



PBD GERMANY AUTO 2018 UG (HAFTUNGSBESCHRÄNKT)

(incorporated with limited liability in the Federal Republic of Germany)
€600,000,000 Class A Floating Rate Notes due March 2031 Issue Price: 100.357%
€66,700,000 Class B Fixed Rate Notes due March 2031 Issue Price: 100.00%

The Class A Notes and the Class B Notes (each such class, a "Class", and all Classes collectively, the "Notes") of PBD Germany Auto 2018 UG (haftungsbeschränkt) (the "Issuer") are backed by a portfolio of loan claims (the "Purchased Receivables") secured by security interests in certain cars located in Germany (the "Cars") and certain other collateral (the Cars, the other collateral and the proceeds therefrom, the "Related Collateral", and together with the Purchased Receivables, the "Portfolio"). The obligations of the Issuer under the Notes will be secured by first-ranking security interests granted to HSBC Corporate Trustee Company (UK) Limited (the "Security Trustee") acting in a fiduciary capacity for the holders of the Notes pursuant to a transaction security agreement dated on or about 23 October 2018 (the "Transaction Security Agreement") and an English security deed dated on or about 23 October 2018 (the "English Security Deed"). Although the Notes will share in the same security, the Class A Notes will rank in priority to the Class B Notes in the event of the security being enforced, see "THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT". The Issuer will on or before the Closing Date purchase and acquire from PSA Bank Deutschland GmbH (the "Seller") Receivables and Related Collateral constituting the Portfolio. Certain characteristics of the Purchased Receivables and the Related Collateral are described under "DESCRIPTION OF THE PORTFOLIO" herein.

The Notes will be issued at the issue price indicated above on or about 25 October 2018 (the "Closing Date").

This Prospectus constitutes a prospectus for the purpose of Article 5.3 of Directive 2003/71/EC (as amended) (the "Prospectus Directive"). Application has been made to the *Commission de Surveillance du Secteur Financier* for approval of this Prospectus for the purposes of the Prospectus Directive and relevant implementing measures in Luxembourg as a prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purpose of giving information with respect to the issue of the Notes. By approving this prospectus, the *Commission de Surveillance du Secteur Financier* assumes no responsibility as to the economic or financial soundness of this transaction or the quality and solvency of the Issuer. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange is a regulated market for the purposes 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").

Crédit Agricole Corporate and Investment Bank, NatWest Markets Plc and Santander Corporate & Investment Banking (each a "Joint Lead Manager" and collectively, the "Joint Lead Managers") will purchase the Notes from the Issuer and will offer the Class A Notes, from time to time, in negotiated transactions or otherwise, at varying prices to be determined at the time of the sale. The Class B Notes will be purchased by PSA Bank Deutschland.

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

Joint Arrangers

Crédit Agricole Corporate and Investment Bank

NatWest Markets

Joint Lead Managers

Crédit Agricole Corporate and
Investment Bank

NatWest Markets

Santander Corporate & Investment
Banking

The date of this Prospectus is 23 October 2018.

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

The Notes will be governed by the laws of the Federal Republic of Germany ("**Germany**").

Each of the Class A Notes and the Class B Notes will be initially represented by a temporary global note in bearer form (each, a "**Temporary Global Note**") without interest coupons attached. Each Temporary Global Note will be exchangeable, as described herein (see "*OUTLINE OF THE TRANSACTION — The Notes — Form and Denomination*") for a permanent global note in bearer form which is recorded in the records of Euroclear and Clearstream Luxembourg (as defined below) (each, a "**Permanent Global Note**", and together with the Temporary Global Notes, the "**Global Notes**" and each, a "**Global Note**") without interest coupons attached. Each Temporary Global Note will be exchangeable not earlier than 40 calendar days after the Closing Date, upon certification of non-U.S. beneficial ownership, for interests in a Permanent Global Note. The Global Notes representing the Class A Notes will be deposited with a common safekeeper (the "**Class A Notes Common Safekeeper**") appointed by the operator of the Euroclear System ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream Luxembourg**" and, together with Euroclear, the "**Clearing Systems**") on or prior to the Closing Date. The Class A Notes Common Safekeeper will hold the Global Notes representing the Class A Notes in custody for Euroclear and Clearstream Luxembourg. The Global Notes representing the Class B Notes will be deposited with a common safekeeper (the "**Class B Notes Common Safekeeper**" and together with the Class A Notes Common Safekeeper, the "**Common Safekeepers**" and each, a "**Common Safekeeper**") appointed by the operator of the Clearing Systems on or prior to the Closing Date. The Class B Notes Common Safekeeper will hold the Global Notes representing the Class B Notes in custody for Euroclear and Clearstream Luxembourg. The Notes represented by Global Notes may be transferred in book-entry form only. The Notes will be issued in denominations of EUR 100,000. The Global Notes will not be exchangeable for definitive securities. See "*TERMS AND CONDITIONS OF THE NOTES — Form and Denomination*".

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of the Clearing Systems as Class A Notes Common Safekeeper and does not necessarily mean that the Class A 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 satisfaction of the Eurosystem eligibility criteria.

THE NOTES REPRESENT OBLIGATIONS OF THE ISSUER ONLY AND DO NOT REPRESENT AN INTEREST IN OR OBLIGATION OF ANY JOINT LEAD MANAGER, ANY JOINT ARRANGER, THE SELLER, THE SERVICER (IF DIFFERENT), THE BACK-UP SERVICER FACILITATOR, THE INTEREST RATE SWAP COUNTERPARTY, THE SECURITY TRUSTEE, THE DATA TRUSTEE, THE PAYING AGENT, THE CALCULATION AGENT, THE INTEREST DETERMINATION AGENT, THE REPORTING AGENT, THE ACCOUNT BANK, THE LISTING AGENT, THE SUBORDINATED LOAN PROVIDER, ANY COMMON SAFEKEEPER OR ANY OF THEIR RESPECTIVE AFFILIATES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (OTHER THAN THE ISSUER). NEITHER THE NOTES NOR THE UNDERLYING RECEIVABLES WILL BE INSURED OR GUARANTEED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY OR BY ANY JOINT LEAD MANAGER, ANY JOINT ARRANGER, THE SELLER, THE SERVICER (IF DIFFERENT), THE BACK-UP SERVICER FACILITATOR, THE INTEREST RATE SWAP COUNTERPARTY, THE SECURITY TRUSTEE, THE PAYING AGENT, THE CALCULATION AGENT, THE INTEREST DETERMINATION AGENT, THE REPORTING AGENT, THE ACCOUNT BANK, THE LISTING AGENT, THE SUBORDINATED LOAN PROVIDER, ANY COMMON SAFEKEEPER OR ANY OF THE RESPECTIVE AFFILIATES OR ANY OTHER PARTY TO THE TRANSACTION DOCUMENTS (OTHER THAN THE ISSUER) OR BY ANY OTHER PERSON OR ENTITY EXCEPT AS DESCRIBED HEREIN.

Class	Class Principal Amount	Interest Rate	Issue Price	Expected Ratings (Moody's / Fitch)	Final Maturity Date	ISIN (WKN)
A	EUR 600,000,000	EURIBOR +0.40% and, for the avoidance of doubt, if such rate is	100.357 %	Aaa(sf) / AAAsf	Payment Date falling in March 2031	XS1886368296 (A2NBLV)

<u>Class</u>	<u>Class Principal Amount</u>	<u>Interest Rate</u>	<u>Issue Price</u>	<u>Expected Ratings (Moody's / Fitch)</u>	<u>Final Maturity Date</u>	<u>ISIN (WKN)</u>
		below zero, the Interest Rate will be zero				
B	EUR 66,700,000	0.80%	100%	N/R	Payment Date falling in March 2031	XS1886368379 (A2NBLW)

Interest on the Class A Notes will accrue on the outstanding principal amount of each Class A Note at a per annum rate equal to the sum of the European Inter-bank Offered Rate (EURIBOR) for one (1) month ("EURIBOR") (in the case of the first Interest Period, the linear interpolation between two (2) weeks and one (1) month) and 0.40% and, for the avoidance of doubt, if such rate is below zero, the Interest Rate will be zero. Interest on the Class B Notes will accrue on the outstanding principal amount of each Class B Note at a per annum rate equal to 0.80%. Interest will be payable in euro by reference to successive interest accrual periods (each, an "Interest Period") monthly in arrears on the nineteenth (19th) day of each calendar month, unless such date is not a Business Day, in which case the Payment Date shall be the next succeeding Business Day (each, a "Payment Date"). The First Payment Date will be the Payment Date falling on 19 November 2018. "Business Day" means a day on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("TARGET2") are operational and on which commercial banks and foreign exchange markets are open or required to be open for business in Luxembourg, London, England, Frankfurt am Main, Germany and Düsseldorf, Germany. See "TERMS AND CONDITIONS OF THE NOTES — Payments of Interest".

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

Amortisation of the Notes will commence on the Payment Date immediately falling after the end of the Revolving Period (as defined below, see "SCHEDULE 1 DEFINITIONS – Revolving Period"), which period commences on the Closing Date (inclusive) and ends on the earlier of (i) the Payment Date falling on the Scheduled Revolving Period End Date and (ii) the occurrence of an Amortisation Event or an Issuer Event of Default. During the Revolving Period, the Issuer is pursuant to the Receivables Purchase Agreement and subject to certain requirements set forth therein, obliged on each Subsequent Purchase Date to purchase Additional Receivables offered by the Seller by applying the Available Principal Amount. See "TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption".

Unless previously redeemed in full, the Notes will mature on the Payment Date falling in March 2031 (the "Final Maturity Date"). In addition, the Notes will be subject to partial redemption, early redemption and/or optional redemption before the Final Maturity Date in specific circumstances and subject to certain conditions. See "TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption". Any claims arising from the Notes, i.e. claims to interest and principal, cease to exist with the expiration of five (5) years after the Final Maturity Date, unless the Global Note representing such Class of Notes is submitted to the Issuer for redemption prior to the expiration of five (5) years after the Final Maturity Date, in which case, the claims will become time-barred after two (2) years beginning with the end of the period for presentation (ending five (5) years after the Final Maturity Date in accordance with the Terms and Conditions). The commencement of judicial proceedings in respect of the claim arising from a Global Note will have the same legal effect as the presentation of a Global Note.

The Class A Notes are expected, on issue, to be rated by Moody's Investors Service Limited ("Moody's") and Fitch Ratings Inc. ("Fitch" and together with Moody's, the "Rating Agencies"). It is a condition of the issue of the Class A Notes that they are assigned the ratings indicated in the above table. The Issuer has not requested a rating of the Class B Notes.

Each rating of the Class A Notes by Moody's and Fitch addresses the likelihood that the holders of the Class A Notes (together with the holders of the Class B Notes, the "**Noteholders**" and each, a "**Noteholder**") will receive all payments to which they are entitled, as described herein. The rating of Fitch takes into consideration the characteristics of the Purchased Receivables and the structural, legal, tax and Issuer-related aspects associated with the Class A Notes. The rating assigned by Moody's to the Class A Notes addresses the risk of loss which may be incurred in proportion to the initial the Class A Principal Amount to be borne by any Noteholder by the Final Legal Maturity. The Moody's rating addresses only the credit risks associated with this transaction.

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

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

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

Regulatory Disclosure

Under Article 405 of Regulation 2013/575/EU (the "**CRR**"), an institution (i.e. a credit institution or an investment firm), other than when acting as an originator, a sponsor or original lender, may hold the credit risk of a securitisation position in its trading book or non-trading book only if the originator, sponsor or original lender has explicitly disclosed to the institution that it will retain, on an ongoing basis, a material net economic interest which, in any event, will not be less than 5%. Pursuant to Article 405 paragraph (1)(d) of the CRR, a net economic interest may be retained by way of retention of a first loss tranche and, if necessary, of other tranches having the same or a more severe risk profile than the tranches sold or transferred to investors and not maturing any earlier than the tranches sold or transferred to the investors, so that the retention equals in total no less than 5 per cent. of the aggregate nominal amount of the securitised exposures. In order to comply with the requirements of Article 405 paragraph (1)(d) of the CRR, the Seller will retain, on an ongoing basis until the earlier of (i) the redemption of the Class A Notes in full and (ii) the Final Maturity Date, the Class B Notes in an aggregate principal amount equal to at least 5 per cent. of the Aggregate Outstanding Note Principal Amount as of the Closing Date, subject always to any requirement applicable by law to it. Pursuant to the Subscription Agreement, the Seller undertakes to purchase and retain such Class B Notes and not to sell and/or transfer them (whether in full or in part) to any third party until the earlier of (i) the redemption of the Class A Notes in full and (ii) the Final Maturity Date. The Seller retains such exposures in its capacity as originator pursuant to Article 4 (13) of the CRR of the Receivables, including such Receivables which were originally originated by a French affiliate of the Seller and subsequently on-transferred to the Seller in connection with the merger of the assets and liabilities of such French affiliate by way of universal succession into the Seller. No retention will be made by the French affiliate of the Seller on grounds that the Seller relies on Article 4 (13) (a) of the CRR with the Seller holding the relevant Receivables in their entirety on its own books prior to offering such Receivables for sale to the Issuer in accordance with the Receivables Purchase Agreement.

Article 409 of the CRR requires, *inter alia*, that prospective investors have readily available access to all materially relevant data on the credit quality and performance of the individual underlying exposures, cash flows and collateral supporting the securitisation exposure as well as such information that is necessary to conduct comprehensive and well informed stress tests on the cash flows and collateral values supporting the underlying exposures. For that purpose, materially relevant data shall be determined pursuant to Article 409 as at the date of the securitisation and where appropriate due to the nature of the securitisation thereafter. In order to comply with Article 409 of the CRR, the Seller in its capacity as Servicer will, on a monthly basis after the Closing Date, provide certain information to the Calculation Agent in the form of the Servicing Reports (and any additional servicing report prepared by the Servicer from time to time), on the basis of which the Reporting Agent will prepare the Investor Reports pursuant to which investors will

receive certain information including data with regard to the Purchased Receivables and an overview of the retention of the material net economic interest. The Reporting Agent will communicate each Investor Report by posting it to Bloomberg and True Sale International GmbH (www.true-sale-international.de) on the relevant Investor Report Date in order for such Investor Report to be publicly available on the relevant platform.

In addition, investors and Noteholders should be aware of Article 17 of the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers ("**AIFMD**") and Article 51 (1) of Chapter III, Section 5 of the Commission Delegated Regulation (EU) 231/2013 of 19 December 2012 ("**AIFMR**") which introduced risk retention and due diligence requirements in respect of alternative investment fund managers that are required to become authorised under AIFM, and of Article 135 of the Directive (2009/138/EC) ("**Solvency II**") and Articles 254 *et seq.* of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Solvency II ("**Solvency II Delegated Regulation**"), which impose risk retention and due diligence requirements and provide for proportionate increases of the solvency capital requirements, should the risk retention rule not be complied with in respect of any relevant investment of an insurance or reinsurance undertaking.

It should be noted, however, that there is no certainty that the references to the retention obligations of the Seller in this Prospectus will constitute explicit disclosure (on part of such Seller) or adequate due diligence (on part of the Noteholders) or sufficient self-retention for the purposes of Articles 5, 6 or 7 of the Securitisation Regulation. Consequently, each prospective investor and Noteholder is required to independently assess and determine the sufficiency of the information described in the preceding paragraphs for the purposes of complying with Article 405 *et seqq.* of the CRR and similar requirements under AIFMD, AIFMR, Solvency II and the Solvency II Delegated Regulation, and none of the Issuer, the Seller (in its capacity as the Seller and the Servicer), the Joint Lead Managers or the Joint Arrangers gives any representation or assurance that such information is sufficient for such purposes. In addition, if and to the extent Articles 405 *et seqq.* of the CRR or any similar requirements are relevant to any prospective investor and Noteholder, such investor and Noteholder should ensure that it complies with Articles 405 *et seqq.* of the CRR or such other applicable requirements (as relevant). Investors who are uncertain as to the requirements which apply to them in any relevant jurisdiction should seek guidance from the competent regulator.

No offer to retail investors

The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**").

For these purposes "retail investor" means a person who is one (or more) of the following: (a) a retail client as defined in point (11) of Article 4(1) of MiFID II or (b) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (c) not a qualified investor as specified in Directive 2003/71/EC (as amended) and the term "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes. Consequently, no key information document required by (Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**"), for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Interest amounts payable under the Notes are calculated by reference to EURIBOR, which is provided by the European Money Markets Institute (the "**Administrator**"). As at the date of this Prospectus, the Administrator does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (the "**ESMA**") pursuant to Article 36 of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmark Regulation**").

Solely for the purposes of the Joint Lead Managers and the Seller's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes

is eligible counterparties and professional clients only, each as defined in MiFID II and any relevant implementing national laws; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the Joint Lead Managers and the Seller's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Joint Lead Managers and the Seller's target market assessment) and determining appropriate distribution channels.

The Issuer is not, and solely after giving effect to any offering and sale of the Notes and the application of the proceeds thereof will not be, a "covered fund" for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended (commonly known as the "**Volcker Rule**"). In reaching this conclusion, although other statutory or regulatory exclusions and/or exemptions under the Investment Company Act and under the Volcker Rule and its related regulations may be available, the Issuer has relied on the determination that the Issuer would satisfy all of the elements of the loan securitization exemption set out in Section 10(c)(8) of the Volcker Rule. Any prospective investor in the Notes, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding the Volcker Rule and its effects.

In this Prospectus, references to "**euro**", "**Euro**", "**€**" or "**EUR**" are to the single currency which was introduced in Germany as of 1 January 1999.

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

Any websites referred to in this Prospectus are for information purposes only and do not form part of this Prospectus.

Responsibility for the Contents of this Prospectus

The Issuer assumes sole responsibility for the information contained in this Prospectus except that:

- (i) **the Seller only is responsible for the information under "*OUTLINE OF THE TRANSACTION - The Portfolio*" on page 8, "*OUTLINE OF THE TRANSACTION - Servicing of the Portfolio*" on pages 8 and 9, "*RISK FACTORS - Reliance on Administration and Collection Procedures*" on page 51, "*CREDIT STRUCTURE - Auto Loan Contract Interest Rates*" on page 55, "*CREDIT STRUCTURE - Cash Collection Arrangements*" on page 55, "*WEIGHTED AVERAGE LIFE OF NOTES AND ASSUMPTIONS*" on pages 159 and 160, "*DESCRIPTION OF THE PORTFOLIO*" on page 164, "*INFORMATION TABLES REGARDING THE PORTFOLIO*" on pages 171 to 215, "*CREDIT AND COLLECTION POLICY*" on pages 216 to 219, "*THE SELLER AND THE SERVICER*" on page 223;**
- (ii) **the Account Bank, the Paying Agent and the Interest Determination Agent only is responsible for the information under "*THE ACCOUNT BANK, THE PAYING AGENT AND THE INTEREST DETERMINATION AGENT*" on page 224;**
- (iii) **the Security Trustee only is responsible for the information under "*THE SECURITY TRUSTEE*" on page 225;**
- (iv) **the Calculation Agent, the Reporting Agent and the Data Trustee only is responsible for the information under "*THE CALCULATION AGENT, THE REPORTING AGENT AND THE DATA TRUSTEE*" on page 226;**
- (v) **the Listing Agent only is responsible for the information under "*THE LISTING AGENT*" on page 227;**
- (vi) **the Interest Rate Swap Counterparty only is responsible for the respective information applicable to it under "*THE INTEREST RATE SWAP COUNTERPARTY*" on page 228;**
- (vii) **the Corporate Administrator and the Back-Up Servicer Facilitator only is responsible for the information under "*THE CORPORATE ADMINISTRATOR AND THE BACK-UP SERVICER FACILITATOR*" on page 229; and**

- (viii) **the Corporate Administrator only is responsible for the information under "OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS - Corporate Administration Agreement" on pages 155 to 157,**

provided that, with respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms and assumes responsibility that any such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted, the omission of which 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 thereof (for the avoidance of doubt, except for its responsibility for the correct reproduction thereof).

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

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

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

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

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

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

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

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

Neither the delivery of this Prospectus nor any offering, sale or delivery of any Notes shall, under any circumstances, create any implication (i) that the information in this Prospectus is correct as of any time subsequent to the date hereof, or, as the case may be, subsequent to the date on which this Prospectus has been most recently amended or supplemented, or (ii) that there has been no adverse change in the financial situation of the Issuer since the date of this Prospectus or, as the case may be, the date on which this

Prospectus has been most recently amended or supplemented, or the date of the most recent financial information which is contained in this Prospectus by reference, or (iii) that any other information supplied in connection with the issue of the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

*Prospective investors in the Notes should conduct such independent investigation and analysis as they deem appropriate to evaluate the merits and risks of an investment in the Notes. **If you are in doubt about the contents of this document, you should consult your stockbroker, bank manager, legal adviser, accountant or other financial adviser.** None of the Joint Lead Managers or the Joint Arrangers makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied by the Issuer in connection with the Notes and accepts any responsibility or liability therefor. None of the Joint Arrangers undertakes to review the financial condition or affairs of the Issuer or to advise any investor or potential investor in the Notes of any information coming to the attention of a Joint Lead Manager or a Joint Arranger. None of the Joint Lead Managers or the Joint Arrangers has verified the information contained in this Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by either the Joint Lead Managers or the Joint Arrangers as to the accuracy or completeness of the information contained in this Prospectus. In making any investment decision, investors must rely on their own examination of the terms of this offering, including the merits and risks involved.*

The Notes offered and sold by the Issuer may not be purchased by any person except for persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**"). "**U.S. Risk Retention Rules**" means the final rules promulgated under Section 15G of the U.S. Securities Exchange Act of 1934, as amended. The definition of "U.S. person" in the U.S. Risk Retention Rules is substantially similar to, but not identical to, the definition of "U.S. person" in Regulation S. Each purchaser of Notes, including beneficial interests therein will be deemed, and in certain circumstances (including as a condition to accessing or otherwise obtaining a copy of the Prospectus, Preliminary Prospectus or other offering materials relating to the Notes) will be required, to have made certain representations and agreements, including that it (1) is not a Risk Retention U.S. Person (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10% Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules).

Each prospective investor in the Notes will be required to make these representations as a condition to accessing or otherwise obtaining a copy of the Preliminary Prospectus, Prospectus or any other offering materials relating to the Notes and the Joint Lead Managers, the Issuer and the Seller will rely on these representations.

NO ACTION HAS BEEN TAKEN BY THE ISSUER OR ANY JOINT LEAD MANAGER OTHER THAN AS SET OUT IN THIS PROSPECTUS THAT WOULD PERMIT A PUBLIC OFFERING OF THE NOTES, OR POSSESSION OR DISTRIBUTION OF THIS PROSPECTUS OR ANY OTHER OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS (NOR ANY PART THEREOF) NOR ANY OTHER INFORMATION MEMORANDUM, PROSPECTUS, FORM OF APPLICATION, ADVERTISEMENT, OTHER OFFERING MATERIAL OR OTHER INFORMATION MAY BE ISSUED, DISTRIBUTED OR PUBLISHED IN ANY COUNTRY OR JURISDICTION EXCEPT IN COMPLIANCE WITH APPLICABLE LAWS, ORDERS, RULES AND REGULATIONS, AND THE ISSUER AND THE JOINT LEAD MANAGERS HAVE REPRESENTED THAT ALL OFFERS AND SALES BY THEM HAVE BEEN AND WILL BE MADE ON SUCH TERMS.

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

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

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. EACH OF THE JOINT LEAD MANAGERS HAS REPRESENTED AND AGREED THAT IT HAS NOT OFFERED AND SOLD, AND WILL NOT OFFER AND SELL, ANY NOTE CONSTITUTING PART OF ITS ALLOTMENT WITHIN THE UNITED STATES EXCEPT IN ACCORDANCE WITH RULE 903 UNDER REGULATION S UNDER THE SECURITIES ACT. ACCORDINGLY, EACH JOINT LEAD MANAGER HAS FURTHER REPRESENTED AND AGREED THAT NEITHER IT, ITS RESPECTIVE AFFILIATES NOR ANY PERSONS ACTING ON ITS OR THEIR BEHALF HAVE ENGAGED OR WILL ENGAGE IN ANY DIRECTED SELLING EFFORTS WITH RESPECT TO ANY NOTE.

IN ADDITION, BEFORE FORTY (40) CALENDAR DAYS AFTER COMMENCEMENT OF THE OFFERING, AN OFFER OR SALE OF NOTES WITHIN THE UNITED STATES BY A DEALER OR OTHER PERSON THAT IS NOT PARTICIPATING IN THE OFFERING MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

EACH JOINT LEAD MANAGER HAS (I) ACKNOWLEDGED THAT THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN CERTAIN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT; (II) REPRESENTED AND AGREED THAT IT HAS NOT OFFERED, SOLD OR DELIVERED ANY NOTES, AND WILL NOT OFFER, SELL OR DELIVER ANY NOTES, (X) AS PART OF ITS DISTRIBUTION AT ANY TIME OR (Y) OTHERWISE BEFORE FORTY (40) CALENDAR DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE ISSUE DATE, EXCEPT IN ACCORDANCE WITH RULE 903 UNDER REGULATION S UNDER THE SECURITIES ACT; AND ACCORDINGLY, (III) FURTHER REPRESENTED AND AGREED THAT NEITHER IT, ITS AFFILIATES NOR ANY PERSONS ACTING ON ITS OR THEIR BEHALF HAVE ENGAGED OR WILL ENGAGE IN ANY DIRECTED SELLING EFFORTS WITH RESPECT TO ANY NOTE, AND THEY HAVE COMPLIED AND WILL COMPLY WITH THE OFFERING RESTRICTIONS REQUIREMENTS OF REGULATION S UNDER THE SECURITIES ACT, AND (IV) ALSO AGREED THAT, AT OR PRIOR TO CONFIRMATION OF ANY SALE OF NOTES, IT WILL HAVE SENT TO EACH DISTRIBUTOR, DEALER OR PERSON RECEIVING A SELLING CONCESSION, FEE OR OTHER REMUNERATION THAT PURCHASES NOTES FROM IT 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 BY ANY PERSON REFERRED TO IN RULE 903 (B)(2) (III) (X) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (Y) OTHERWISE UNTIL 40 CALENDAR DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING AND THE ISSUE DATE (THE "**DISTRIBUTION COMPLIANCE PERIOD**"), EXCEPT IN EITHER CASE IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT. TERMS USED ABOVE HAVE THE MEANING GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT."

TERMS USED IN THE FOREGOING PARAGRAPH HAVE THE MEANING GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.

NOTES WILL BE ISSUED IN ACCORDANCE WITH THE PROVISIONS OF UNITED STATES TREASURY REGULATION SECTION 1.163-5(C)(2)(I)(D) (OR SUCCESSOR RULES IN SUBSTANTIALLY THE SAME FORM) (THE "**TEFRA D RULES**").

FURTHER, EACH JOINT LEAD MANAGER HAS REPRESENTED AND AGREED THAT:

- (A) EXCEPT TO THE EXTENT PERMITTED UNDER THE TEFRA D RULES, (X) IT HAS NOT OFFERED OR SOLD, AND DURING THE RESTRICTED PERIOD WILL NOT OFFER OR SELL, DIRECTLY OR INDIRECTLY, NOTES IN BEARER FORM TO A PERSON WHO IS

WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO A UNITED STATES PERSON, AND (Y) IT HAS NOT DELIVERED AND WILL NOT DELIVER, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR ITS POSSESSIONS DEFINITIVE NOTES IN BEARER FORM THAT ARE SOLD DURING THE RESTRICTED PERIOD;

- (B) IT HAS AND THROUGHOUT THE RESTRICTED PERIOD WILL HAVE IN EFFECT PROCEDURES REASONABLY DESIGNED TO ENSURE THAT ITS EMPLOYEES OR AGENTS WHO ARE DIRECTLY ENGAGED IN SELLING NOTES IN BEARER FORM ARE AWARE THAT SUCH NOTES MAY NOT BE OFFERED OR SOLD DURING THE RESTRICTED PERIOD TO A PERSON WHO IS WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO A UNITED STATES PERSON, EXCEPT AS PERMITTED BY THE TEFRA D RULES;
- (C) IF IT IS CONSIDERED A UNITED STATES PERSON, THAT IT IS ACQUIRING THE NOTES FOR PURPOSES OF RESALE IN CONNECTION WITH THEIR ORIGINAL ISSUANCE AND AGREES THAT IF IT RETAINS NOTES IN BEARER FORM FOR ITS OWN ACCOUNT, IT WILL ONLY DO SO IN ACCORDANCE WITH THE REQUIREMENTS OF UNITED STATES TREASURY REGULATION SECTION 1.163-5(C)(2)(I)(D)(6) (OR SUCCESSOR RULES IN SUBSTANTIALLY THE SAME FORM);
- (D) WITH RESPECT TO EACH AFFILIATE THAT ACQUIRES FROM IT NOTES IN BEARER FORM FOR THE PURPOSE OF OFFERING OR SELLING SUCH NOTES DURING THE RESTRICTED PERIOD THAT IT WILL EITHER (I) REPEAT AND CONFIRM THE REPRESENTATIONS AND AGREEMENTS CONTAINED IN SUB-CLAUSES (A), (B) AND (C) ON SUCH AFFILIATE'S BEHALF; OR (II) OBTAIN FROM SUCH AFFILIATE FOR THE BENEFIT OF THE INVESTOR IN THE NOTES AND THE ISSUER THE REPRESENTATIONS AND AGREEMENTS CONTAINED IN SUB-CLAUSES (A), (B) AND (C) ABOVE; AND
- (E) IT WILL OBTAIN FOR THE BENEFIT OF THE ISSUER THE REPRESENTATIONS AND AGREEMENTS CONTAINED IN SUB-CLAUSES (A), (B), (C) AND (D) ABOVE FROM ANY PERSON OTHER THAN ITS AFFILIATE WITH WHOM IT ENTERS INTO A WRITTEN CONTRACT, AS DEFINED IN UNITED STATES TREASURY REGULATION SECTION 1.163-5(C)(2)(I)(D)(4) (OR SUCCESSOR RULES IN SUBSTANTIALLY THE SAME FORM), FOR THE OFFER AND SALE DURING THE RESTRICTED PERIOD OF NOTES.

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

EACH JOINT LEAD MANAGER HAS REPRESENTED AND AGREED THAT IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA WHICH HAS IMPLEMENTED THE PROSPECTUS DIRECTIVE (EACH, A "**RELEVANT MEMBER STATE**") AND WITH EFFECT FROM AND INCLUDING THE DATE ON WHICH THE PROSPECTUS DIRECTIVE IS IMPLEMENTED IN THAT MEMBER STATE (THE "**RELEVANT IMPLEMENTATION DATE**") IT HAS NOT MADE AND WILL NOT MAKE AN OFFER OF NOTES TO THE PUBLIC IN THAT RELEVANT MEMBER STATE PRIOR TO THE PUBLICATION OF A PROSPECTUS IN RELATION TO THE NOTES WHICH HAS BEEN APPROVED BY THE COMPETENT AUTHORITY IN THAT RELEVANT MEMBER STATE IN ACCORDANCE WITH THE PROSPECTUS DIRECTIVE OR, WHERE APPROPRIATE, PUBLISHED IN ANOTHER RELEVANT MEMBER STATE AND NOTIFIED TO THE COMPETENT AUTHORITY IN THAT RELEVANT MEMBER STATE IN ACCORDANCE WITH ARTICLE 18 OF THE PROSPECTUS DIRECTIVE, EXCEPT THAT IT MAY, WITH EFFECT FROM AND INCLUDING THE RELEVANT IMPLEMENTATION DATE, MAKE AN OFFER OF THE NOTES TO THE PUBLIC IN THE RELEVANT MEMBER STATE AT ANY TIME:

- (A) TO ANY LEGAL ENTITY WHICH IS A QUALIFIED INVESTOR AS DEFINED IN THE PROSPECTUS DIRECTIVE;
- (B) TO FEWER THAN 100 OR, IF THE RELEVANT MEMBER STATE HAS IMPLEMENTED THE RELEVANT PROVISION OF THE 2010 PD AMENDING DIRECTIVE, 150 NATURAL OR LEGAL PERSONS (OTHER THAN QUALIFIED INVESTORS AS DEFINED IN THE

PROSPECTUS DIRECTIVE), AS PERMITTED UNDER THE PROSPECTUS DIRECTIVE; OR IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE 3(2) OF THE PROSPECTUS DIRECTIVE,

PROVIDED THAT NO SUCH OFFER OF THE NOTES SHALL REQUIRE THE ISSUER OR THE JOINT LEAD MANAGERS TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE OR SUPPLEMENT A PROSPECTUS PURSUANT TO ARTICLE 16 OF THE PROSPECTUS DIRECTIVE.

IN THE FOREGOING SENTENCE, THE EXPRESSION AN "**OFFER OF NOTES TO THE PUBLIC**" IN RELATION TO ANY NOTES IN ANY RELEVANT MEMBER STATE MEANS THE COMMUNICATION IN ANY FORM BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE NOTES TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE OR SUBSCRIBE THE NOTES, AS THE SAME MAY BE VARIED IN THAT MEMBER STATE BY ANY MEASURE IMPLEMENTING THE PROSPECTUS DIRECTIVE IN THAT MEMBER STATE, AND THE EXPRESSION "**PROSPECTUS DIRECTIVE**" MEANS DIRECTIVE 2003/71/EC (AND AMENDMENTS THERETO, INCLUDING THE 2010 PD AMENDING DIRECTIVE, TO THE EXTENT IMPLEMENTED IN THE RELEVANT MEMBER STATE), AND INCLUDES ANY RELEVANT IMPLEMENTING MEASURE IN THE RELEVANT MEMBER STATE AND THE EXPRESSION "**2010 PD AMENDING DIRECTIVE**" MEANS DIRECTIVE 2010/73/EU.

EACH JOINT LEAD MANAGER HAS REPRESENTED, WARRANTED AND AGREED WITH THE ISSUER IN RESPECT OF THE NOTES THAT IT HAS NOT OFFERED OR SOLD AND WILL NOT, OFFER OR SELL THE NOTES, DIRECTLY OR INDIRECTLY, TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA AND HAS NOT DISTRIBUTED OR CAUSED TO BE DISTRIBUTED AND WILL NOT DISTRIBUTE OR CAUSE TO BE DISTRIBUTED TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA, THE PROSPECTUS OR ANY OTHER OFFERING MATERIAL RELATING TO THE NOTES.

FOR THESE PURPOSES "**RETAIL INVESTOR**" MEANS A PERSON WHO IS ONE (OR MORE) OF THE FOLLOWING: (A) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF MIFID II OR (B) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC (AS AMENDED, THE "**INSURANCE MEDIATION DIRECTIVE**"), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II OR (C) NOT A QUALIFIED INVESTOR AS SPECIFIED IN DIRECTIVE 2003/71/EC (AS AMENDED) AND THE TERM "**OFFER**" INCLUDES THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE NOTES TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE OR SUBSCRIBE THE NOTES.

EACH JOINT LEAD MANAGER HAS REPRESENTED, WARRANTED AND AGREED THAT:

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

IN THE FOREGOING PARAGRAPH, "**UNITED KINGDOM**" MEANS THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of an offer to buy any of the securities offered hereby in any circumstances in which such offer or solicitation is unlawful. This Prospectus does not constitute, and may not be used for, or in connection with, an offer or solicitation by

anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. For a further description of certain restrictions on offerings and sales of the Notes and distribution of this Prospectus, or an invitation by, or on behalf of, the Issuer or the Joint Lead Managers to subscribe for or to purchase any of the Notes (or of any part thereof), see "SUBSCRIPTION AND SALE".

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

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

CONTENTS

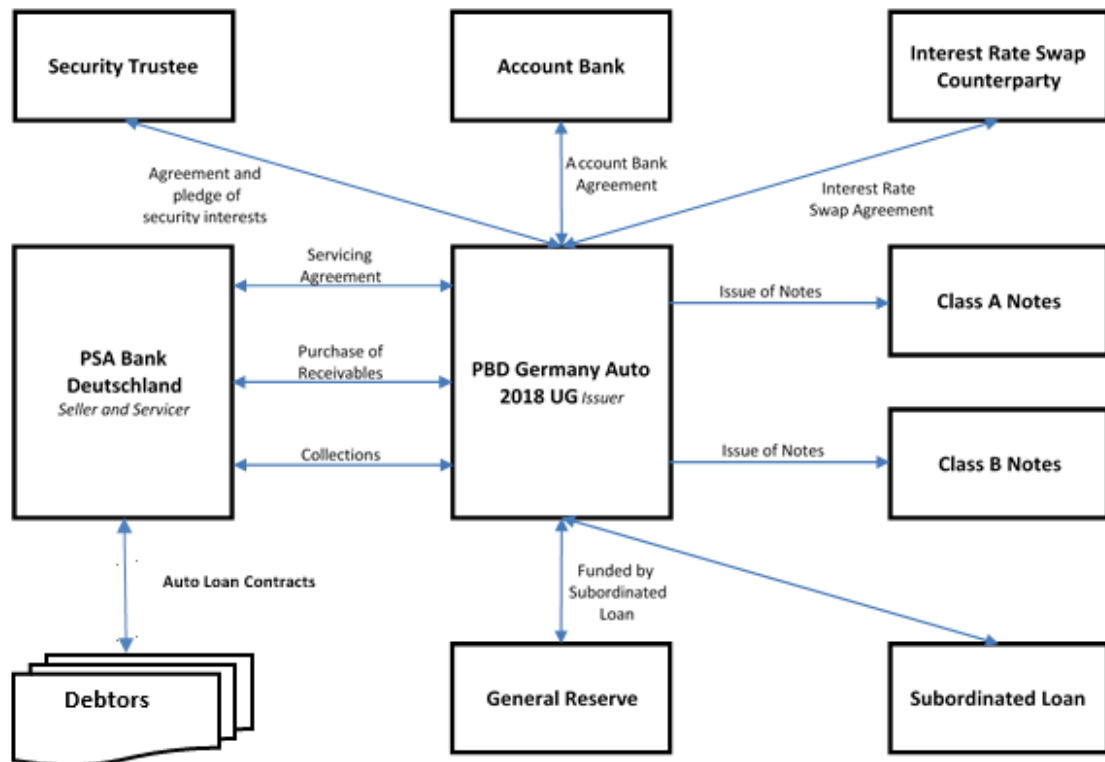
	Page
TRANSACTION STRUCTURE.....	1
OUTLINE OF THE TRANSACTION.....	2
RISK FACTORS.....	19
CREDIT STRUCTURE.....	55
TERMS AND CONDITIONS OF THE NOTES.....	61
CERTAIN DEFINITIONS.....	82
OVERVIEW OF RULES REGARDING RESOLUTIONS OF NOTEHOLDERS.....	104
THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT.....	106
OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS.....	133
WEIGHTED AVERAGE LIFE OF NOTES AND ASSUMPTIONS.....	159
ASSUMED AMORTISATION OF THE NOTES.....	161
DESCRIPTION OF THE PORTFOLIO.....	164
SALE AND PURCHASE OF RECEIVABLES.....	165
ELIGIBILITY CRITERIA.....	166
INFORMATION TABLES REGARDING THE PORTFOLIO.....	171
CREDIT AND COLLECTION POLICY.....	216
THE ISSUER.....	220
THE SELLER AND THE SERVICER.....	223
THE ACCOUNT BANK, THE PAYING AGENT AND THE INTEREST DETERMINATION AGENT	224
THE SECURITY TRUSTEE.....	225
THE CALCULATION AGENT, THE REPORTING AGENT AND THE DATA TRUSTEE.....	226
THE LISTING AGENT.....	227
THE INTEREST RATE SWAP COUNTERPARTY.....	228
THE CORPORATE ADMINISTRATOR AND THE BACK-UP SERVICER FACILITATOR.....	229
THE ACCOUNTS.....	230
CERTIFICATION BY TRUE SALE INTERNATIONAL GMBH.....	232
PCS LABEL.....	233
TAXATION IN GERMANY.....	234
SUBSCRIPTION AND SALE.....	237
USE OF PROCEEDS.....	241
GENERAL INFORMATION.....	242
INDEX OF DEFINED TERMS.....	245

TRANSACTION STRUCTURE

Diagrammatic Overview

(as of the close of business on the Closing Date)

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



OUTLINE OF THE TRANSACTION

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

THE PARTIES

Issuer	PBD Germany Auto 2018 UG (<i>haftungsbeschränkt</i>), a special purpose company incorporated with limited liability (<i>Unternehmersgesellschaft (haftungsbeschränkt)</i>) under the laws of the Federal Republic of Germany (" Germany ") and which has its registered office at Siemensstraße 10, 63263 Neu-Isenburg, Germany. See " <i>THE ISSUER</i> ".
Corporate Administrator	Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Mai, Germany. See " <i>OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Corporate Administration Agreement</i> " and " <i>THE CORPORATE ADMINISTRATOR AND THE BACK-UP SERVICER FACILITATOR</i> ".
Seller	PSA Bank Deutschland GmbH, Siemensstraße 10, 63263 Neu-Isenburg, Germany. See " <i>THE SELLER</i> ".
Servicer	The Auto Loan Contracts will be serviced by the Seller (in this capacity, the " Servicer "). See " <i>OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement</i> ".
Security Trustee	HSBC Corporate Trustee Company (UK) Limited, 8 Canada Square, London E14 5HQ, United Kingdom. See " <i>SECURITY TRUSTEE</i> ".
Data Trustee	BNP Paribas Securities Services, 3, Rue d'Antin – 75002 Paris. See " <i>OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Data Trust Agreement</i> " and " <i>THE CALCULATION AGENT, THE REPORTING AGENT AND THE DATA TRUSTEE</i> ".
Interest Rate Swap Counterparty	DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60265 Frankfurt am Main, Germany (or its respective successor or any transferee appointed in accordance with the Interest Rate Swap, the " Interest Rate Swap Counterparty "). See " <i>OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Interest Rate Swap</i> " and " <i>CREDIT STRUCTURE — Interest Rate Swap</i> ".
Subordinated Loan Provider	PSA Bank Deutschland GmbH, Siemensstraße 10, 63263 Neu-Isenburg, Germany. See " <i>OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subordinated Loan Agreement</i> ".
Account Bank	HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom. See " <i>THE ACCOUNT BANK, THE PAYING AGENT AND THE INTEREST DETERMINATION AGENT</i> ".
Joint Arrangers	Crédit Agricole Corporate and Investment Bank, 12 place des Etats-Unis, 92120 Montrouge, France and NatWest Markets Plc, 250 Bishopsgate, London EC2M 4AA, United Kingdom.
Joint Lead Managers	Crédit Agricole Corporate and Investment Bank, 12 place des Etats-Unis, 92120 Montrouge, France, NatWest Markets Plc, 250 Bishopsgate, London EC2M 4AA, United Kingdom and Banco Santander, S.A., Paseo de Pereda 9-12, 39004 Santander, Spain. See " <i>SUBSCRIPTION AND SALE</i> ".

