aggregate Outstanding Note Principal Amount of the Class A Compartment 5 Notes as of the previous Payment Date or, in the case of the first Payment Date, the Aggregate Outstanding Note Principal Amount of the Class A Compartment 5 Notes as of the Issue Date.

"Swap Termination Payment" means any amounts due by the Issuer under the Swap Agreement following a close out netting under Section 6(e) of the ISDA Master Agreement.

"TARGET2" means the second generation of the Trans-European Automated Real-time Gross-Settlement Express Transfer System which was launched on 19 November 2007 by the European Central Bank.

"Transaction 5" means the fourth public securitisation transaction of Silver Arrow S.A. in connection to which the Compartment 5 Notes are issued and to which the Transaction 5 Documents refer.

"Transaction 5 Documents" means the German Transaction 5 Documents, the Issuer ICSDs Agreement, the Security Deed, the Corporate Services Agreement, the Custody Agreement and the Swap Agreement.

"Trust Agreement" means the trust agreement between the Issuer, the Trustee and the other Secured Parties in respect to Compartment 5 on or about the Signing Date.

"Trustee" means Wilmington Trust SP Services (Frankfurt) GmbH.

"Trustee Claim" has the meaning assigned thereto in Clause 6(a) of the Trust Agreement.

"UK" or **"United Kingdom"** means the United Kingdom of Great Britain and Northern Ireland.

"United States" means, for the purpose of the Transaction 5, the United States of America (including the States thereof and the District of Columbia) and its possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

"VAT" means value added tax and any other tax of a similar fiscal nature (instead of or in addition to value added tax) whether imposed in Germany or Luxembourg or elsewhere.

2. PRINCIPLES OF INTERPRETATION AND CONSTRUCTION

2.1. Knowledge

- 2.1.1 References in any Transaction 5 Document to the expressions "so far as the Seller is aware" or "to the best of the knowledge, information and belief of the Seller" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of senior officers of the Seller.
- 2.1.2 References in any Transaction 5 Document to the expressions "so far as the Servicer is aware" or "to the best of the knowledge, information and belief of the Servicer" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of senior officers of the Servicer.
- 2.1.3 References in any Transaction 5 Document to the expressions "so far as the Issuer is aware" or "to the best of the knowledge, information and belief of the Issuer" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of directors of the Issuer.
- 2.1.4 References in any Transaction 5 Document to the expressions "so far as the Trustee is aware" or "to the best of the knowledge, information and belief of the Trustee" or any similar expression in respect of any matter shall be deemed to refer to the actual knowledge of senior officers of the Trustee.

2.2. Interpretation

In any Transaction 5 Document, the following shall apply:

- 2.2.1 a document being in an "*agreed form*" means that the form of the document in question has been signed off or agreed by each of the proposed parties thereto;
- 2.2.2 any reference to an "*agreement*", "*deed*" or "*document*" shall be construed as a reference to such agreement, deed or document as the same may from time to time be amended, varied, novated, supplemented, replaced or otherwise modified;
- 2.2.3 in the computation of periods of time from a specified date to a later specified date, the word "*from*" means "*from and including*" and the words "*to*" and "*until*" each mean "*to but excluding*";
- 2.2.4 "*novation*" shall, for the purposes of the German Transaction 5 Documents, be construed as *Parteiwechsel*. "To novate" shall be interpreted accordingly;
- 2.2.5 "*periods*" of days shall be counted in calendar days unless Business Days are expressly prescribed;
- 2.2.6 any reference to any "*Person*" appearing in any of the Transaction 5 Documents shall include its successors and permitted assigns;
- 2.2.7 unless specified otherwise, "*promptly*", "*immediately*", "*forthwith*" or any similar expression used in a Transaction 5 Document shall mean without undue delay (*ohne schuldhaftes Zögern*); and
- 2.2.8 a "*successor*" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under any Transaction 5 Document or to which, under such laws, such rights and obligations have been transferred.

2.3. Statutes and Treaties

Any reference to a statute or treaty shall be construed as a reference to such statute or treaty as the same may have been, or may from time to time be, amended or, in the case of a statute, re-enacted.

2.4. **Time**

Any reference in any Transaction 5 Document to a time of day shall, unless a contrary indication appears, be a reference to Central European time.

2.5. **Schedules**

Any Schedule of, or Appendix or Annex to a Transaction 5 Document forms part of such Transaction 5 Document and shall have the same force and effect as if the provisions of such Schedule, Appendix or Annex were set out in the body of such Transaction 5 Document. Any reference to a Transaction 5 Document shall include any such Schedule, Appendix or Annex.

2.6. **Headings**

Section, Part, Schedule, Paragraph and Clause headings are for ease of reference only. They do not form part of any Transaction 5 Document and shall not affect its construction or interpretation.

2.7. **Sections**

Except as otherwise specified in a Transaction 5 Document, any reference in a Transaction 5 Document to:

2.7.1 a "*Section*" shall be construed as a reference to a Section of such Transaction 5 Document;

2.7.2 a "*Part*" shall be construed as a reference to a Part of such Transaction 5 Document;

2.7.3 a "*Schedule*", an "*Appendix*" or an "*Annex*" shall be construed as a reference to a Schedule, Appendix or Annex of such Transaction 5 Document;

2.7.4 a "*Clause*" shall be construed as a reference to a Clause of a Part or Section (as applicable) of such Transaction 5 Document; and

2.7.5 "*this Agreement*" shall be construed as a reference to such Transaction 5 Document together with any Schedules, Appendices or Annexes thereto.

2.8. **Number**

In any Transaction 5 Document, save where the context otherwise requires, words importing the singular number include the plural and vice versa.

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