Paying Agent and Interest Determination Agent	HSBC Bank plc, 8 Canada Square, London E14 5HQ, United Kingdom. See " <i>OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Agency Agreement</i> " and " <i>THE ACCOUNT BANK, THE PAYING AGENT AND THE INTEREST DETERMINATION AGENT</i> ".
Calculation Agent and Reporting Agent	BNP Paribas Securities Services, 3, rue d'Antin, 75002 Paris, France. See " <i>OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Corporate Administration Agreement</i> " and " <i>THE CALCULATION AGENT, THE REPORTING AGENT AND THE DATA TRUSTEE</i> ".
Back-Up Servicer Facilitator	Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Mai, Germany. See " <i>OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Corporate Administration Agreement</i> " and " <i>THE CORPORATE ADMINISTRATOR AND THE BACK-UP SERVICER FACILITATOR</i> ".
Listing Agent	BNP Paribas Securities Services, Luxembourg Branch, 60 avenue J.F. Kennedy L-1855 Luxembourg, Grand Duchy of Luxembourg. See " <i>THE LISTING AGENT</i> ".
Rating Agencies	Moody's and Fitch.

THE NOTES

Receivables Purchase Agreement	The Seller will sell and assign Initial Receivables, together with the Related Collateral, to the Issuer on or before the Closing Date pursuant to a receivables purchase agreement dated on or about 23 October 2018 and entered into between the Issuer and the Seller (the " Receivables Purchase Agreement "). During the Revolving Period, the Issuer is, pursuant to the terms of the Receivables Purchase Agreement and subject to certain requirements set out therein, obliged on each Subsequent Purchase Date to purchase Additional Receivables offered by the Seller by applying the Available Principal Amount. See " <i>OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement</i> ".
Classes of Notes	The EUR 600,000,000 Class A Floating Rate Notes due on the Payment Date falling in March 2031 (the " Class A Notes ") and the EUR 66,700,000 Class B Fixed Rate Notes due on the Payment Date falling in March 2031 (the " Class B Notes "), will be backed by the Portfolio. See " <i>TERMS AND CONDITIONS OF THE NOTES</i> ".
Closing Date	25 October 2018.
Form and Denomination	Each of the Class A Notes and the Class B Notes will initially be represented by a Temporary Global Note of the relevant Class in bearer form, without interest coupons attached. The Global Notes representing the Class A Notes will be deposited with a common safekeeper for Clearstream Luxembourg and Euroclear and the Global Notes representing the Class B Notes will be deposited with a common safekeeper for Clearstream Luxembourg and Euroclear. The Notes will be transferred in book-entry form only. The Notes will be issued in denominations of EUR 100,000. The Global Notes will not be exchangeable for definitive securities. See " <i>TERMS AND CONDITIONS OF THE NOTES — Form and Denomination</i> ".
Status and Priority	The Notes constitute direct, secured and (subject to Condition 3.2 (<i>Limited Recourse</i>)) of the terms and conditions of the Notes (the " Terms and

Conditions of the Notes")) unconditional obligations of the Issuer. The Class A Notes rank *pari passu* among themselves in respect of security. Following the occurrence of an Issuer Event of Default (as defined in Condition 3.5 (*Issuer Event of Default*)), the Class A Notes rank against all other current and future obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments. The Class B Notes rank *pari passu* among themselves in respect of security. Following the occurrence of an Issuer Event of Default, the Class B Notes rank against all other current and future obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments, see "*CREDIT STRUCTURE — Post-Enforcement Priority of Payments*" and "*TERMS AND CONDITIONS OF THE NOTES — Status and Priority*".

Prior to the occurrence of an Issuer Event of Default, the Issuer's obligations to make payments of principal and interest on the Class A Notes and the Class B Notes rank in accordance with the respective Pre-Enforcement Priority of Payments.

The Issuer's obligations to make payments of principal and interest on the Class B Notes are subordinated to the Issuer's obligations to make respective payments of principal and interest on the Class A Notes in accordance with the Terms and Conditions of the Notes, see "*CREDIT STRUCTURE — Pre-Enforcement Priority of Payments*" and "*TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption — Pre-Enforcement Priority of Payments*".

Limited Recourse

The Notes will be limited recourse obligations of the Issuer. See "*TERMS AND CONDITIONS OF THE NOTES — Provision of Security; Limited Payment Obligation; Issuer Event of Default*" and "*RISK FACTORS — Liability under the Notes; Limited Recourse*".

Replenishment

On each Subsequent Purchase Date during the Revolving Period, the Issuer is, pursuant to the terms of the Receivables Purchase Agreement and subject to certain requirements set out therein obliged to purchase Additional Receivables offered by the Seller by applying the Available Principal Amount. See "*TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption*" and "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement*".

Any Additional Receivable must be an Eligible Receivable and following the purchase of such Additional Receivable on a Subsequent Purchase Date, the Portfolio must meet the eligibility criteria for an Eligible Portfolio (and, for the avoidance of doubt, such Additional Receivable shall not be so purchased if, following such purchase, the Portfolio would not meet such eligibility criteria):

- (a) the aggregate Outstanding Principal Amount of all Purchased Receivables that are Performing Receivables (as of such Subsequent Purchase Date and taking into account all Additional Receivables to be purchased on such Subsequent Purchase Date):
 - (i) which derive from Auto Loan Contracts in respect of Balloon Loans entered into with a Commercial Debtor does not exceed 25% of the aggregate Outstanding Principal Amount of all Purchased Receivables that are Performing Receivables, taking into account those Additional Receivables;
 - (ii) which derive from Auto Loan Contracts entered into with a Commercial Debtor does not exceed 35% of the

aggregate Outstanding Principal Amount of all Purchased Receivables that are Performing Receivables, taking into account those Additional Receivables;

- (iii) which derive from Auto Loan Contracts in respect of Balloon Loans does not exceed 85% of the aggregate Outstanding Principal Amount of all Purchased Receivables that are Performing Receivables, taking into account those Additional Receivables;
 - (iv) which derive from Auto Loan Contracts entered into to purchase Used Cars does not exceed 25% of the aggregate Outstanding Principal Amount of all Purchased Receivables that are Performing Receivables, taking into account those Additional Receivables; and
 - (v) which are owed by the same Debtor does not exceed 0.05% of the aggregate Outstanding Principal Amount of all Purchased Receivables that are Performing Receivables, taking into account those Additional Receivables;
- (b) the aggregate of the Balloon Amounts in respect of all Purchased Receivables that are Performing Receivables as of such date, taking into account all Additional Receivables to be purchased on such Subsequent Purchase Date, is less than 60% of the aggregate Outstanding Principal Amount of all Purchased Receivables that are Performing Receivables, taking into account those Additional Receivables;
 - (c) the Weighted Average Effective Interest Rate of all Purchased Receivables that are Performing Receivables as of such date, taking into account all Additional Receivables to be purchased on such Subsequent Purchase Date, is higher than or equal to 4.0%; and
 - (d) the average remaining term weighted by the Outstanding Principal Amount under the Auto Loan Contracts from which the Receivables arising are Performing Receivables, taking into account all Additional Receivables to be purchased on such Subsequent Purchase Date, does not exceed 46 months.

Revolving Period

The Revolving Period will start on the Closing Date (inclusive) and will end on the earlier of:

- (a) the Payment Date falling on the Scheduled Revolving Period End Date (inclusive); or
- (b) the Payment Date immediately following the date on which an Amortisation Event or an Issuer Event of Default has occurred.

Amortisation Event

The occurrence of any of the following events shall constitute an "**Amortisation Event**"

- (a) a Purchase Shortfall;
- (b) a Principal Deficiency Shortfall;
- (c) breach of an Average Delinquency Trigger;
- (d) breach of a Cumulative Default Trigger;

- (e) a Seller Event of Default;
- (f) a Servicer Termination Event;
- (g) the Calculation Agent determines that the balance standing to the credit of the General Reserve Account on the immediately following Payment Date after applying the Available Interest Amount in accordance with the Pre-Enforcement Interest Priority of Payments is expected to be less than the General Reserve Required Amount; or
- (h) the Interest Rate Swap Agreement is terminated (either as a result of the Interest Rate Swap Counterparty is downgraded below the Interest Rate Swap Counterparty Required Ratings or otherwise) while Class A Notes are still outstanding, and no adequate replacement hedging has been arranged with one or more third parties with the Interest Rate Swap Counterparty Required Ratings.

Interest

On each Payment Date, interest on each Class A Note is payable monthly in arrears by applying EURIBOR plus 0.40% per annum to the Note Principal Amount (as defined in Condition 5.2 (*Note Principal Amount*) of the Terms and Conditions of the Notes) of such Note and, for the avoidance of doubt, if such rate is below zero, the Interest Rate will be zero. On each Payment Date, interest on each Class B Note is payable monthly in arrears by applying a fixed interest rate of 0.80% per annum to the Note Principal Amount (as defined in Condition 5.2 (*Note Principal Amount*) of the Terms and Conditions of the Notes of such Note. See "*TERMS AND CONDITIONS OF THE NOTES — Payments of Interest*".

The Interest Period with respect to each Payment Date will be the period commencing on (and including) the Payment Date immediately preceding such Payment Date and ending on (but excluding) such Payment Date with the first Interest Period commencing on (and including) the Closing Date and ending on (but excluding) the first Payment Date. See "*TERMS AND CONDITIONS OF THE NOTES — Payments of Interest*".

Payment Dates

During the Revolving Period, payments of interest, and following the expiration of the Revolving Period, payments of principal and interest, will be made to the Noteholders on the nineteenth (19th) day of each calendar month, unless such date is not a Business Day in which case the Payment Date shall be the next succeeding Business Day unless such date would thereby fall into the next calendar month, in which case the payment will be made on the immediately preceding Business Day. The First Payment Date will be the Payment Date falling on 19 November 2018.

Final Maturity Date

Unless previously redeemed as described herein, each Class of Notes will be redeemed on the Payment Date falling in March 2031, subject to the limitations set forth in Condition 3.2 (*Limited Recourse*) of the Terms and Conditions of the Notes. Any claims arising from the Notes, *i.e.* claims to interest and principal, cease to exist with the expiration of five (5) years after the Final Maturity Date, unless the Global Note representing such Class of Notes is submitted to the Issuer for redemption prior to the expiration of five (5) years after the Final Maturity Date, in which case, the claims will become time-barred after two (2) years beginning with the end of the period for presentation (ending five (5) years after the Final Maturity Date in accordance with the Terms and Conditions). The commencement of judicial proceedings in respect of the claim arising from a Global Note will have the same legal effect as the presentation of a Global Note.

See "*TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption — Final Maturity Date*".

Amortisation	<p>The amortisation of the Notes will commence on the earlier of the Payment Date immediately following:</p> <ul style="list-style-type: none">(a) the Payment Date falling on the Scheduled Revolving Period End Date; and(b) the occurrence of an Amortisation Event or an Issuer Event of Default, <p>in each case in accordance with the relevant Pre-Enforcement Priority of Payments or Post-Enforcement Priority of Payments, as applicable, in the following order: first the Class A Notes until full redemption and thereafter the Class B Notes. See "<i>TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption — Amortisation</i>".</p>
Clean-up Call	<p>On any Payment Date on which the Aggregate Outstanding Principal Amount has been reduced to less than 10% of the Aggregate Outstanding Principal Amount as of the First Determination Date, the Seller will have, subject to certain requirements, the right under the Receivables Purchase Agreement to repurchase all outstanding Purchased Receivables (together with any Related Collateral) held by the Issuer, and the Issuer shall, upon due exercise of such repurchase option, redeem all (but not some only) of the Notes on the Early Redemption Date, if the proceeds distributable as a result of such repurchase will be at least equal to the then outstanding Note Principal Amounts of the Class A Notes plus accrued but unpaid interest thereon together with all amounts ranking prior thereto according to the Pre-Enforcement Priority of Payments. See "<i>TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption — Early Redemption</i>".</p>
Optional Redemption for Taxation Reasons	<p>In the event that the Issuer is required by law to deduct or withhold certain taxes with respect to any payment under the Notes, the Notes may, at the option of the Issuer and subject to certain conditions, be redeemed in whole but not in part at their then outstanding aggregate Note Principal Amounts, together with accrued interest (if any) to the date (which must be a Payment Date) fixed for redemption. See "<i>TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption — Optional Redemption for Taxation Reasons</i>".</p>
Taxation	<p>All payments of principal of, and interest on, the Notes will be made free and clear of, and without any withholding or deduction for or on account of, tax (if any) applicable to the Notes under any applicable jurisdiction, unless such withholding or deduction is required by law. If any such withholding or deduction is imposed, the Issuer will not be obliged to pay any additional or further amounts as a result thereof. See "<i>TAXATION</i>".</p>
Resolutions of Noteholders	<p>In accordance with the German Act on Debt Securities of 2009 (<i>Schuldverschreibungsgesetz</i>), the Notes contain provisions pursuant to which the Noteholders may agree by resolution to amend the Terms and Conditions of the Notes and to decide upon certain other matters regarding the Notes including, without limitation, the appointment or removal of a common representative for the Noteholders of any Class. Resolutions of Noteholders of any Class properly adopted, by vote taken without a meeting in accordance with the Terms and Conditions of the Notes, are binding upon all Noteholders of such Class. Resolutions which do not provide for identical conditions for all Noteholders of any Class are void, unless Noteholders of such Class which are disadvantaged expressly consent to their being treated disadvantageously. In no event, however, may any obligation to make any payment or render any other performance</p>

be imposed on any Noteholder of any Class by resolution. As set out in the Terms and Conditions of the Notes, resolutions providing for certain material amendments to the Terms and Conditions of the Notes require a majority of not less than 75% of the votes cast. Resolutions regarding other amendments are passed by a simple majority of the votes cast. See "*TERMS AND CONDITIONS OF THE NOTES — Resolutions of Noteholders*".

Note Collateral

The obligations of the Issuer under the Notes will be secured by first ranking security interests granted to the Security Trustee for the benefit of the Beneficiaries in respect of (i) the Issuer's claims under the Purchased Receivables and the Related Collateral acquired by the Issuer pursuant to the Receivables Purchase Agreement; and (ii) the Issuer's claims under certain Transaction Documents all of which have been assigned, transferred and pledged by way of security to the Security Trustee pursuant to the Transaction Security Agreement (collectively, the "**Collateral**"). In addition, the obligations of the Issuer will be secured by a first priority security interest granted to the Security Trustee in the Issuer's rights under the Interest Rate Swap and the rights of the Issuer under the Accounts and all amounts standing to the credit of the Accounts from time to time, in accordance with the English Security Deed (such security interests together with the Collateral, the "**Note Collateral**").

Upon the occurrence of an Issuer Event of Default and upon receipt of the Enforcement Instructions by the Security Trustee, the Security Trustee will enforce or will arrange for the enforcement of the Note Collateral and any amounts standing to the credit of the General Collection Account, the Principal Account, the Interest Account, the General Reserve Account, the Additional Interest Reserve Account and the Swap Collateral Account (excluding certain amounts stated in Clause 23.1 of the Transaction Security Agreement) and any proceeds obtained from the enforcement of the Note Collateral pursuant to the Transaction Security Agreement will be applied exclusively in accordance with the Post-Enforcement Priority of Payments. See "*THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT — Post-Enforcement Priority of Payments*".

The Portfolio

The Portfolio underlying the Notes consists of car loan receivables originated by the Seller in its ordinary course of business. The Aggregate Outstanding Principal Amount of the Portfolio as of 11 October 2018 is EUR 666,699,650.51. The Purchased Receivables constitute loan instalment claims arising under amortising (either standard or balloon amortisation) loan agreements (the "**Auto Loan Contracts**") entered into between the Seller, as lender, and certain debtors (the "**Debtors**"), as borrowers, for the purpose of financing the acquisition of the Cars. The Initial Receivables, together with the Related Collateral, will be assigned and transferred to the Issuer on or before the Closing Date and any Additional Receivables, together with the Related Collateral, will be assigned and transferred to the Issuer on the relevant Subsequent Payment Date during the Revolving Period, in each case pursuant to the terms of the Receivables Purchase Agreement. The Related Collateral includes, *inter alia*, the security interest in the Cars obtained by the Seller, any guarantee given for the loan and insurance claims relating to the Cars. See "*THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT*".

Servicing of the Portfolio

The Purchased Receivables and the Related Collateral will be administered, collected and enforced by the Seller in its capacity as Servicer under a servicing agreement (as amended or amended and restated from time to time, the "**Servicing Agreement**") dated on or about 23 October 2018 and, upon termination of the appointment of the Servicer following the occurrence of a Servicer Termination Event, by a substitute servicer appointed by the Issuer. Available Collections shall be transferred

by the Servicer to the General Collection Account not later than two (2) Business Days following receipt thereof.

See "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement*" and "*CREDIT AND COLLECTION POLICY*".

General Reserve

The Class A Notes, and to a limited extent the Class B Notes, will have the benefit of a cash reserve which will provide liquidity support in the event of shortfalls in the available funds of the Issuer to pay interest due and payable under the Notes and certain senior expenses. See "*CREDIT STRUCTURE — General Reserve*" and "*RISK FACTORS — Limited Availability of the General Reserve*".

On the Closing Date, advances by the Subordinated Loan Provider shall be credited in accordance with the Subordinated Loan Agreement to an account of the Issuer held with the Account Bank (the "**General Reserve Account**") in an amount equal to the General Reserve Initial Cash Deposit, being EUR 6,000,000. Prior to the occurrence of an Issuer Event of Default, the amount standing to the credit of the General Reserve Account (such amount from time to time, the "**General Reserve**") as of any Determination Date shall be transferred on the Payment Date immediately following such Determination Date to the Interest Account and shall be applied as part of the Available Interest Amount in accordance with the Pre-Enforcement Interest Priority of Payments.

If and to the extent that the Available Interest Amount on any Payment Date exceeds the amounts required to meet the items ranking higher than item *fourth* in the Pre-Enforcement Interest Priority of Payments, the excess amount will be applied on such Payment Date to replenish the General Reserve until the balance standing to the credit of the General Reserve Account equals the General Reserve Required Amount.

If and to the extent that the Available Interest Amount on any Payment Date exceeds the amounts required to meet the items ranking higher than item *ninth* in the Pre-Enforcement Interest Priority of Payments, an amount equal to the General Reserve Required Decrease Amount (if any) will be applied towards payments of principal and interest under Subordinated Loan in accordance with the Pre-Enforcement Interest Priority of Payments. "**General Reserve Required Decrease Amount**" means, with respect to any Calculation Date immediately preceding a Payment Date, the excess (if any) of the balance standing to the credit of the General Reserve Account (after taking into account any amounts to be further applied in accordance with the Pre-Enforcement Interest Priority of Payments on such Payment Date) over the General Reserve Required Amount on such Payment Date.

Following the occurrence of an Issuer Event of Default, the General Reserve will be transferred to the General Collection Account and applied in accordance with the Post-Enforcement Priority of Payments.

General Reserve Required Amount

"**General Reserve Required Amount**" means, on the Closing Date and on any Calculation Date during the Revolving Period, an amount equal to 1% of the initial Class A Principal Amount and, thereafter, on any Calculation Date after the end of the Revolving Period, an amount equal to 1% of the relevant Class A Principal Amount on such Calculation Date, **provided that** the General Reserve Required Amount shall be at least an amount equal to 0.5% of the Class A Principal Amount as of the Closing Date until such time as the Class A Notes are redeemed in full and **provided further that** the General Reserve Required Amount shall be zero on the Calculation Date preceding (i) the Final Maturity Date, (ii) each Payment Date on

which the Class A Principal Amount is zero and (iii) each Payment Date on which the Aggregate Outstanding Principal Amount is zero. See "*CERTAIN DEFINITIONS — General Reserve Required Amount*".

Subordinated Loan

PSA Bank Deutschland GmbH (the "**Subordinated Loan Provider**") will make available to the Issuer an interest-bearing subordinated loan (the "**Subordinated Loan**") in the principal amount of EUR 6,000,000 for the purpose of establishing the General Reserve. Prior to the occurrence of an Issuer Event of Default, interest under the Subordinated Loan will be payable by the Issuer monthly in arrears on each Payment Date, subject to and in accordance with the Pre-Enforcement Priority of Payments. The outstanding principal amount of the Subordinated Loan will be repaid by the Issuer from reductions of the General Reserve Required Amount in accordance with the Pre-Enforcement Priority of Payments. See "*CREDIT STRUCTURE — Subordinated Loan*" and "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subordinated Loan Agreement*".

Additional Interest Reserve

On the Closing Date, the Issuer shall transfer to an account of the Issuer held with the Account Bank (the "**Additional Interest Reserve Account**") part of the excess of the proceeds from the issuance of the Notes over the Principal Component Purchase Price to be paid on the Closing Date, for an amount equal to the Additional Interest Reserve Initial Amount. Thereafter, on each Payment Date during the Revolving Period, the Issuer shall further credit the Additional Interest Reserve Account with the applicable Additional Interest Reserve Additional Amounts by debit of the General Collection Account.

"**Additional Interest Reserve Initial Amount**" means the aggregate of the Subsidised Interest Balances of the Initial Receivables to be purchased on the Closing Date, being EUR 21,652,577.40.

"**Additional Interest Reserve Additional Amount**" means, with respect to any Payment Date during the Revolving Period, the aggregate Subsidised Interest Balances of the Additional Receivables to be purchased on such Payment Date.

"**Additional Interest Reserve Required Amount**" means:

- (a) on the Closing Date, the Additional Interest Reserve Initial Amount; and
- (b) in respect of any Payment Date thereafter, an amount equal to the aggregate of the Subsidised Interest Balances of all Purchased Receivables (taking into account the Additional Receivables to be purchased on such Payment Date).

On each Payment Date, the Additional Interest Reserve Account shall be debited with (i) an amount equal to the aggregate of the Subsidised Interest Instalment Amounts in respect of the Instalment Due Dates falling during the immediately preceding Collection Period and such amount shall be included in the Available Interest Amount and shall be applied in accordance with the Pre-Enforcement Interest Priority of Payments on such Payment Date and (ii) an amount equal to the aggregate Subsidised Interest Balances relating to Purchased Receivables which are subject to a Deemed Collection or which are prepaid in full during the preceding Collection Period and which shall be credited to the General Collection Account and which shall be included in the Available Collections.

"**Subsidised Interest Instalment Amount**" means, in respect of any Receivable in relation to which the Seller has entered into a Subsidised

Interest Arrangement and in respect of any Instalment Due Date, the part of the Subsidised Interest Amount that is recognised as income in the Seller's books on such Instalment Due Date.

"Subsidised Interest Amount" means the lump sum paid at or near origination by a Car Dealer or Car Manufacturer to the Seller pursuant to the terms of any Subsidised Interest Arrangement in respect of any Auto Loan Contract with a nil or below market rate interest to compensate the Seller for such below market interest rate.

"Subsidised Interest Balance" means, in respect of any Receivable:

- (a) on the Purchase Date in respect of that Receivable, an amount equal to the part of the Subsidised Interest Amount which is still outstanding on the books of the Seller on the immediately preceding Selection Date;
- (b) in respect of any Payment Date following the Purchase Date in respect of that Receivable, an amount equal to the positive difference, if any, between:
 - (i) the Subsidised Interest Balance as defined in (a) above relating to such Receivable; and
 - (ii) the sum of all Subsidised Interest Instalment Amounts relating to such Receivable debited from the Additional Interest Reserve Account in respect of the Instalment Due Dates in the preceding Collection Periods,

and, where the Seller has in respect of any Receivable not entered into any Subsidised Interest Arrangement, zero.

"Subsidised Interest Arrangement" means any arrangement between the Seller and a Car Dealer or Car Manufacturer under which such Car Dealer or Car Manufacturer (as applicable) agrees to subsidise the rate of interest payable by a Debtor under an Auto Loan Contract.

Issuer's Sources of
Income

The following amounts will be used by the Issuer to pay interest on and principal of the Notes and to pay any amounts due to the other creditors of the Issuer: (i) all payments of principal and interest and certain other payments and any Deemed Collections received under or with respect to the Purchased Receivables pursuant to the Receivables Purchase Agreement and/or the Servicing Agreement, (ii) all amounts (if any) received under the Interest Rate Swap, (iii) all amounts of interest (if any) earned on the euro denominated interest bearing Accounts of the Issuer (except interest earned on the Swap Collateral Account), (iv) all amounts standing to the credit of the General Collection Account, (v) all amounts standing to the credit of the Additional Interest Reserve Account and (vi) all other amounts which comprise the Available Interest Amount or the Available Principal Amount and which have not been mentioned in (i) to (vi) above.

Available Interest
Amount

"Available Interest Amount" means, with respect to each Payment Date, an amount calculated by the Calculation Agent on the Calculation Date immediately preceding such Payment Date as the sum of (but excluding, for the avoidance of doubt, any amounts payable by the Issuer outside of the Pre-Enforcement Interest Priority of Payments):

- (a) the Available Interest Collections received by the Seller or (if different) the Servicer during the Collection Period immediately preceding such Payment Date;

- (b) the amount standing to the credit of the General Reserve Account as of close of business of the Determination Date immediately preceding such Payment Date;
- (c) any interest (if any) earned in respect of the Accounts (except interest earned on the Swap Collateral Account) as of close business of the Determination Date immediately preceding such Payment Date;
- (d) all net payments scheduled to be received on such Payment Date from the Interest Rate Swap Counterparty pursuant to the Interest Rate Swap Agreement;
- (e) any termination payments received or scheduled to be received from the Interest Rate Swap Counterparty under the Interest Rate Swap Agreement on such Payment Date following an event of default under the relevant Interest Rate Swap with respect to such Interest Rate Swap Counterparty, unless such payments are due to be paid to the replacement Interest Rate Swap Counterparty;
- (f) the aggregate of the Subsidised Interest Instalment Amounts relating to the Instalment Due Dates falling in such Collection Period immediately preceding such Payment Date, such amount to be debited from the Additional Interest Reserve Account;
- (g) all amounts to be transferred from the Principal Account to the Interest Account pursuant to item *first* of the Pre-Enforcement Principal Priority of Payments on such Payment Date; and
- (h) with respect to the First Payment Date, an amount equal to the amount of the Issue Price of the Class A Notes in excess of 100 per cent., being EUR 2,142,000.

Available Principal Amount

"Available Principal Amount" means, with respect to each Payment Date, an amount calculated by the Calculation Agent on the Calculation Date immediately preceding such Payment Date as the sum of:

- (a) the Adjusted Available Principal Collections in respect of the Collection Period immediately preceding such Payment Date;
- (b) the remaining balance standing to the credit of the Principal Account (if any) on the immediately preceding Payment Date (after all payments have been made on such preceding Payment Date in accordance with the Pre-Enforcement Principal Priorities of Payments); and
- (c) all amounts to be transferred from the Interest Account to the Principal Account under item *fifth* of the Pre-Enforcement Interest Priority of Payments on such Payment Date.

Available Collections

"Available Collections" means, with respect to each Payment Date, an amount calculated by the Calculation Agent on the Calculation Date immediately preceding such Payment Date as the sum of:

- (a) all cash collections (payments of principal, interest, arrears, late payments, penalties and ancillary payments) collected by the Servicer during the Collection Period immediately preceding such Payment Date including total or partial prepayments (and the related prepayment penalties) in respect of all Purchased Receivables which are Performing Receivables (including in respect of the first Determination Date, the collections received

from the First Selection Date to the Closing Date) in respect of the Initial Receivables purchased on the Closing Date);

- (b) any Deemed Collections payable on such Payment Date;
- (c) any amount debited from the Additional Interest Reserve in respect of Receivables which are the subject to a Deemed Collection on such Payment Date or which are prepaid in full during the preceding Collection Period, such amounts to be credited to the General Collection Account; and
- (d) any and all Recoveries made during that Collection Period.

Pursuant to the Receivables Purchase Agreement, the Seller has undertaken to pay to the Issuer any Deemed Collection which is equal to the amount of the Adjusted Outstanding Principal Amount plus any outstanding balance of interest accrued and not paid thereunder (or the affected portion thereof) of any Purchased Receivable if such Purchased Receivable proves not to have been an Eligible Receivable on the Purchase Date, such Purchased Receivable is subject to Commercial Renegotiations other than in accordance with the Servicing Agreement or certain other events occur. The Servicer will determine the Deemed Collections in respect of Purchased Receivables payable during a relevant Collection Period on the Calculation Date immediately following a relevant Collection Period. Deemed Collections will be paid by the Seller to the Issuer on the Payment Date following the end of the relevant Collection Period in respect of which Deemed Collections have been determined. See "*CERTAIN DEFINITIONS — Deemed Collection*".

Available Interest Collections

"Available Interest Collections" means, with respect to any Payment Date, an amount calculated by the Calculation Agent on the Calculation Date immediately preceding such Payment Date, equal to the Available Collections less the Available Principal Collections in respect of the Collection Period immediately preceding such Payment Date, less any Issuer Expenses provisioned for or paid by the Issuer outside of the Pre-Enforcement Interest Priority of Payment during the relevant Interest Period.

Adjusted Available Principal Collections

"Adjusted Available Principal Collections" means, with respect to any Determination Date and the Collection Period ending on such Determination Date, an amount determined by the Servicer pursuant to the Servicing Agreement on the Information Date immediately following such Determination Date, as the difference between:

- (a) the Available Principal Collections relating to such Collection Period, and
- (b) the Additional Interest Reserve Additional Amounts in respect of the Additional Receivables to be acquired on the following Payment Date.

Available Principal Collections

"Available Principal Collections" means, with respect to any Payment Date, an amount calculated by the Calculation Agent on the Calculation Date immediately preceding such Payment Date as the sum of:

- (a) all principal collections received by the Servicer in respect of Performing Receivables which are Scheduled Principal Payments in connection with the Collection Period immediately preceding such Payment Date (including principal components of arrears, late payments, penalties and ancillary payments and any other amounts of such nature);

- (b) the amount of principal received by the Servicer in respect of the Performing Receivables which have been prepaid partially or in full during the Collection Period immediately preceding such Payment Date;
- (c) any Deemed Collections less the Deemed Collection Interest Component payable on such Payment Date; and
- (d) any amount debited from the Additional Interest Reserve in respect of Receivables which are the subject of a Deemed Collection on such Payment Date.

Pre-Enforcement Interest
Priority of Payments

On each Payment Date prior to the occurrence of an Issuer Event of Default, the Available Interest Amount will be applied in accordance with the following order of priorities (the "**Pre-Enforcement Interest Priority of Payments**"), **provided that** in each case payments to be made under a certain priority will only be made if payments of all higher priorities have been made in full:

- (a) *first*, to pay the Issuer Expenses and, in priority to such payment (if any), to pay any Issuer Expenses Arrears;
- (b) *second*, to pay any net amount due and payable to the Interest Rate Swap Counterparty under the Interest Rate Swap, other than any termination payment (as determined pursuant to the Interest Rate Swap) due and payable to the Interest Rate Swap Counterparty if an event of default has occurred under the Interest Rate Swap with respect to such Interest Rate Swap Counterparty;
- (c) *third*, to pay, *pari passu* and on a *pro rata* basis, the Class A Notes Interest Amount due and payable on such Payment Date on each Class A Note and, in priority to such payment, to pay any Interest Arrears on each Class A Note;
- (d) *fourth*, to transfer to the General Reserve Account such amount as is necessary for the balance standing to the credit of the General Reserve Account to be equal to the General Reserve Required Amount applicable on that Payment Date;
- (e) *fifth*, unless a Servicing Report Delivery Failure has occurred, to transfer to the Principal Account such amount as would reduce any debit balance of the Principal Deficiency Ledger to zero;
- (f) *sixth*, unless a Servicing Report Delivery Failure has occurred, to pay any termination payment due and payable to any Interest Rate Swap Counterparty under its Interest Rate Swap if an event of default has occurred under the relevant Interest Rate Swap with respect to such Interest Rate Swap Counterparty;
- (g) *seventh*, unless a Servicing Report Delivery Failure has occurred, to pay, *pari passu* and on a *pro rata* basis, the Class B Notes Interest Amount due and payable on such Payment Date on each Class B Note and, in priority to such payment, to pay any Interest Arrears on each Class B Note;
- (h) *eighth*, unless a Servicing Report Delivery Failure has occurred, on each Payment Date during the Revolving Period, to pay to the Seller the Interest Component Purchase Price of any Purchased Receivables purchased on any Purchase Date and remaining unpaid, due and payable on that Payment Date;

- (i) *ninth*, unless a Servicing Report Delivery Failure has occurred, to pay to the Subordinated Loan Provider, first, interest due and payable under the Subordinated Loan Agreement and thereafter, outstanding principal under the Subordinated Loan Agreement in the event of any reduction of the General Reserve Required Amount from time to time (if any), in an amount (if any) which is equal to the General Reserve Required Decrease Amount; and
- (j) *tenth*, unless a Servicing Report Delivery Failure has occurred, to pay any remaining Available Interest Amount to the Seller pursuant to the terms of the Receivables Purchase Agreement,

provided that any payment to be made by the Issuer under the *first* item with respect to taxes shall be made on the Business Day on which such payment is then due and payable using any amounts then credited to the relevant Account, and **provided further that** outside of such order of priority, any Excess Swap Collateral, Replacement Swap Premium, Swap Tax Credit or any other Swap Collateral (except to the extent that the value of such Swap Collateral has been applied, pursuant to the provisions of the relevant Interest Rate Swap, to reduce the amount that would otherwise be payable by the Interest Rate Swap Counterparty to the Issuer on early termination of the Interest Rate Swap) due to be transferred or paid by the Issuer to the Interest Rate Swap Counterparty pursuant to the terms and conditions of the Interest Rate Swap will be transferred or paid (as applicable) to the Interest Rate Swap Counterparty.

Pre-Enforcement
Principal Priority of
Payments

On each Payment Date prior to the occurrence of an Issuer Event of Default, the Available Principal Amount shall be applied in accordance with the following order of priorities (the "**Pre-Enforcement Principal Priority of Payments**"), **provided that** in each case payments to be made under a certain priority will only be made if payments of all higher priorities have been made in full:

- (a) *first*, to pay any amounts due under items *first*, *second* and *third* under the Pre-Enforcement Interest Priority of Payments, but only to the extent such items are not paid in full after the application on such Payment Date of the Available Interest Amount in accordance with the Pre-Enforcement Interest Priority of Payments;
- (b) *second*, on each Payment Date during the Revolving Period, to pay to the Seller the Principal Component Purchase Price which has become due and payable on that Payment Date;
- (c) *third*, on each Payment Date during the Amortisation Period, to pay, *pari passu* and on a *pro rata* basis, the Class A Notes Amortisation Amount due and payable on such Payment Date on each Class A Note; and
- (d) *fourth*, unless a Servicing Report Delivery Failure has occurred, on each Payment Date during the Amortisation Period, to pay, on *pro rata* and on a *pro rata* basis, the Class B Notes Amortisation Amount due and payable on such Payment Date on each Class B Note.

Issuer Event of Default

An "**Issuer Event of Default**" occurs when:

1. the Issuer becomes overindebted (*überschuldet*) or is unable to pay its debts as they fall due (*zahlungsunfähig*) or the inability of the Issuer to pay its debts as they fall due is imminent (*drohende Zahlungsunfähigkeit*) or measures under Section 21 of the German

- Insolvency Code (*Insolvenzordnung*) are taken with respect to the Issuer or the Issuer initiates or otherwise becomes subject to liquidation, insolvency, or similar proceedings under any applicable law, which affect or prejudice the performance of its obligations under the Notes or the other Transaction Documents, and are not, in the opinion of the Security Trustee, being disputed in good faith with a reasonable prospect of discontinuing or discharging the same, or such proceedings are not instituted for lack of assets;
2. the Issuer defaults in the payment of any interest due and payable in respect of any Class A Note and such default continues for a period of at least five (5) Business Days;
 3. (except as referred to under item 2. above), the Issuer defaults in the payment of any amounts due and payable in respect of any senior note or in the due payment or performance of any other Transaction Secured Obligation (as such term is defined in Clause 7 (*Security Purpose*) of the Transaction Security Agreement), other than those mentioned under items *ninth* and *tenth* of the Pre-Enforcement Interest Priority of Payments, in each case to the extent that the Available Interest Amount or, as applicable, the Available Principal Amount would have been sufficient to pay such amounts, and such default continues for a period of at least five (5) Business Days;
 4. the Issuer fails to perform or observe any of its other material obligations under the Terms and Conditions or the Transaction Documents (other than the Subordinated Loan Agreement) and, in each such case (except where such failure is incapable of remedy when no notice will be required) such failure is continuing for a period of thirty (30) calendar days following (i) if the Security Trustee was notified by the Issuer of such failure, the receipt of such notice by the Security Trustee or (ii) in all other cases, the service by the Security Trustee on the Issuer of a notice requiring such failure to be remedied; or
 5. the Security Trustee ceases to have a valid and enforceable security interest in any of the Note Collateral or any other security interest created under any Transaction Security Document.

Upon the occurrence of an Issuer Event of Default, the full Class Principal Amount together with accrued and unpaid interest shall become due and payable in accordance with the Post-Enforcement Priority of Payments.

Post-Enforcement Priority of Payments

Upon the occurrence of an Issuer Event of Default, on any Payment Date any available funds of the Issuer (including Credit upon the servicing of an Enforcement Instruction) shall be applied in the following order towards fulfilling the payment obligations of the Issuer (the "**Post-Enforcement Priority of Payments**"), **provided that** in each case payments to be made under a certain priority will only be made if payments of all higher priorities have been made in full:

first, to pay the Issuer Expenses and, in priority to such payment (if any), to pay any Issuer Expenses Arrears;

second, to pay any amount due and payable to the Interest Rate Swap Counterparty under the Interest Rate Swap, other than any termination payment (as determined pursuant to the relevant Interest Rate Swap) due and payable to the Interest Rate Swap Counterparty if an event of default

has occurred under the Interest Rate Swap with respect to such Interest Rate Swap Counterparty;

third, to pay, *pro rata* and on a *pari passu* basis, the Class A Notes Interest Amounts and, in priority to such payment, any Class A Notes Interest Arrears;

fourth, *pro rata* and on a *pari passu* basis, towards redemption in full of the Class A Notes;

fifth, to pay any termination payment due and payable to the Interest Rate Swap Counterparty under the Interest Rate Swap if an event of default has occurred under the Interest Rate Swap with respect to the Interest Rate Swap Counterparty;

sixth, to pay to the Seller the Principal Component or portion of Principal Component Purchase Price of any Purchased Receivables purchased on any prior Purchase Date during the Revolving Period and remaining unpaid on such Payment Date (if any);

seventh, to pay, *pro rata* and on a *pari passu* basis, the Class B Notes Interest Amount and, in priority to such payment, any Class B Notes Interest Arrears;

eighth, *pro rata* and on a *pari passu* basis, towards redemption in full of the Class B Notes;

ninth, subject to the full redemption of the Notes of each Class, to pay to the Subordinated Loan Provider, interest due and payable under the Subordinated Loan Agreement;

tenth, to pay to the Seller the Interest Component Purchase Price of any Purchased Receivables or portion of the Interest Component Purchase Price of any Purchased Receivables purchased on any prior Purchase Date prior to the expiration of the Revolving Period and remaining unpaid on such Payment Date (if any);

eleventh, subject to the full redemption of the Notes of each Class, to pay to the Subordinated Loan Provider, outstanding principal due and payable under the Subordinated Loan Agreement; and

twelfth, to pay any remaining available amount to the Seller pursuant to the terms of the Receivables Purchase Agreement,

provided that any payment to be made by the Issuer under the *first* item with respect to taxes will be made on the Business Day on which such payment is then due and payable using the Credit; and for the avoidance of doubt, **provided further that** outside of such order of priority, any Excess Swap Collateral, Replacement Swap Premium, Swap Tax Credit or any other Swap Collateral (except to the extent that the value of such Swap Collateral has been applied, pursuant to the provisions of the relevant Interest Rate Swap, to reduce the amount that would otherwise be payable by the Interest Rate Swap Counterparty to the Issuer on early termination of the Interest Rate Swap) due to be transferred or paid by the Issuer to the Interest Rate Swap Counterparty pursuant to the terms and conditions of the Interest Rate Swap will be transferred or paid (as applicable) to the Interest Rate Swap Counterparty.

Interest Rate Swap

As the Receivables bear interest at a fixed rate and the Class A Notes will bear interest at a floating rate calculated by reference to EURIBOR, the Issuer has entered into an interest rate swap agreement based on an ISDA Master Agreement (2002) (including any schedule thereto and

confirmation thereunder as well as any related Credit Support Annex, the "**Interest Rate Swap**") with the Interest Rate Swap Counterparty in order to hedge its floating rate exposure under the Class A Notes. See "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS* — Interest Rate Swap".

Ratings	The Class A Notes are expected on issue to be assigned a long-term rating of 'Aaa(sf)' by Moody's, and a long-term rating of 'AAAsf' by Fitch. The Issuer has not requested a rating of the Class B Notes.
Approval, Listing and The Admission to Trading	<i>Commission de Surveillance du Secteur Financier</i> , as competent authority under the Prospectus Directive, has approved the prospectus for the purposes of the Prospectus Directive. By approving this prospectus the <i>Commission de Surveillance du Secteur Financier</i> assumes no responsibility as to the economic or financial soundness of this transaction or the quality and solvency of the Issuer. Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange. The direct cost of the admission of the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange amounts to approximately EUR 17,450.
Clearing	Euroclear of 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and Clearstream Luxembourg of 42 Avenue J.F. Kennedy, 1855 Luxembourg, Luxembourg (together, the " Clearing Systems ", the " International Central Securities Depositories " or the " ICSDs ").
Governing Law	The Notes will be governed by, and construed in accordance with, the laws of Germany.
Transaction Documents	The Receivables Purchase Agreement, the Servicing Agreement, the Transaction Security Agreement, the English Security Deed, the Interest Rate Swap, the Subordinated Loan Agreement, the Corporate Administration Agreement, the Accounts Agreement, the Data Trust Agreement, the Notes, the Agency Agreement and any amendment agreement, termination agreement or replacement agreement relating to any such agreement. See " <i>OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS</i> ".
No Sales to U.S. Risk Retention Persons	The transaction described in this Prospectus is not intended to involve the retention by a sponsor of at least 5 per cent. of the credit risk of the securitized assets for purposes of compliance with the final rules promulgated under Section 15G of the Securities Exchange Act of 1934, as amended. See the risk factor entitled " <i>RISK FACTORS – The Notes – U.S. Risk Retention</i> " for more detail.

RISK FACTORS

The following is an overview of certain factors which prospective investors should consider before deciding to purchase the Notes. While the Issuer believes that the following statements describe the material risk factors in relation to the Issuer and the material risk factors inherent to the Notes as of the date of this Prospectus, the following statements are not exhaustive; prospective investors are requested to consider all the information in this Prospectus, make such other enquiries and investigations as they consider appropriate and reach their own views prior to making any investment decisions.

The Notes will be solely contractual obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any of the Seller, the Servicer, the Back-Up Servicer Facilitator, the Security Trustee, the Interest Rate Swap Counterparty, the Data Trustee, the Paying Agent, the Calculation Agent, the Interest Determination Agent, the Reporting Agent, the Account Bank, the Joint Lead Managers, the Joint Arrangers, the Listing Agent, the Common Safekeepers, the Subordinated Loan Provider or any other third person or entity.

Furthermore, no person other than the Issuer accepts any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

The Issuer

Credit Aspects of the Transaction and other considerations relating to the Notes

Liability under the Notes, Limited Recourse

The Notes represent obligations of the Issuer only, and do not represent obligations of, and are not guaranteed by, any other person or entity. In particular, the Notes do not represent obligations of, and will not be guaranteed by, any of the Seller, the Servicer, the Back-Up Servicer Facilitator, the Security Trustee, the Interest Rate Swap Counterparty, the Data Trustee, the Paying Agent, the Calculation Agent, the Interest Determination Agent, the Reporting Agent, the Account Bank, the Joint Lead Managers, the Joint Arrangers, the Listing Agent, the Common Safekeepers, the Subordinated Loan Provider or any of their respective affiliates or any other third person or entity other than the Issuer. No person other than the Issuer will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

Prior to the occurrence of an Issuer Event of Default, all payment obligations of the Issuer under the Notes constitute exclusive obligations to pay out on each Payment Date the Available Interest Amount and the Available Principal Amount in accordance with the relevant Pre-Enforcement Priority of Payments. Upon the occurrence of an Issuer Event of Default, all payment obligations of the Issuer under the Notes constitute exclusive obligations to pay out the credit standing to the respective Accounts (excluding certain amounts stated in Clause 23.1 of the Transaction Security Agreement) and the proceeds of the Note Collateral in accordance with the Post-Enforcement Priority of Payments and shall only be settled if and to the extent that the Issuer is in a position to settle such claims using future profits (*künftige Gewinne*), any remaining liquidation proceeds (*Liquidationsüberschuss*) or any current positive balance of the net assets (*anderes freies Vermögen*) of the Issuer. The Notes shall not give rise to any payment obligation in excess of such amounts and recourse shall be limited accordingly.

None of the Noteholders, the Security Trustee nor the other Beneficiaries (nor any other person acting on behalf of any of them) shall be entitled, until the expiration of two years and one day after all outstanding amounts under the last maturing Note issued by the Issuer have been paid in full, to take any corporate action or other steps or legal proceedings for the winding-up, administration, examinership, dissolution or re-organisation or for the appointment of a receiver, administrator, examiner, administrative receiver, trustee in bankruptcy, liquidator, sequestrator or similar officer regarding some or all of the revenues and assets of the Issuer or have any right to take any steps for the purpose of obtaining payment (other than through the enforcement of the Note Collateral) of any amounts payable to it under the Transaction Documents by the Issuer (including, for the avoidance of doubt, any payment obligation arising from false representations under the Transaction Security Agreement) and shall not until such time take any steps to recover any debts or liabilities of any nature whatsoever owing to it by the Issuer.

There is no specific statutory or judicial authority in German law on the validity of non-petition clauses. It cannot be excluded that a German court might hold that any of the non-petition clauses in the German law governed Transaction Documents is void in cases where the Issuer intentionally breaches its duties or intentionally does not fulfil its respective obligations under such documents. The foregoing would apply to other restrictions of liability of the Issuer as well. In individual cases, German courts held that a non-petition clause in a lease agreement preventing the lessee from initiating court proceedings against the lessor was void as it violated *bonos mores* and that the parties to a contract may only waive their respective right to take legal action in advance to a certain specified extent, but not entirely, because the right to take legal action is a core principle of the German legal system. However, this Issuer has been advised that these rulings are based on the particularities of the respective cases and, therefore, should not give rise to the conclusion that non-petition clauses are generally void under German law. Additionally, because under German law a party is generally free to waive its claim against another party in advance, a partial waiver, in the sense that the party waives only its rights to enforce its claims, should *a fortiori* be valid.

Non-Existence of Purchased Receivables

The Issuer retains the right to bring indemnification claims against the Seller but no other person against the risk that the Purchased Receivables do not exist or cease to exist without encumbrance (*Bestands- und Veritätshaftung*) in accordance with the Receivables Purchase Agreement. If the Auto Loan Contract relating to a Purchased Receivable proves not to have been legally valid as of the Purchase Date, the Seller will pay to the Issuer a Deemed Collection in an amount equal to the Adjusted Outstanding Principal Amount of such Purchased Receivable plus any outstanding balance of interest accrued and not paid thereunder (or the affected portion thereof) pursuant to the Receivables Purchase Agreement (see also "*COMMERCIAL RISKS – Creditworthiness of Parties to the Transaction Documents*").

The same applies if a Debtor uses its right of withdrawal (*Widerrufsrecht*). Such withdrawals are legally possible even after the expiry of the regular two week time period for withdrawals if the instruction of withdrawal (*Widerrufsbelehrung*) used by the Seller or the counterparty of a linked contract within the meaning of Section 358 of the German Civil Code (*Bürgerliches Gesetzbuch*) does not comply with legal requirements. The legal requirements applicable to instructions of withdrawal are under constant review of the German courts. See "*RISK FACTORS – German Consumer Loan Legislation*".

Limited Resources of the Issuer

The Issuer is a special purpose financing entity with no business operations other than the issue of the Notes and the purchase and financing of the Purchased Receivables. Therefore, the ability of the Issuer to meet its obligations under the Notes will depend, *inter alia*, upon receipt of:

- payments of principal and interest and certain other payments received as Available Collections under the Purchased Receivables pursuant to the Servicing Agreement and the Receivables Purchase Agreement;
- Deemed Collections (if due) from the Seller;
- funds (if due) from any Interest Rate Swap Counterparty under the relevant Interest Rate Swap (excluding, however, (i) any Swap Collateral other than any proceeds from such Swap Collateral applied in satisfaction of payments due to the Issuer in accordance with an Interest Rate Swap upon early termination of such Interest Rate Swap, (ii) any Excess Swap Collateral, (iii) any amount received by the Issuer in respect of a Replacement Swap);
- proceeds of the realisation of the Note Collateral;
- premium to the extent that such amount is required to be applied directly to pay a termination payment due and payable by the Issuer to an Interest Rate Swap Counterparty upon termination of the relevant Interest Rate Swap, and any Swap Tax Credits);
- interest (if any) earned on the amounts credited to the Accounts (except interest earned on the Swap Collateral Account);
- amounts paid by any third party as purchase prices for Defaulted Receivables and any relevant Related Collateral;

- payments (if any) under the other Transaction Documents in accordance with the terms thereof.

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

Subordination

The Issuer's obligations to make payments of principal and interest on the Class B Notes are subordinated to the Issuer's obligations to make payments of principal and interest on the Class A Notes, see "CREDIT STRUCTURE — *Pre-Enforcement Interest Priority of Payments* and *Pre-Enforcement Interest Priority of Payments*".

The Issuer's obligations under the Interest Rate Swap will be secured by the Note Collateral and such obligations (excluding termination payments due to the Interest Rate Swap Counterparty because of an event of default relating to it) will rank, in respect of payment and security upon the occurrence of an Issuer Event of Default, senior to the Issuer's obligations under the Notes. See "*THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT — Post-Enforcement Priority of Payments*".

The Notes

Interest Rate Risk

Payments made to the Seller by any Debtor under an Auto Loan Contract which enables such Debtor to purchase a Car comprise monthly amounts calculated with respect to a fixed interest rate. However, payments of interest on the Class A Notes are calculated with respect to EURIBOR plus a margin. To ensure that the Issuer will not be exposed to any material interest rate discrepancy, the Issuer and the Interest Rate Swap Counterparty have entered into an Interest Rate Swap under which the Issuer will make payments by reference to a fixed rate and the Interest Rate Swap Counterparty will make payments by reference to EURIBOR under the Interest Rate Swap calculated with respect to the notional amount as determined under the Interest Rate Swap.

During periods in which floating rate interests payable by the Interest Rate Swap Counterparty under the Interest Rate Swap are higher than the fixed rate interests payable by the Issuer under the Interest Rate Swap, the Issuer will be more dependent on receiving net payments from the Interest Rate Swap Counterparty in order to make interest payments on the Class A Notes. Consequently, a default by the Interest Rate Swap Counterparty on its obligations under the Interest Rate Swap may lead to the Issuer not having sufficient funds to meet its obligations to pay interest on the Class A Notes.

Changes or Uncertainty in respect of EURIBOR may affect the Value or Payment of Interest under the Class A Notes

Various interest rate and other indices which are deemed to be "benchmarks", in the case at hand EURIBOR, are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms and other pressures may cause such benchmarks to disappear entirely or to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or participate in certain benchmarks or have other consequences which cannot be predicted at the date of this Prospectus. Any such consequence could have a material adverse effect on any Notes linked to such a benchmark as further described below.

Key regulatory proposals and initiatives in this area include (amongst others) International Organization of Securities Commissions' (IOSCO) Principles for Financial Market Benchmarks and the Regulation (EU) 2016/1011 (the "Benchmark Regulation". The Benchmark Regulation entered into force in June 2016 and became fully applicable in the EU on 1 January 2018 (save that certain provisions, including those related to "critical benchmarks", took effect on 30 June 2016), subject to certain transitional provisions. The Benchmark Regulation applies to the contribution of input data to a "benchmark", the provision or administration of a "benchmark" and the use of a "benchmark" in the EU. Among other things, it (i) requires EU benchmark administrators to be authorised or registered as such and to comply with extensive requirements relating to the administration of "benchmarks" and (ii) prohibits certain uses by EU supervised entities of "benchmarks" provided by EU administrators which are not authorised or registered in accordance with the Benchmark Regulation (or, if located outside of the EU, subject to equivalence, recognition or endorsement).

On 9 March 2017, the European Money Markets Institute published a position paper setting out the legal grounds for proposed reforms to EURIBOR. The position paper considered the need to ensure the alignment of EURIBOR with the relevant principles of the Benchmark Regulation, as well as the proposed transition from a "quote-based" methodology to a "transaction-based" methodology for determining EURIBOR. This involved a six-month "Pre-Live Verification Programme" to test a proposed seamless transition to a fully transaction-based methodology. The outcome of this programme was published in May 2017, which concluded that a seamless transition to a transaction-based methodology would not be feasible, and that EURIBOR will continue to operate as a "quote-based" system whilst a "hybrid methodology" for determining EURIBOR is being developed.

On 17 January 2018, the following Delegated Regulations were published in the Official Journal of the EU: (i) Commission Delegated Regulation (EU) 2018/64, which supplements the Benchmark Regulation with regard to specifying how the criteria of article 20(1)(c)(iii) of the Benchmark Regulation are to be applied for assessing whether certain events would result in significant and adverse impacts on market integrity, financial stability, consumers, the real economy or the financing of households and businesses in one or more member states, (ii) Commission Delegated Regulation (EU) 2018/65, which supplements the Benchmark Regulation specifying technical elements of the definitions laid down in article 3(1) of the Benchmark Regulation, (iii) Commission Delegated Regulation (EU) 2018/66, which supplements the Benchmark Regulation specifying how the nominal amount of financial instruments other than derivatives, the notional amount of derivatives and the net asset value (NAV) of investment funds are to be assessed; the Commission adopted Delegated Regulations (EU) 2018/64, (EU) 2018/65 and (EU) 2018/66 on 29 September 2017, and (iv) Commission Delegated Regulation (EU) 2018/67, which supplements the BMR with regard to the establishment of the conditions to assess the impact resulting from the cessation of or change to existing benchmarks on 3 October 2017. All the Delegated Regulations entered into force on 6 February 2018.

The reforms referred to above could result in one or more interest rate benchmarks ceasing to be provided, or performing in a different manner than was previously the case.

Based on the information set out above, investors should, in particular, be aware of the following:

- (a) any of the reforms referred to above, or proposed changes to a benchmark (including EURIBOR) could impact on the published rate or level (i.e. it could be lower/more volatile than would otherwise be the case);
- (b) if EURIBOR is discontinued or is otherwise permanently unavailable and an amendment as described in paragraph (c) below has not been made, then the rate of interest on the Class A Notes will be determined for a period by the fall-back provisions provided for under Condition 6.3 (Interest Rate), i.e. in the event that the EURIBOR Determination Agent is on any EURIBOR Determination Date required but unable to determine EURIBOR for the relevant Interest Period in accordance with the above, EURIBOR for such Interest Period shall be EURIBOR as determined on the previous EURIBOR Determination Date, although such provisions, being dependent in part upon the provision by reference banks of offered quotations for the EURIBOR rate, may not operate as intended (depending on market circumstances and the availability of rates information at the relevant time) and may result in the effective application of a fixed rate based on the rate which applied in the previous period when EURIBOR was available;
- (c) while (i) an amendment may be made under Condition 12(b)(i) of the Terms and Conditions of the Notes to change the EURIBOR rate on the Class A Notes to an alternative base rate under certain circumstances broadly related to EURIBOR dysfunction or discontinuation, (ii) the Issuer (acting on the advice of the Servicer) is under an obligation to use commercially reasonable endeavours to propose an Alternative Base Rate in accordance with Condition 12(b)(i) of the Terms and Conditions of the Notes under Condition 6.3 (Interest Rate) of the Terms and Conditions of the Notes, and (iii) an amendment may be made under Condition 12(b)(i) of the Terms and Conditions of the Notes to change the base rate that then applies in respect of the Interest Rate Swaps for the purpose of aligning the base rate of the Interest Rate Swaps to the base rate of the Class A Notes following a Base Rate Modification, there can be no assurance that any such amendments will be made or, if made, that they (i) will fully or effectively mitigate interest rate risks or result in an equivalent methodology for determining the interest rates on the Class A Notes and the Interest Rate Swaps or (ii) will be made prior to any date on which any of the risks described in this risk factor may become relevant;

- (d) if EURIBOR is discontinued, and whether or not an amendment is made under Condition 12(b)(i) of the Terms and Conditions of the Notes to change the base rate on the Class A Notes as described in paragraph (c) above, if a proposal for an equivalent change to the base rate on the Interest Rate Swaps is not approved in accordance with Condition 12(b)(i) of the Terms and Conditions of the Notes, there can be no assurance that the applicable fallback provisions under the Interest Rate Swaps would operate so as to ensure that the base floating interest rate used to determine payments under the Swap Agreement is the same as that used to determine interest payments under the Class A Notes, or that any such amendment made under Condition 12(b)(i) of the Terms and Conditions of the Notes would allow the transaction under the Interest Rate Swaps to effectively mitigate interest rate risk on the Class A Notes. This, in turn, could cause a risk of mismatch of interest and reduced payments on the Class A Notes; and
- (e) in the event EURIBOR cannot be used as a benchmark (for whatever reason), there can be no guarantee that the alternative reference rate will operate in a manner that would enable the relevant transactions contemplated under this prospectus, to mitigate interest rate risk under the Notes in the manner intended.

Any of the above matters (including an amendment to change the base rate as described in paragraph (c) above) or any other significant change to the setting or existence of EURIBOR could affect the ability of the Issuer to meet its obligations under the Class A Notes and/or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Class A Notes. Changes in the manner of administration of EURIBOR could result in amendments to the Conditions of the Class A Notes and the Interest Rate Swaps in line with Conditions 12(b)(i) of the Terms and Conditions of the Notes. No assurance may be provided that relevant changes will not be made to EURIBOR or any other relevant benchmark rate and/or that such benchmarks will continue to exist. Investors should consider these matters when making their investment decision with respect to the Class A Notes.

Early Redemption of the Notes and Effect on Yield

The yield to maturity of any Note of each Class will depend on, *inter alia*, the amount and timing of payment of principal and interest on the Purchased Receivables and the price paid by the Noteholder for such Note.

During the Revolving Period, the Notes will not be subject to amortisation. The Revolving Period will terminate on the Scheduled Revolving Period End Date or, if earlier, upon the occurrence of an Amortisation Event or an Issuer Event of Default. If the Revolving Period terminates following the occurrence of an Amortisation Event or an Issuer Event of Default, amortisation of the Notes commences on the Payment Date immediately following the date on which such event has occurred. Early redemption of the Notes may have a negative effect on the yield. In addition, on any Payment Date on which the Aggregate Outstanding Principal Amount has been reduced to less than 10% of the Aggregate Outstanding Principal Amount as of the First Determination Date, the Seller will have, subject to certain conditions, the right under the Receivables Purchase Agreement to repurchase all outstanding Purchased Receivables (together with any Related Collateral) and the proceeds from such repurchase shall constitute Available Principal Collections or Available Interest Collections, as the case may be, and the payments of interest and principal in accordance with the relevant Pre-Enforcement Priority of Payments on such Payment Date will lead to an early redemption of the Notes (see Condition 7.4 (*Early Redemption*) of the Terms and Conditions of the Notes). This may adversely affect the yield on each Class of Notes.

In addition, the Issuer may, subject to certain conditions, redeem all of the Notes if under applicable law the Issuer is required to make a deduction or withholding for or on account of tax (see Condition 7.5 (*Optional Redemption for Taxation Reasons*) of the Terms and Conditions of the Notes). This may adversely affect the yield on each Class of Notes.

Non-availability of Subordinated Loan

After the Closing Date, the Issuer will not be entitled to any further drawings under the Subordinated Loan to fill or re-fill the General Reserve up to the General Reserve Required Amount or otherwise to make payments in respect of principal or interest on the Notes. See "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subordinated Loan Agreement*".

Conflicts of Interest

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

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

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

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

The Security Trustee, the Data Trustee, the Joint Lead Managers, the Joint Arrangers, the Interest Rate Swap Counterparty, the Paying Agent, the Calculation Agent, the Interest Determination Agent, the Reporting Agent, the Back-Up Servicer Facilitator, the Listing Agent, the Account Bank and the Subordinated Loan Provider may engage in commercial relationships, in particular, hold assets in other securitisation transactions as security trustee, be lenders, provide investment banking and other financial services to the Debtors, the other parties to the Transaction Documents and other third parties. In such relationships the Data Trustee, the Security Trustee, the Joint Lead Managers, the Joint Arrangers, the Interest Rate Swap Counterparty, the Paying Agent, the Calculation Agent, the Interest Determination Agent, the Reporting Agent, the Back-Up Servicer Facilitator, the Listing Agent, the Account Bank and the Subordinated Loan Provider are not obliged to take into account the interests of the Noteholders. Accordingly, conflicts of interest may arise in this transaction.

Risks from Reliance on Certification by True Sale International GmbH

True Sale International GmbH ("**TSI**") grants a registered certification label if a special purpose vehicle complies with certain TSI conditions. These conditions are intended to contribute that securitisations involving a German special purpose vehicle adhere to certain quality standards. The label "**CERTIFIED BY TSI – DEUTSCHER VERBRIEFUNGSSTANDARD**" thus indicates that standards based on the conditions established by TSI have been met. Nonetheless, the TSI certification is not a recommendation to buy, sell or hold securities. Certification is granted on the basis of the originator's or issuer's declaration of undertaking to comply with the main quality criteria of the "**CERTIFIED BY TSI – DEUTSCHER VERBRIEFUNGSSTANDARD**" label, in particular with the lending and servicing standards and disclosure requirements throughout the duration of the transaction. The certification does not represent any assessment of the expected performance of the underlying loans portfolio or the Notes. For a more detailed explanation, see "**CERTIFICATION BY TRUE SALE INTERNATIONAL GMBH**".

TSI has carried out no other investigations or surveys in respect of the Issuer or the Notes and disclaims any responsibility for monitoring the Issuer's continuing compliance with these standards or any other aspect of the Issuer's activities or operations. Investors should therefore not evaluate their investments in the Notes on the basis of this certification.

PCS Label

Application has been made to Prime Collateralised Securities (UK) Limited for the Class A 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 Notes will receive the PCS Label (either before the Closing Date or at any time thereafter) and if the Class A Notes do receive the PCS Label, there can be no assurance that the PCS Label will not be withdrawn from the Class A Notes at a later date. It is not investment advice whether generally or as defined under MiFID II 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 <http://pcsmarket.org>. The website <http://pcsmarket.org> does not form part of this Prospectus.

Ratings of the Class A Notes

Each rating assigned to the Class A Notes by any Rating Agency takes into consideration the structural and legal aspects associated with the Class A Notes and the underlying Purchased Receivables, the credit quality of the Portfolio, the extent to which the Debtors' payments under the Purchased Receivables are adequate to make the payments required under the Class A Notes as well as other relevant features of the structure, including, *inter alia*, the credit situation of the Interest Rate Swap Counterparty, the Account Bank, the Seller and the Servicer (if different). Each Rating Agency's rating reflects only the view of that Rating Agency. In particular, the rating assigned by Fitch to the Class A Notes addresses the likelihood of full and timely payment to the Class A Noteholders of all payments of interest on the Class A Notes on each Payment Date and the ultimate payment of principal on the Final Maturity Date and takes into consideration the characteristics of the Purchased Receivables and the structural, legal, tax and Issuer-related aspects associated with the Notes. The ratings assigned by Moody's to the Class A Notes addresses the risk of loss which may be incurred in proportion to the initial Class A Principal Amount to be borne by any Noteholder by the Final Legal Maturity and reflect Moody's opinion that the structure allows for timely payment of interest and ultimate payment of principal by the Final Maturity Date. The Moody's rating addresses only the credit risks associated with this transaction.

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

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organisation. The ratings assigned to the Class A Notes should be evaluated independently from similar ratings on other types of securities. There is no assurance that the ratings will continue for any period of time or that they will not be lowered, reviewed, suspended or withdrawn by the Rating Agencies. In the event that the ratings initially assigned to the Class A Notes by the Rating Agencies are subsequently withdrawn or lowered for any reason (including, without limitation, any subsequent change of the rating methodologies and/or criteria applied by the relevant Rating Agency), no person or entity is obliged to provide any additional support or credit enhancement to the Notes.

Each of the Rating Agencies is established in the European Community. According to the press release of the European Securities Markets Authority ("**ESMA**") dated 31 October 2011 and the list of registered and certified rating agencies ("**List of Registered CRAs**") published by ESMA, Moody's and Fitch have been registered in accordance with 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 of the European Parliament and of the Council of 11 May 2011. The latest update of the List of Registered

CRA is available on the website of ESMA under www.esma.europa.eu/supervision/credit-rating-agencies/risk (see also the section entitled "CRA III" below).

Resolutions of Noteholders

The Notes provide for resolutions of Noteholders to be passed by vote taken without meetings. Each Noteholder is subject to the risk of being outvoted. As resolutions properly adopted are binding on all Noteholders, certain rights of such Noteholder against the Issuer under the Terms and Conditions of the Notes may be amended or reduced or even cancelled.

Noteholders' Representative

If the Noteholders appoint a Noteholders' representative by a majority resolution of the Noteholders, it is possible that a Noteholder may be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions of the Notes against the Issuer, such right passing to the Noteholders' Representative who is then exclusively responsible to claim and enforce the rights of all the Noteholders.

Absence of Secondary Market Liquidity and Market Value of Notes

Although application has been made to admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange and to be listed on the official list of the Luxembourg Stock Exchange, there is currently no secondary market for the Notes. Even if the Joint Lead Managers could establish a secondary market for the Notes, they are not obliged to do so and any market activity which existed in the past can be easily terminated at any time without prior notice. If there is no market activity (namely, bids and offers) by the Joint Lead Managers, it is unlikely that a liquid secondary market will be established. In view of these factors, there can be no assurance that a secondary market for the Notes will develop or that a market will develop for all Classes of Notes or, if it develops, that it will provide Noteholders with liquidity of investment, or that it will continue for the whole life of the Notes. Further, the secondary markets are currently experiencing severe disruptions resulting from reduced investor demand for asset-backed securities and increased investor yield requirements for those securities. As a result, the secondary market for asset-backed securities is experiencing extremely limited liquidity. These conditions may continue or worsen in the future. Limited liquidity in the secondary market for asset-backed securities has had a severe adverse effect on the market value of asset-backed securities. Limited liquidity in the secondary market may continue to have a severe adverse effect on the market value of asset-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Consequently, any investor in the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of such Notes. The market values of the Notes are likely to fluctuate. Any such fluctuation may be significant and could result in significant losses to investors in the 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 Notes in the secondary market.

Eurosystem Eligibility

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of Euroclear or Clearstream, Luxembourg as Class A Notes Common Safekeeper and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (the "**Eurosystem eligible collateral**") either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria set out in the Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast), as amended and supplemented from time to time and as supplemented by the temporary criteria for certain asset-backed securities contained in, *inter alios*, Guideline (ECB/2014/31) on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9 (recast) and Decision (EU) 2015/5 of the European Central Bank of 19 November 2014 on the implementation of the asset-backed securities purchase programme (ECB/2014/45) (as amended from time to time).

In addition, on 15 December 2010 the Governing Council of the European Central Bank (the "**ECB**") has decided on the establishment of loan-by-loan information requirements for asset-backed securities ("**ABS**") in the Eurosystem collateral framework. The Auto Loan ABS template was published in May 2012 and was last updated in September 2013. The loan-by-loan information requirement for Auto Loan ABS is applicable since 1 January 2014 (with a nine-month transition period which ended on 30 September 2014). The Issuer will use its best efforts to make loan level data available in such manner as may be required to comply with the Eurosystem eligibility criteria, subject to the Data Protection Standards.

If the Class A Notes do not satisfy the criteria specified by the European Central Bank, or if the Servicer fails to submit the required loan-level data, there is a risk that the Class A Notes will not be qualified as Eurosystem eligible collateral. Neither the Issuer, nor any of the Joint Lead Managers nor any of the Joint Arrangers gives any representation, warranty, confirmation or guarantee to any investor in the Class A Notes that the Class A Notes will, either upon issue, or any or at all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any prospective investor in the Class A Notes should consult its professional advisers with respect to whether or not the Class A Notes constitute Eurosystem eligible collateral at any point of time during the life of the Class A Notes.

Revisions to Basel III Framework, CRD IV and CRR as well as CRR Requirements for Investor Institutions

The Basel Committee on Banking Supervision (the "**Committee**") published in July 2009 "Revisions to the Basel II market risk framework" and "Enhancements to the Basel II framework", which provide for a number of enhancements targeting each of the three Pillars "minimum capital requirements", "**supervisory review process**" and "**market discipline**" set-forth by the Committee in its June 2006 publication "Basel II: International Convergence of Capital Measurement and Capital Standards: A Revised Framework (Comprehensive Version)" (the "**Framework**"). In the EU, the Framework had been implemented on the basis of EU and national legislative measures.

In December 2010, the Committee published proposals for further changes to the Framework ("Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer"). The proposals include new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for institutions (such as credit institutions). These include, without limitation, 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 net stable funding ratio, respectively). The European Parliament and the Council adopted a new set of legislation to implement these amendments in the European Union. The relevant legislation encompasses a directive, Directive 2013/36/EU ("**CRD IV**"), dated 26 June 2013, governing, amongst other things, the basic rules and requirements for the banking business and its supervision and a regulation ("**CRR**"), dated 26 June 2013, containing detailed requirements regarding liquidity, capital base, leverage and counterparty credit risks. The directive had to be transposed into national law by each of the EU Member States in general by 31 December 2013, **provided that** certain provisions may be applied after that date. The regulation has direct binding effect in the EU Member States and applies since 1 January 2014 (subject to certain exceptions and transitional provisions). On 23 November 2016, the European Commission proposed a new Regulation amending the CRR (the "**CRR II**") and a new Directive amending the CRD ("**CRD V**"). The CRD V sets out, *inter alia*, the net stable funding ratio. The CRR II and CRD V are not expected to enter into force prior to 1 January 2019.

On 28 December 2017, Regulation (EU) 2017/2401 ("**CRR Amending Regulation**") was published in the Official Journal and implements changes to the CRR on the basis of the Framework developed by the Committee to make the capital treatment of securitisation for banks and investment firms more risk-sensitive and able to properly reflect the specific features of STS Securitisations (as defined below). In particular, the changes include (i) a revised hierarchy of approaches of risk evaluation and capital assignment applicable to certain types of securitisation exposures, (ii) revised ratings based approach and modified supervisory formula approach incorporating additional risk drivers such as maturity, which are intended to create more risk-sensitive and prudent calibration and (iii) new approaches such as a simplified supervisory approach and different applications of the concentration ratio based approach. These changes will apply from 1 January 2019, subject to certain provisions which may continue until 31 December 2019

in respect of securities which are issued before 1 January 2019. The technical details of the CRR Amending Regulation will be set out in a new set of regulatory technical standards to be developed by the EBA, final drafts of which are not yet available.

Member states were also required to implement the new liquidity coverage ratio from January 2015. In January 2015 the Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 regarding the liquidity coverage requirements was published in the Official Journal of the European Union ("**LCR Delegated Regulation**"). The liquidity coverage ratio under the LCR Delegated Regulation applies as from 1 October 2015. The LCR Delegated Regulation specifies that the minimum requirement will begin at 60%, rising in equal annual steps of 10 percentage points to reach 100% as from 1 January 2019. In July 2018, the European Commission adopted a proposal of a Commission Delegated Regulation amending the LCR Delegated Regulation, pursuant to which, *inter alia*, the calculation of the expected liquidity outflows and inflows on repurchase agreements, reverse repurchase agreements and collateral swaps shall be aligned with the international liquidity standard developed by the Basel Committee, the treatment of certain reserves held with third-country central banks shall be amended and transaction exposures of securitisations which qualify as STS Securitisations (as defined below) shall qualify as Level 2B high quality liquid assets, subject to certain requirements. It is, however, at this stage unclear if and in which form the proposed amendment will enter into force and may have an effect on the Noteholders.

In addition, on 7 December 2017, the Basel Committee endorsed the outstanding Basel-III post-crisis reforms published in December 2014, commonly known as "**Basel IV**". The publication concluded the proposals and consultations which continued since 2014 in respect of credit risk credit value adjust risk, operation risk, output floors and leverage ratio. The main aim of the revisions is to reduce excessive variability of risk-weighted assets. The implementation date of such reforms is 1 January 2022 with the output floor to be phased in from 1 January 2022 to 1 January 2027. At this point it cannot be assessed how and if the revised securitisation framework will be transposed into EU and national law.

The CRR, the CRD IV or (as the case may be) the Framework and its amendments and related acts could affect the risk-based capital treatment of the Notes for investors which are subject to bank capital adequacy requirements under the CRR and relevant national legislation implementing the CRD IV and/or requirements that follow or are based on the Framework. Prospective investors should with the assistance of their professional advisors independently assess and determine the suitability of their investments in the Notes for their respective purposes.

Risk Retention and Due Diligence Requirements

In particular, the CRR provides that where an institution (i.e. a credit institution or an investment firm within the meaning of the CRR) does not meet the requirements set out in Articles 405, 406 and 409 of the CRR in any material respect by reason of the negligence or omission of the institution, the competent authorities shall impose a proportionate additional risk weight of no less than 250% of the risk weight (the total risk weight being capped at 1250%) to the relevant securitisation positions. The additional risk weight shall progressively increase with each subsequent infringement of the due diligence provisions. Pursuant to Article 405 of the CRR, an institution, other than when acting as an originator, a sponsor or original lender, may hold the credit risk of a securitisation position in its trading book or non-trading book only if the originator, sponsor or original lender has explicitly disclosed to the institution that it will retain, on an ongoing basis, a material net economic interest which, in any event, will not be less than 5%. Article 406 of the CRR imposes certain due diligence requirements on investor institutions. Article 409 of the CRR requires, *inter alia*, that prospective investors have readily available access to all materially relevant data on the credit quality and performance of the individual underlying exposures, cash flows and collateral supporting the securitisation exposure as well as such information that is necessary to conduct comprehensive and well informed stress tests on the cash flows and collateral values supporting the underlying exposures. Hence, the additional risk weight does not only apply in case of a relevant non-compliance with the due diligence obligations on the part of an institution investing in the Notes. Also non-compliance of the Seller with Articles 405 and 409 of the CRR may result in such additional risk weights and hence negatively affect the price received for, and/or the ability of the Noteholders to sell, the Notes in the secondary market. In particular, there is no assurance that any reference to the Seller's retention of net economic risk in this Prospectus constitutes sufficient disclosure by the Seller in view of adequately supporting the due diligence investigation on the part of the Noteholders for the purposes of Article 406 of the CRR. In order to comply with the requirements of Article 405 paragraph (1)(d) of the CRR, the Seller will retain, on an ongoing basis until the earlier of (i) the redemption of the Class A Notes in full and (ii) the Final Maturity Date, the Class B Notes in an aggregate principal amount equal to at least 5% of the

Aggregate Outstanding Note Principal Amount as of the Closing Date, subject always to any requirement applicable by law to it. It should be noted, however, that there is no certainty that the references to the retention obligations of the Seller in this Prospectus will constitute explicit disclosure (on part of such Seller) or adequate due diligence (on part of the Noteholders) or sufficient self-retention for the purposes of Articles 5, 6 or 7 of the Securitisation Regulation. Consequently, prospective investors and Noteholders should consult their professional advisers as to the consequences to and effect on them of the application of the Framework and its amendments and any relevant implementing measures. No predictions can be made as to, and the Issuer is not responsible for informing the prospective investors and Noteholders of, the effects of the changes to risk-weighting as a result of implementation of the Framework and its amendments.

Investors should also be aware of Article 17 of the AIFMD and Chapter III, Section 5 of the AIFMR, the provisions of which introduced risk retention and due diligence requirements (which took effect from 22 July 2013 in general) in respect of alternative investment fund managers ("AIFMs") that are required to become authorised under the AIFMD. While the requirements applicable to AIFMs under Chapter III, Section 5 of the AIFMR are similar to those which apply under Articles 405 to 409 of the CRR, they are not identical and, in particular, additional due diligence obligations and a requirement to take corrective action if an investment does not comply with the risk retention requirements apply to AIFMs. Additional due diligence obligations apply to relevant alternative investment fund managers especially in respect of requirements for retained interest and qualitative requirements concerning sponsors and originators, and AIFMs exposed to securitisations.

Similar requirements also apply to insurance and reinsurance undertakings under Article 135(2)(a) of Solvency II and Articles 254 *et seq.* of the Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Solvency II, which impose risk retention and due diligence requirements and provide for proportionate increases of the solvency capital requirements, should the risk retention rule not be complied with in respect of any relevant investment of an insurance or reinsurance undertaking.

Each of articles 405 to 409 of the CRR and Chapter III, Section 5 of the AIFMR and the relevant provisions of Solvency II applies in respect of the Notes, so investors which are EU regulated credit institutions, AIFMs or insurance or reinsurance undertakings should therefore make themselves aware of such requirements (and any corresponding implementing rules) of the CRR or AIFMR or Solvency II applicable to them and should be aware that a failure to comply with applicable provisions may result in administrative penalties, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. Relevant investors are required to independently assess and determine the sufficiency of the information described in this Prospectus and in any Investor Report provided in relation to the transaction for the purposes of complying with any relevant requirements including Articles 405 to 409 of the CRR, Chapter III, Section 5 of the AIFMR and the relevant provisions of Solvency II and none of the Issuer, the Joint Lead Managers, the Joint Arrangers, the Seller or the Servicer or any other party to the Transaction Documents makes any representation that the information described above is sufficient in all circumstances for such purposes.

Certain aspects of the CRR and Chapter III, Section 5 of the AIFMD, the relevant provisions of Solvency II and what is required to demonstrate compliance to national regulators remain unclear. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory capital charges for non-compliance with Articles 405 to 409 or to avoid being required to take corrective action under Chapter III, Section 5 of the AIFMR or under the relevant provisions under Solvency II should seek guidance from their regulator.

Articles 405 to 409 of the CRR, Chapter III Section 5 of the AIFMR, the relevant provisions of Solvency II and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

It is reasonable to expect further amendments to the Framework, the CRD IV and the CRR in the near and medium term future, and there is no assurance that the regulatory capital treatment of the Notes for investors will not be affected by any future change to the Framework, the CRD IV or the CRR.

Securitisation Regulation and Simple, Transparent and Standardised Securitisations

In addition, the Basel Committee developed quality criteria for simple, transparent and comparable securitisations ("**STC Criteria**") which were finalised in July 2015 in order to distinguish between high quality and other securitisation transactions. Upon request from the European Commission, the EBA finalised in July 2015 an advice to the European Commission on a framework for qualifying securitisation transactions, following which, in September 2015 the European Commission adopted a package of two legislative proposals, namely the above-mentioned CRR Amending Regulation as well as a securitisation regulation ("**Securitisation Regulation**") that include due diligence, risk retention and transparency rules together with quality criteria for simple, transparent and standardised securitisation transactions ("**STS Securitisations**") which aims at distinguishing between STS Securitisation and other securitisations. The Securitisation Regulation entered into force on 17 January 2018 and will apply from 1 January 2019 to securitisations the securities of which are issued on or after 1 January 2019. The requirements imposed under the Securitisation Regulation and CRR Amending Regulation are more onerous and have a wider scope than those imposed under current legislation. Apart from the introduction of STS Securitisations, the new rules aim, *inter alia*, to update and streamline existing regulatory requirements surrounding securitisations, including risk retention and transparency requirements imposed on the issuer, originator, sponsor and/or original lender of a securitisation, due diligence requirements imposed on certain institutional investors in securitisations and a substantial increase of the risk weights attached to securitisation exposures. Investors should carefully consider (and, where appropriate, take independent advice) the changes introduced by the Securitisation Regulation and the CRR Amending Regulation, in particular, the effects of the change (and likely increase) to the capital charges associated with an investment in the Notes. It should be noted that a new set of regulatory technical standards will be required to add detail to the Securitisation Regulation and the CRR Amending Regulation, the impact of which is at this point difficult to predict. In particular, the STS Criteria have been enacted very recently and need to be supplemented by regulators standards which, as of the date hereof, are only available in draft form. It is therefore unclear in many respects of the STS criteria are to be interpreted and applied, and no assurance can be given that the Notes do comply with these criteria.

CRA III

On 31 May 2013, the finalised text of Regulation (EU) No 462/2013 ("**CRA III**") of the European Parliament and of the European Council amending Regulation (EC) No 1060/2009 ("**CRA**") on credit rating agencies was published in the Official Journal of the European Union. Most provisions of the CRA III became effective on 20 June 2013 although certain provisions will not apply until later. CRA III provides for certain additional disclosure requirements which are applicable in relation to structured finance instruments. Such disclosures will need to be made *via* a website to be set up by ESMA. The precise scope and manner of such disclosure will be subject to regulatory technical standards (the "**CRA III RTS**") prepared by ESMA. On 30 September 2014, the European Commission adopted three CRA III RTS to implement provisions of the CRA III. The CRA III RTS specify (i) the information that the issuer, originator and sponsor of a structured finance instrument established in the European Union must jointly disclose on the ESMA website, (ii) the frequency with which this information is to be updated and (iii) the presentation of this information by means of standardised disclosure templates. The disclosure obligations apply since 1 January 2017. Any structured finance instruments issued since 26 January 2015 (when the regulatory technical standards came into effect) which are still outstanding on 1 January 2017 are subject to these disclosure requirements for the remaining period. However, following an announcement by ESMA in April 2016 (indicating that it would be unlikely that the relevant website would be available to reporting entities by 1 January 2017), the reporting and information obligations under CRA3 did not come into effect on 1 January 2017, and it is currently unclear if and when the reporting and information obligations under CRA3 will finally come into force. At the date of this Prospectus, the website is not available to the reporting entities. Further, it should be noted that the information and disclosure requirements under CRA3 will be repealed by the European Securitisation Regulation for securitisations the securities of which are issued on or after 1 January 2019. Prospective investors should consult their legal advisors as to the applicability of the CRA III and/or the Securitisation Regulation and any consequences of non-compliance in respect of their investment in the Notes.

Additionally, CRA III has introduced a requirement that where an issuer or related third parties (which term includes sponsors and originators) intends to solicit a credit rating of a structured finance instrument it will appoint at least two credit rating agencies to provide ratings independently of each other and should consider appointing at least one rating agency having not more than a 10% total market share (as measured in accordance with Article 8d(3) of the CRA (as amended by CRA III)) (a small CRA), **provided that a**

small CRA is capable of rating the relevant issuance or entity. Where the issuer or a related third party does not appoint at least one credit rating agency with no more than 10% market share, this must be documented. In order to give effect to those provisions of Article 8d of CRA III, ESMA is required to annually publish a list of registered CRAs, their total market share, and the types of credit rating they issue. The Seller considered the appointment of several CRAs including a CRA having a less than 10% total market share and concluded that the most appropriate CRAs to rate the Class A Notes are Moody's and Fitch.

The above general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA III (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA III is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Noteholders should consult their own professional advisers to assess the effects of such EU regulations on their investment in the Notes.

U.S. Risk Retention

The U.S. Risk Retention Rules came into effect on 24 December 2016 and generally require the "sponsor" of a "securitization transaction" to retain at least 5% of the "credit risk" of the "securitized assets", as such terms are defined for purposes of that statute, and generally prohibit a sponsor from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the sponsor is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligation that they generally impose.

The transaction will not involve risk retention by the Seller for the purposes of the U.S. Risk Retention Rules, but rather will be made in reliance on an exemption provided for in Section 20 of the U.S. Risk Retention Rules regarding non-U.S. transactions. Such non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10% of the dollar value (or equivalent amount in the currency in which the securities are issued) of all classes of securities issued in the securitisation transaction are sold or transferred to U.S. persons (in each case, as defined in the U.S. Risk Retention Rules) or for the account or benefit of U.S. persons (as defined in the U.S. Risk Retention Rules and referred to in this Prospectus as "**Risk Retention U.S. Persons**"); (3) neither the sponsor nor the issuer of the securitisation transaction is organised under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25% of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organised or located in the United States.

The Transaction provides that the Notes may not be purchased by Risk Retention U.S. Persons. Prospective investors should note that the definition of U.S. person in the U.S. Risk Retention Rules is different from the definition of U.S. person under Regulation S under the Securities Act and that an investor could be a Risk Retention U.S. Person but not a U.S. person under Regulation S.

Each prospective investor will be required to make certain representations as a condition to purchasing the Notes and each of the Issuer and the Seller will rely on these representations. The Joint Lead Managers shall be entitled to rely on these representations made by each prospective investor without further investigation and no Joint Lead Manager shall have any liability or responsibility whatsoever to any other party for any errors or omissions in any information, statement or representations made by prospective investor.

The consequences of non-compliance with the U.S. Risk Retention Rules are unclear, but investors should note that the liquidity and/or value of the Notes could be adversely affected by any such non-compliance.

EMIR and MiFID II/MiFIR

The Interest Rate Swap Counterparty has agreed to provide hedging to the Issuer and investors should be aware that, pursuant to Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 ("**EMIR**"), the Issuer is subject to certain regulatory requirements including, but not limited to,

various compliance requirements for non-cleared "over-the-counter" derivative transactions (known as the 'risk mitigation techniques') and the requirement to report derivative transactions to a trade repository or to the ESMA which may result in future amendments by the Issuer to the Transaction Documents, in particular where Noteholder consent will not be required for such amendments. The 'risk mitigation techniques' include requirements for timely confirmation, portfolio reconciliation, and dispute resolution. EMIR imposes also a record-keeping requirement pursuant to which counterparties must keep record of any derivative contract they have concluded and any modification for at least five years following the termination of the contract. In Germany a law implementing EMIR (*EMIR-Ausführungsgesetz*) has come into force on 16 February 2013. Pursuant to such law, non-compliance with the obligations imposed by EMIR that are applicable to the Issuer may qualify as administrative offences (*Ordnungswidrigkeiten*). From the Closing Date, in accordance with the Corporate Administration Agreement, the Corporate Administrator will provide services to the Issuer which are required in order for the Issuer to comply with its reporting and portfolio reconciliation obligations under EMIR, to the extent that they may be delegated.

Further, under EMIR certain derivatives that are over-the-counter ("**OTC**") traded in the European Union have to be cleared via central counterparties ("**Clearing Obligation**"). The Clearing Obligation applies to financial counterparties as well as non-financial counterparties that hold positions in such OTC derivatives exceeding certain clearing thresholds, subject to regulatory technical standards (RTS) and implementing technical standards (ITS) which have been or will be developed by ESMA in connection with EMIR. While the Issuer does not expect that any Interest Rate Swap or a replacement swap will form part of a class of OTC derivatives that will be declared subject to the Clearing Obligation, this cannot be excluded. In addition, even though the Issuer enters into each Interest Rate Swap or a replacement swap as a non-financial counterparty and solely to reduce risks directly relating to its commercial activity or treasury financing activity, the relevant clearing threshold could be exceeded on a consolidated basis pursuant to Article 10 (3) EMIR to the extent the Issuer forms part of the Seller's group. Thus, as of the date hereof, it cannot be excluded that the Issuer will be subject to the Clearing Obligation in the future in respect of any swap replacing any Interest Rate Swap.

If the Issuer intends to replace the Interest Rate Swap Counterparty and/or enter into a replacement swap, it cannot be excluded that the above-mentioned requirements under EMIR may materially increase the costs that are associated with the Interest Rate Swap or the replacement swap (as the case may be). In addition, the Issuer may have to bear additional costs in connection with steps taken in the future that are necessary or desirable in order to comply with the provisions of EMIR and any national or EU measures implementing such regulation. No assurance can be given that such additional costs would not adversely affect the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

The EU regulatory framework and legal regime relating to derivatives is set not only by EMIR and various delegated regulations but also by the proposals to amend the existing Markets in Financial Instruments Directive. The official texts of 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**") 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 technical standards and delegated acts implementing such technical standards. In April 2014, the European Commission asked ESMA to produce technical advice ("**TA**") as well as regulatory and implementing technical standards ("**RTS**" and "**ITS**") on MiFID II and MiFIR. The RTS, amongst others, will determine which standardised derivatives will have to be traded on exchanges and electronic platforms pursuant to the requirements set forth under MiFIR. On 21 December 2016, the Federal German Government published the Second Financial Markets Amendment Act (2. *Finanzmarktnovellierungsgesetz*), transposing, amongst others, the revised requirements of MiFID II and MiFIR into national law.

With respect to the adoption of delegated acts, however, it should be noted that while each of TA, RTS and ITS may provide an indication of the impact of the regulatory changes under MiFID II and MiFIR for the Issuer, the European Commission is not bound by such technical standards and will adopt the necessary delegated acts at its own discretion. Therefore, it is difficult to predict the full impact of these regulatory requirements on the Issuer.

Moreover, 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 OTC derivatives transactions. 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 that such risks are material and that the Issuer could be materially and adversely affected thereby. It should also be noted that further changes may be made to the EMIR framework in the context of the EMIR review process, including in respect of counterparty classification. In this regard, the European Commission has published legislative proposals providing for certain amendments to EMIR. If the proposals are adopted in their current form, the classification of certain counterparties under EMIR would change including with respect to certain securitisation vehicles such as the Issuer. It is not clear when, and in what form, the legislative proposals (and any corresponding technical standards) will be adopted and will become applicable. In addition, the compliance position under any adopted amended framework of swap transactions entered into prior to application is uncertain. No assurances can be given that any changes made to EMIR would not cause the status of the Issuer to change and lead to some or all of the potentially adverse consequences outlined above.

In addition, given that the application of some of the EMIR provisions and given that additional technical standards or amendments to the existing EMIR provisions may come into effect, prospective investors should be aware that the relevant Transaction Documents may need to be amended during the course of the transaction, without the consent of any 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.

Economic Conditions in the Euro-zone

Concerns relating to credit risks (including that of sovereigns and those of entities which are exposed to sovereigns) have intensified over the past few years. In particular, concerns have been raised with respect to current economic, monetary and political conditions in the Euro-zone. If such concerns persist and/or such conditions further deteriorate (including as may be demonstrated by any relevant credit rating agency action, any default or restructuring of indebtedness by one or more states or institutions and/or any changes to, including any break-up of, the Euro-zone), then these matters may cause further severe stress in the financial system generally and/or may adversely affect one or more of the parties to the Transaction Documents (including the Seller, the Servicer and/or the Interest Rate Swap Counterparty) and/or any Debtor in respect of the Purchased Receivables. Given the current uncertainties and the range of possible outcomes, no assurance can be given as to the impact of any of the matters described above and, in particular, no assurance can be given that such matters would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Brexit

The United Kingdom held a referendum on 23 June 2016 in which a majority voted to exit the European Union ("**Brexit Vote**") and on 29 March 2017 the United Kingdom gave formal notice (the "**Article 50 Notice**") under Article 50 of the Treaty on European Union (the "**Article 50**") of its intention to leave the European Union. The timing of the UK's exit from the EU remains subject to some uncertainty, but it is unlikely to be before March of 2019. Article 50 provides, subject to certain circumstances, that the EU treaties will cease to apply to the UK two years after the Article 50 Notice. The terms of the UK's exit from the EU are also unclear and will be determined by the negotiations taking place following the Article 50 Notice. It is possible that the UK will leave the EU with no withdrawal agreement if no agreement can be finalised within two years. In such circumstances, it is likely that a high degree of political, legal, economic and other uncertainty will result. The Brexit Vote and delivery of the Article 50 Notice have resulted in political (including UK constitutional), legal, regulatory, economic and market uncertainty – the effects of each of which could adversely affect the Transaction and the interests of Noteholders. Such uncertainty and consequential market disruption may also cause investment decisions to be delayed, reduce job security and damage consumer confidence. The resulting adverse economic conditions could affect obligors' willingness or ability to meet their obligations, resulting in increased defaults in the securitised portfolio and ultimately the ability of the Issuer to pay interest and repay principal to Noteholders.

The Brexit Vote may also have an adverse effect on counterparties of the transaction. Depending on the terms of the exit from the EU they may become unable to perform their obligations resulting from changes in regulation, including the loss of existing regulatory rights to do cross-border business. Additionally, counterparties may be adversely affected by rating actions or volatile and illiquid markets (including currency markets and bank funding markets) arising from the Brexit Vote, the Article 50 Notice and the conduct and progress of the formal withdrawal negotiations. As a result, there is an increased risk of such counterparties becoming unable to fulfil their obligations which could have an adverse impact on Noteholders.

Finally, the Brexit Vote has resulted in downgrades of the UK sovereign and the Bank of England by Standard & Poor's and by Fitch. Standard & Poor's, Fitch and Moody's have all placed a negative outlook on the UK sovereign rating and that of the Bank of England, suggesting a strong possibility of further negative rating action. The rating of the sovereign affects the ratings of entities operating in its territory, and in particular the ratings of financial institutions. Further downgrades may cause downgrades to counterparties on the Transaction meaning that they cease to have the relevant required ratings to fulfil their roles and need to be replaced. If rating action is widespread, it may become difficult or impossible to replace counterparties on the Transaction with others who have the required ratings on similar terms or at all.

While the extent and impact of these issues is not possible for the Issuer to predict, Noteholders should be aware that they could have an adverse impact on the transaction and the payment of interest and repayment of principal on the Notes.

Taxation in the Federal Republic of Germany

The following should be read in conjunction with "TAXATION IN GERMANY" below.

Corporate Income Tax

Business profits derived by the Issuer will be subject to German corporate income tax (*Körperschaftsteuer*) at a rate of 15% and solidarity surcharge (*Solidaritätszuschlag*) at a rate of 5.5% thereon, as the Issuer is a corporation with its statutory seat and its place of effective management and control in Germany. The aggregate rate of corporate income tax and solidarity surcharge thereon will amount to 15.825%.

The Issuer's business profits subject to tax will be determined on an accruals basis. Therefore, the Issuer's corporate income tax base will generally be calculated by deducting the interest payable on the Notes as well as any business expenses incurred by it, such as for instance fees from its income derived from the Purchased Receivables, such as interest, and the payments derived under the Interest Rate Swap. **Provided that**, as expected by the Issuer, the aggregate amount of the income received by the Issuer does not substantially exceed the aggregate amount of the business expenses incurred by the Issuer in a taxable period, the Issuer's corporate tax base will be low or even zero and thus its corporate income tax liability will, as well, be low or even zero. If, by contrast, the aggregate amount of the income received by the Issuer were to exceed the aggregate amount of the business expenses incurred by the Issuer in a taxable period, the Issuer would be subject to corporate income tax on the exceeding amount.

Without prejudice to this analysis, following published statements of an expert committee of the German Institute of Chartered Accountants (*Institut der Wirtschaftsprüfer - IDW*), the acquisition of the Receivables by the Issuer from the Seller could be perceived, from an economic angle, as the extension of a (secured) loan by the Issuer to the Seller. From such perspective, the Issuer would receive interest income under a (secured) loan extended to the Seller rather than the actual interest payments on the Purchased Receivables. However, the payments on such notional loan would depend on the respective Debtors under the Purchased Receivables actually paying interest on the Purchased Receivables. Even if the acquisition of the Purchased Receivables were indeed to be viewed as the extension of a (secured) loan, such recharacterisation should, in principle, not give rise to adverse corporate income tax consequences and the Issuer may still be expected to have a relatively low corporate income tax base. In this context it should be noted that the view taken by the IDW was recently indirectly confirmed by the German Federal Fiscal Court (*Bundesfinanzhof*). The court held in a decision dated 26 August 2010 (I R 17/09) that in respect of securitisation transactions beneficial ownership (*wirtschaftliches Eigentum*) in the receivables is not necessarily being transferred to the purchaser of the receivables. Instead, it generally remains with the seller if the risk of the inability of the debtors to pay their obligations (*Bonitätsrisiko*) has not been fully transferred to the purchaser which would, pursuant to the guiding principles (*Leitsatz*) of the decision, be the case if the purchaser - in determining the purchase price - takes into account a discount that is significantly higher than the expected default ratio, but which is adjustable depending on the actual receipt of payments under the receivables. Such transaction would rather have to be treated as a (secured) loan. The Issuer has been advised that this decision should not be applicable to the present transaction if the risk of the inability of the Debtors under the Purchased Receivables to pay their obligations (*Bonitätsrisiko*) would be fully, effectively and definitely transferred from the Seller of the Purchased Receivables to the Issuer. It should be noted that the decision of the German Federal Fiscal Court does not elaborate in detail on the criteria of a full, effective and definite transfer. In particular, the court decision does not include any statements as to whether credit enhancement features (as, for example, the repurchase of notes by a seller) are to be taken into account when determining whether the risk of the inability of the Debtors under the Purchased Receivables to pay their obligations

(*Bonitätsrisiko*) has been fully, effectively and definitely transferred to the acquirer of the receivables. Therefore, the Issuer has been advised that it cannot be ruled out that the tax authorities would take the decision of the German Federal Fiscal Court as a basis to argue that parts of the risk of the Debtor's inability to pay their obligations under the Purchased Receivables (*Bonitätsrisiko*) have not been fully, effectively and definitely transferred to the Issuer such that they could, consequently, treat the acquisition of the Purchased Receivables as the extension of a (secured) loan.

The deductibility of interest expenses for German tax purposes may, under certain circumstances, be limited. As a general rule, pursuant to the interest stripping rules (*Zinsschranke*) net interest expenses (i.e. interest expenses exceeding the interest income) exceeding 30% of the Issuer's earnings as determined for German tax purposes (adjusted by interest expenses, interest income and certain depreciations) are not deductible. The interest stripping rules only apply if the net interest expenses equal or exceed EUR 3,000,000 in the relevant business year. It is expected that the Issuer's interest income received should at any time equal or even be higher than the interest expenses to be paid on the Notes. Consequently, the net balance of interest payments in any given business year should not be negative (or, at least, not be negative in an amount of EUR 3,000,000 or higher). It should further be noted that it is questionable whether the interest stripping rules comply with constitutional law. A corresponding case is currently pending in front of the German Constitutional Court. Any tax assessments in relation to denied interest deductions under the interest stripping rules should therefore be kept open by filing an objection or appeal. Even if – due to unusual circumstances – the net interest payments equalled or exceeded the aforementioned threshold in a given year, the interest stripping rules would not apply to the Issuer if the Issuer qualified as a non-consolidated entity within the meaning of the interest stripping rules. This would be the case if the Issuer is not and may not be included into consolidated statements of a group in accordance with the applicable accounting standards. Pursuant to administrative guidance issued by the German Federal Ministry of Finance (*Bundesfinanzministerium*) on 4 July 2008 (German Federal Tax Gazette (*Bundessteuerblatt*) Vol. I 2008, 718) certain entities, such as special purpose vehicles used in securitisation transactions, are regarded as non-consolidated entities for purposes of the interest stripping rules if the entity is exclusively consolidated because of economic considerations taking into account the allocation of benefits and risks. Since - if at all - the Issuer may exclusively be consolidated by virtue of such economic considerations, the interest stripping rules would not apply to the Issuer **provided that** these considerations made by the tax authorities in the *Zinsschranke* decree were still applicable. However, whether this is still the case has become doubtful when the German GAAP were amended by the Accounting Modernisation Act (*Bilanzrechtsmodernisierungsgesetz*), which is generally applicable for accounting periods starting in 2010. Under the amended German GAAP, special purpose vehicles used in securitisation transactions might have to be consolidated on a mandatory (statutory) basis. However, the new consolidation rules stipulated in Sec. 290 (2) no 4 of the German Commercial Code (*Handelsgesetzbuch* – "**HGB**") are also primarily based on economic considerations taking into account the allocation of benefits and risks; consequently, the considerations included in the abovementioned *Zinsschranke* decree would still apply to the Issuer. The Issuer has, therefore, been advised that it should still be eligible for the exemption provided in the aforementioned decree such that the *Zinsschranke* should not apply to the Issuer. If, against such expectations, the interest stripping rules applied to the Issuer, the deductibility of interest payments would be limited in accordance with the principles described above, and any interest payments that are not deductible could be carried forward and would generally be deductible in subsequent business years, subject to limitations similar to those applicable in the business year when the non-deductible interest item accrued.

If a Debtor under a Purchased Receivable is in default with respect to payments under an Auto Loan Contract, the Issuer is generally obliged to adjust the value of its claim as shown in its financial statements reflecting the value of the Purchased Receivable. The Issuer does, however, not incur a loss for tax purposes if its corresponding liability *vis-à-vis* the Noteholders as shown in its financial statements is reduced accordingly during the same fiscal year. Moreover, the Issuer does not incur a loss for tax purposes if the Purchased Receivables shown in the Issuer's financial statements (or, as the case may be, the loan receivable that the Issuer shows in its financial statements as a consequence of an economic perception of the purchase of the Purchased Receivables) form a valuation unit for accounting purposes (*Bewertungseinheit*) with the Issuer's liabilities *vis-à-vis* the Noteholders. If, contrary to the expectations of the Issuer, the corresponding liability *vis-à-vis* the Noteholders could not be reduced and/or a valuation unit would not be recognized for tax purposes, the Issuer may incur a loss in a given fiscal year. In such a case, negative tax implications could arise to the extent that such loss cannot be fully utilised to off-set taxable income of the Issuer in the relevant year of origination of such loss. It is true that the exceeding loss could be carried-forward for tax purposes ("**Tax Loss Carry-Forward**") and could be used to set-off the Issuer's taxable profits arising in subsequent business years. However, under German tax laws, such full set-off would be limited to an

amount of EUR 1,000,000 whereas only 60% of the Issuer's taxable profits exceeding such threshold amount ("**Excess Profit**") could be offset by the remaining Tax Loss Carry Forward. Therefore, a tax liability of the Issuer may arise to the extent the Excess Profit cannot be set-off by the Tax Loss Carry-Forward.

The Issuer may show in its financial statements its obligations regarding payments of principal and interest on the Notes. Section 5(2a) of the German Income Tax Act (*Einkommensteuergesetz* or "**ESTG**") should not disallow recognising such liabilities for corporate income and trade tax purposes since it requires that the relevant payment obligation is contingent on certain future profits or certain items of income which will be derived only in future assessment periods (contingent payment obligation). The Issuer's payment obligations *vis-a-vis* the Noteholders would not be contingent on future profits or items of income to be derived in future assessment periods but are unconditional and not contingent. Moreover, Section 5(2a) of the ESTG would not apply with regard to payment obligations incurred in order to refinance the acquisition of assets that would be shown in the financial statements; these criteria should be met, as the Notes will be issued for the purpose of refinancing the purchase of the Receivables.

Furthermore, Section 8(3) sentence 2 of the German Corporate Income Tax Act (*Körperschaftsteuergesetz* or "**KStG**"), which provides that certain profit distributions will be considered non-deductible expenses for German corporate income and trade tax purposes, should not apply with regard to interest payments on the Notes so that such payments may be deducted by the Issuer in the context of the computation of the Issuer's tax base for German corporate income tax and trade tax purposes. Interest payments on the Notes should not be covered by such provision, as only the entitlement to a participation of the Issuer's profits and to a participation in the proceeds from a liquidation (*Liquidationserlös*) of the Issuer fall within the scope of Section 8(3) sentence 2 of the KStG. Pursuant to the Terms and Conditions of the Notes, payment of interest on the Notes is not contingent upon the Issuer's profits or turnover and the Notes do not grant any right to participate in the proceeds from the liquidation of the Issuer.

Trade Tax

Since the activities of the Issuer qualify as a trade or business (*Gewerbebetrieb*) and the Issuer's statutory seat and place of effective management and control are in Germany, the Issuer will be subject to German trade tax. In principle, the taxpayer's corporate income tax base also constitutes the tax base for German trade tax purposes. However, as a general rule, for trade tax purposes, 25% of the interest payable by the Issuer (to the extent the interest (i) is deductible under the interest stripping rules (*Zinsschranke*) and (ii) exceeds a threshold of EUR 100,000) will be "added-back" to the Issuer's tax base and, consequently, increases the trade tax burden of the Issuer. The Issuer's tax base would, however, not have to be increased accordingly if it benefits from an exception to the add-back rule, provided for by Section 19 para. 3 no 2 of the German Trade Tax Application Directive (*Gewerbesteuerdurchführungsverordnung* - "**GewStDV**"). The exception applies where a business exclusively (i) acquires certain credit receivables (*Kredite*) or (ii) assumes certain credit risks (*Kreditrisiken*) pertaining to loans originated by credit institutions (*Kreditinstitute*) within the meaning of Section 1 of the German Banking Act (*Kreditwesengesetz*) and refinances by way of issuing debt instruments (*Schuldtitel*) in the case of (i) such acquisition of the acquired receivables and in the case of (ii) the provision of a security in respect of such assumption of credit risks. Pursuant to the Transaction Documents, the acquisition of the Purchased Receivables relates to the Seller's banking business and, consequently, the Issuer acquires credit receivables (*Kredite*) within the meaning of Sec. 19 para. 3 no 2 alternative 1 GewStDV. The Issuer issues the Notes as debt instruments in order to refinance the acquisition of the Purchased Receivables. Thus, the Issuer also fulfils the requirement of exclusively acquiring credit receivables or assuming credit risks and refinancing such acquisition by means of issuing debt instruments. On this basis, the Issuer has been advised that Sec. 19 para. 3 no 2 alternative 1 GewStDV should be satisfied and, consequently, the 25% interest-add back for trade tax purposes should not apply to the Issuer. However, it cannot be entirely ruled out that Sec. 19 para. 3 no 2 GewStDV might not be regarded as applicable if pursuant to HFA 8 (see section "*Corporate Income Tax*" above) the Seller was viewed as having retained beneficial ownership in the Purchased Receivables; in such a case, the 25% interest-add back for trade tax purposes would apply. Further, if, contrary to the Issuer's expectations, certain items cannot be deducted for corporate income tax purposes (as described above) this would also increase the tax basis for trade tax purposes.

VAT

The acquisition of the Purchased Receivables and the issuance of the Notes is a VAT-exempt (*umsatzsteuerfreie*) transaction under the German Value Added Tax Act (*Umsatzsteuergesetz*).

Accordingly, the Issuer, being a taxable person (*Unternehmer*) for VAT purposes, (i) will not be required to charge VAT (*Umsatzsteuer*) upon issuing the Notes and (ii) will not be entitled to deduct any input-VAT (*Vorsteuer*) on services rendered to it. In particular, in the event that the servicing and management services provided by the Seller (in its capacity as Servicer) to the Issuer would be subject to VAT (see the subsequent paragraph on the VAT treatment of such services), the Issuer will not be entitled to recover any input VAT imposed on such services.

Pursuant to administrative guidance (Section 2.4 Value Added Tax Application Ordinance (*Umsatzsteuer-Anwendungserlass* or "UStAE") the acquisition of loan receivables is considered like a factoring transaction. The principles applying to factoring transactions had been developed in a decision of the European Court of Justice on 26 June 2003 (C-305/01; MKG-Kraftfahrzeuge-Factoring). Consequently, according to the UStAE, (i) neither the purchaser of loan receivables supplies services that are subject (*steuerbar*) to Value Added Tax (*Umsatzsteuer* or "VAT") nor (ii) the activities of the seller of the receivables trigger German VAT (the services are either not subject to German VAT or exempt from German VAT (*steuerfrei*)) if the seller (or a third party appointed by the seller) of the receivables continues to service (administration, collection and enforcement) the receivables after the sale. If instead the purchaser (or a third party appointed by the purchaser) services the receivables, the purchaser would be considered as supplying such a service to the seller. Such a factoring service would not be exempt from German VAT (Section 2.4 Para. 4 Sentence 3 UStAE) if it was considered to be supplied in Germany in accordance with applicable VAT law.

In addition, the Issuer would in this situation be liable in accordance with the Pre-Enforcement Interest Priority of Payments for any costs, fees (including VAT) and expenses charged to it by the substitute servicer. Finally, it should be mentioned that pursuant to the Servicing Agreement the Servicer has the right to delegate the performance of all or part of its duties under the Servicing Agreement to (i) a direct or indirect subsidiary of PSA Bank Deutschland or of a parent of PSA Bank Deutschland where such subsidiary constitutes an affiliated company and (ii) with the prior written consent of the Issuer and the Security Trustee, to any third party. In the latter case, the Issuer would have to reimburse the Servicer for any fees (including VAT, if any), costs, charges and expenses, indemnity claims and other amounts payable by the Servicer to any such agent in accordance with the Pre-Enforcement Interest Priority of Payments.

It should be noted that the German tax authorities' conclusions described in the preceding paragraph regarding the VAT treatment of securitisation transactions (i.e. no VAT in case of the servicing being performed by the Seller), in particular the consequences and the relevance of either the Seller or the Issuer undertaking the servicing of the acquired receivables, have not yet been confirmed by the German Federal Fiscal Court (*Bundesfinanzhof*). Therefore, these conclusions could be overruled by a decision of the German Federal Fiscal Court. Moreover, the tax authorities might change their interpretation, in particular if the German Federal Fiscal Court's conclusions in a court ruling were to deviate from those of the tax authorities. In this context it should be noted that the Tax Court Düsseldorf held in a judgment dated 15 February 2008 (1 K 3682/05 U) that the servicing of purchased loan receivables by the purchaser in its own interest - the purchaser not being a factoring company that renders services for the continuing benefit of the seller - does not constitute a supply of services. This judgment has been appealed. The German Federal Fiscal Court (V R 18/08) decided on 10 December 2009 to seek clarification from the European Court of Justice whether (and to what extent) the purchaser of a loan portfolio supplies services to the seller of such receivables. On 27 October 2011, the European Court of Justice (C-93/10) ruled that an operator who, at his own risk, purchased defaulted debts at a price below their face value does not effect a supply of services for consideration and does not carry out an economic activity when the difference between the face value of those debts and their purchase price reflects the actual economic value of the debts at the time of their assignment. In the considerations of the decision, the European Court of Justice distinguished between a factoring transaction and a mere purchase of (in the court decision: defaulted) debts. It explicitly stated that the principles developed in the MKG-Kraftfahrzeuge-Factoring-decision only applied to factoring transactions but not to (mere) purchases of (defaulted) debts. The German Federal Fiscal Court has adopted the principles contained in the decision of the European Court of Justice dated 27 October 2011 in its follow-up decisions dated 26 January 2012 (V R 18/08) and 4 July 2013 (V R 8/10) and has explicitly confirmed that administrative practice, to the extent it was relevant in these decisions, was contradictory to the view of the European Court of Justice. Pursuant to a tax circular dated 2 December 2015, the German tax authorities have adopted this view whereby the sale and transfer of defaulted receivables is not treated as a factoring service even if the servicing is assumed by the purchaser. As in the case at hand the Receivables are, in principle, not defaulted receivables, the new tax circular should not apply to the Transaction and the view of the tax authorities in respect of factoring transactions should still be applicable.

The Issuer could under certain circumstances become secondarily liable for VAT owed and not paid by the Seller in respect of the Purchased Receivables pursuant to Section 13c UStG. However, it can be expected that the Seller and originator of the Purchased Receivables could not and has not opted to a VATable treatment of its financing services rendered to the Debtors and, therefore, no VAT liability and consequently also no secondary liability should arise.

Withholding Tax

The Issuer has been advised that withholding tax (*Kapitalertragsteuer*) and solidarity surcharge thereon does not have to be withheld by the Issuer on payments of interest on the Notes. This is based upon the consideration that the Notes do not qualify as profit participating loans (*partiarische Darlehen*) or silent partnerships (*stille Gesellschaft*) within the meaning of Section 20 para. 1 no 4 EStG. Pursuant to the terms and conditions of the Notes, payment of interest on the Notes is not contingent on the Issuer's profits. The Notes merely entitle its holders to a certain coupon; the relevant (variable) interest rate as defined in the terms and conditions of the Notes are (only) dependent on the development of the EURIBOR. On the basis of the prevailing view in German literature, the mere fact that a holder of an instrument bears the credit risk of an issuer is generally not sufficient to assume that such holder is provided with an effective participation in the respective issuer's profits. It should, however, be noted that the *Bundesfinanzhof* (decision dated 22 June 2010, I R 78/09) has stated as an obiter dictum that the mere fact that an interest payment is deferred until the borrower has sufficient liquidity would give rise to a treatment of the loan as profit participating as, in such a case, the interest claim would only be fulfilled once the borrower has realised an operating profit. The Issuer has, however, been advised that the facts of the court decision regarding the underlying loan are significantly different compared to the terms and conditions of the Notes. In addition, in comparable cases the tax authorities have confirmed by way of a binding ruling that this court decision was not applicable on the respective securitisation transaction. The Issuer has further been advised that the Notes should not convey to its holders a silent partnership in the business of the Issuer (*Beteiligung als stiller Gesellschafter*) within the meaning of Section 20 para. 1 no 4 EStG. A necessary key characteristic of a silent partnership is that the (silent) investor and the owner of a business pursue a joint purpose. The pursuit of a joint purpose is, in particular, achieved by granting to the investor control and determination rights (*Mitentscheidungsrechte*). The Notes, however, are structured in such a way that they can be traded on the capital markets. The fungibility of instruments (and the resulting potential change of the investor structure) runs counter to the idea of the pursuit of a joint purpose between an investor (here: a Noteholder) and the Issuer.

If, contrary to the expectations of the Issuer, the Notes were recharacterised as profit participating loans or as a silent partnership, the Issuer would have to withhold taxes in an amount of 26.375% (plus church tax, if applicable upon payment to an individual noteholder in case no blocking notice (*Sperrvermerk*) has been filed) on each interest payment under a Note. Although a German tax resident Noteholder could generally treat such withholding tax as a prepayment of his German income tax and solidarity surcharge liability and amounts over-withheld would generally entitle him to a refund based on an assessment to tax, this credit and/or refund would only occur at a later point in time such that the Noteholder would suffer a liquidity disadvantage. For Noteholders who are not tax residents of Germany the possibility to obtain a tax credit or refund might be subject to additional requirements or, depending on applicable Double Tax Treaties, not be given at all.

Potential change in law

Please note that – pursuant to the coalition agreement of CDU, CSU and SPD – the flat tax regime shall be abolished for certain investment income, which might also affect the taxation of income from the Notes. For example, interest income (if, contrary to the expectations of the Issuer, the Notes were recharacterised as profit participating loans or as a silent partnership) might become taxed at the progressive tax rate of up to 45% (excluding solidarity surcharge). Further, the solidarity surcharge shall be abolished **provided that** certain thresholds are not exceeded. However, there is no draft law available yet, i.e. any details and, in particular, timing remain unclear.

The Issuer has not applied for an advance binding ruling (*verbindliche Auskunft*) with the competent tax office regarding the tax treatment of certain issues described in the preceding paragraphs. Therefore, the tax authorities did not have the opportunity to review the structure of the transaction before and to confirm by way of a binding statement the interpretation of the relevant tax law provisions as outlined in this Prospectus. Hence, it cannot be excluded that the tax authorities will take another position when it comes to assessing the tax liabilities of the Issuer.

The proposed European financial transaction tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**Participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

However, according to the ECOFIN Council, further work is required before a final agreement may be reached. Accordingly, the FTT proposal may be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. It may, however, be reasonably expected that the FTT may be introduced in certain EU Member States.

Prospective holders of the 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 Notes.

Potential U.S. withholding tax after 31 December 2018

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986 (commonly known as "FATCA"), a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign pass-through payments") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be qualified as a foreign financial institution for these purposes. A number of jurisdictions (including Germany) have entered into intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of the German IGA as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign pass-through payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer).

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on proposed regulations and official guidance, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their own tax advisers on how these rules may apply to the Issuer or investors and to payments they may receive in connection with the Notes.

No Gross-Up for Taxes

If required by law, any payments under the Notes will only be made after deduction of any applicable withholding taxes (including FATCA Withholdings) and other deductions. The Issuer will not be required to pay additional amounts in respect of any withholding or other deduction for or on account of any present or future taxes, duties or charges of whatever nature. See "**TERMS AND CONDITIONS OF THE NOTES — Taxation**". In such event, subject to certain conditions, the Issuer will be entitled (but will have no

obligation) to redeem the Notes in whole but not in part at their then Aggregate Outstanding Note Principal Amount. See "*TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption — Optional Redemption for Taxation Reasons*".

Exchange Controls

Except in limited embargo circumstances, there are no legal restrictions in Germany on international capital movements and foreign exchange transactions. However, for statistical purposes only, every individual or corporation residing in Germany must report to the German Central Bank (Deutsche Bundesbank), subject to certain exceptions, any payment received from or made to an individual or a corporation resident outside of Germany if such payment exceeds EUR 12,500 (or the equivalent in a foreign currency).

Legal Structure

No Right in Auto Loan Contracts

The ownership of a Note does not confer any right to, or interest in, any Auto Loan Contract or any right against any Debtor or any third party under or in connection with any Auto Loan Contract or against the Seller or the Servicer.

Insolvency Law

Sections 113 et seqq. of the German Insolvency Code (Insolvenzordnung)

Under Section 113 of the German Insolvency Code, the insolvency administrator of the principal is entitled to terminate service agreements (*Dienstleistungsverhältnisse*), and agency agreements (*Geschäftsbesorgungsverträge*), mandates (*Aufträge*) and powers of attorney (*Vollmachten*) would, according to Sections 115 et seqq. of the German Insolvency Code, extinguish with the opening of insolvency proceedings against the principal by operation of law. A number of the Transaction Documents, to the extent that they qualify as service agreements or agency agreements or contain mandates or powers of attorney, would be affected by the application of these provisions in an insolvency of the principal thereunder. This would be particularly relevant for the Issuer's authorisation granted by the Seller under the Receivables Purchase Agreement in order for the Issuer to notify the Debtors in the name of the Seller and the authorisation of, *inter alia*, the Issuer pursuant to the Servicing Agreement to cancel and revoke direct debit arrangements the Servicer has established in respect of the Purchased Receivables with respect to any Debtors.

Section 166 of the German Insolvency Code (Insolvenzordnung)

Under German insolvency law, in insolvency proceedings of a debtor, a creditor who is secured by the assignment of receivables by way of security will have a preferential right to such receivables (*Absonderungsrecht*). Enforcement of such preferential right is subject to the provisions set forth in the German Insolvency Code (*Insolvenzordnung*). In particular, the secured creditor may not enforce its security interest itself. Instead, the insolvency administrator appointed in respect of the estate of the debtor will be entitled to enforcement pursuant to Section 166 para. 2 of the German Insolvency Code. The insolvency administrator is obliged to transfer the proceeds from such enforcement to the creditor, however, the secured creditor has no control as to the timing of such procedure. In addition, the insolvency administrator may deduct from the enforcement proceeds fees for the benefit of the insolvency estate which may amount to 4% of the enforcement proceeds for assessing such preferential rights plus up to 5% of the enforcement proceeds as compensation for the costs of enforcement. In case the enforcement costs are considerably higher than 5% of the enforcement proceeds, the compensation for the enforcement costs may be higher.

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 enforcement of the Note Collateral to repay the Notes, if the sale and assignment of the Purchased Receivables by the Seller to the Issuer were to be regarded as a secured lending rather than a receivables sale. The Issuer has been advised, however, that the transfer of the Purchased Receivables would be construed such that the risk of the insolvency of the Debtors lies with the Issuer and that, therefore, the Issuer would have the right to segregation (*Aussonderungsrecht*) of the Purchased Receivables from the estate of the Seller in the event of its insolvency and that, consequently, the cost sharing provisions described above would not apply with respect thereto. However, such right of segregation will not apply with respect to the Related Collateral transferred to the Issuer,

including the security interest created in respect of the Cars relating to the Purchased Receivables if insolvency proceedings are instituted in respect of the relevant Debtor in Germany. In that case, the cost sharing provisions will apply.

Furthermore, even in the event that the sale and assignment of the Purchased Receivables were to be qualified as a secured loan, it is likely that the security granted to the Issuer would not be subject to an enforcement right of the insolvency administrator to the effect that the cost sharing provisions described above would not apply. This is based on the expectation that an assignment for security purposes in respect of the Purchased Receivables would qualify as "financial collateral" within the meaning of Article 1 (1) of Directive 2002/47/EC of the European Parliament and the Council of 6 June 2002 (as amended by Directive 2009/44/EC of the European Parliament and the Council of 6 May 2009) and Section 1 para. 17 of the German Banking Act (*Kreditwesengesetz*) and hence would benefit from the privileged treatment of financial collateral under the German Insolvency Code since pursuant to Section 166 para.3 no 3 of the German Insolvency Code, "financial collateral" is not subject to the enforcement right of the insolvency administrator. The Receivables constitute credit claims within the meaning of Article 2 (1) no (o) of the aforementioned directive because they originate from loans granted by the Seller which is a credit institution within the meaning of Article 4 (1) of Directive 2006/48/EC of the European Parliament and the Council of 14 June 2006 (as referred to in Directive 2002/47/EC, however, repealed by Directive 2013/36/EU and now defined in Article 4 (1) of Regulation 2013/575/EU). Consequently, their assignment for security purposes by the Seller to a legal entity, such as the Issuer, should satisfy the requirements of the provision of "financial collateral" within the meaning of the directive and statute referred to in the second sentence of this paragraph.

Insolvency-Related Termination Clauses (insolvenzabhängige Lösungsklauseln)

Certain Transaction Documents provide for a termination right in case that a party becomes insolvent. In German legal literature, it is disputed whether so-called insolvency-related termination clauses (*insolvenzabhängige Lösungsklauseln*) may be invalid or challengeable under German insolvency law.

In the context of termination clauses linked to the filing of a petition for the opening of insolvency proceedings, the Federal Court of Justice (*Bundesgerichtshof*) has ruled in a decision dated 15 November 2012 (IX ZR 169/11) (the "**Decision**") that a clause which provided for an automatic termination of an energy supply contract in the event of an application for the opening of insolvency proceedings of a contractual counterparty is invalid on the basis that such a clause deprives the insolvency administrator from its right to select whether to continue or discontinue a relevant contract. Since the Decision has been made in connection with a supply contract in the energy sector and in relation to an automatic termination (*auflösende Bedingung*), it could be argued that it may not apply to other agreements containing termination rights (*Kündigungsrechte*) or to the occurrence of a statutory reason to open insolvency proceedings. There are contradictory court rulings in this regard (see BGH II ZR 394/12, OLG Schleswig 1 U 72/11 or OLG Celle 13 U 53/11). However, there is a risk that a court could interpret the Decision as a landmark decision of the Federal Court of Justice with regard to the ongoing dispute in relation to insolvency-related termination and expiration clauses (*insolvenzabhängige Lösungsklauseln*) such that the courts may apply the general principles set out in the Decision not only to automatic termination clauses or agreements made in the energy sector, but in relation to all termination rights and expiration clauses under any form of mutual contract which are linked to insolvency events, potentially also including statutory reasons to open insolvency proceedings.

German Recovery and Resolution Act (Sanierungs- und Abwicklungsgesetz) and other restructuring and resolution proceedings

As a result of the Banking Recovery and Resolution Directive 2014/59/EU of 15 May 2014 ("**BRRD**"), it is possible that a credit institution or investment firm with its head office in an European Economic Area state and/or certain group companies (such institution, investment firm or group company could encompass the Interest Rate Swap Counterparty) could be subject to certain resolution actions in that state. Any such action may affect the ability of any relevant entity to satisfy its obligations under the Transaction Documents (including the Interest Rate Swap) and there can be no assurance that Noteholders will not be adversely affected as a result.

With respect to Germany, on 1 January 2015 the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz* - "**SAG**") came into force implementing the provisions of the BRRD and establishing a framework for the recovery and resolution of credit institutions and investment firms into German national

law. SAG provides for various actions and measures that can be taken by the Federal Agency for Financial Market Stabilisation (*Bundesanstalt für Finanzmarktstabilisierung*, "FMSA") in order to avoid systemic risks for the financial markets or the necessity of a public bail-out if a credit institution that is subject to SAG is in financial difficulties. Amongst other things, the FMSA could, under certain circumstances, require creditors of such credit institution to "bail-in" by a conversion of their claims into core capital or the reduction of the amount of such claims (Section 90 SAG). Furthermore, the FMSA could decide to transfer certain assets and liabilities of such credit institution to another entity or a bridge institution or an asset management vehicle under the control of the FMSA (cf. Section 107 SAG).

The SAG is applicable, *inter alia*, with respect to credit institutions within the meaning of Art. 4(1) no 1 of the CRR, *i.e.* to every undertaking the business of which is to take deposits or other repayable funds from the public and to grant credits for its own account. SAG therefore also applies to the Seller and, consequently, the FMSA could take any of the above described measures and actions with regard to the Seller **provided that** the prerequisites for the taking of reorganisation measures pursuant to the SAG are met. However, the Issuer has been advised that, even if the Seller should be in financial difficulties and measures pursuant to the SAG are being taken, these measures should only have limited impact on the claims of the Issuer against the Seller for the following reasons: Claims of the Issuer against the Seller (in its capacity as Seller or Servicer) for payment of Available Collections received in respect of the Purchased Receivables and other claims under the Servicing Agreement are subject to a trust arrangement (*Treuhandverhältnis*) and, in principle, the Available Collections (unless commingled) are subject to substitute segregation (*Ersatzaussonderung*) and should therefore be excluded from any bail-in measures pursuant to Section 91(2) no 4 SAG. The Purchased Receivables should not be subject to bail-in pursuant to the SAG as long as the sale and transfer of the Purchased Receivables from the Seller to the Issuer will not be re-characterized as a secured loan. However, even if the sale and transfer of the Purchased Receivables was re-characterised as a secured loan, claims against the Seller would not become subject to bail-in to the extent these claims are secured claims within the meaning of Section 91(2) no 2 SAG. Consequently, if and to the extent the relevant claims against the Seller are secured by the Purchased Receivables and Related Collateral they should not be affected by bail-in. Finally, although the Issuer will not be in a position to prevent the transfer of any of the Seller's assets to another entity, such transfer pursuant to Section 110(1) SAG may only occur in conjunction with a transfer of the security provided therefor and *vice versa*. A separation of the Purchased Receivables from the Related Collateral should therefore not result from any such transfer (see also Section 110(3) no 4 SAG).

In addition, the risk of loss for the Issuer with regard to its claims against the Seller due to a bail-in or other measure under the SAG is further mitigated by the following: (i) Pursuant to Section 97 SAG, the claims of the Issuer against the Seller would only become subject to a bail-in after the equity and capital positions set out in Section 90(1) no 1 through 3 SAG have been exhausted and (ii) Section 147 SAG provides creditors with a compensatory claim against the restructuring fund pursuant to Section 8 of the Restructuring Fund Act (*Restrukturierungsfondsgesetz*) if and to the extent the restructuring measures under the SAG put them into a worse position than they would be in if insolvency proceedings had been opened over the assets of the relevant credit institution.

However, absent any court rulings which explicitly confirm the above analysis, there remains legal uncertainty.

In addition, credit institutions within the meaning of Section 1 (1) of the German Banking Act (*Kreditwesengesetz*), such as the Seller, may under certain circumstances become subject to restructuring proceedings (*Sanierungsverfahren*) and/or reorganisation proceedings (*Reorganisationsverfahren*) in accordance with the Act on the Reorganisation of Credit Institutions (*Kreditreorganisationsgesetz*) that became effective on 1 January 2011.

All these proceedings may also result in an impairment of the rights of creditors of such credit institutions such as the Issuer. In particular, if during restructuring proceedings the affected credit institution enters into new financing arrangements as a borrower, the creditors of such new financing arrangements may rank ahead of existing creditors of such credit institution in any insolvency proceedings that will be commenced in respect of the affected credit institution within a period of three (3) years after the commencement of such restructuring proceedings has been ordered. Reorganisation proceedings may, for example, result in a reduction or deferral of the claims and other rights of creditors (such as the Issuer) of the affected credit institution and resolution actions may, for example, result in the deferral or suspension of payment or delivery obligations of creditors (such as the Issuer) of the affected credit institution or in a change in the nature of the receivables or claims into equity of the affected credit institution, which may, in the worst

case, have no value. If such proceedings are applied to the Seller and the Issuer has at that time claims for payments outstanding against the Seller (e.g. under the Servicing Agreement) such claims may be subordinated or deferred as set out above and the Issuer may not or not timely receive such amounts required to make payments under the Notes.

Enforceability of the Flip Clause

Under the Pre-Enforcement Interest Priority of Payments and the Post-Enforcement Priority of Payments, termination payments owed by the Issuer to the Interest Rate Swap Counterparty are to be paid under item *second* prior to any payments on the Notes, unless an event of default has occurred under an Interest Rate Swap with respect to the relevant Interest Rate Swap Counterparty. In the latter case, any termination payment owed by the Issuer to such Interest Rate Swap Counterparty will be subordinated and payable after the Notes as item *sixth* and item *fifth* of the Pre-Enforcement Interest Priority of Payments and the Post-Enforcement Priority of Payments, respectively, thereby ranking senior to the Class B Notes.

Whether this so-called flip clause would be valid and enforceable in the event of insolvency of an Interest Rate Swap Counterparty is not entirely clear. In particular, as the Interest Rate Swap Counterparty may be replaced by a substitute interest rate swap counterparty in the future (for example to remedy a rating downgrade event) which may have its seat in any country, the relevant forum and applicable insolvency law cannot be predicted as at the date of this Prospectus. While the English Supreme Court has held that a flip clause as described above is valid under English law, certain courts of other jurisdictions, such as for example the United States of America, have found such provisions to be contrary to mandatory provisions of their insolvency laws and therefore invalid. Should the subordination of the claims of the Interest Rate Swap Counterparty or a substitute interest rate swap counterparty be qualified as invalid, this would adversely affect the market value of each Class of Notes and/or the ability of the Issuer to satisfy its obligations under each Class of Notes.

Collateral and Security Trustee Claim

The Issuer has granted to the Security Trustee the Security Trustee Claim (*Treuhänderanspruch*) under Clause 4.2 (*Security Trustee Claim*) of the Transaction Security Agreement. To secure the Security Trustee Claim (*Treuhänderanspruch*), the Issuer will assign the Assigned Security pursuant to Clause 5 (*Transfer for Security Purposes of the Assigned Security*) of the Transaction Security Agreement and will grant a pledge (*Pfandrecht*) to the Security Trustee pursuant to Clause 5.7 (*Pledge*) of the Transaction Security Agreement with respect to all its present and future claims against the Security Trustee arising under the Transaction Security Agreement. The Security Trustee Claim entitles the Security Trustee to demand, *inter alia*, that all present and future obligations of the Issuer under the Notes be fulfilled.

However, where an agreement provides that a security agent (e.g. the Security Trustee) holding assets on trust for other entities has an own separate and independent right to demand payment from the relevant grantor of security to it which mirrors the obligations of the relevant debtors to the secured creditors (e.g. the Security Trustee Claim), there is an argument that accessory security (such as the pledge granted by the Issuer to the Security Trustee in order to, amongst others, secure the Security Trustee Claim) created to secure such a parallel obligation is not enforceable for the benefit of such beneficiaries who are not a party to the relevant security agreement. This is because the parallel obligation could be seen as an instrument to avoid the accessory nature of, e.g. a pledge. This argument has – as far as the Issuer is aware – not yet been tested in court. Further, it is frequently seen in the market that accessory security such as a pledge is given to secure a parallel obligation such as the Security Trustee Claim. However, as there is no established case law confirming the validity of such pledge, the validity of such pledge is subject to some degree of legal uncertainty.

Assignability of Purchased Receivables

As a general rule under German law, receivables governed by German law are, in principle, freely assignable on the basis of Sections 398 *et seqq.* of the German Civil Code (*Bürgerliches Gesetzbuch*), unless their assignment is excluded (i) by mutual agreement, (ii) by the nature of the relevant receivable, or (iii) on the basis of legal restrictions applicable thereto. Except as stated below under the heading "*Banking Secrecy*", there is no published court precedent of the German Federal Court of Justice (*Bundesgerichtshof*) or any German Higher Regional Courts (*Oberlandesgerichte*) confirming that receivables arising out of consumer Auto Loan Contracts or other credit contracts are not assignable either generally or in a refinancing transaction or an asset-backed securitisation. Pursuant to the Receivables

Purchase Agreement, the Seller has warranted to the Issuer that the Auto Loan Contracts under which the Purchased Receivables have been generated are based on certain standard forms. Such standard forms do not specifically prohibit the Seller from transferring its rights under the relevant Auto Loan Contract to a third party for refinancing purposes. Pursuant to the Receivables Purchase Agreement, the Seller has warranted to the Issuer that the provisions of the Auto Loan Contracts are valid. The Seller has also warranted to the Issuer in the Receivables Purchase Agreement that the assignment of the Purchased Receivables to the Issuer is not prohibited and valid.

Notice of Assignment; Set-off Risk

The assignment of the Purchased Receivables and the assignment and transfer of the Related Collateral may only be disclosed to the relevant Debtors at any time by the Issuer or through the Servicer in accordance with the Servicing Agreement or where the Seller agrees otherwise. Until the relevant Debtors have been notified of the assignment of the relevant Purchased Receivables, they may undertake payment with discharging effect to the Seller or enter into any other transaction with regard to such Purchased Receivables which will have binding effect on the Issuer and the Security Trustee.

According to Section 404 of the German Civil Code (*Bürgerliches Gesetzbuch*), each Debtor may further raise defences against the Issuer and the Security Trustee arising from its relationship with the Seller which are existing at the time of the assignment of the Purchased Receivables. Further, pursuant to Section 406 of the German Civil Code (*Bürgerliches Gesetzbuch*), each Debtor is entitled to set-off against the Issuer and the Security Trustee its claims, if any, against the Seller (*e.g.* claims for repayment of (administrative) fees or other monetary repayment claims under the Auto Loan Contract) unless such Debtor has knowledge of the assignment upon acquiring such claims or such claims become due only after the Debtor acquires such knowledge and after the relevant Purchased Receivables themselves become due. The Seller has warranted that it is not aware that any Debtor has asserted any lien, right of rescission, counterclaim, set-off, right to contest or defence against it in relation to any Auto Loan Contract. In addition, the risk of any shortfall due to certain set-off rights on the part of the Debtor is mitigated by the undertaking of the Seller in the Receivables Purchase Agreement to pay to the Issuer Deemed Collections in the amount equal to the affected portion of the Purchased Receivable if certain events occur with respect to such Purchased Receivable (see the definition of Deemed Collection in "*CERTAIN DEFINITIONS — Deemed Collection*"). In particular, if the amount owed by a Debtor is reduced due to set-off, the differential amount will constitute a Deemed Collection within the meaning of item (B)(i) of the definition of such term. It should be noted that no specific cash reserve will be established to avoid any resulting shortfall due to certain set-off rights on the part of the Debtor and the Seller's inability to pay to the Issuer the amount of Deemed Collection within the meaning of item (B)(i) of the definition of such term. However, deposits of Debtors that classify as consumers with the Seller may be protected under the statutory deposit protection scheme (*Einlagensicherung*) in Germany up to an amount of EUR 100,000, and it is expected that such protection would serve as a factual mitigant against the set-off risk in an insolvency of the Seller.

For the purpose of notification of the Debtors in respect of the assignment of the Purchased Receivables, the Issuer (or the Corporate Administrator on its behalf) or any back-up servicer will require the Decoding Key which is in the possession of the Data Trustee in order to decrypt the encrypted Personal Data of the respective Debtors. Under the Data Trust Agreement, the Issuer is entitled to request delivery of the required Decoding Key from the Data Trustee under certain limited conditions. However, the Issuer (or the Corporate Administrator on its behalf), any back-up servicer or substitute servicer (as applicable) might not be able to obtain such data in a timely manner as a result of which the notification of the Debtors may be considerably delayed. Until such notification has occurred, the Debtors may undertake payment with discharging effect to the Seller or enter into any other transaction with regard to the Purchased Receivables which will have binding effect on the Issuer and the Security Trustee.

Banking Secrecy

On 25 May 2004, the Higher Regional Court (*Oberlandesgericht*) in Frankfurt am Main rendered a ruling with respect to the enforcement of collateral securing non-performing loan receivables. In its ruling, the court took the view that the banking secrecy duties embedded in the banking relationship create an implied restriction on the assignability of loan receivables pursuant to Section 399 of the German Civil Code (*Bürgerliches Gesetzbuch*). On 27 February 2007, the German Federal Court of Justice issued a ruling (docket no. XI ZR 195/05) confirming the traditional view that a breach of the banking secrecy duty by the bank does not render the sale and assignment invalid but may only give rise to defenses (including damage claims) against the assignor. The ruling relates to a mortgage loan agreement which included terms allowing

for the assignment of the loan receivables and collateral thereunder for refinancing purposes. However, notwithstanding those terms, the court held as a general matter that banking secrecy duties do not create an implied restriction on the assignability of loan receivables and that the General Data Protection Regulation (*Datenschutzgrundverordnung*) (see "*General Data Protection Regulation (Datenschutzgrundverordnung)*" below) does not constitute a statutory restriction on the assignability of loan receivables.

In addition, the Issuer has been advised that, while the aforementioned 2004 Frankfurt Higher Regional Court decision appeared to be based on the premise that an assignment of loan receivables leads necessarily to an undue disclosure of borrower-related data, this premise is not correct as the assignment can be structured in a way that avoids the disclosure of these data to the assignee. This view has been confirmed by the German Federal Court of Justice in its aforementioned recent ruling. In accordance with circular 4/97 of the BaFin which was expressly referred to by the German Federal Court of Justice in the ruling, a breach of the banking secrecy duty may be avoided by using a data trustee who keeps all data relating to the identity and address of each borrower in safe custody and discloses such data only upon insolvency or material violation of the seller in respect of its obligations towards the purchaser. Here, the Issuer, the Seller and the Data Trustee have agreed that certain data including the identity and address of each Debtor and provider of Related Collateral are to be sent to the Issuer on the Purchase Date (but not to any other person) in an Encrypted File, whilst the Data Trustee will receive a Decoding Key required to decrypt such Electronic File. Under the Data Trust Agreement, the Data Trustee will safeguard such Decoding Key and may disclose the data to any substitute servicer or the Security Trustee only upon the occurrence of certain limited events. (see "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Data Trust Agreement*").

The assignment of the Purchased Receivables, however, is not structured in strict compliance with the guidelines for German true sale securitisations of bank assets set out in the circular 4/97 of the BaFin. In particular, these guidelines require a neutral entity to act as data trustee that is a public notary, a domestic credit institution or a credit institution having its seat in any member state of the European Union or any other state of the European Economic Area and being supervised pursuant to the EU Banking Directives. BNP Paribas Securities Services acting as Data Trustee does not fall into any of these categories. Arguably, the rationale for identifying regulated credit institutions and notaries as eligible data trustees is, besides their neutrality, their reliability in relation to the protection of data when handling personal data. Thus, the Issuer has been advised that there are good arguments to construe the term "neutral entity" for this purpose to include other entities having their seat in the European Union or European Economic Area if the relevant entity is equally neutral and reliable in relation to the handling of personal data. Absent any court rulings, however, it cannot be ruled out that a court would find that the transmission of the Debtor data to the Data Trustee - though in anonymised form - occurred in violation of banking secrecy requirements.

General Data Protection Regulation (Datenschutzgrundverordnung)

According to the General Data Protection Regulation, a transfer of a customer's personal data is permitted if (a) the data subject has given consent to the processing of his or her personal data for one or more specific purposes or (b) processing is necessary for the performance of a contract to which the data subject is party or in order to take steps at the request of the data subject prior to entering into a contract or (c) processing is necessary for compliance with a legal obligation to which the controller is subject or (d) processing is necessary in order to protect the vital interests of the data subject or of another natural person or (e) processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the controller or (f) processing is necessary for the purposes of the legitimate interests pursued by the controller or by a third party, except where such interests are overridden by the interests or fundamental rights and freedoms of the data subject which require protection of personal data, in particular where the data subject is a child provided paragraph (f) shall not apply to processing carried out by public authorities in the performance of their tasks.

The question whether in the event of the assignment of a receivables the transfer of the name and address of the relevant debtor to the assignee, even in encrypted form, is justified by the interests of the assignor, or whether the assignor must notify the debtors of such assignment, has not yet been finally answered in legal literature or case law. In addition, there is no jurisprudence or publication from a court or other competent authority available confirming the traditional view on the manner and procedures for an assignment of loan receivables to be in compliance with, or the consequences of a violation of, the Data Protection Amendment and Implementation Act (*Datenschutzanpassungs- und Umsetzungsgesetz*) which transposes the General Data Protection Regulation into national law. Here, the Issuer receives from the

Seller on each offer date during the Revolving Period an unencrypted file containing information required to determine (*bestimmen*) the Receivables and the Related Collateral (other than Personal Data). In addition, on any Purchase Date the Purchase receives the Encrypted File with respect to the Receivables and the Related Collateral with are the subject of a respective offer on such Purchase Date. The Data Trustee receives from the Seller, and safeguards, the Decoding Key and may release such Decoding Key only upon the occurrence of certain event. Whilst there are good arguments to support the view that the transfer of the Encrypted File is justified and that the Debtors do not need to be informed by the Issuer when a data trust structure is used, at this point there remains some uncertainty to predict the potential impact on the transaction.

German Consumer Loan Legislation

The provisions of the German Civil Code (*Bürgerliches Gesetzbuch*) applicable to loans to consumers apply to certain of the Purchased Receivables. Consumers are defined as individuals acting for purposes relating neither to their commercial nor independent professional activities. Similarly the German consumer loan legislation also applies to individuals as entrepreneurs who enter into the Auto Loan Contracts to take up a trade or self-employed occupation, unless the net loan amount or the cash price exceeds EUR 75,000. The Auto Loan Contracts will qualify as consumer Auto Loan Contracts and will therefore be subject to the consumer loan provisions of the German Civil Code (*Bürgerliches Gesetzbuch*) (in particular Sections 491 *et seqq.*). As the Purchased Receivables were originated on or after 11 June 2010, the amended provisions in the German Civil Code (*Bürgerliches Gesetzbuch*) on consumer loans and linked contracts (*verbundene Verträge*) that have been enacted in order to implement the EU Consumer Credit Directive 2008/48/EC into German law apply. Such provisions have been further amended by the law implementing Directive 2011/83/EU on consumer rights which entered into force on 13 June 2014. The Auto Loan Contracts are not all subject to the same, but to varying provisions of the German Civil Code (*Bürgerliches Gesetzbuch*) regarding consumer loans and linked contracts and, in particular, as regards the required instructions on a Debtor's right of withdrawal (*Widerrufsrecht*).

Under the above-mentioned provisions, if the borrower is a consumer (or an individual as entrepreneur who enters into the Auto Loan Contracts to take up a trade or self-employed occupation, unless the net loan amount or the cash price exceeds EUR 75,000), the borrower has the right to withdraw his or her consent to a consumer Auto Loan Contract for a period of fourteen (14) days commencing after the conclusion of the consumer Auto Loan Contract and the receipt of a written notice providing certain information including information regarding such right of withdrawal (*Widerrufsrecht*) (Sections 492 (2), 495, 355, 356b of the German Civil Code (*Bürgerliches Gesetzbuch*) as applicable). In the event that a consumer is not properly notified of his or her right of withdrawal or, in some cases, has not been provided with certain information about the lender and the contractual relationship created under the consumer loan, the consumer may withdraw his or her consent at any time during the term of the consumer Auto Loan Contract. German courts have adopted strict standards with regard to the information and the notice to be provided to the consumer. Due to the strict standards applied by the courts, it cannot be excluded that a German court could consider the language and presentation used in certain Auto Loan Contracts as falling short of such standards. Should a Debtor withdraw the consent to the relevant Auto Loan Contract, the Debtor would be obliged to immediately repay the Purchased Receivable (i.e. prior to the contractual repayment date). Hence, the Issuer would receive interest under such Purchased Receivable for a shorter period of time than initially anticipated. In this instance, the Issuer's claims with regard to such repayment of the Purchased Receivable would not be secured by the Related Collateral granted therefor if the related security purpose agreement does not extend to such claims. In addition, depending on the specific circumstances, a Debtor may be able to successfully reduce the amount to be repaid if it can be proven that the interest he or she would have paid to another lender had the relevant Auto Loan Contract not been made (i.e., that the market interest rate was lower at that time), would have been lower than the interest paid under the relevant Auto Loan Contract until the Debtor's withdrawal of its consent to the relevant Auto Loan Contract (see also — "*Prepayment of Loans*" below).

If a Debtor is a consumer (or an individual as entrepreneur who enters into the Auto Loan Contract to take up a trade or self-employed occupation, unless the net loan amount or the cash price exceeds EUR 75,000) and the relevant vehicle or other goods or related services are financed in whole or in part by the Auto Loan Contract, such Auto Loan Contract and the related purchase agreement or other agreement may constitute linked contracts (*verbundene Verträge*) within the meaning of Section 358 of the German Civil Code (*Bürgerliches Gesetzbuch*) (as applicable). As a result, if such Debtor has any defences against the supplier of such vehicles or other goods or related services (e.g. in connection with a defect of a vehicle (in individual or collective cases resulting in recall campaigns, including, but not limited to cases in connection with

faulty software affecting emissions and fuel consumption tests used by the car manufacturer, as was revealed in November 2015 in respect of certain Volkswagen vehicles), such defences may also be raised as a defence against the Issuer's claim for payment under the relevant Auto Loan Contract and, accordingly, the Debtor may deny the repayment of such part of the Loan Instalments as relates to the financing of the related vehicle or other goods or related services. Further, the withdrawal of the Debtor's consent to one of the contracts linked (*verbunden*) to the Auto Loan Contract may also extend to such Auto Loan Contract and such withdrawal may be raised as a defence against such Auto Loan Contract. In addition, according to Section 360 of the German Civil Code (*Bürgerliches Gesetzbuch*) the withdrawal by the consumer of its consent to a contract extends to another contract that is not linked (*nicht verbunden*) but which qualifies as a related contract (*zusammenhängender Vertrag*). In Section 360 (2) of the German Civil Code (*Bürgerliches Gesetzbuch*), the term "related contract" is defined as a contract which is related to the contract subject to withdrawal and under which goods or services are provided by the same contractor or by a third party on the basis of an agreement between the relevant contractor and such third party. The provision further states that a consumer loan agreement also qualifies as a related contract if (i) the loan exclusively serves to finance the goods or services under the contract subject to withdrawal and (ii) such goods or services are explicitly identified in the consumer loan agreement. Therefore, in the event the requirements of Section 360 of the German Civil Code (*Bürgerliches Gesetzbuch*) are met, the withdrawal extends also to the Auto Loan Contract and the Debtor may raise the withdrawal of its consent to such other contract as a defence against its obligations under the Auto Loan Contract. The notice providing information about the right of withdrawal must contain information about the aforementioned legal effects of linked and related contracts. In the event that a consumer is not properly notified of its right of withdrawal and such legal effects of linked and related contracts, the consumer may withdraw its consent to any of these contracts at any time during the term of these contracts (and may also raise such withdrawal as a defence against the relevant Auto Loan Contract). If, for example, the purchase agreement for vehicles or other goods or the related services linked to an Auto Loan Contract is invalid or has been rescinded, the Debtor has the right to refuse further payments under the relevant Auto Loan Contract and may in certain circumstances also request repayment of the amount already paid under the Auto Loan Contract.

The German Federal Court of Justice (*Bundesgerichtshof*, 15 December 2009 (11 ZR 45/09)) has decided that the abovementioned provisions and principles as regards linked contracts also apply to insurance policies, in particular to any payment protection insurance policy (*Restschuldversicherung*) (each a "**Relevant Insurance Policy**") entered into by the Debtor. Hence, Section 358 (1) of the German Civil Code (*Bürgerliches Gesetzbuch*) would also apply to cases where the consumer withdraws its consent to a Relevant Insurance Policy, *i.e.* the Auto Loan Contract would be affected as described above. If the same principles apply to such cases in which the Relevant Insurance Policy is entered into by the Seller as policy holder (*Versicherungsnehmer*) and the Debtor merely accedes to it as insured person (*versicherte Person*), is disputed in literature and in jurisprudence. It could be argued that the Debtor should benefit from the same consumer protection as if the Debtor was the policy holder and the Relevant Insurance Policy and the related Auto Loan Contract constituted linked contracts (to the extent the premiums to the relevant insurance have been financed by the Auto Loan Contract). This would in particular imply that defences may be invoked by the Debtor against the Auto Loan Contract on the basis of rights and claims the Debtor or the Seller may have under the Relevant Insurance Policies. While contradictory court rulings have been issued by a number of Higher Regional Courts (*Oberlandesgerichte*) and Regional Courts (*Landgerichte*), the German Federal Court of Justice (*Bundesgerichtshof*) has not decided this question.

In addition, there is legal uncertainty as to the interpretation of Section 360 of the German Civil Code (*Bürgerliches Gesetzbuch*) (as applicable) regarding the question whether the above described legal consequences could be triggered in relation to a Relevant Insurance Policy which is neither linked nor (on the basis of the line of arguments outlined in the preceding paragraph) treated as if it was linked to an Auto Loan Contract but which is sufficiently specified in, and financed by (as applicable), such Auto Loan Contract. If such consequences were triggered, it would be uncertain whether the Auto Loan Contract would only be affected to the extent it finances the Relevant Insurance Policy or on the whole.

Further, it should be noted that the abovementioned provisions and consequences as regards linked contracts may also apply to other contracts (*e.g.* GAP insurance policies or extended warranty contracts) related to an Auto Loan Contract if the loan under such Auto Loan Contract serves, amongst others, to finance the relevant other contract and both contracts constitute an economic unit within the meaning of Section 358 of the German Civil Code (*Bürgerliches Gesetzbuch*).

However, if the relevant Auto Loan Contract is revoked or voided due to a revocation of a linked contract, the Seller shall make a payment in form of a Deemed Collection in the amount of the Adjusted Outstanding

Principal Amount of Purchased Receivable under such Auto Loan Contract plus any outstanding balance of interest accrued and not paid thereunder. See "*CERTAIN DEFINITIONS — Deemed Collections*". As a consequence, the Issuer will, upon receipt of a Deemed Collection, pay such amounts to Noteholders on the next Payment Date in accordance with the Terms and Conditions of the Notes. See "*TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption — Amortisation*". Consequently, in the event that any such revocation occurs and the corresponding Deemed Collections are not paid by the Seller, the Issuer's ability to make payments to the Noteholders may be adversely affected.

In addition, it should be noted that the German Federal Court of Justice (*Bundesgerichtshof*) recently decided on the validity of clauses in general terms and conditions restricting set-off by a consumer borrower (judgment dated 20 March 2018 – XI ZR 309/16). The case deals with a clause in the general terms and conditions of a consumer loan agreement of a German savings bank (*Sparkasse*) restricting the right of the borrower to declare set-off to cases where his or her claim is either undisputed (*unbestritten*) or finally adjudicated (*rechtskräftig festgestellt*). This is in line with the scope of Section 309 no. 3 of the German Civil Code (*Bürgerliches Gesetzbuch*). However, the German Federal Court of Justice (*Bundesgerichtshof*) ruled that such restriction needs to be interpreted as also excluding the right of the borrower to declare set-off with claims upon exercising his or her right of withdrawal (*Widerrufsrecht*) and that such restriction rendered the relevant clause invalid pursuant to Section 307 of the German Civil Code (*Bürgerliches Gesetzbuch*) as it constitutes an unreasonable disadvantage (*unangemessene Benachteiligung*) to the borrower. As the clause in question is worded very similar to the clause used in every version of the template Auto Loan Contracts for consumers as borrowers, there is a risk that such clauses may be regarded as invalid by a competent court. This results in a Debtor being free to declare set-off with claims of its own against payment claims of the Issuer and, as a consequence, investors may suffer losses under the Notes.

German Insurance Contract Act

Sections 8 and 9 of the German Insurance Contract Act (*Versicherungsvertragsgesetz*) contain statutory withdrawal rights applicable to insurance contracts. The relevant withdrawal right is exercisable for a period of two (2) weeks (thirty (30) calendar days in case of life insurance) after the policy holder has been properly notified of such right and provided with certain other information and documents. The withdrawal right applies to insurance contracts entered into by consumers as well as non-consumers and, pursuant to Section 9 (2) of the German Insurance Contract Act, also affects related contracts. However, unlike the definition of related contracts included in Section 360 (2) of the German Civil Code (*Bürgerliches Gesetzbuch*), the definition of related contracts set forth in Section 9 (2) of the German Insurance Contract Act does not provide for specific provisions under which consumer loan agreements are to be qualified as related contracts. The omission of the relevant provisions could be interpreted to the effect that consumer loan agreements which explicitly identify and serve to finance the relevant insurance contract in deviation from Section 360 (2) of the German Civil Code (*Bürgerliches Gesetzbuch*) do not qualify as related contracts for the purposes of Section 9 (2) of the German Insurance Contract Act unless the other requirements set out therein are also met. To date, neither this interpretation of Section 9 (2) of the German Insurance Contract Act nor its interaction with Sections 358 and 360 of the German Civil Code (*Bürgerliches Gesetzbuch*) (as applicable) have been the subject matter of in depth judicial review or analysis by legal commentators. It is also unclear whether Section 9 (2) of the German Insurance Contract Act would apply to the withdrawal of a group insurance contract (*Gruppenversicherungsvertrag*) exercised by the insured person (*versicherte Person*) rather than the policy holder (*Versicherungsnehmer*). Currently, it cannot be ruled out that a Debtor may raise the withdrawal of its consent to a Relevant Insurance Policy (including, but not limited to, any payment protection insurance policy (*Restschuldversicherung*)) as a defence against its obligations under the Auto Loan Contract. In such case, however, the Issuer would be entitled to receive Deemed Collections from the Seller (see the definition of Deemed Collections in "*CERTAIN DEFINITIONS — Deemed Collections*"). Noteholders may nevertheless suffer losses if the Seller is unable to make payments of such Deemed Collections to the Issuer.

Prepayment of Loans

Pursuant to Section 500 para. 2 of the German Civil Code (*Bürgerliches Gesetzbuch*), the borrower may in case of a consumer Auto Loan Contract prepay the loan (*vorzeitige Rückzahlung*) in whole or in part at any time. In addition, the borrower may terminate the loan agreement at any time without observing a notice period for good cause (*aus wichtigem Grund*). Moreover, the content of a consumer loan contract is subject to certain formal minimum details, including with respect to term and termination rights or maturity date (Sections 494 *et seq.* of the German Civil Code), lack of which may grant the borrower a right to terminate the consumer loan contract at any time. A borrower may also be entitled to terminate a consumer loan

contract if the agreed interest rates are adjusted to market rates due to the lender's breach of its obligation to conduct a credit assessment with respect to the borrower (Sections 505d (1), 505a (1) of the German Civil Code). In case of a prepayment, the Issuer would receive interest on such loan for a shorter period of time than initially anticipated.

The Auto Loan Contracts provide for an obligation of the Debtor to pay a prepayment penalty (*Vorfälligkeitsentschädigung*) in accordance with Section 502 of the German Civil Code (*Bürgerliches Gesetzbuch*). In the event of a termination and prepayment of a loan, the Issuer would therefore be entitled to claim compensation from the Debtor for the interest which would have been payable by the Debtor on the prepaid amount had such amount been outstanding for the remainder of the term of the loan pursuant to and as provided for in Section 502 of the German Civil Code (*Bürgerliches Gesetzbuch*). In accordance with Section 502 para. 1 sentence 2 of the German Civil Code (*Bürgerliches Gesetzbuch*) such prepayment penalty may not exceed the following amounts: (i) 1% or, if the period between the prepayment and the agreed repayment date (*vereinbarte Rückzahlung*) is no longer than one year, 0.5% of the prepaid amount; and (ii) the amount of interest that the borrower would have paid for the period between the prepayment and the agreed repayment date. The prepayments of loans would, *inter alia*, reduce the excess spread following such prepayments.

In addition, faster than expected rates of prepayments on the Purchased Receivables in combination with any issue price on the class A Notes above par may affect the yield of the class A Noteholders and may result in a negative yield.

Over-collateralisation of Loans

According to 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 the loan is over-collateralised. Over-collateralisation occurs where 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. Although there is no direct legal authority on point, the Issuer is of the view that the Purchased Receivables are not over-collateralised, although it cannot be ruled out that a German court would hold otherwise. Some German courts have for instance held that an assignment of wage claims in addition to other security interests provided for the same secured obligation may be invalid due to over-collateralisation under certain circumstances. In the Receivables Purchase Agreement, the Seller has warranted to the Issuer that the Related Collateral relating to Purchased Receivables is legal, valid, binding and enforceable.

Change of Law

The structure of the Notes and the underlying transaction (including the Transaction Security Agreement, the Receivables Purchase Agreement and the other Transaction Documents governed by German law), the Auto Loan Contracts underlying the Purchased Receivables and the Related Collateral as well as the ratings which are to be assigned to any Class of Notes are based on German law in effect as at the date of this Prospectus as applied by the courts and other competent authorities of Germany. No assurance can be given as to the impact of any possible change of German law, the interpretation thereof or judicial or administrative practice after the date of this Prospectus.

The Interest Rate Swap, the Accounts Agreement and the English Security Deed are governed by English law in effect as at the date of this Prospectus as applied by the courts and other competent authorities of England and Wales or the United Kingdom. No assurance can be given as to the impact of any possible change of English law, the interpretation thereof or judicial or administrative practice after the date of this Prospectus.

Recharacterisation of the English Law Collateral as a Floating Charge

Pursuant to the English Security Deed, the Issuer has, as a continuing security for the discharge and payment of Transaction Secured Obligations and the Security Trustee Claim, assigned absolutely to the Security Trustee all of its right, title, interest and benefit, present and future, in and to the Interest Rate Swap, the Accounts Agreement and each of the Accounts. In addition, in the event that such assets are not subject to a valid assignment, the Issuer has granted a fixed charge in favour of the Security Trustee over all of its rights, title, interest and benefit, present and future, to the Interest Rate Swap and each of the Accounts. Whether this charge will be upheld as a fixed charge rather than a floating charge will depend, among other things, on whether the Security Trustee has under the respective agreement real control over the Issuer's

ability to deal with the relevant assets and their proceeds and, if so, whether such control is exercised by the Security Trustee in practice. If the courts consider that the elements required to establish the creation of a fixed charge have not been satisfied in respect of the security, the Issuer would expect the security to be recharacterised as a floating charge. The claims of the Security Trustee under any fixed charge which is recharacterised as a floating charge will be subject to the matters which are given priority over a floating charge by law, including fixed charges, any expenses of winding-up and the claims of preferential creditors.

Licence Requirement of the Security Trustee under the German Legal Services Act

Legal services which are provided by a person for the benefit of another person (*Tätigkeit in konkreten fremden Angelegenheiten*) are subject to the restrictions of the German Legal Services Act (*Rechtsdienstleistungsgesetz*) ("**RDG**") if the relevant service requires in each case individual legal analysis (*rechtliche Prüfung des Einzelfalls*), as set out in Section 2 (1) of the RDG. The collection of receivables (*Einziehung von Forderungen*) is expressed to be a legal service within the meaning of the RDG if rendered as an independent business (*eigenständiges Geschäft*) pursuant to Section 2 (2) of the RDG. Any appointment of a service provider and any Collateral granted and any agreement entered into in violation of such registration requirement may be void and may also lead to the relevant service provider being fined and prohibited from further performing such contravening services. Depending on the relevant activities of the Security Trustee in connection with the enforcement of the Collateral following an Issuer Event of Default, the Security Trustee may be regarded as acting as collection agent for the Beneficiaries with the consequence that the restrictions of the RDG could apply. In addition, the above considerations may become relevant in case of the appointment of a back-up servicer.

With respect to the Security Trustee, the Issuer has been advised, however, that as of the date of the Transaction Security Agreement, the Security Trustee will not be subject to the requirement to register under the German Legal Services Act solely by entering into the Transaction Security Agreement as the Security Trustee has its own claim against the debtors of the security granted to the Security Trustee under the Transaction Security Agreement and, accordingly, when enforcing the security, it also does so in order to satisfy its own claim. Further, even if the services provided by the Security Trustee were to be regarded as legal services within the meaning of the German Legal Services Act, such services would be permitted to be performed without registration **provided that** these services are services ancillary to the profession or activity (*Nebenleistung zum Berufs- oder Tätigkeitsbild*) whereby an ancillary activity requires only a thematic interrelation to the profession rather than a direct connection. Any enforcement services conducted by a security trustee should, in general, not qualify as main business of a security trustee as the main task of a security trustee is rather to hold and administer the security and when enforcing security, it does so only in the event of default or a similar event. The Security Trustee should, therefore, be exempt from the registration requirement under German Legal Services Act. In the absence of an express court precedent or developed rule, there remains some legal uncertainty with respect to this issue.

Commercial Risks

Interest Rate Swap

If the Interest Rate Swap Counterparty defaults in respect of its obligations under the Interest Rate Swap which results in a termination of such Interest Rate Swap, the Issuer will be obliged to enter into a replacement arrangement with another appropriately rated entity. A failure to enter into such a replacement arrangement may result in a downgrading of the rating of any Class of Notes. See "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Interest Rate Swap*".

Reliance on Representations and Warranties

If the Portfolio does not correspond, in whole or in part, to the representations and warranties made by the Seller in the Receivables Purchase Agreement, the Issuer has certain rights of recourse against the Seller. These rights are not collateralised with respect to the Seller except that, in the case of a breach of certain representations and warranties, the Seller will be required to pay Deemed Collections to the Issuer (see items (ii) through (v) of the definition of Deemed Collections under "*CERTAIN DEFINITIONS — Deemed Collections*" and "*TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption — Amortisation*"). Consequently, a risk of loss exists in the event that such a representation or warranty is breached and the corresponding Deemed Collections are not paid. This could potentially cause the Issuer to default under the Notes.

Reliance on Administration and Collection Procedures

The Servicer will carry out the administration, collection and enforcement of the Purchased Receivables and the Related Collateral in accordance with the Servicing Agreement.

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

Replacement of the Servicer

If the appointment of the Servicer is terminated, the Issuer, with the assistance of the Back-Up Servicer Facilitator, may appoint a substitute servicer pursuant to the Servicing Agreement. Any substitute servicer which may replace the Servicer in accordance with the terms of the Servicing Agreement would have to be able to administer the Purchased Receivables and the Related Collateral in accordance with the terms of the Servicing Agreement, be duly qualified and licensed to administer finance contracts in Germany such as the Auto Loan Contracts, be a bank or credit institution established within the European Economic Area and supervised in accordance with the relevant EU directives, and may be subject to certain residence and/or regulatory requirements. Further, it should be noted that any substitute servicer (other than a (direct or indirect) subsidiary of the Seller or of a parent of the Seller to which the servicing and collection of the receivables and the related collateral of the Seller is outsourced) may charge a servicing fee on a basis different from that of the Servicer. See "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Receivables Purchase Agreement*" and "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Servicing Agreement*".

Historical Data; Forecasts and Estimates

The historical information set out in particular under the headings "*DESCRIPTION OF THE PORTFOLIO*", "*INFORMATION ON THE PORTFOLIO*" and "*HISTORICAL DATA*" is based on the past experience and present procedures of the Seller. None of the Joint Lead Managers, the Joint Arrangers, the Security Trustee or the Issuer has undertaken or will undertake any investigation or review of, or search to verify, such historical information. In addition, based on such historical information, there can be no assurance as to the future performance of the Purchased Receivables.

Estimates of the weighted average life of the Class A Notes included in this Prospectus together with any other projections, forecasts and estimates are supplied for information only and are forward-looking statements. Such projections, forecasts and estimates are speculative in nature and it can be expected that some or all of the underlying assumptions may differ or may prove substantially different from the actual realised figures. Consequently, the actual results might differ from the projections and such differences may be significant.

Further, the information set out, in particular, in "*DESCRIPTION OF THE PORTFOLIO*", "*INFORMATION TABLES REGARDING THE PORTFOLIO*" and "*HISTORICAL DATA*" is based on information relating to the status of the Portfolio on 11 October 2018. However, the Initial Receivables will be transferred on the Closing Date and any Additional Receivables will be transferred on the relevant Subsequent Purchase Date. Accordingly, the information set out, in particular, in "*DESCRIPTION OF THE PORTFOLIO*", "*INFORMATION TABLES REGARDING THE PORTFOLIO*" and "*HISTORICAL DATA*" does not summarise the status of the Portfolio at the time of sale and does not reflect the developments and changes in the Portfolio between the First Determination Date and the Closing Date or, as the case may be, the Subsequent Purchase Date. The historical performance of the receivables set out, in particular, in "*DESCRIPTION OF THE PORTFOLIO*", "*INFORMATION TABLES REGARDING THE PORTFOLIO*" and "*HISTORICAL DATA*" should not be taken as an indication of future performance.

No Independent Investigation and Limited Information

None of the Joint Lead Managers, the Joint Arrangers, the Security Trustee or the Issuer has undertaken or will undertake any investigations, searches or other actions to verify the details of the Purchased Receivables or to establish the creditworthiness of any Debtor or any other party to the Transaction Documents. Each such person will rely solely on the accuracy of the representations and warranties given by the Seller to the Issuer in the Receivables Purchase Agreement in respect of, *inter alia*, the Purchased

Receivables, the Debtors, the Auto Loan Contracts underlying the Purchased Receivables and the Related Collateral, including, without limitation, security interests in the Cars. The benefit of all such representations and warranties given to the Issuer will be transferred by the Issuer in favour of the Security Trustee under the Transaction Security Agreement.

The Seller is under no obligation to, and will not, provide the Joint Lead Managers, the Joint Arrangers, the Security Trustee or the Issuer with financial or other information specific to individual Debtors and certain underlying Auto Loan Contracts to which the Purchased Receivables relate. The Joint Lead Managers, the Joint Arrangers, the Security Trustee and the Issuer will only be supplied with general information in relation to the aggregate of the Debtors and the underlying Auto Loan Contracts. Further, none of the Joint Lead Managers, the Joint Arrangers, the Security Trustee or the Issuer will have any right to inspect the internal records of the Seller.

The primary remedy of the Security Trustee and the Issuer for breaches of any representation or warranty with respect to the enforceability of the Purchased Receivables, the existence of the Related Collateral, the absence of material litigation with respect to the Seller, the transfer of free title to the Issuer and the compliance of the Purchased Receivables with being an Eligible Receivable will be to require the Seller to pay Deemed Collections in an amount equal to the then Adjusted Outstanding Principal Amount of such Purchased Receivables plus any outstanding balance of interest accrued and not paid thereunder (or the affected portion thereof). With respect to breaches of representations or warranties under the Receivables Purchase Agreement generally, the Seller is obliged to indemnify the Issuer against any liability, losses and damages directly resulting from such breaches.

Credit Risk of the Debtor and Sale of Cars

If the Seller does not receive the full amount due from the Debtors in respect of the Purchased Receivables, the Noteholders are at risk to receive less than the face value of their Notes and interest payable thereon. Consequently, the Noteholders are exposed to the credit risk of the Debtors. Neither the Seller nor the Issuer guarantees or warrants the full and timely payment by the Debtors of any sums payable under the Purchased Receivables. The ability of any Debtor to make timely payments of amounts due under the relevant Auto Loan Contract will mainly depend on his or her assets and liabilities as well as his or her ability to generate sufficient income to make the required payments. The Debtors' ability to generate income may be adversely affected by a large number of factors.

There is no assurance that the present value of the Purchased Receivables will at any time be equal to or greater than the principal amounts outstanding of the Notes.

In addition, there can be no assurance as to the future geographical distribution of the Debtors or the Cars within Germany and its effect, in particular, on the rate of amortisation of the Purchased Receivables. Consequently, any deterioration in the economic condition of Germany where Debtors and Cars are located could have an adverse effect on the ability of the Debtors to repay the loans and the ability of the Security Trustee to sell the Cars and could trigger losses in respect of the Notes or reduce their yield to maturity. Furthermore, although the Debtors are located throughout Germany, these Debtors may be concentrated in certain locations, such as densely populated or industrial areas. Any deterioration in the economic condition of the area in which the Debtors are located (or any deterioration in the economic condition of other areas) may have an adverse effect on the ability of the Debtors to make payments under the Auto Loan Contracts. A concentration of the Debtors in such area may therefore result in a greater risk that the Noteholders will ultimately not receive the full principal amount of the Notes and interest thereon than if such concentration had not been present.

The rate of recovery upon a Debtor default may itself be influenced by various economic, tax, legal and other factors such as changes in the value of the Cars (including, but not limited to cases in connection with faulty software affecting emissions and fuel consumption tests used by the car manufacturer, as was revealed in November 2015 in respect of certain Volkswagen vehicles) or the level of interest rates from time to time. There might be various risks involved in the sales of used vehicles which could significantly influence the amount of proceeds generated from the sale, e.g. high damages and mileages, less popular configuration (engine, colour etc.), oversized special equipment, huge numbers of homogeneous types of vehicles in short time intervals, general price volatility in the used vehicles market or seasonal impact on sales or any legal restrictions on the use of certain types of vehicles which may affect the value of a Car (e.g. driving restrictions with respect to certain types of Diesel cars have been adopted for certain areas and are presently under discussion for a number of other areas).

Balloon Payments

An Auto Loan Contract may be structured as a loan with a balloon payment, amortising on the basis of equal monthly Loan Instalments (except for the last Instalment), but with a substantial portion of the initial amount advanced under the Receivable being repaid in a single "balloon" instalment at maturity. By deferring the repayment of a substantial portion of the principal amount of a Receivable until its final maturity date, the risk of non-payment of the final Loan Instalment under such "balloon loan" may be higher than would be the case under a loan with equal Loan Instalments up to and including the maturity date and, as a consequence, Noteholders may be subject to an increased risk of losses. However, such risk is mitigated by the obligation of the respective Car Dealer *vis-à-vis* a Debtor to repurchase such Car at market value and the application of the repurchase price towards full discharge of the final "balloon" instalment. In addition, it should be noted that the obligation by a Borrower to repay the principal amount of a Receivable under the Auto Loan Contract exists independently from the contractual relationship with the Car Dealer (for risks related to any defences arising from linked or related contracts, see — "*German Consumer Loan Legislation*" above).

Risk of Losses in respect of Purchased Receivables; Changing characteristics of the Purchased Receivables during the Revolving Period

The payment of principal and interest on the Notes is, *inter alia*, conditional on the performance of the Purchased Receivables.

The performance of the Purchased Receivables depends on a number of factors, including general economic conditions, unemployment levels, the circumstances of individual Debtors and PSA Bank Deutschland underwriting standards at origination. In addition, it should be noted that Available Principal Amount will, subject to being sufficient to fund the payment of the Principal Component Purchase Price in whole (but nor in part) under item *second* of the Pre-Enforcement Principal Priority of Payments on such Payment Date, be used by the Issuer to purchase and acquire Additional Receivables. As a consequence, the composition and characteristics of the receivables pool may be substantially different from the receivables pool as of the First Selection Date. Such differences could result in faster or slower repayments or higher losses suffered by the Noteholders than originally expected in relation to the portfolio of Purchased Receivables on the Closing Date. Therefore, there is no assurance that the Noteholders will receive the total initial Note Principal Amount in respect of the relevant Class of Notes plus interest as stated in the Terms and Conditions of the Notes, in particular, as there is no assurance that the payments made under the underlying Auto Loan Contracts will correspond to those originally agreed upon. In order to reduce any potential negative deviations from the Portfolio, the Seller is required to sell and assign only Additional Receivables which are Eligible Receivables and, in addition, following the purchase of such Additional Receivable on a Subsequent Purchase Date, the Portfolio must meet the eligibility criteria for an Eligible Portfolio (and, for the avoidance of doubt, such Additional Receivable shall not be so purchased if, following such purchase, the Portfolio would not meet such eligibility criteria).

Limited Availability of the General Reserve

The Class A Notes, and to a limited extent the Class B Notes, will have the benefit of a cash reserve which will provide liquidity support in the event of shortfalls in the available funds to pay interest due and payable under the Notes and certain senior expenses. Prior to the occurrence of an Issuer Event of Default, the amount standing to the credit of the General Reserve Account as of any Determination Date shall be transferred on the Payment Date immediately following such Determination Date to the Interest Account and shall be applied as part of the Available Interest Amount in accordance with the Pre-Enforcement Interest Priority of Payments. Following the occurrence of an Issuer Event of Default, the General Reserve will be transferred to the General Collection Account and applied in accordance with the Post-Enforcement Priority of Payments.

Risk of Late Payment or Deferral of Payment

The Issuer is subject to the risk of insufficiency of funds as a result of late payment by a Debtor of an instalment due on a Receivable which would reduce the value of a Receivable for the Issuer. Further, under the Servicing Agreement, the Servicer may, in specific circumstances, grant a deferral of the date on which certain payments are due under the Auto Loan Contracts. This results in a risk of late payment of instalments pursuant to the Auto Loan Contracts underlying the Purchased Receivables.

Risk of Late Forwarding of Payments received by the Servicer

There is a risk of non-payment or late payments by the Servicer of Available Collections which would lead to shortfalls regarding payments to be made under the Notes. Losses or delays in the processing of payments may in particular occur where the Servicer is replaced due to a disruption in service because a substitute servicer or back-up servicer is not immediately available or less experienced and efficient than the Servicer. It should be also noted that no specific cash reserve will be established to avoid any resulting shortfall in the payments of principal and interest by the Issuer in respect of the Notes on the Payment Date immediately following such Collection Period. Pursuant to the terms of the Servicing Agreement, however, such risk is mitigated by Available Collections being transferred by the Servicer to the General Collection Account not later than two (2) Business Days following receipt thereof, failure of which will constitute a Servicer Termination Event entitling the Issuer to appoint a substitute servicer. See "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS - Servicing Agreement - Termination of the Servicer*".

Creditworthiness of Parties to the Transaction Documents

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

No assurance can be given that the creditworthiness of the parties to the Transaction Documents, in particular the Seller, the Servicer, the Paying Agent, the Interest Rate Swap Counterparty and the Account Bank, will not deteriorate in the future. This may affect the performance of their respective obligations under the respective Transaction Documents. In particular, it may affect the payment of the Deemed Collections by the Seller in accordance with the Receivables Purchase Agreement as well as the administration, collection and enforcement of the Purchased Receivables by the Servicer in accordance with the Servicing Agreement.

Sharing with other creditors

The proceeds of enforcement and collection of the Note Collateral created by the Issuer in favour of the Security Trustee will be used in accordance with the Post-Enforcement Priority of Payments to satisfy claims of all Beneficiaries thereunder. See "*THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT — Post-Enforcement Priority of Payments*".

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

CREDIT STRUCTURE

Auto Loan Contract Interest Rates

The Receivables which will be purchased by the Issuer include loans originated *vis-à-vis* consumers or enterprises and comprise annuity loans, under which instalments are calculated on the basis of constant monthly amounts during the life of each loan, and balloon loans under which the final instalment may be higher than the previous instalments. Each instalment (including the balloon instalment) is comprised of a portion allocable to interest and a portion allocable to principal under such loan. In general, the interest portion of each instalment under annuity loans decreases in proportion to the principal portion over the life of such loans whereas towards maturity of such loans a greater part of each monthly instalment is allocated to principal.

Cash Collection Arrangements

Payments by the Debtors under the Purchased Receivables are due on a monthly basis, with interest being payable in arrears. The calendar day of the month on which such payments are due is chosen by the relevant Debtor at the time of entering into the relevant Auto Loan Contract. Prior to a Servicer Termination Event, Available Collections shall be transferred by the Servicer to the General Collection Account not later than two (2) Business Days following receipt thereof.

The Calculation Agent will on each Payment Date arrange for transfer from the General Collection Account the Available Interest Collections to the Interest Account, the Adjusted Available Principal Collections to the Principal Account and the aggregate Additional Interest Reserve Additional Amounts to the Additional Interest Reserve Account. During the Revolving Period, the Available Principal Amount will be applied to the replenishment of the Portfolio (including by way of set-off, where relevant) in accordance with the relevant Pre-Enforcement Priority of Payments and the terms of the Receivables Purchase Agreement, subject to the Available Principal Amount being sufficient to fund the payment of the Principal Component Purchase Price in whole (but not in part) under item *second* of the Pre-Enforcement Principal Priority of Payments on such Payment Date. Other than any payment under item *first* of the Pre-Enforcement Principal Priority of Payments on such Payment Date which is paid in order to cover shortfalls of the Available Interest Amount to discharge in full in items *first* to *third* under the Pre-Enforcement Interest Priority of Payment, the Available Principal Amount will during the Revolving Period not otherwise be distributed in accordance with the Pre-Enforcement Principal Priority of Payments.

If at any time (i) the Account Bank ceases to have the Account Bank Required Rating or (ii) the Account Bank is no longer rated by any of the Rating Agencies (each of such events listed in (i) or (ii), an "**Account Bank Downgrade**"), the Issuer will be required, within forty-five (45) calendar days but no earlier than thirty-three (33) calendar days after the Account Bank Downgrade, to transfer any amounts credited to any Account (including, for the avoidance of doubt, the General Reserve), at the cost of the Issuer, to an alternative bank with at least the Account Bank Required Rating.

"**Account Bank Required Rating**" means, at any time in respect of any financial institution acting as Account Bank:

- (A) a short-term deposit rating of at least 'P-1' (or its replacement) by Moody's (or, if it does not have a short-term deposit rating assigned by Moody's, the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least 'A1' (or its replacement) by Moody's);
- (B) a long-term deposit rating (or, if it does not have a long-term deposit rating assigned by Fitch, a long-term unsecured, unsubordinated and unguaranteed debt obligations rating) of at least 'A' (or its replacement) or a short-term deposit rating (or, if it does not have a short-term deposit rating by Fitch, a short-term credit rating) of 'F1' (or its replacement) by Fitch; and
- (C) or such other rating or ratings as may be agreed by the relevant Rating Agency from time to time as would maintain the then current ratings of the Notes;

Available Interest Amount and Available Principal Amount

The Available Interest Amount and the Available Principal Amount will, with respect to each Payment Date, be calculated by the Calculation Agent on the Calculation Date immediately preceding a Payment

Date for the purpose of determining, *inter alia*, the amount to be applied under the relevant Pre-Enforcement Priority of Payments on such Payment Date. The Available Interest Amount and the Available Principal Amount are each defined in Appendix A to the Terms and Conditions of the Notes. See "*CERTAIN DEFINITIONS — Available Interest Amount*" and "*CERTAIN DEFINITIONS — Available Principal Amount*".

Pre-Enforcement Priorities of Payments

The amounts to be applied under the relevant Pre-Enforcement Priority of Payments will vary during the life of the transaction as a result of possible variations in the amount of Available Collections and certain costs and expenses of the Issuer. The amount of Available Collections received by the Issuer under the Receivables Purchase Agreement will vary during the life of the Notes as a result of the level of delinquencies, defaults, repayments and prepayments in respect of the Purchased Receivables. In order to mitigate the effect of such variations, prior to the occurrence of an Issuer Event of Default, the amount standing to the credit of the General Reserve Account as of any Determination Date will be, however, transferred on the Payment Date immediately following such Determination Date to the Interest Account and shall be applied as part of the Available Interest Amount in accordance with the Pre-Enforcement Interest Priority of Payments.

On each Payment Date, the Available Interest Amounts will be applied in accordance with the Pre-Enforcement Interest Priority of Payments, and the Available Principal Amounts will be applied in accordance with the Pre-Enforcement Principal Priority of Payments, **provided that** Available Principal Amounts will to a limited extent also be applied to cover shortfalls under items *first*, *second* and *third* of the Pre-Enforcement Interest Priority of Payments. The availability of each of the Available Interest Amount and the Available Principal Amount on each Payment Date will depend primarily on the amount of Available Collections received by the Issuer during the Collection Period immediately preceding such Payment Date and certain costs and expenses of the Issuer. See "*TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption — Pre-Enforcement Priorities of Payments*".

Payments to satisfy amounts due to third parties (other than pursuant to the Transaction Documents) and payable in connection with the Issuer's business may be made from the General Collection Account, the Principal Account and the Interest Account, the General Reserve Account and, if applicable, the Additional Interest Reserve Account, other than on a Payment Date, as applicable and in accordance with the Transaction Documents.

Residual Payment to the Seller

On each Payment Date prior to the occurrence of a Seller Event of Default and the occurrence of an Issuer Event of Default, the difference (if any) between the Available Interest Amount and the sum of all amounts payable or to be applied (as the case may be) by the Issuer under items *first* to *ninth* (inclusive) of the Pre-Enforcement Interest Priority of Payments, with respect to the Determination Date immediately preceding such Payment Date, shall be disbursed to the Seller in accordance with the Receivables Purchase Agreement as residual payment in accordance with and subject to the Pre-Enforcement Interest Priority of Payments. Upon the occurrence of an Issuer Event of Default, the difference (if any) between the available funds of the Issuer (including Credit upon the servicing of an Enforcement Instruction) and the sum of all amounts payable or to be applied (as the case may be) by the Issuer under items *first* to *eleventh* (inclusive) of the Post-Enforcement Priority of Payments shall be paid to the Seller in accordance with the Receivables Purchase Agreement as residual payment in accordance with and subject to the Post-Enforcement Priority of Payments.

Post-Enforcement Priority of Payments

Upon the occurrence of an Issuer Event of Default prior to the full discharge of all Transaction Secured Obligations, any amounts payable by the Issuer will be paid in accordance with the Post-Enforcement Priority of Payments set out in Clause 23.2 (*Post-Enforcement Priority of Payments*) of the Transaction Security Agreement. See "*THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT — Post-Enforcement Priority of Payments*".

General Reserve

On the Closing Date, advances by the Subordinated Loan Provider shall be credited in accordance with Subordinated Loan Agreement to an account of the Issuer held with the Account Bank (the "**General Reserve Account**") in an amount equal to the General Reserve Initial Cash Deposit, being EUR 6,000,000. Prior to the occurrence of an Issuer Event of Default, the amount standing to the credit of the General Reserve Account (such amount from time to time, the "**General Reserve**") as of any Determination Date shall be transferred on the Payment Date immediately following such Determination Date to the Interest Account and shall be applied as part of the Available Interest Amount in accordance with the Pre-Enforcement Interest Priority of Payments.

If and to the extent that the Available Interest Amount on any Payment Date exceeds the amounts required to meet the items ranking higher than item *fourth* in the Pre-Enforcement Interest Priority of Payments, the excess amount will be applied on such Payment Date to replenish the General Reserve until the balance standing to the credit of the General Reserve Account equals the General Reserve Required Amount.

If and to the extent that the Available Interest Amount on any Payment Date exceeds the amounts required to meet the items ranking higher than item *ninth* in the Pre-Enforcement Interest Priority of Payments, an amount equal to the General Reserve Required Decrease Amount (if any) will be applied towards payments of principal and interest under Subordinated Loan in accordance with the Pre-Enforcement Interest Priority of Payments. "**General Reserve Required Decrease Amount**" means, with respect to any Calculation Date immediately preceding a Payment Date, the excess (if any) of the balance standing to the credit of the General Reserve Account (after taking into account any amounts to be further applied in accordance with the Pre-Enforcement Interest Priority of Payments on such Payment Date) over the General Reserve Required Amount on such Payment Date.

Following the occurrence of an Issuer Event of Default, the General Reserve will be transferred to the General Collection Account and applied in accordance with the Post-Enforcement Priority of Payments.

Additional Interest Reserve

On the Closing Date, the Issuer shall transfer to an account of the Issuer held with the Account Bank (the "**Additional Interest Reserve Account**") the excess of the proceeds from the issuance of the Notes over the Principal Component Purchase Price to be paid on the Closing Date in an amount equal to the Additional Interest Reserve Initial Amount. Thereafter, on each Payment Date during the Revolving Period, the Issuer shall further credit the Additional Interest Reserve Account with the applicable Additional Interest Reserve Additional Amounts by debit of the General Collection Account.

"**Additional Interest Reserve Initial Amount**" means the aggregate of the Subsidised Interest Balances of the Initial Receivables to be purchased on the Closing Date, being EUR 21,652,577.40.

"**Additional Interest Reserve Additional Amount**" means, with respect to any Payment Date during the Revolving Period, the Subsidised Interest Balances of the Purchased Receivables to be purchased on such Payment Date.

"**Additional Interest Reserve Required Amount**" means:

- (a) on the Closing Date, the Additional Interest Reserve Initial Amount; and
- (b) in respect of any Payment Date thereafter, an amount equal to the aggregate of the Subsidised Interest Balances of all Purchased Receivables (taking into account the Additional Receivables to be purchased on such Payment Date).

On each Payment Date, the Additional Interest Reserve Account shall be debited with (i) an amount equal to the aggregate of the Subsidised Interest Instalment Amounts in respect of the Instalment Due Dates falling during the immediately preceding Collection Period and such amount shall be included in the Available Interest Amount and shall be applied in accordance with the Pre-Enforcement Interest Priority of Payments on such Payment Date and (ii) an amount equal to the aggregate Subsidised Interest Balances relating to Purchased Receivables which are subject to a Deemed Collection or which are prepaid in full during the preceding Collection Period and which shall be credited to the General Collection Account and which shall be included in the Available Collections.

"Subsidised Interest Instalment Amount" means, in respect of any Receivable in relation to which the Seller has entered into a Subsidised Interest Arrangement and in respect of any Instalment Due Date, the part of the Subsidised Interest Amount that is recognised as income in the Seller's books on such Instalment Due Date.

"Subsidised Interest Amount" means the lump sum paid at or near origination by a Car Dealer or Car Manufacturer to the Seller pursuant to the terms of any Subsidised Interest Arrangement in respect of any Auto Loan Contract with a nil or below market rate interest to compensate the Seller for such below market interest rate.

"Subsidised Interest Balance" means, in respect of any Receivable:

- (a) on the Purchase Date in respect of that Receivable, an amount equal to the part of the Subsidised Interest Amount which is still outstanding on the books of the Seller on the immediately preceding Selection Date;
- (b) in respect of any Payment Date following the Purchase Date in respect of that Receivable, an amount equal to the positive difference, if any, between:
 - (i) the Subsidised Interest Balance as defined in (a) above relating to such Receivable; and
 - (ii) the sum of all Subsidised Interest Instalment Amounts relating to such Receivable debited from the Additional Interest Reserve Account in respect of the Instalment Due Dates in the preceding Collection Periods,

and, where the Seller has in respect of any Receivable not entered into any Subsidised Interest Arrangement, zero.

"Subsidised Interest Arrangement" means any arrangement between the Seller and a Car Dealer or Car Manufacturer under which such Car Dealer or Car Manufacturer (as applicable) agrees to subsidise the rate of interest payable by a Debtor under an Auto Loan Contract.

Interest Rate Swap

The Eligibility Criteria require that all Purchased Receivables bear a fixed interest rate. The interest rate payable by the Issuer with respect to the Class A Notes is calculated as the sum of EURIBOR and a margin as set out in the Terms and Conditions of the Notes.

The Issuer has hedged this fixed-floating interest rate exposure by entering into the Interest Rate Swap with the Interest Rate Swap Counterparty. Under the Interest Rate Swap, on each Payment Date the Issuer will pay a fixed rate (the **"Fixed Swap Rate"**) applied to the lower of (a) the Class A Principal Amount as of the immediately preceding Payment Date (less any corresponding amount of principal repaid or scheduled to be repaid by the Issuer under the Class A Notes on such immediately preceding Payment Date) (or, in the case of the first Payment Date, as of the Closing Date) and (b) the Aggregate Outstanding Principal Amount as of the immediately preceding Payment Date (less any corresponding amount of principal repaid or scheduled to be repaid by the Debtors under such Purchased Receivables on such immediately preceding Payment Date) (the **"Notional Amount"**) and the Interest Rate Swap Counterparty will pay a floating rate equal to EURIBOR plus the Class A Notes Margin as set by such Interest Rate Swap Counterparty in respect of the Interest Period immediately preceding such Payment Date applied to the same Notional Amount, **provided that** and, for the avoidance of doubt, if such floating rate is below zero, such floating rate shall be zero. Payments under the Interest Rate Swap will be made on a net basis. See *"OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Interest Rate Swap"*.

In respect of the Interest Rate Swap, a segregated Swap Collateral Account is established with the Account Bank and security created over such account in favour of the Security Trustee in accordance with provisions in the Accounts Agreement and the English Security Deed. Any cash collateral posted to such Swap Collateral Account as a result of a ratings downgrade shall be monitored and shall bear interest. Such cash collateral shall be segregated from the General Collection Account and from the general cash flow of the Issuer and shall not constitute Available Collections. Collateral posted to such Swap Collateral Account is solely for the purposes of, and in connection with, collateralising the Interest Rate Swap.

The Interest Rate Swap has been structured and designed with the view to comply with the current applicable hedge counterparty criteria for structured finance transactions as promulgated by each of the Rating Agencies. In particular, the Interest Rate Swap in accordance with the current applicable rating criteria provides for certain measures to be taken by the Interest Rate Swap Counterparty should it cease to have, in the case of Fitch, certain pre-determined minimum short-term issuer default rating or derivative counterparty rating (or long-term issuer default rating), or, in the case of Moody's, certain minimum counterparty risk assessment (or, if the Interest Rate Swap Counterparty has no counterparty risk assessment from Moody's, rating of its long-term, unsecured and unsubordinated Debt or counterparty obligations) (the "**Interest Rate Swap Counterparty Required Rating**"). Such measures include (i) the posting of cash collateral in accordance with the terms of the Credit Support Annex and (ii) the Interest Rate Swap Counterparty being obliged, to either (x) obtain a guarantee of its obligations under the Interest Rate Swap from a third party with the Interest Rate Swap Counterparty Required Ratings; or (y) transfer all of its rights and obligations under the Interest Rate Swap or the relevant interest rate swap transaction(s) to a third party with the Interest Rate Swap Counterparty Required Ratings. Failure by the Interest Rate Swap Counterparty to comply with any of the aforementioned requirements will constitute a reason for termination by the Issuer of the Interest Rate Swap in accordance with the terms and conditions thereof. Where the Interest Rate Swap Counterparty provides collateral in accordance with the provisions of the Credit Support Annex, such collateral or interest thereon will not form part of the Available Interest Amount (other than collateral amounts applied in satisfaction of termination payments due to the Issuer following the designation of an early termination date under an Interest Rate Swap), the Available Principal Amount or the proceeds obtained from the enforcement of the Note Collateral in accordance with clause 19 (*Enforcement of Note Collateral*) of the Transaction Security Agreement. See "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Interest Rate Swap*" and "*THE INTEREST RATE SWAP COUNTERPARTY*".

Credit Enhancement

As, on the Closing Date and, thereafter, on any Subsequent Purchase Date, the average interest rate under the Auto Loan Contracts (taking into account any interest subsidies provided by any relevant car dealer(s), importer(s) or manufacturer(s) in connection with such Auto Loan Contracts) exceeds the average interest rate of the Notes, it is expected that the aggregate interest portions of the Available Collections received and forming part of item (a) of the definition of Available Interest Amount will exceed the amounts required to meet the items ranking higher than Class A Notes Interest Amount (item *third*) in the Pre-Enforcement Interest Priority of Payments.

The Class A Notes, and to a limited extent the Class B Notes, will have the benefit of a cash reserve which will provide liquidity support in the event of shortfalls in the available funds to pay interest due and payable under the Notes and certain senior expenses. Prior to the occurrence of an Issuer Event of Default, the amount standing to the credit of the General Reserve Account as of any Determination Date shall be transferred on the Payment Date immediately following such Determination Date to the Interest Account and shall be applied as part of the Available Interest Amount in accordance with the Pre-Enforcement Interest Priority of Payments. Following the occurrence of an Issuer Event of Default, the General Reserve will be transferred to the General Collection Account and applied in accordance with the Post-Enforcement Priority of Payments.

Following the occurrence of an Issuer Event of Default, the Class A Notes have the benefit of credit enhancement provided through the subordination, both as to payment of interest and principal and on enforcement of the Note Collateral, of the Class B Notes and the General Reserve, whilst the Class B Notes have, to a limited extent, the benefit of credit enhancement provided through the General Reserve.

Subordinated Loan

The Subordinated Loan Provider will make available to the Issuer an interest-bearing subordinated loan (the "**Subordinated Loan**") in the principal amount of EUR 6,000,000 for the purpose of establishing the General Reserve.

Prior to the occurrence of an Issuer Event of Default, interest under the Subordinated Loan will be payable by the Issuer monthly in arrears on each Payment Date, subject to and in accordance with the Pre-Enforcement Priority of Payments. The outstanding principal amount of the Subordinated Loan will be repaid by the Issuer from reductions of the General Reserve Required Amount in accordance with the Pre-

Enforcement Priority of Payments. See "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS — Subordinated Loan Agreement*".

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes are set out below. Appendix A to the Terms and Conditions of the Notes is set out under "*CERTAIN DEFINITIONS*". Appendix B to the Terms and Conditions of the Notes is set out under "*THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT*". Appendix C to the Terms and Conditions of the Notes is set out under "*DESCRIPTION OF THE PORTFOLIO — Eligibility Criteria*". Appendix D to the Terms and Conditions of the Notes is set out under "*CREDIT AND COLLECTION POLICY*". Each of Appendix A, Appendix B, Appendix C and Appendix D forms an integral part of the Terms and Conditions of the Notes.

1. Form and Denomination

- (a) PBD Germany Auto 2018 UG (*haftungsbeschränkt*), incorporated with limited liability (Unternehmergesellschaft (*haftungsbeschränkt*)) in the Federal Republic of Germany ("**Germany**") registered with the commercial register of the local court (*Amtsgericht*) in Frankfurt am Main under the registration number 112606 with its registered office at c/o Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Main, Germany (the "**Issuer**") issues the following classes of floating or fixed rate amortising asset-backed notes in bearer form (each, a "**Class**" and collectively, the "**Notes**") pursuant to these terms and conditions (the "**Terms and Conditions of the Notes**"):
- (i) Class A Floating Rate Notes due on the Payment Date falling in March 2031 (the "**Class A Notes**") which are issued in an initial aggregate principal amount of EUR 600,000,000 and divided into 6,000 **Notes**, each having a principal amount of EUR 100,000,
- (ii) Class B Fixed Rate Notes due on the Payment Date falling in March 2031 (the "**Class B Notes**") which are issued in the aggregate principal amount of EUR 66,700,000 and divided into 667 **Notes**, each having a principal amount of EUR 100,000.

The Notes shall be issued on or about 25 October 2018 (the "**Closing Date**"). All Notes shall be issued in new global note form. The holders of the Notes are referred to as the "**Noteholders**".

- (b) Each Class of Notes shall be initially represented by a temporary global bearer note (the "**Temporary Global Note**") without interest coupons. The Temporary Global Notes shall be exchangeable, as provided in paragraph (c) below, for permanent global bearer notes which are recorded in the records of the ICSDs (the "**Permanent Global Note**") without interest coupons representing each such Class. Definitive Notes and interest coupons shall not be issued. Each Permanent Global Note and each Temporary Global Note is also referred to herein as a "**Global Note**" and, together, as "**Global Notes**". Each Global Note representing the Class A Notes shall be deposited with an entity appointed as common safekeeper (the "**Class A Notes Common Safekeeper**") by the ICSDs. Each Global Note representing the Class B Notes shall be deposited with an entity appointed as common safekeeper (the "**Class B Notes Common Safekeeper**" and together with the Class A Notes Common Safekeeper, the "**Common Safekeepers**") by the ICSDs.
- (c) The Temporary Global Notes shall be exchanged for the Permanent Global Notes recorded in the records of the ICSDs on a date (the "**Exchange Date**") not earlier than 40 calendar days after the date of issue of the Temporary Global Notes upon delivery by the relevant participants to the ICSDs, as relevant, and by the ICSDs to the Paying Agent, of certificates in the form which forms part of the Temporary Global Notes and are available from the Paying Agent for such purpose, to the effect that the beneficial owner or owners of the Notes represented by the relevant Temporary Global Note is not a U.S. person or are not U.S. persons other than certain financial institutions or certain persons holding through such financial institutions. Each Permanent Global Note delivered in exchange for the relevant Temporary Global Note shall be delivered only outside of the United States. "**United States**" means, for the purposes of this Condition 1(c), 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). Any exchange of a Temporary Global Note pursuant to this Condition 1(c) shall be made free of charge to the Noteholders. Upon an exchange of a portion only of the Notes represented by the Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.

- (d) Payments of interest or principal on the Notes represented by a Temporary Global Note shall be made only after delivery by the relevant participants to the ICSDs, as relevant, and by an ICSD to the Paying Agent of the certifications described in paragraph (c) above.
- (e) Each Global Note shall be manually signed by or on behalf of the Issuer and shall be authenticated by the Paying Agent and, in respect of each Global Note representing the Class A Notes, effectuated by the Class A Notes Common Safekeeper on behalf of the Issuer and, in respect of each Global Note representing the Class B Notes, effectuated by the Class B Notes Common Safekeeper on behalf of the Issuer.
- (f) The aggregate nominal amount of the Notes represented by the Global Note shall be the aggregate amount from time to time entered in the records of both ICSDs. Absent errors, 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 Notes) shall be conclusive evidence of the aggregate nominal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the aggregate nominal amount of 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 Notes represented by the Global Note the Issuer shall procure that details of any 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 aggregate nominal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such instalment so paid.

- (g) The provisions set out in Schedule 6 of the agency agreement (the "**Agency Agreement**") between the Issuer, HSBC Bank plc as paying agent (or any successor or substitute appointed with such capacity, the "**Paying Agent**") and as interest determination agent (or any successor or substitute appointed with such capacity, the "**Interest Determination Agent**"), BNP Paribas Securities Services as calculation agent (or any successor or substitute appointed with such capacity, the "**Calculation Agent**") and as reporting agent (or any successor or substitute appointed with such capacity, the "**Reporting Agent**") and Wilmington Trust SP Services (Frankfurt) GmbH as corporate administrator (or any successor or substitute appointed with such capacity, the "**Corporate Administrator**") dated on or about 23 October 2018 which contain primarily the procedural provisions regarding resolutions of Noteholders shall hereby be fully incorporated into these Terms and Conditions of the Notes. The Issuer shall specify, by means of a notification in accordance with Condition 13 (*Form of Notices*), at any time, but no later than upon publication of a convening notice for a Noteholders' meeting, a website for the purpose of publications under such procedural provisions. Such notification shall hereby be fully incorporated into these Terms and Conditions of the Notes upon publication or delivery thereof in accordance with Condition 13 (*Form of Notices*).
- (h) Copies of the Global Notes are available free of charge at the main offices of the Issuer and of the Paying Agent (as defined in Condition 9(a) (*Paying Agents; Determinations Binding*)).
- (i) Certain terms not defined but used herein shall have the same meanings herein as in Appendix A, Appendix C or Appendix D to these Terms and Conditions of the Notes ("**Appendix A**", "**Appendix C**" and "**Appendix D**", respectively) each of which constitutes an integral part of these Terms and Conditions of the Notes.

- (j) The Notes are subject to the provisions of a transaction security agreement (the "**Transaction Security Agreement**") between the Issuer, the Paying Agent, the Calculation Agent, the Interest Determination Agent, the Reporting Agent, the Back-Up Servicer Facilitator, the Interest Rate Swap Counterparty, the Data Trustee, the Account Bank, the Corporate Administrator, the Seller, the Servicer, the Subordinated Loan Provider and HSBC Corporate Trustee Company (UK) Limited as security trustee (including any successor or substitute appointed with such capacity, the "**Security Trustee**") dated on or about 23 October 2018. The main provisions of the Transaction Security Agreement are set out in Appendix B to these Terms and Conditions of the Notes ("**Appendix B**") which constitutes an integral part of these Terms and Conditions of the Notes. Terms defined in the Transaction Security Agreement shall have the same meanings herein.

2. Status and Priority

- (a) The Notes constitute direct, secured and (subject to Condition 3.2 (*Limited Recourse*)) unconditional obligations of the Issuer.
- (b) The obligations of the Issuer under the Class A Notes rank *pari passu* amongst themselves without any preference among themselves in respect of security. Following an Issuer Event of Default (as defined in Condition 3.5 (*Issuer Event of Default*)), the obligations of the Issuer under the Class A Notes rank against all other current and future obligations of the Issuer in accordance with the post-enforcement priority of payments (the "**Post-Enforcement Priority of Payments**") set out in Clause 23.2 (*Post-Enforcement Priority of Payments*) of the Transaction Security Agreement (see *Appendix B*). The obligations of the Issuer under the Class B Notes rank *pari passu* amongst themselves in respect of security. Following an Issuer Event of Default the obligations of the Issuer under the Class B Notes rank against all other current and future obligations of the Issuer in accordance with the Post-Enforcement Priority of Payments.

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

3.1 Security

Pursuant to the Transaction Security Agreement, the Issuer has transferred or pledged to the Security Trustee its rights and claims in all Purchased Receivables and the Related Collateral transferred by the Seller to it under the Receivables Purchase Agreement, all of its rights and claims arising under certain Transaction Documents to which the Issuer is a party and certain other rights specified in the Transaction Security Agreement (such collateral as defined in Clause 7 (*Security Purpose*) of the Transaction Security Agreement, the "**Collateral**") as security for the Notes and other obligations specified in the Transaction Security Agreement. As to the form and contents of such provision of security, reference is made to Clauses 5 (*Transfer for Security Purposes of the Assigned Security*) and 6 (*Pledge*) and the other provisions of the Transaction Security Agreement (see *Appendix B*). In addition, the Issuer has granted a security interest to the Security Trustee in respect of all present and future rights, claims and interests which the Issuer is or becomes entitled to from or in relation to the Interest Rate Swap Counterparty and/or any other party pursuant to or in respect of the Interest Rate Swap to the Security Trustee, the Account Bank and/or the Calculation Agent and/or any other party pursuant to or in respect of the Accounts Agreement and over the Accounts and all amounts standing to the credit of the Accounts from time to time as security for the payment and/or discharge on demand of all monies and liabilities due by the Issuer to the Security Trustee in accordance with an English security deed dated on or about 23 October 2018 (the "**English Security Deed**", the security interests granted in accordance with the English Security Deed together with the Collateral, the "**Note Collateral**").

3.2 Limited Recourse

- (a) All payment obligations of the Issuer under the Notes constitute exclusive obligations to pay out the Credit (as defined in Clause 23.1 (*Post-Enforcement Priority of Payments*) of the Transaction Security Agreement) in accordance with the Post-Enforcement Priority of Payments. Such funds shall be generated by, and limited to (i) payments made to the Issuer by the Servicer under the Servicing Agreement, (ii) payments made to the Issuer by the

Interest Rate Swap Counterparty under the Interest Rate Swap, (iii) payments made to the Issuer under the other Transaction Documents, (iv) proceeds from the realisation of the Note Collateral, and (v) interest (if any) earned on the balance credited to the Accounts (except interest earned on the Swap Collateral Account) as available on the relevant Payment Date (if any) (Condition 5.1 (*Payment Dates*)) according to the Post-Enforcement Priority of Payments (Clause 23.2 (*Post-Enforcement Priority of Payments*) of the Transaction Security Agreement) **provided that**, prior to the occurrence of an Issuer Event of Default, the Available Interest Amount shall be applied in accordance with the Pre-Enforcement Interest Priority of Payments (Condition 6.6 (*Pre-Enforcement Interest Priority of Payments*)) and the Available Principal Amount shall be applied in accordance with the Pre-Enforcement Principal Priority of Payments (Condition 7.6 (*Pre-Enforcement Principal Priority of Payments*)). The payment obligations of the Issuer shall only be settled if and to the extent that the Issuer is in a position to settle such claims using future profits (*künftige Gewinne*), any remaining liquidation proceeds (*Liquidationsüberschuss*) or any current positive balance of the net assets (*anderes freies Vermögen*) of the Issuer. The Notes shall not give rise to any payment obligation in excess of the Credit and recourse shall be limited accordingly.

- (b) The Issuer shall hold all monies paid to it in the General Collection Account, the Principal Account or the Interest Account, except the General Reserve which the Issuer shall hold in the General Reserve Account, the Additional Interest Reserve Required Amount from time to time which the Issuer shall hold in the Additional Interest Reserve Account and any Swap Collateral, Swap Tax Credit and Replacement Swap Premium received by the Issuer which the Issuer shall hold in the respective Swap Collateral Account. Furthermore, the Issuer shall exercise all of its rights under the Transaction Documents with the due care of a prudent businessman such that obligations under the Notes may be performed to the fullest extent possible.
- (c) The obligations of the Issuer arising hereunder are limited recourse obligations payable solely from the proceeds of the Note Collateral or any other future profits (*künftige Gewinne*), remaining liquidation proceeds (*Liquidationsüberschuss*) or other positive balance of net assets (*anderes freies Vermögen*) and, following realisation of the Note Collateral and the application of the proceeds thereof in accordance with the Post-Enforcement Priority of Payments set out in Clause 23.2 (*Post-Enforcement Priority of Payments*) of the Transaction Security Agreement, any claims of the Noteholders under the Notes against the Issuer (and the obligation of the Issuer) shall be extinguished.

"**Extinguished**" for these purposes means that such claim shall not lapse, but shall be subordinated in accordance with Section 39 para 2 of the German Insolvency Code (*Insolvenzordnung*) to all current and future claims of the other creditors of the Issuer as set out in Section 39 para 1 no 1 to 5 of the German Insolvency Code (*Insolvenzordnung*). Any such claims shall be settled only after all current and future claims of the Issuer's other creditors have been settled if and to the extent the Issuer is in a position to settle such claims using future profits (*künftige Gewinne*), any remaining liquidation proceeds (*Liquidationsüberschuss*) or any positive balance of the net assets (*anderes freies Vermögen*) of the Issuer.

3.3 **Enforcement of Payment Obligations**

The enforcement of the payment obligations under the Notes shall only be effected by the Security Trustee for the benefit of all Noteholders, **provided that** each Noteholder shall be entitled to proceed directly against the Issuer in the event that the Security Trustee, after having become obliged to enforce the Note Collateral and having been given notice thereof, fails to do so within a reasonable time period and such failure continues. The Security Trustee shall foreclose on the Note Collateral upon the occurrence of an Issuer Event of Default on the conditions and in accordance with the terms of the Transaction Security Agreement including, in particular, Clauses 19 (*Enforcement of Note Collateral*) and 20 (*Payments upon Occurrence of an Issuer Event of Default*) of the Transaction Security Agreement (see Appendix B) and the terms of the English Security Deed.

3.4 ***Obligations of the Issuer only***

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

3.5 ***Issuer Event of Default***

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

- (i) the Issuer becomes overindebted (*überschuldet*) or is unable to pay its debts as they fall due (*zahlungsunfähig*) or the inability of the Issuer to pay its debts as they fall due is imminent (*drohende Zahlungsunfähigkeit*) or measures under Section 21 of the German Insolvency Code (*Insolvenzordnung*) are taken with respect to the Issuer or the Issuer initiates or otherwise becomes subject to liquidation, insolvency, or similar proceedings under any applicable law, which affect or prejudice the performance of its obligations under the Notes or the other Transaction Documents, and are not, in the opinion of the Security Trustee, being disputed in good faith with a reasonable prospect of discontinuing or discharging the same, or such proceedings are not instituted for lack of assets;
- (ii) the Issuer defaults in the payment of any interest due and payable in respect of any Class A Note and such default continues for a period of at least five (5) Business Days;
- (iii) (except for a default as referred to under item (ii) above), the Issuer defaults in the payment of any amounts due and payable in respect of any senior note or in the due payment or performance of any other Transaction Secured Obligation (as such term is defined in Clause 7 (*Security Purpose*) of the Transaction Security Agreement), other than those mentioned under items *ninth* and *tenth* of the Pre-Enforcement Interest Priority of Payments, in each case to the extent that the Available Interest Amount or, as applicable, the Available Principal Amount would have been sufficient to pay such amounts, and such default continues for a period of at least five (5) Business Days;
- (iv) the Issuer fails to perform or observe any of its other material obligations under the Terms and Conditions or the Transaction Documents (other than the Subordinated Loan Agreement) and, in each such case (except where such failure is incapable of remedy when no notice will be required) such failure is continuing for a period of thirty (30) calendar days following (i) if the Security Trustee was notified by the Issuer of such failure, the receipt of such notice by the Security Trustee or (ii) in all other cases, the service by the Security Trustee on the Issuer of a notice requiring such failure to be remedied; or
- (iv) the Security Trustee ceases to have a valid and enforceable security interest in any of the Note Collateral or any other security interest created under any Transaction Security Document.

Upon the occurrence of an Issuer Event of Default, the full Class Principal Amount shall become due and payable in accordance with the Post-Enforcement Priority of Payments.

4. **General Covenants of the Issuer**

4.1 ***Restrictions on Activities***

As long as any Notes are outstanding, the Issuer shall not be entitled, unless (i) each Rating Agency has been notified of such action and the prior consent of the Security Trustee has been obtained or (ii) required by applicable law, to engage in or undertake any of the activities or transactions specified in Clause 39 (*Actions of the Issuer requiring consent*) of the Transaction Security Agreement (see Appendix B).

4.2 ***Appointment of Security Trustee***

As long as any Notes are outstanding, the Issuer shall ensure that a Security Trustee is appointed at all times who has undertaken substantially the same functions and obligations as the Security Trustee pursuant to these Terms and Conditions of the Notes and the Transaction Security Agreement.

5. Payments on the Notes

5.1 *Payment Dates*

Payments of interest and, after the expiration of the Revolving Period, in accordance with the provisions herein, payments of principal and interest in respect of the Notes to the Noteholders shall become due and payable monthly on the nineteenth (19th) day of each calendar month or if such day is not a Business Day, on the next succeeding day which is a Business Day unless such date would thereby fall into the next calendar month, in which case the payment will be made on the immediately preceding Business Day, commencing on 19 November 2018 (each such day, a "**Payment Date**"). "**Business Day**" means a day on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET2**") are operational and on which commercial banks and foreign exchange markets are open or required to be open for business in Luxembourg, London, England, Frankfurt am Main, Germany and Düsseldorf, Germany.

5.2 *Note Principal Amount*

Payments of interest and, after the expiration of the Revolving Period, payments of principal and interest on each Note as of any Payment Date shall be made on the Note Principal Amount of such Note. The "**Note Principal Amount**" of any Note as of any date shall be the aggregate amount from time to time entered in the records of both ICSDs. "**Class A Principal Amount**" means, as of any date, the sum of the Note Principal Amounts of all Class A Notes and "**Class B Principal Amount**" means, as of any date, the sum of the Note Principal Amounts of all Class B Notes. Each of the Class A Principal Amount and the Class B Principal Amount is referred to herein as a "**Class Principal Amount**". 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 Notes) shall be conclusive evidence of the aggregate principal amount of Notes represented by the Global Note and, for these purposes, a statement issued by an ICSD stating the amount of 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 interest being made in respect of, or purchase and cancellation of, any of the Notes represented by the Global Note the Issuer shall procure that details of any 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 aggregate principal amount of the Notes recorded in the records of the ICSDs and represented by the Global Note shall be reduced by the aggregate principal amount of the Notes so redeemed or purchased and cancelled.

On an exchange of a portion only of the Notes represented by a Temporary Global Note, the Issuer shall procure that details of such exchange shall be entered *pro rata* in the records of the ICSDs.

5.3 *Payments and Discharge*

- (a) Payments of interest and, after the expiration of the Revolving Period, payments of principal and interest in respect of the Notes shall be made by the Issuer, through the Paying Agent, on each Payment Date to, or to the order of, the ICSDs, as relevant, for credit to the relevant participants in the ICSDs for subsequent transfer to the Noteholders.
- (b) Payments in respect of interest on any Notes represented by the Temporary Global Note shall be made to, or to the order of, the ICSDs, as relevant, for credit to the relevant participants in the ICSDs for subsequent transfer to the relevant Noteholders upon due certification as provided in Condition 1 (c) (*Form and Denomination*).
- (c) All payments made by the Issuer to, or to the order of, the ICSDs, as relevant, shall discharge the liability of the Issuer under the relevant Notes to the extent of the sums so paid. Any failure to make the entries in the records of the ICSDs referred to in Condition 5.2 (*Note Principal Amount*) shall not affect the discharge referred to in the preceding sentence.

6. Payments of Interest

6.1 *Interest Calculation*

- (a) Subject to the limitations set forth in Condition 3.2 (*Limited Recourse*) and, in particular, subject to the Pre-Enforcement Interest Priority of Payments and, upon the occurrence of an Issuer Event of Default, the Post-Enforcement Priority of Payments, each Note shall bear interest on its Note Principal Amount from (and inclusive of) the Closing Date until (but exclusive of) the day on which such Note will be redeemed in full.
- (b) The amount of interest payable by the Issuer in respect of each Note on any Payment Date (the "**Interest Amount**") shall be calculated by applying the relevant Interest Rate (Condition 6.3 (*Interest Rate*)), for the relevant Interest Period (Condition 6.2 (*Interest Period*)), to the Note Principal Amount outstanding immediately prior to the relevant Payment Date and multiplying the result by the actual number of days in the relevant Interest Period divided by 360 and rounding the result to the nearest EUR 0.01 (with EUR 0.005 being rounded upwards). "**Class A Notes Interest Amount**" means the aggregate Interest Amount payable (including any Interest Arrears) in respect of all Class A Notes on any date and "**Class B Notes Interest Amount**" means the aggregate Interest Amount payable (including any Interest Arrears) in respect of all Class B Notes on any date.

6.2 *Interest Period*

"**Interest Period**" means, in respect of any Note, each period commencing on (and including) a Payment Date and ending on (but excluding) the next following Payment Date, **provided that** the first Interest Period shall commence on (and include) the Closing Date and the last Interest Period shall end on (but exclude) the earlier of (i) the date on which the Aggregate Outstanding Note Principal Amount is zero and (ii) the Final Maturity Date.

6.3 *Interest Rate*

- (a) The interest rate payable on the Note for each Interest Period (each, an "**Interest Rate**") shall be
 - (i) in the case of the Class A Notes, EURIBOR plus 0.40% *per annum* and, for the avoidance of doubt, if such rate is below zero, the Interest Rate shall be zero,
 - (ii) in the case of the Class B Notes, 0.80% *per annum*.
- (b) "**EURIBOR**" for each Interest Period means, subject to Condition 6.3(c) and Condition 6.3(d) below, the rate for deposits in euro for a period of one (1) month (with respect to the first Interest Period, the linear interpolation between two (2) weeks and one (1) month) which is (i) calculated by the European Money Markets Institute" by reference to the interbank rates determined by the credit institutions appointed for this purpose by the "European Money Markets Institute", (ii) is published by "Global Rate Set Systems Ltd" and (iii) which appears on Reuters screen page EURIBOR01 (or such other page as may replace such page on that service for the purpose of displaying Brussels inter-bank offered rate quotations of major banks) as of 11:00 a.m. (Brussels time) on the second (2nd) Business Day immediately preceding the commencement of such Interest Period (each, a "**EURIBOR Determination Date**"), all as determined by the Interest Determination Agent. If Reuters screen page EURIBOR01 is not available or if no such quotation appears thereon, in each case as at such time, the Interest Determination Agent shall request the principal Euro-zone office of the Reference Banks selected by the Servicer and notified to the Interest Determination Agent to provide the Interest Determination Agent with its offered quotation (expressed as a percentage rate per annum) for one-month deposits (with respect to the first Interest Period, the linear interpolation between two (2) weeks and one (1) month) in euro at approximately 11:00 a.m. (Brussels time) on the relevant EURIBOR Determination Date to prime banks in the Euro-zone inter-bank market for the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time. If two or more of the selected Reference Banks provide the Interest Determination Agent with such offered quotations, EURIBOR for such Interest Period

shall be the arithmetic mean of such offered quotations (rounded if necessary to the nearest one thousandth of a percentage point, with 0.000005 being rounded upwards). If on the relevant EURIBOR Determination Date fewer than two of the selected Reference Banks provide the Interest Determination Agent with such offered quotations, EURIBOR for such Interest Period shall be the rate per annum which the Interest Determination Agent determines as being the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.000005 being rounded upwards) of the rates communicated to (and at the request of) the Interest Determination Agent by major banks in the Euro-zone, selected by the Interest Determination Agent, at approximately 11:00 a.m. (Brussels time) on such EURIBOR Determination Date for loans in euro to leading European banks for such Interest Period and in an amount that is representative for a single transaction in that market at that time. "**Reference Banks**" means four major banks in the Euro-zone inter-bank market. "**Euro-zone**" means the region comprising member states of the European Union that have adopted the single currency, the euro, in accordance with the EC Treaty. "**EC Treaty**" means the Treaty originally signed in Rome on 25 March 1957 as the Treaty establishing the European Community, as amended from time to time, including by the Treaty on European Union signed in Maastricht on 7 February 1992 and the Treaty of Amsterdam signed in Amsterdam on 2 October 1997 and as amended and renamed Treaty on the Functioning of the European Union by the Lisbon Treaty signed in Lisbon on 13 December 2007.

- (c) In the event that the Interest Determination Agent is on any EURIBOR Determination Date required but unable to determine EURIBOR for the relevant Interest Period in accordance with the above for any reason other than as described under (d) below, EURIBOR for such Interest Period shall be EURIBOR as determined on the previous EURIBOR Determination Date.
- (d) If there has been a public announcement of the permanent or indefinite discontinuation of EURIBOR that applies to the Class A Notes at that time (the date of such public announcement being the "**Relevant Time**"), the Issuer (acting on the advice of the Servicer) shall, without undue delay, use commercially reasonable endeavours to propose an Alternative Base Rate in accordance with Condition 12(b) (Modifications) (the "**Relevant Condition**").

This Condition 6.3 shall be without prejudice to the application of any higher interest under applicable mandatory law.

6.4 **Notifications**

The Calculation Agent shall, as soon as practicable either on each Calculation Date or on the Business Day immediately following each Calculation Date but not later than 11:00 a.m. (London time) on such Business Day, determine the relevant Interest Period, Interest Rate, Interest Amount, Principal Amount and Payment Date with respect to each Class of Notes and notify such information to each of the Paying Agent, the Issuer, the Interest Rate Swap Counterparty, the Corporate Administrator and the Security Trustee in writing without undue delay. Upon receipt of such information and if applicable, relevant completed forms, by no later than 2:00 p.m. (London time) on the day of intended notification, the Paying Agent shall notify such information (i) as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange, to the Luxembourg Stock Exchange as well as to the holders of such Notes in accordance with Condition 13 (*Form of Notices*) and (ii) if any Notes are listed on any other stock exchange, to such exchange as well as to the holders of such Notes in accordance with Condition 13 (*Form of Notices*). In the event that such notification is required to be given to the Luxembourg Stock Exchange, this notification, together with any completed forms required by the Luxembourg Stock Exchange, shall be given no later than the close of the day of intended notification.

6.5 **Interest Arrears**

Accrued interest not paid on any Payment Date related to the Interest Period in which it accrued, shall be "**Interest Arrears**" with respect to the relevant Note. Without prejudice to item (ii) of the definition of Issuer Event of Default, any Interest Arrears shall become due and payable on the

next Payment Date and on any following Payment Date (subject to Condition 3.2 (*Limited Recourse*)) until it is reduced to zero, **provided that** any Interest Arrears shall finally become due and payable on the Final Maturity Date. Interest shall not accrue on Interest Arrears at any time.

6.6 ***Pre-Enforcement Interest Priority of Payments***

On each Payment Date prior to the occurrence of an Issuer Event of Default, the Available Interest Amount will be applied in accordance with the following order of priorities (the "**Pre-Enforcement Interest Priority of Payments**"), **provided that** in each case payments to be made under a certain priority will only be made if payments of all higher priorities have been made in full:

- (a) *first*, to pay the Issuer Expenses and, in priority to such payment (if any), to pay any Issuer Expenses Arrears;
- (b) *second*, to pay any net amount due and payable to the Interest Rate Swap Counterparty under the Interest Rate Swap, other than any termination payment (as determined pursuant to the Interest Rate Swap) due and payable to the Interest Rate Swap Counterparty if an event of default has occurred under the Interest Rate Swap with respect to such Interest Rate Swap Counterparty;
- (c) *third*, to pay, *pari passu* and on a *pro rata* basis, the Class A Notes Interest Amount due and payable on such Payment Date on each Class A Note and, in priority to such payment, to pay any Interest Arrears on each Class A Note;
- (d) *fourth*, to transfer to the General Reserve Account such amount as is necessary for the balance standing to the credit of the General Reserve Account to be equal to the General Reserve Required Amount applicable on that Payment Date;
- (e) *fifth*, unless a Servicing Report Delivery Failure has occurred, to transfer to the Principal Account such amount as would reduce any debit balance of the Principal Deficiency Ledger to zero;
- (f) *sixth*, unless a Servicing Report Delivery Failure has occurred, to pay any termination payment due and payable to any Interest Rate Swap Counterparty under its Interest Rate Swap if an event of default has occurred under the relevant Interest Rate Swap with respect to such Interest Rate Swap Counterparty;
- (g) *seventh*, unless a Servicing Report Delivery Failure has occurred, to pay, *pari passu* and on a *pro rata* basis, the Class B Notes Interest Amount due and payable on such Payment Date on each Class B Note and, in priority to such payment, to pay any Interest Arrears on each Class B Note;
- (h) *eighth*, unless a Servicing Report Delivery Failure has occurred, on each Payment Date during the Revolving Period, to pay to the Seller the Interest Component Purchase Price of any Purchased Receivables purchased on any Purchase Date and remaining unpaid, due and payable on that Payment Date;
- (i) *ninth*, unless a Servicing Report Delivery Failure has occurred, to pay to the Subordinated Loan Provider, first, interest due and payable under the Subordinated Loan Agreement and thereafter, outstanding principal under the Subordinated Loan Agreement in the event of any reduction of the General Reserve Required Amount from time to time (if any), in an amount (if any) which is equal to the General Reserve Required Decrease Amount; and
- (j) *tenth*, unless a Servicing Report Delivery Failure has occurred, to pay any remaining Available Interest Amount to the Seller pursuant to the terms of the Receivables Purchase Agreement,

provided that any payment to be made by the Issuer under the *first* item with respect to taxes shall be made on the Business Day on which such payment is then due and payable using any amounts then credited to the relevant Account, and **provided further that** outside of such order of priority, any Excess Swap Collateral, Replacement Swap Premium, Swap Tax Credit or any other Swap

Collateral (except to the extent that the value of such Swap Collateral has been applied, pursuant to the provisions of the relevant Interest Rate Swap, to reduce the amount that would otherwise be payable by the Interest Rate Swap Counterparty to the Issuer on early termination of the Interest Rate Swap) due to be transferred or paid by the Issuer to the Interest Rate Swap Counterparty pursuant to the terms and conditions of the Interest Rate Swap will be transferred or paid (as applicable) to the Interest Rate Swap Counterparty.

7. Replenishment and Redemption

7.1 *Replenishment*

No principal in respect of the Notes shall become due and payable to the Noteholders during the Revolving Period. On each Payment Date during the Revolving Period, the Seller shall sell and assign to the Issuer, and the Issuer shall purchase, Additional Receivables in accordance with the provisions of the Receivables Purchase Agreement, subject to the aggregate Outstanding Principal Amount of such Additional Receivables not exceeding the Maximum Receivables Purchase Amount, **provided that** the following conditions are satisfied as of such Payment Date: (a) any Additional Receivable is an Eligible Receivable and, in addition, following the purchase of such Additional Receivable on a Subsequent Purchase Date, the Portfolio must meet the eligibility criteria for an Eligible Portfolio (and, for the avoidance of doubt, such Additional Receivable shall not be so purchased if, following such purchase, the Portfolio would not meet such eligibility criteria) and (b) each Additional Receivable and the Related Collateral are assigned and transferred in accordance with the provisions of the Receivables Purchase Agreement and the Data Trust Agreement. The Issuer shall be obligated to purchase and acquire Additional Receivables for purposes of a replenishment only to the extent that the obligation to pay the Principal Component Purchase Price on such Subsequent Purchase Date can be satisfied in whole (but not in part) by the Issuer by applying the Available Principal Amount in accordance with item *second* of the Pre-Enforcement Principal Priority of Payments.

7.2 *Amortisation*

Subject to the limitations set forth in Condition 3.2 (*Limited Recourse*) and, in particular, subject to the Post-Enforcement Priority of Payments upon the occurrence of an Issuer Event of Default, the Class A Notes and, after the Class A Notes have been redeemed in full, the Class B Notes, in this order sequentially, shall be redeemed on each Payment Date falling after the end of the Revolving Period in an amount equal to the Available Principal Amount less the sum of all amounts payable or to be applied (as the case may be) by the Issuer as set forth in the Pre-Enforcement Principal Priority of Payments under items *first* and *second* (if relevant), **provided that** each Note of a particular Class shall be redeemed on each Payment Date in an amount equal to the redemption amount allocated to such Class divided by the number of Notes in such Class.

7.3 *Final Maturity Date*

On the Payment Date falling in March 2031 (the "**Final Maturity Date**"), each Class A Note shall, unless previously redeemed or purchased and cancelled, be redeemed in full at the then outstanding Note Principal Amount and, after all Class A Notes have been redeemed in full, each Class B Note shall, unless previously redeemed or purchased and cancelled, be redeemed in full at the then outstanding Note Principal Amount, in each case subject to the limitations set forth in Condition 3.2 (*Limited Recourse*). Any claims arising from the Notes, i.e. claims to interest and principal, cease to exist with the expiration of five (5) years after the Final Maturity Date, unless the Global Note representing such Class of Notes is submitted to the Issuer for redemption prior to the expiration of five (5) years after the Final Maturity Date, in which case, the claims will become time-barred after two (2) years beginning with the end of the period for presentation (ending five (5) years after the Final Maturity Date in accordance with the Terms and Conditions). The commencement of judicial proceedings in respect of the claim arising from a Global Note will have the same legal effect as the presentation of a Global Note.

7.4 *Early Redemption*

- (a) On any Payment Date on which the Aggregate Outstanding Principal Amount has been reduced to less than 10% of the Aggregate Outstanding Principal Amount as of the First

Determination Date, the Seller shall have the right under the Receivables Purchase Agreement to repurchase all outstanding Purchased Receivables (together with any Related Collateral) and the proceeds from such repurchase shall constitute Available Collections and shall be deemed to be received during the Collection Period relating to such Payment Date, subject to the following requirements:

- (i) the proceeds distributable as a result of such repurchase on the Early Redemption Date shall be at least equal to the sum of the then outstanding Class A Principal Amount plus accrued but unpaid interest thereon together with all amounts ranking prior thereto according to the relevant Pre-Enforcement Priority of Payments;
 - (ii) the Seller shall advise the Issuer of its intention to exercise the repurchase option at least one (1) month prior to the contemplated termination date which must be a Payment Date (the "**Early Redemption Date**"); and
 - (iii) the repurchase price to be paid by the Seller is equal to the aggregate Adjusted Outstanding Principal Amounts as at the Early Redemption Date plus any interest accrued but unpaid on all Purchased Receivables which are not Defaulted Receivables as at such time.
- (b) The repurchase option by the Seller under the Receivables Purchase Agreement and, accordingly, the early redemption of the Notes pursuant to this Condition 7.4 shall be excluded if the sum of the repurchase price determined pursuant to Condition 7.4(a)(iii) above and all other amounts forming part of the Available Interest Amount and the Available Principal Amount relating to such Payment Date is not sufficient to fully satisfy the obligations of the Issuer specified under Condition 7.4(a)(i) above.
- (c) Upon payment in full of the amounts pursuant to Condition 7.4(a)(i) to the Noteholders, the Noteholders shall not receive any further payments of interest or principal.

7.5 ***Optional Redemption for Taxation Reasons***

If the Issuer is or becomes at any time required by law to deduct or withhold in respect of any payment under the Notes current or future taxes, levies or governmental charges, regardless of their nature, which are imposed under any applicable system of law or in any country which claims fiscal jurisdiction by, or for the account of, any political subdivision thereof or government agency therein authorised to levy taxes, the Issuer shall determine within twenty (20) calendar days of such circumstance occurring whether it would be practicable to arrange for the substitution of the Issuer in accordance with Condition 11 (*Substitution of the Issuer*) or to change its tax residence to another jurisdiction approved by the Security Trustee. The Security Trustee shall not give such approval unless each Rating Agency has been notified in writing of such substitution or change of the tax residence of the Issuer. If the Issuer determines that any of such measures would be practicable, it shall effect such substitution in accordance with Condition 11 (*Substitution of the Issuer*) or (as relevant) such change of tax residence within sixty (60) calendar days from such determination. If, however, it determines within twenty (20) calendar days of such circumstance occurring that none of such measures would be practicable or if, having determined that any of such measures would be practicable, it is unable so to avoid such deduction or withholding within such further period of sixty (60) calendar days, then the Issuer shall be entitled at its option (but shall have no obligation) to fully redeem all (but not some only) of the Notes, upon not more than sixty (60) calendar days' nor less than thirty (30) calendar days' notice of redemption given to the Security Trustee, to the Paying Agent and, in accordance with Condition 13 (*Form of Notices*), to the Noteholders at their then aggregate outstanding Note Principal Amounts, together with accrued but unpaid interest (if any) to the date (which must be a Payment Date) fixed for redemption. Any such notice shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

7.6 ***Pre-Enforcement Principal Priority of Payments***

On each Payment Date prior to the occurrence of an Issuer Event of Default, the Available Principal Amount shall be applied in accordance with the following order of priorities (the "**Pre-**

Enforcement Principal Priority of Payments"), provided that in each case payments to be made under a certain priority will only be made if payments of all higher priorities have been made in full:

- (a) *first*, to pay any amounts due under items *first*, *second* and *third* under the Pre-Enforcement Interest Priority of Payments, but only to the extent such items are not paid in full after the application on such Payment Date of the Available Interest Amount in accordance with the Pre-Enforcement Interest Priority of Payments;
- (b) *second*, on each Payment Date during the Revolving Period, to pay to the Seller the Principal Component Purchase Price which has become due and payable on that Payment Date;
- (c) *third*, on each Payment Date during the Amortisation Period, to pay, *pari passu* and on a *pro rata* basis, the Class A Notes Amortisation Amount due and payable on such Payment Date on each Class A Note; and
- (d) *fourth*, unless a Servicing Report Delivery Failure has occurred, on each Payment Date during the Amortisation Period, to pay, on *pro rata* and on a *pro rata* basis, the Class B Notes Amortisation Amount due and payable on such Payment Date on each Class B Note.

8. Notifications

The Paying Agent shall notify the Issuer, the Corporate Administrator, the Security Trustee and, on behalf of the Issuer, by means of notification in accordance with Condition 13 (*Form of Notices*), the Noteholders, and so long as any of the Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange and listed on the official list of the Luxembourg Stock Exchange, the Luxembourg Stock Exchange and if any Notes are listed on any other stock exchanges, such stock exchange:

- (i) with respect to each Payment Date, of the Interest Amount pursuant to Condition 6.1 (*Interest Calculation*);
- (ii) with respect to each Payment Date, of the amount of Interest Arrears pursuant to Condition 6.5 (*Interest Arrears*), if any;
- (iii) with respect to each Payment Date, of the amount of principal on each Class A Note and each Class B Note pursuant to Condition 7 (*Replenishment and Redemption*) to be paid on such Payment Date;
- (iv) with respect to each Payment Date, of the Note Principal Amount of each Class A Note and each Class B Note and the Class A Principal Amount and the Class B Principal Amount as from such Payment Date;
- (v) in the event the payments to be made on a Payment Date constitute the final payment with respect to Notes pursuant to Condition 7.3 (*Final Maturity Date*), Condition 7.4 (*Early Redemption*) or Condition 7.5 (*Optional Redemption for Taxation Reasons*), of the fact that such is the final payment; and
- (vi) the occurrence of a Servicing Report Delivery Failure.

In each case, such notification shall be made by the Paying Agent on the EURIBOR Determination Date preceding the relevant Payment Date.

9. Agents; Determinations Binding

- (a) The Issuer has appointed (i) HSBC Bank plc as paying agent (in such capacity, or any successor or substitute appointed with such capacity, the "**Paying Agent**") and as interest determination agent (in such capacity, or any successor or substitute appointed with such capacity, the "**Interest Determination Agent**") and (ii) BNP Paribas Securities Services as calculation agent (in such capacity, the "**Calculation Agent**") and as Reporting Agent (in such capacity, or any successor or substitute appointed with such capacity, the

"Reporting Agent" and each of the Paying Agent, the Calculation Agent, the Interest Determination Agent and the Reporting Agent, an **"Agent"**).

- (b) The Issuer shall procure that for as long as any Notes are outstanding there shall always be a Paying Agent, a Calculation Agent, an Interest Determination Agent and a Reporting Agent to perform the functions assigned to it in these Terms and Conditions of the Notes. The Issuer may at any time, by giving not less than thirty (30) calendar days' notice by publication in accordance with Condition 13 (*Form of Notices*), replace any of the Agents by one or more banks or other financial institutions or other suitable service providers which assume such functions, **provided that** (i) the Issuer shall maintain at all times an agent having a specified office in the European Union for as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and (ii) no agent located in the United States of America will be appointed. Each of the Agents shall act solely as agents for the Issuer and shall not have any agency or trustee relationship with the Noteholders. The Issuer shall procure that for so long as any Notes are listed on the official list of the Luxembourg Stock Exchange, there shall be a Listing Agent.
- (c) All Interest Rates and Interest Amounts determined and other calculations and determinations made by the Calculation Agent for the purposes of these Terms and Conditions of the Notes shall, in the absence of manifest error, be final and binding. All determinations of the rate of EURIBOR made by the Interest Determination Agent for the purposes of these Terms and Conditions of the Notes shall, in the absence of manifest error, be final and binding.

10. Taxes

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

11. Substitution of the Issuer

- (a) If, in the determination of the Issuer and the reasonable opinion of the Security Trustee (who may rely on one or more legal opinions from reputable law firms), as a result of any enactment of or supplement or amendment to, or change in, the laws of any relevant jurisdiction or as a result of an official communication of previously not existing or not publicly available official interpretation, or a change in the official interpretation, implementation or application of such laws that becomes effective on or after the Closing Date:
 - (i) any of the Issuer, the Seller, the Servicer or any Interest Rate Swap Counterparty would, for reasons beyond its control, and after taking reasonable measures (such measures not involving any material additional payment or other expenses), be materially restricted from performing any of its obligations under the Notes or the other Transaction Documents to which it is a party; or
 - (ii) any of the Issuer, the Seller, the Servicer or any Interest Rate Swap Counterparty would, for reasons beyond its control, and after taking reasonable measures (such measures not involving any material additional payment or other expenses), (x) be required to make any tax withholding or deduction in respect of any payments on the Notes and/or the other Transaction Documents to which it is a party or (y) would not be entitled to relief for tax purposes for any amount which it is obliged to pay, or would be treated as receiving for tax purposes an amount which it is not entitled to receive, in each case under the Notes or the other Transaction Documents;

then the Issuer shall inform the Security Trustee accordingly and shall, in order to avoid the relevant event described in paragraph (i) or (ii) above, use its reasonable endeavours to arrange the substitution of the Issuer with a company incorporated in another jurisdiction in accordance with Condition 11(b) or to effect any other measure suitable to avoid the relevant event described in paragraph (i) or (ii) above.

- (b) The Issuer is entitled to substitute in its place another company (the "**New Issuer**") as debtor for all obligations arising under and in connection with the Notes only subject to the provisions of Condition 11(a) and the following conditions:
- (i) the New Issuer assumes all rights and duties of the Issuer under or pursuant to the Notes and the Transaction Documents by means of an agreement with the Issuer and/or the other parties to the Transaction Documents, and that the Note Collateral created in accordance with Condition 3.1(*Security*) is held by the Security Trustee for the purpose of securing the obligations of the New Issuer upon the Issuer's substitution;
 - (ii) no additional expenses or legal disadvantages of any kind arise for either the Noteholders or any Interest Rate Swap Counterparty from such assumption of debt and the Issuer has obtained a tax opinion to this effect from a reputable tax lawyer in the relevant jurisdiction which can be examined at the offices of the Paying Agent;
 - (iii) the New Issuer provides proof satisfactory to the Security Trustee that it has obtained all of the necessary governmental approvals in the jurisdiction in which it has its registered address and that it is permitted to fulfil all of the obligations arising under or in connection with the Notes without discrimination against the Noteholders in their entirety;
 - (iv) the Issuer and the New Issuer enter into such agreements and execute such documents necessary for the effectiveness of the substitution; and
 - (v) each Rating Agency has been notified of such substitution.

Upon fulfilment of the aforementioned conditions, the New Issuer shall in every respect substitute the Issuer and the Issuer shall, *vis-à-vis* the Noteholders, be released from all obligations relating to the function of issuer under or in connection with the Notes.

- (c) Notice of such substitution of the Issuer shall be given in accordance with Condition 13 (*Form of Notices*).
- (d) In the event of such substitution of the Issuer, each reference to the Issuer in these Terms and Conditions of the Notes shall be deemed to be a reference to the New Issuer.

12. Resolutions of Noteholders and Modification

- (a) Resolution of Noteholders
- (i) The Noteholders of any Class may agree by majority resolution to amend these Terms and Conditions of the Notes, **provided that** no obligation to make any payment or render any other performance shall be imposed on any Noteholder by majority resolution.
 - (ii) Majority resolutions shall be binding on all Noteholders of the relevant Class. Resolutions which do not provide for identical conditions for all Noteholders of relevant Class are void, unless the Noteholders of such Class who are disadvantaged have expressly consented to their being treated disadvantageously.
 - (iii) Noteholders of any Class may in particular agree by majority resolution in relation to such Class to the following:

- (A) the change of the due date for payment of interest, the reduction, or the cancellation, of interest;
 - (B) the change of the due date for payment of principal;
 - (C) the reduction of principal;
 - (D) the subordination of claims arising from the Notes of such Class in insolvency proceedings of the Issuer;
 - (E) the conversion of the Notes of such Class into, or the exchange of the Notes of such Class for, shares, other securities or obligations;
 - (F) the exchange or release of security;
 - (G) the change of the currency of the Notes of such Class;
 - (H) the waiver or restriction of Noteholders' rights to terminate the Notes of such Class;
 - (I) the substitution of the Issuer;
 - (J) the appointment or removal of a common representative for the Noteholders of such Class; and
 - (K) the amendment or rescission of ancillary provisions of the Notes.
- (iv) Resolutions shall be passed by simple majority of the votes cast. Resolutions relating to material amendments to these Terms and Conditions of the Notes, in particular to provisions relating to the matters specified in Condition 12 (*Resolutions of Noteholders*) (a) items (iii)(A) through (iii)(J) above, require a majority of not less than 75% of the votes cast (a "**qualified majority**").¹
 - (v) Noteholders of the relevant Class shall pass resolutions by vote taken without a meeting.
 - (vi) Each Noteholder participating in any vote shall cast votes in accordance with the nominal amount or the notional share of its entitlement to the outstanding Notes of the relevant Class. As long as the entitlement to the Notes of the relevant Class lies with, or the Notes of the relevant Class are held for the account of, the Issuer or any of its affiliates (Section 271(2) of the German Commercial Code (*Handelsgesetzbuch*)), the right to vote in respect of such Notes shall be suspended. The Issuer may not transfer Notes, of which the voting rights are so suspended, to another person for the purpose of exercising such voting rights in the place of the Issuer; this shall also apply to any affiliate of the Issuer. No person shall be permitted to exercise such voting right for the purpose stipulated in sentence 3, first half sentence, herein above.
 - (vii) No person shall be permitted to offer, promise or grant any benefit or advantage to another person entitled to vote in consideration of such person abstaining from voting or voting in a certain way.
 - (viii) A person entitled to vote may not demand, accept or accept the promise of, any benefit, advantage or consideration for abstaining from voting or voting in a certain way.

¹ The list of matters specified in Condition 12 (c) (i) through (ix) corresponds to the statutory list set out in Section 5 (3) nos. 1-9 of the German Act on Debt Securities (*Schuldverschreibungsgesetz*). For all of the matters specified in Section 5 (3) nos. 1-9 of the German Act on Debt Securities (*Schuldverschreibungsgesetz*) only a majority of 75% or more is permitted.

- (ix) The Noteholders of any Class may by qualified majority resolution appoint a common representative (*gemeinsamer Vertreter*) (the "**Noteholders' Representative**") to exercise rights of the Noteholders of such Class on behalf of each Noteholder. Any natural person having legal capacity or any qualified legal person may act as Noteholders' Representative. Any person who:
- (A) is a member of the management board, the supervisory board, the board of directors or any similar body, or an officer or employee, of the Issuer or any of its affiliates;
 - (B) holds an interest of at least 20% in the share capital of the Issuer or of any of its affiliates;
 - (C) is a financial creditor of the Issuer or any of its affiliates, holding a claim in the amount of at least 20% of the outstanding Notes of such Class, or is a member of a corporate body, an officer or other employee of such financial creditor; or
 - (D) is subject to the control of any of the persons set forth in sub-paragraphs (i) to (iii) above by reason of a special personal relationship with such person,

must disclose the relevant circumstances to the Noteholders of such Class prior to being appointed as a Noteholders' Representative. If any such circumstances arise after the appointment of a Noteholders' Representative, the Noteholders' Representative shall inform the Noteholders of the relevant Class promptly in appropriate form and manner.

If the Noteholders of different Classes appoint a Noteholders' Representative, such person may be the same person as is appointed Noteholders' Representative of such other Class.

- (x) The Noteholders' Representative shall have the duties and powers provided by law or granted by majority resolution of the Noteholders of the relevant Class. The Noteholders' Representative shall comply with the instructions of the Noteholders of the relevant Class. To the extent that the Noteholders' Representative has been authorized to assert certain rights of the Noteholders of the relevant Class, the Noteholders of such Class shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Noteholders' Representative shall provide reports to the Noteholders of the relevant Class on its activities.
- (xi) The Noteholders' Representative shall be liable for the performance of its duties towards the Noteholders of the relevant Class who shall be joint and several creditors (*Gesamtgläubiger*); in the performance of its duties it shall act with the diligence and care of a prudent business manager. The liability of the Noteholders' Representative may be limited by a resolution passed by the Noteholders of the relevant Class. The Noteholders of the relevant Class shall decide upon the assertion of claims for compensation of the Noteholders of such Class against the Noteholders' Representative.
- (xii) Each Noteholders' Representative may be removed from office at any time by the Noteholders of the relevant Class without specifying any reasons. Each Noteholders' Representative may demand from the Issuer to furnish all information required for the performance of the duties entrusted to it. The Issuer shall bear the costs and expenses arising from the appointment of each Noteholders' Representative, including reasonable remuneration of such Noteholders' Representative.

(b) Modifications

The Security Trustee shall be obliged, without any consent or sanction of the Noteholders and, subject to paragraph (ii)(C) below, any of the other Beneficiaries, to concur with the Issuer in making any modification (other than in respect of a matter for a qualified majority

is required) to the Transaction Security Agreement, the Terms and Conditions of the Notes or any other Transaction Document to which it is a party or in relation to which it holds security that the Issuer considers necessary:

- (i) for the purpose of changing EURIBOR that then applies in respect of the Class A Notes to an alternative base rate (any such rate, an "**Alternative Base Rate**") and making such other amendments as are necessary or advisable in the commercially reasonable judgment of the Issuer (or the Servicer on its behalf) to facilitate such change (a "**Base Rate Modification**"), provided that the Servicer, on behalf of the Issuer, certifies to the Security Trustee in writing (such certificate, a "**Base Rate Modification Certificate**") that:

(A) such Base Rate Modification is being undertaken due to:

- (1) a material disruption to EURIBOR, an adverse change in the methodology of calculating EURIBOR or EURIBOR ceasing to exist or be published;
- (2) a public statement by the EURIBOR administrator that it will cease publishing EURIBOR permanently or indefinitely (in circumstances where no successor EURIBOR administrator has been appointed that will continue publication of EURIBOR);
- (3) a public statement by the supervisor of the EURIBOR administrator that EURIBOR has been or will be permanently or indefinitely discontinued or will be changed in an adverse manner;
- (4) a public announcement of the permanent or indefinite discontinuation of EURIBOR that applies to the Class A Notes at such time;
- (5) a public statement by the supervisor for the EURIBOR administrator that means EURIBOR may no longer be used or that its use is subject to restrictions or adverse consequences; or
- (6) the reasonable expectation of the Servicer that any of the events specified in sub-paragraphs (1) to (5) above will occur or exist within six months of such Base Rate Modification,

and, in each case, such modification is required solely for such purpose and it has been drafted solely to such effect; and

(B) such Alternative Base Rate is:

- (1) a base rate published, endorsed, approved or recognised by the relevant regulatory authority or any stock exchange on which the Notes are listed or any relevant committee or other body established, sponsored or approved by any of the foregoing);
- (2) a base rate utilised in a material number of publicly-listed new issues of Euro denominated asset backed floating rate notes prior to the effective date of such Base Rate Modification;
- (3) a base rate utilised in a publicly-listed new issue of Euro denominated asset backed floating rate notes where the originator of the relevant assets is an affiliate of Santander Consumer Bank AG; or
- (4) such other base rate as the Servicer reasonably determines,

and:

- (5) in each case, the change to the Alternative Base Rate will not, in the Servicer's opinion, be materially prejudicial to the interest of the Noteholders; and
 - (6) for the avoidance of doubt, the Servicer may propose an Alternative Base Rate on more than one occasion provided that the conditions set out in this Condition 12 (b) (i) are satisfied;
- (ii) for the purpose of changing the base rate that then applies in respect of the Interest Rate Swap to an alternative base rate as is necessary or advisable in the commercially reasonable judgment of the Issuer (or the Servicer on its behalf) and the Interest Rate Swap Counterparty solely as a consequence of a Base Rate Modification and solely for the purpose of aligning the base rate of the Class A Swap to the base rate of the Class A Notes following such Base Rate Modification (a "**Interest Rate Swap Rate Modification**"), provided that the Servicer, on behalf of the Issuer, certifies to the Security Trustee in writing that such modification is required solely for such purpose and it has been drafted solely to such effect (such certificate being a "**Interest Rate Swap Rate Modification Certificate**" and the Interest Rate Swap Rate Modification Certificate and the Base Rate Modification Certificate each a "**Modification Certificate**");

provided that, in the case of any modification made pursuant to sub-paragraph (A) or (B) above:

- (A) at least 30 days' prior written notice of any such proposed modification has been given to the Security Trustee;
- (B) the Base Rate Modification Certificate or the Interest Rate Swap Rate Modification Certificate, as applicable, in relation to such modification is provided to the Security Trustee both at the time the Security Trustee is notified of the proposed modification in accordance with sub-paragraph (A) above and on the date that such modification takes effect;
- (C) the consent of each Beneficiary which is party to the relevant Transaction Document (with respect to a Base Rate Modification or a Swap Rate Modification, any Transaction Document proposed to be amended by such Base Rate Modification or Interest Swap Rate Modification, as applicable) or which has a right to consent to such modification pursuant to the provisions of the relevant Transaction Document has been obtained;
- (D) the person who proposes such modification (being, in the case of a Base Rate Modification or an Interest Rate Swap Rate Modification, the Servicer) pays (or arranges for the payment of) all fees, costs and expenses (including legal fees) properly incurred by the Issuer and the Security Trustee and each other applicable party including, without limitation, any of the Agents and the Account Bank, in connection with such modifications;
- (E) with respect to each Rating Agency, either:
 - (1) the Issuer obtains from such Rating Agency written confirmation that such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes by such Rating Agency or (y) such Rating Agency placing any Class A Notes on rating watch negative (or equivalent) and delivers a copy of each such confirmation to the Security Trustee; or
 - (2) the Issuer certifies in writing to the Security Trustee that it has notified such Rating Agency of the proposed modification and, in its reasonable opinion, formed on the basis of due

consideration and consultation with such Rating Agency (including, as applicable, upon receipt of oral confirmation from an appropriately authorised person at such Rating Agency), such modification would not result in (x) a downgrade, withdrawal or suspension of the then current ratings assigned to the Class A Notes or by such Rating Agency or (y) such Rating Agency placing the Class A Notes on rating watch negative (or equivalent); and

- (F) the Issuer has provided at least 30 days' prior written notice to the Noteholders of each Class of Notes of the proposed modification in accordance with Condition 13 (Form of Notices).
- (iii) The Security Trustee is only obliged to concur with the Issuer in making any modification referred to under this Condition 12(b), **provided that**:
- (A) in the sole opinion of the Security Trustee such modification would **not** have the effect of (a) exposing the Security Trustee to any liability against which it has not been indemnified and/or prefunded and/or secured to its satisfaction or (b) increasing the obligations or duties, or decreasing the protections, rights or indemnities, of the Security Trustee in the Transaction Documents and/or the Terms and Conditions of the Notes; and
 - (B) the Issuer certifies in writing to the Security Trustee (which certification may be in the relevant Modification Certificate) that in relation to such modification (I) the Issuer has provided at least 30 days' notice to the Noteholders of the Class A Notes of the proposed modification in accordance with Condition 13 (*Form of Notices*) and by publication on Bloomberg on the "Company News" screen relating to the Class A Notes, in each case specifying the date and time by which Noteholders may object to the proposed modification, and has made available at such time the modification documents for inspection at the registered office of the Security Trustee for the time being during normal business hours, and (II) Class A Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes outstanding have not contacted the Issuer in writing (or otherwise in accordance with the then current practice of any applicable clearing system through which such Notes may be held) within such notification period notifying the Issuer that such Class A Noteholders object to the proposed modification; and
 - (C) if Class A Noteholders representing at least 10 per cent. of the aggregate Principal Amount Outstanding of the Class A Notes then outstanding have notified the Issuer in accordance with the notice provided above and the then current practice of any applicable clearing system through which the Class A Notes may be held within the notification period referred to above that they object to the proposed Base Rate Modification, then such modification will not be made unless a resolution of the Class A Noteholders then outstanding is passed in favour of such modification in accordance with Condition 12(a) (*Resolutions of Noteholders*) by a qualified majority of the Class A Noteholders, **provided that** objections made in writing to the Issuer other than through the applicable clearing system must be accompanied by evidence to the Issuer's and the Security Trustee's satisfaction (having regard to prevailing market practices) of the relevant Class A Noteholder's holding of the Class A Notes.
- (iv) When implementing any modification pursuant to this Condition 12(b), the Security Trustee shall not consider the interests of the Noteholders, any other Beneficiaries or any other person and shall act and rely solely, and without further investigation, on any Modification Certificate or evidence provided to it by the Issuer or the relevant Transaction Party, as the case may be, pursuant to this

Condition 12(b), and shall not be liable to the Noteholders, any other Beneficiary or any other person for so acting or relying, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person.

- (v) The Issuer shall notify, or shall cause notice thereof to be given to, the Noteholders and the other Beneficiary of any such effected modifications in accordance with Condition 13 (*Form of Notices*).

13. Form of Notices

- (a) All notices to the Noteholders hereunder shall be either (i) delivered to Euroclear and Clearstream Luxembourg for communication by it to the Noteholders or (ii) made available for a period of not less than thirty (30) calendar days but in any case only as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange on the following website: www.bourse.lu.
- (b) Any notice referred to under Condition 13(a)(i) above shall be deemed to have been given to all Noteholders upon such notice was delivered to Euroclear and Clearstream Luxembourg. Any notice referred to under Condition 13(a)(ii) above shall be deemed to have been given to all Noteholders on the day on which it is made available on the website, **provided that** if so made available after 4:00 p.m. (Frankfurt time) it shall be deemed to have been given on the immediately following calendar day.
- (c) If any Notes are listed on any stock exchange other than the Luxembourg Stock Exchange, all notices to the Noteholders shall be published in a manner conforming to the rules of such stock exchange. Any notice shall be deemed to have been given to all Noteholders on the date of such publication conforming to the rules of such stock exchange.

14. Miscellaneous

14.1 *Presentation Period*

The presentation period for the Global Notes provided in Section 801(1), first sentence, of the German Civil Code (*Bürgerliches Gesetzbuch*) is reduced to five years.

14.2 *Replacement of Global Notes*

If any of the Global Notes is lost, stolen, damaged or destroyed, it may be replaced by the Issuer upon payment by the claimant of the costs arising in connection therewith. As a condition of replacement, the Issuer may require the fulfilment of certain conditions, the provision of proof regarding the existence of indemnification and/or the provision of adequate collateral. In the event of any of the Global Notes being damaged, such Global Note shall be surrendered before a replacement is issued. If any Global Note is lost or destroyed, the foregoing shall not limit any right to file a petition for the annulment of such Global Note pursuant to the provisions of the laws of Germany.

14.3 *Governing Law*

The form and content of the Notes and all of the rights and obligations (including any non-contractual obligations) of the Noteholders and the Issuer under the 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 Notes shall be the District Court (*Landgericht*) in Frankfurt am Main. 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 **Judicial Assertion**

Subject to the limitations set forth in Condition 3.2 (*Limited Recourse*) and Condition 3.3 (*Enforcement of Payment Obligations*), any Noteholder may in any proceedings against the Issuer, or to which such Noteholder and the Issuer are parties, protect and enforce in his own name its rights arising under such Notes on the basis of:

- (a) a statement issued by the Custodian Bank with whom such Noteholder maintains a securities account in respect of the Notes (i) stating the full name and address of the Noteholder, (ii) specifying the aggregate Note Principal Amount of Notes credited to such securities account on the date of such statement and (iii) confirming that the Custodian Bank has given written notice to the Clearing Systems containing the information set out under items (i) and (ii) which has been confirmed by the Clearing Systems; and
- (b) a copy of the Global Notes representing the Notes, certified as being a true copy by a duly authorised officer of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the original Global Notes representing the Notes.

For the purposes of this Condition 14.5 (*Judicial Assertion*), "**Custodian Bank**" means any bank or other financial institution of recognised standing authorised to engage in security custody business (*Wertpapierverwahrungsgeschäft*) with which a Noteholder maintains a securities account in respect of the Notes and which maintains an account with the Clearing Systems, including the Clearing Systems. Each Noteholder may, without prejudice to the foregoing, protect or enforce its rights and claims arising from the Notes in any other way legally permitted in proceedings pursuant to the laws of the country in which proceedings take place. Section 797 of the German Civil Code (*Bürgerliches Gesetzbuch*) shall not apply.

CERTAIN DEFINITIONS

"Accelerated Amortisation Period" means the period commencing on (and including) the Payment Date immediately following the date on which an Issuer Event of Default has occurred and ending on (but including) the Final Maturity Date;

"Account" means any of the General Collection Account, the Principal Account, the Interest Account, the General Reserve Account, the Additional Interest Reserve Account, the Swap Collateral Account and any other bank account specified as such by or on behalf of the Issuer in the future in addition to, or in replacement of, the General Collection Account, the Principal Account, the Interest Account, the General Reserve Account, the Additional Interest Reserve Account and the Swap Collateral Account in accordance with the Accounts Agreement;

"Account Bank" means HSBC Bank plc as well as any successor thereof or any other person appointed as Account Bank in accordance with the Accounts Agreement and the Transaction Security Agreement from time to time as the bank with whom the Issuer holds the Accounts, and any reference to the Account Bank shall include any successor thereof;

"Account Bank Required Rating" means, at any time in respect of any financial institution acting as Account Bank:

- (A) a short-term deposit rating of at least 'P-1' (or its replacement) by Moody's (or, if it does not have a short-term deposit rating assigned by Moody's, the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least 'A1' (or its replacement) by Moody's);
- (B) a long-term deposit rating (or, if it does not have a long-term deposit rating assigned by Fitch, a long-term unsecured, unsubordinated und unguaranteed debt obligations rating) of at least 'A' (or its replacement) or a short-term deposit rating (or, if it does not have a short-term deposit rating by Fitch, a short-term credit rating of 'F1') (or its replacement) by Fitch; and
- (C) or such other rating or ratings as may be agreed by the relevant Rating Agency from time to time as would maintain the then current ratings of the Notes;

"Accounts Agreement" means an agreement dated on or about 23 October 2018, as amended or amended and restated from time to time, entered into between the Issuer, the Account Bank, the Security Trustee and the Corporate Administrator in relation to the Accounts;

"Additional Interest Reserve Account" means the bank account with the account number as specified in the Accounts Agreement and held in the name of the Issuer at the Account Bank, as well as any other bank accounts specified as such by or on behalf of the Issuer in the future in addition to or as substitute for such Additional Interest Reserve Account in accordance with the Accounts Agreement;

"Additional Interest Reserve Initial Amount" means the aggregate of the Subsidised Interest Balances of the Initial Receivables to be purchased on the Closing Date, being EUR 21,652,577.40;

"Additional Interest Reserve Additional Amount " means, with respect to any Payment Date during the Revolving Period, the aggregate Subsidised Interest Balances of the Additional Receivables to be purchased on such Payment Date;

"Additional Interest Reserve Required Amount" means:

- (a) on the Closing Date, the Additional Interest Reserve Initial Amount; and
- (b) in respect of any Payment Date thereafter, an amount equal to the aggregate of the Subsidised Interest Balances of all Purchased Receivables (taking into account the Additional Receivables to be purchased on such Payment Date);

"Additional Receivable" means any Receivable purchased or to be purchased, as applicable, by the Issuer on any Subsequent Purchase Date;

"Adjusted Available Principal Collections" means, with respect to any Determination Date and the Collection Period ending on such Determination Date, an amount determined by the Servicer pursuant to the Servicing Agreement on the Information Date immediately following such Determination Date, as the difference between:

- (a) the Available Principal Collections relating to such Collection Period, and
- (b) the Additional Interest Reserve Additional Amounts in respect of the Additional Receivables to be acquired on the following Payment Date;

"Adjusted Outstanding Principal Amount" means, with respect to any Purchased Receivable and any Payment Date, the Outstanding Principal Amount of such Receivable as of the immediately preceding Determination Date less relevant Subsidised Interest Balance as of such Determination Date;

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

"Agency Agreement" means an agency agreement dated on or about 23 October 2018, as amended or amended and restated from time to time, under which the Paying Agent, the Calculation Agent, the Interest Determination Agent and the Reporting Agent are appointed with respect to any Notes and, with respect to the Calculation Agent, also with respect to certain cash administrative services;

"Agent" means each of the Paying Agent, the Calculation Agent, the Interest Determination Agent and the Reporting Agent;

"Aggregate Outstanding Note Principal Amount" means, in respect of all Notes at any time, the aggregate of the Note Principal Amounts of all Notes;

"Aggregate Outstanding Principal Amount" means, in respect of all Purchased Receivables at any time, the aggregate of the Outstanding Principal Amounts of all Performing Receivables;

"Amortisation Event" means the occurrence of any of the following events:

- (a) a Purchase Shortfall;
- (b) a Principal Deficiency Shortfall;
- (c) breach of an Average Delinquency Trigger;
- (d) breach of a Cumulative Default Trigger;
- (e) a Seller Event of Default;
- (f) a Servicer Termination Event;
- (g) the Calculation Agent determines that the balance standing to the credit of the General Reserve Account on the immediately following Payment Date after applying the Available Interest Amount in accordance with the Pre-Enforcement Interest Priority of Payments is expected to be less than the General Reserve Required Amount; or
- (h) the Interest Rate Swap Agreement is terminated (either as a result of the Interest Rate Swap Counterparty is downgraded below the Interest Rate Swap Counterparty Required Ratings or otherwise) while Class A Notes are still outstanding, and no adequate replacement hedging has been arranged with one or more third parties with the Interest Rate Swap Counterparty Required Ratings;

"Amortisation Period" means the period beginning on the earlier to occur of:

- (a) the Scheduled Revolving Period End Date (exclusive); and
- (b) the Payment Date immediately following (and inclusive of) the date on which an Amortisation Event has occurred,

and ending on the earlier to occur of:

- (c) the Payment Date immediately following (and inclusive of) the date on which an Issuer Event of Default has occurred; and
- (d) the Final Maturity Date (inclusive);

"Ancillary Rights" means any rights or guarantees which secure the payment of the Receivables under the terms of the relevant Auto Loan Contracts. The Ancillary Rights shall be transferred to the Issuer together with the relevant Purchased Receivables on each relevant Purchase Date;

"Arrears Amount" means any amount in arrears due by the Debtor in respect of any Performing Receivable under the terms of the relevant Auto Loan Contract;

"Auto Loan Contract" means any auto loan contract entered into between the Seller and any Debtor in order to finance the purchase of a Car. An Auto Loan Contract shall be either a Balloon Loan or a Standard Loan;

"Available Collections" means, with respect to each Payment Date, an amount calculated by the Calculation Agent on the Calculation Date immediately preceding such Payment Date as the sum of:

- (a) all cash collections (payments of principal, interest, arrears, late payments, penalties and ancillary payments) collected by the Servicer during the Collection Period immediately preceding such Payment Date including total or partial prepayments (and the related prepayment penalties) in respect of all Purchased Receivables which are Performing Receivables (including in respect of the first Determination Date, the collections received from the First Selection Date to the Closing Date) in respect of the Initial Receivables purchased on the Closing Date);
- (b) any Deemed Collections payable on such Payment Date;
- (c) any amount debited from the Additional Interest Reserve in respect of Receivables which are the subject to a Deemed Collection on such Payment Date or which are prepaid in full during the preceding Collection Period, such amounts to be credited to the General Collection Account; and
- (d) any and all Recoveries made during that Collection Period;

"Available Interest Amount" means, with respect to each Payment Date, an amount calculated by the Calculation Agent on the Calculation Date immediately preceding such Payment Date as the sum of (but excluding, for the avoidance of doubt, any amounts payable by the Issuer outside of the Pre-Enforcement Interest Priority of Payments):

- (a) the Available Interest Collections received by the Seller or (if different) the Servicer during the Collection Period immediately preceding such Payment Date;
- (b) the amount standing to the credit of the General Reserve Account as of close of business of the Determination Date immediately preceding such Payment Date;
- (c) any interest earned (if any) in respect of the Accounts as of close of business of the Determination Date immediately preceding such Payment Date;
- (d) all net payments scheduled to be received on such Payment Date from the Interest Rate Swap Counterparty pursuant to the Interest Rate Swap Agreement;
- (e) any termination payments received or scheduled to be received from the Interest Rate Swap Counterparty under the Interest Rate Swap Agreement on such Payment Date following an event of default under the relevant Interest Rate Swap with respect to such Interest Rate Swap Counterparty, unless such payments are due to be paid to the replacement Interest Rate Swap Counterparty;
- (f) the aggregate of the Subsidised Interest Instalment Amounts relating to the Instalment Due Dates falling in such Collection Period immediately preceding such Payment Date, such amount to be debited from the Additional Interest Reserve Account;

- (g) all amounts to be transferred from the Principal Account to the Interest Account pursuant to item *first* of the Pre-Enforcement Principal Priority of Payments on such Payment Date; and
- (h) with respect to the First Payment Date, an amount equal to the amount of the Issue Price of the Class A Notes in excess of 100 per cent., being EUR 2,142,000.

"Available Interest Collections" means, with respect to any Payment Date, an amount calculated by the Calculation Agent on the Calculation Date immediately preceding such Payment Date, equal to the Available Collections less the Available Principal Collections in respect of the Collection Period immediately preceding such Payment Date, less any Issuer Expenses provisioned for or paid by the Issuer outside of the Pre-Enforcement Interest Priority of Payment during the relevant Interest Period;

"Available Principal Amount" means, with respect to each Payment Date, an amount calculated by the Calculation Agent on the Calculation Date immediately preceding such Payment Date as the sum of:

- (a) the Adjusted Available Principal Collections in respect of the Collection Period immediately preceding such Payment Date;
- (b) the remaining balance standing to the credit of the Principal Account (if any) on the immediately preceding Payment Date (after all payments have been made on such preceding Payment Date in accordance with the Pre-Enforcement Principal Priorities of Payments); and
- (c) all amounts to be transferred from the Interest Account to the Principal Account under item *fifth* of the Pre-Enforcement Interest Priority of Payments on such Payment Date;

"Available Principal Collections" means, with respect to any Payment Date, an amount calculated by the Calculation Agent on the Calculation Date immediately preceding such Payment Date as the sum of:

- (a) all principal collections received by the Servicer in respect of Performing Receivables which are Scheduled Principal Payments in connection with the Collection Period immediately preceding such Payment Date (including principal components of arrears, late payments, penalties and ancillary payments and any other amounts of such nature);
- (b) the amount of principal received by the Servicer in respect of the Performing Receivables which have been prepaid partially or in full during the Collection Period immediately preceding such Payment Date;
- (c) any Deemed Collections less the Deemed Collection Interest Component payable on such Payment Date; and
- (d) any amount debited from the Additional Interest Reserve in respect of Receivables which are the subject of a Deemed Collection on such Payment Date;

"Average Delinquency Trigger" shall be breached if, on any Calculation Date, the Average Delinquency Ratio exceeds 4%;

"Average Delinquency Ratio" means, on any Calculation Date, the arithmetic average of the last three (3) available Delinquency Ratios (including the Delinquency Ratio calculated on such Calculation Date);

"Back-Up Servicer Facilitator" means Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Mai, Germany, as facilitator in respect of a successor servicer or any successor thereof or any other person appointed as replacement corporate administrator from time to time;

"Balloon Loan" means an Auto Loan Contract which pays equal monthly Loan Instalments with the exception of the last Loan Instalment payable at maturity which can be higher than the other monthly instalments;

"Balloon Amount" means the principal component of the last Loan Instalment payable by the Debtor under an Auto Loan Contract which is a Balloon Loan;

"Beneficiary" means each of the Noteholders, the Paying Agent, the Calculation Agent, the Interest Determination Agent, the Reporting Agent, the Back-Up Servicer Facilitator, the Interest Rate Swap

Counterparty, the Account Bank, the Security Trustee, the Data Trustee, the Corporate Administrator, the Seller, the Servicer, the Subordinated Loan Provider and any other party acceding to the Transaction Security Agreement as Replacement Beneficiary pursuant to Clause 40 (*Accession of Replacement Beneficiaries*) of the Transaction Security Agreement and any successor, assignee, transferee or replacement thereof;

"**Business Day**" means a day on which all relevant parts of the Trans-European Automated Real-time Gross Settlement Express Transfer System 2 ("**TARGET2**") are operational and on which commercial banks and foreign exchange markets are open or required to be open for business in Luxembourg, London, England, Frankfurt am Main, Germany and Düsseldorf, Germany;

"**Calculation Agent**" means BNP Paribas Securities Services and any successor or replacement calculation agent appointed from time to time in accordance with the Agency Agreement;

"**Calculation Date**" means, with respect to any Payment Date, the fifth (5th) Business Day prior to such Payment Date;

"**Car**" means any new or used vehicle, which is an earth-borne four-wheel vehicle with at least two powered wheels and weighing no more than 3,500 kilograms which is used by a Debtor for personal or professional (private or commercial) purposes and which is financed pursuant to a relevant Auto Loan Contract;

"**Car Dealer**" means, with respect to any Auto Loan Contract, any car dealer authorised from time to time by PSA Bank Deutschland in Germany or a subsidiary or branch of PSA Bank Deutschland which has entered into the sale contract in respect of the relevant Car with the relevant Debtor who has simultaneously entered into such Auto Loan Contract with the Seller in relation to such Car;

"**Car Manufacturer**" means any of Automobiles Peugeot S.A., Automobiles Citroën S.A. or DS;

"**Class A Noteholder**" means a holder of Class A Notes;

"**Class A Notes**" means Class A Floating Rate Notes due on the Payment Date falling in March 2031 which are issued in an initial aggregate principal amount of EUR 600,000,000 and divided into 6,000 Notes, each having a principal amount of EUR 100,000;

"**Class A Notes Amortisation Amount**" means, on each Payment Date during the Amortisation Period, the lesser of:

- (a) the Class A Principal Amount; and
- (b) the Available Principal Amount after the payment of items *first* and *second* of the Pre-Enforcement Principal Priority of Payments on such Payment Date;

"**Class A Notes Common Safekeeper**" means a common safekeeper which is appointed by the ICSDs with respect to this transaction until all obligations of the Issuer under the Class A Notes have been satisfied;

"**Class A Notes Interest Amount**" means the aggregate interest amount payable (including any Interest Arrears) in respect of all Class A Notes on any date and in accordance with the Terms and Conditions of the Notes;

"**Class A Notes Margin**" means 0.4000%;

"**Class A Principal Amount**" means, as of any date, the sum of the Note Principal Amounts of all Class A Notes;

"**Class B Noteholder**" means a holder of Class B Notes;

"**Class B Notes**" means Class B Fixed Rate Notes due on the Payment Date falling in March 2031 which are issued in an initial aggregate principal amount of EUR 66,700,000 and divided into 667 Notes, each having a principal amount of EUR 100,000;

"**Class B Notes Amortisation Amount**" means, on each Payment Date during the Amortisation Period, the lesser of:

- (a) the Class B Principal Amount; and
- (b) the Available Principal Amount after the payment of items *first*, *second* and *third* of the Pre-Enforcement Principal Priority of Payments on such Payment Date;

"**Class B Notes Common Safekeeper**" means a common safekeeper which is appointed by the ICSDs with respect to this transaction until all obligations of the Issuer under the Class B Notes have been satisfied;

"**Class B Notes Interest Amount**" means the aggregate interest amount payable (including any Interest Arrears) in respect of all Class B Notes on any date and in accordance with the Terms and Conditions of the Notes;

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

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

"**Closing Date**" means 25 October 2018;

"**Collateral**" means the security interests granted to the Security Trustee for the benefit of the Beneficiaries to secure the Security Trustee Claim and the Transaction Secured Obligations pursuant to the Transaction Security Agreement;

"**Collection Period**" means the period commencing on (and excluding) a Determination Date and ending on (but including) the immediately following Determination Date with the first Collection Period (i) with respect to the Initial Receivables to be purchased on the Closing Date, commencing on (and excluding) the First Selection Date and ending on (but including) the immediately following Subsequent Determination Date and (ii) with respect to any Additional Receivables to be purchased on any Subsequent Purchase Date, commencing on (and excluding) the Subsequent Selection Date immediately preceding such Subsequent Purchase Date and ending on (but including) the Determination Date immediately following such Subsequent Purchase Date;

"**Commercial Debtor**" means a natural or legal person (*juristische Person*) or a partnership with legal capacity within the meaning of Section 14 of the German Civil Code (*Unternehmer*) who or which, when entering into an Auto Loan Contract, has acted in the exercise of its trade, business or profession;

"**Commercial Renegotiation**" means, with respect to any Auto Loan Contract with respect to a Purchased Receivable, a renegotiation of the terms of such Auto Loan Contract between the Servicer and the relevant Debtor, carried out by the Servicer in accordance with and subject to the Credit and Collection Policy (including, without limitation, any limits set out therein). A Commercial Renegotiation shall include, without limitation, a (re)negotiation pursuant to which the terms of the relevant Auto Loan Contract are deferred, redeemed or otherwise materially amended or modified, including any variation, amendments, modification, supplement, extension, rescission, waiver, termination or exclusion of time of any kind which in any material way adversely affects the enforceability or collectability of all or a material portion of the Purchased Receivables or Related Collateral (including any modification in the number or the amounts of payment of the Loan Instalments initially scheduled under the relevant Purchased Receivable) (other than in accordance with the Servicing Agreement or the Credit and Collection Policy, or with the prior approval of the Issuer), **provided that** a Commercial Renegotiation is not a (re)negotiation of:

- (a) the Instalment Due Date(s) in respect of the relevant Auto Loan Contract;
- (b) any term of the relevant Auto Loan Contract with view to correcting a manifest error during the life of the Auto Loan Contract or something that was not properly done at the time of origination of the Auto Loan Contract;
- (c) any amendment to the relevant Auto Loan Contract which is of a formal, minor or technical nature;
or

- (d) any amendment to the relevant Auto Loan Contract required by law or a competent administrative, regulatory or judicial authority;

"Common Safekeeper" means any of the Class A Notes Common Safekeeper and the Class B Notes Common Safekeeper;

"Consumer Debtor" means a natural person within the meaning of Section 13 of the German Civil Code (*Verbraucher*) who has entered into an Auto Loan Contract for a purpose that is outside its trade, business or profession;

"Corporate Administration Agreement" means a corporate administration agreement dated on or about 23 October 2018, as amended or amended and restated from time to time, and entered into between the Corporate Administrator and the Issuer;

"Corporate Administrator" means Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Mai, Germany, as administrator or any successor thereof or any other person appointed as replacement corporate administrator from time to time in accordance with the Corporate Administration Agreement;

"Credit" has the meaning ascribed to such term in the Transaction Security Agreement;

"Credit and Collection Policy" means the credit and collection policies and practices as applied by the Seller and as set out in Appendix D (*Credit and Collection Policy*) to the Terms and Conditions of the Notes ("**Appendix D**");

"Credit Support Annex" means any credit support document entered into between the Issuer and an Interest Rate Swap Counterparty from time to time which forms part of, and is subject to the relevant Interest Rate Swap and is part of the schedule thereto;

"CRR" means 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 (as amended from time to time);

"Cumulative Default Ratio" means, with respect to any Determination Date and the Collection Period ending on such Determination Date, an amount calculated by the Calculation Agent on the Calculation Date immediately following such Determination Date, the ratio, expressed as a percentage, of:

- (a) the aggregate Defaulted Amounts as of such Determination Date, recorded since the First Determination Date; *divided by*
- (b) the aggregate of the Principal Component Purchase Prices paid by the Issuer to the Seller up to such Determination Date;

"Cumulative Default Trigger" shall be breached if, during the Revolving Period, the Cumulative Default Ratio exceeds:

- (a) in the period from (but excluding) the Closing Date to (and including) the Payment Date falling in April 2019, 1%; and
- (b) in the period from (but excluding) the Payment Date falling in April 2019 to (and including) the Payment Date falling in October 2019, 2%;

"Data Protection Standards" means any applicable data protection law including, without limitation, the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and the German Data Protection Act (*Bundesdatenschutzgesetz*);

"Data Trustee" means BNP Paribas Securities Services and any successor thereof or any other person appointed as Data Trustee from time to time in accordance with the Data Trust Agreement;

"**Data Trust Agreement**" means the data trust agreement dated on or about 23 October 2018, as amended or amended and restated from time to time, and entered into between the Issuer, the Data Trustee, the Seller and the Security Trustee;

"**Debtor**" means a Consumer Debtor or a Commercial Debtor who has entered into an Auto Loan Contract with the Seller to fund the purchase of one Car;

"**Decoding Key**" means in respect of the Purchased Receivables and the related encrypted information delivered by the Seller to the Issuer, the code delivered by the Seller to the Data Trustee which allows for the decoding of the Encrypted File to the extent necessary to identify the respective assigned Purchased Receivables in accordance with the principles of German property laws (in particular in accordance with the requirement of sufficient identification of transferred rights and assets (*sachenrechtlicher Bestimmtheitsgrundsatz*), subject to the Data Protection Standards and the provisions of the Data Trust Agreement;

"**Deemed Collection**" means with respect to a Payment Date an amount equal to the sum, as of the immediately preceding Determination Date, of:

- (A) the Adjusted Outstanding Principal Amount (or the affected portion) of any Purchased Receivable *plus* the Deemed Collection Interest Component relating to such Purchased Receivable if:
- (i) the relevant Auto Loan Contract proves not to have been legally valid, binding, enforceable and assignable as of the respective Purchase Date and not to have been entered into with respect to a Car registered in Germany title to which was transferred by the relevant Debtor to the Seller as Related Collateral;
 - (ii) the Related Collateral contemplated in the relevant Auto Loan Contract proves not to have existed as of the Purchase Date;
 - (iii) the Issuer proves not to have acquired, upon the payment of the purchase price for such Purchased Receivable on the Purchase Date, title to such Purchased Receivable and the Related Collateral contemplated in the relevant Auto Loan Contract free and clear of any Adverse Claim;
 - (iv) to the extent not already covered under items (i) and (ii) above, such Purchased Receivable proves not to have been an Eligible Receivable on the Purchase Date;
 - (v) such Purchased Receivable or Related Collateral contemplated in the relevant Auto Loan Contract is subject to Commercial Renegotiation other than in accordance with the Credit and Collection Policy and the Servicing Agreement, **provided that** an early termination of the relevant Auto Loan Contract in accordance with the Credit and Collection Policy prior to the expiry date of the relevant Auto Loan Contract as scheduled therein shall not constitute Deemed Collections; or
 - (vi) such Purchased Receivable or the relevant Related Collateral contemplated in the relevant Auto Loan Contract otherwise did not exist in whole or partly prior to its sale and assignment to the Issuer or ceases to exist for any reason (including, without limitation, in the case of a termination of the Auto Loan Contract following a request of the relevant Debtor for an exchange of the Car, but in any event other than by payment to the Servicer or the Issuer or because of a breach by the relevant Debtor of its payment obligations under the Auto Loan Contract);
 - (vii) at any time after the Purchase Date:
 - (1) the respective Debtor, which qualifies as a Consumer Debtor on the respective Purchase Date, ceases to be a Consumer Debtor;
 - (2) the respective Debtor ceases to be domiciled in Germany; or
 - (3) the Seller has received a deposit (*Einlage*) from the respective Debtor, except if (A) such Debtor is a Consumer Debtor and (B) the receipt of the deposit does not violate any Money Laundering Laws; or

- (B) any reduction of the Outstanding Principal Amount of any Purchased Receivable or any other amount owed by a Debtor due to (i) any set-off against the Seller due to a counterclaim of the Debtor or any set-off or equivalent action against the relevant Debtor by the Seller, or (ii) any discount or other credit in favour of the Debtor or any other adjustments of the Outstanding Principal Amount of any Purchased Receivable, in each case as of the date of such reduction for such Purchased Receivable;

"Deemed Collection Interest Component" means the sum of any interest in arrears and any interest accrued but not yet due and payable relating to the respective Purchased Receivable with respect to a Deemed Collection calculated in accordance in accordance with letter (A) of the definition of Deemed Collection;

"Defaulted Amount" means the Outstanding Principal Amount of any Purchased Receivable that has become a Defaulted Receivable, as of the day on which such Purchased Receivable became a Defaulted Receivable;

"Defaulted Receivable" means, as of any date, any Purchased Receivable in respect of which:

- (a) any amount due and payable under the relevant Auto Loan Contract has remained unpaid past the relevant Instalment Due Date for 150 calendar days or more; or
- (b) the Servicer, acting in accordance with the Credit and Collection Policy, has terminated the relevant Auto Loan Contract, written off or made provision against any definitive losses in respect of such Purchased Receivable,

provided that once a Purchased Receivable has become a Defaulted Receivable it cannot become again a Performing Receivable or Delinquent Receivable;

"Delinquency Ratio" means, at the relevant time, the ratio, expressed as a percentage, of:

- (a) the sum of the Aggregate Outstanding Principal Amount and the aggregate of all Arrears Amounts, in each case, in respect of all Delinquent Receivables as of such Determination Date; *divided by*
- (b) the sum of the Aggregate Outstanding Principal Amount in respect of all Performing Receivables as such Determination Date;

"Delinquent Receivable" means, on any date, any Purchased Receivable (which is not a Defaulted Receivable) in respect of which an amount is overdue for less than one hundred and fifty (150) days after the relevant Instalment Due Date;

"Deposit" means any deposit made by a Debtor with the Seller;

"Determination Date" means the First Determination Date or any Subsequent Determination Date;

"Early Redemption Date" has the meaning given in Condition 7.4 (*Early Redemption*) of the Terms and Conditions of the Notes;

"Effective Interest Rate" means, the annual rate of interest communicated to the Issuer, and calculated so that when its monthly equivalent is multiplied by the Outstanding Balance of each Receivable the amount so obtained is equal to the sum of (i) the relevant Subsidised Interest Instalment Amount, and (ii) the interest component of the Instalment due by the Debtor;

"Eligibility Criteria" means the individual receivable eligibility criteria for an Eligible Receivable and, following the purchase of any Additional Receivable on a Subsequent Purchase Date, the global revolving portfolio eligibility criteria for an Eligible Portfolio;

"Eligible Portfolio" means the global revolving portfolio eligibility criteria which must be met by the Portfolio following the purchase of any Additional Receivable on the relevant Subsequent Purchase Date on which such Additional Receivable has been purchased as set out under Part II of the section **"ELIGIBILITY CRITERIA"**;

"Eligible Back-up Servicer" means any credit institution licensed to do banking business in the European Economic Area and supervised in accordance with EU directives that (i) has the experience or capability of administering assets similar to the Purchased Receivables and the Related Collateral, (ii) is registered under the German Legal Services Act (*Rechtsdienstleistungsgesetz*) to collect and enforce receivables and related collateral and (iii) has entered into a data processing agreement with the Purchaser compliant with the Data Protection Standards and implemented appropriate technical and organisational measures to such manner that processing of any data is performed in accordance with, and meets the requirements of, the Data Protection Standards;

"Eligible Receivable" means any Receivable which meets the individual receivables eligibility criteria as set out under Part I of the section "*ELIGIBILITY CRITERIA*";

"Encrypted File" means the electronic data file substantially in the form as set out in the Receivables Purchase Agreement containing the encrypted Personal Data regarding the Debtors and the Purchased Receivables (including Related Collateral) which shall be encrypted *via* state of the art encryption technology and which shall be submitted by the Seller to the Issuer (but not to any other party to the Transaction Documents) on each Purchase Date;

"English Security Deed" means an English security deed dated on or about 23 October 2018, as supplemented or amended and restated from time to time, and entered into by the Issuer and the Security Trustee;

"Enforcement Instruction" has the meaning ascribed to such term in Clause 19.2 (*Enforcement of Note Collateral*) of the Transaction Security Agreement (as set out in Appendix B to the Terms and Conditions of the Notes);

"EURIBOR" has the meaning given to such term in Condition 6.3 (*Interest Rate*) of the Terms and Conditions of the Notes (for the avoidance of doubt, including, without limitation, any alternative rate which has replaced EURIBOR in the customary market usage for the purposes of determining floating rates of interest in respect of EUR denominated securities, as determined in accordance with Conditions 6.3 and 12 (b) of the Terms and Conditions of the Notes from time to time);

"Excess Swap Collateral" means, in respect of the Interest Rate Swap, an amount (which shall be transferred directly to the Interest Rate Swap Counterparty in accordance with the Interest Rate Swap) equal to the amount by which the value of the collateral (or the applicable part of any collateral) provided by the Interest Rate Swap Counterparty to the Issuer pursuant to the Interest Rate Swap exceeds the Interest Rate Swap Counterparty's liability under the Interest Rate Swap as at the date of termination of the Interest Rate Swap or which it is otherwise entitled to have returned to it under the terms of the Interest Rate Swap;

"FATCA" means Section 1471 through 1474 of the U.S. Internal Revenue Code (as the same may be amended from time to time) and any current or future regulations promulgated thereunder or official interpretations thereof;

"First Determination Date" means 31 October 2018;

"First Information Date" means 6 November 2018;

"First Payment Date" means 19 November 2018;

"First Purchase Date" means the Closing Date;

"First Selection Date" means 12 October 2018;

"General Collection Account" means the bank account with the account number as specified in the Accounts Agreement and held in the name of the Issuer at the Account Bank, as well as any other bank accounts specified as such by or on behalf of the Issuer in the future in addition to or as substitute for such General Collection Account in accordance with the Accounts Agreement;

"General Reserve Account" means the bank account with the account number as specified in the Accounts Agreement and held in the name of the Issuer at the Account Bank, as well as any other bank accounts specified as such by or on behalf of the Issuer in the future in addition to or as substitute for such General Reserve Account in accordance with the Accounts Agreement;

"General Reserve Initial Cash Deposit" means 6,000,000;

"General Reserve Required Amount" means, on the Closing Date and on any Calculation Date during the Revolving Period, an amount equal to 1% of the initial Class A Principal Amount and, thereafter, on any Calculation Date after the end of the Revolving Period, an amount equal to 1% of the relevant Class A Principal Amount on such Calculation Date, **provided that** the General Reserve Required Amount shall be at least an amount equal to 0.5% the Class A Principal Amount as of the Closing Date until such time as the Class A Notes are redeemed in full and **provided further that** the General Reserve Required Amount shall be zero on the Calculation Date preceding (i) the Final Maturity Date, (ii) each Payment Date on which the Class A Principal Amount is zero and (iii) each Payment Date on which the Aggregate Outstanding Principal Amount is zero;

"General Reserve Required Decrease Amount" means, with respect to any Calculation Date immediately preceding a Payment Date, the excess (if any) of the balance standing to the credit of the General Reserve Account (after taking into account any amounts to be further applied in accordance with the Pre-Enforcement Interest Priority of Payments on such Payment Date) over the General Reserve Required Amount on such Payment Date.

"Information Date" means the First Information Date or any Subsequent Information Date on which the Servicer will deliver to the Issuer with a copy to the Calculation Agent the Servicing Report related to the immediately preceding Collection Period;

"Initial Receivables" means the Receivables offered for purchase by the Seller to the Issuer and purchased by the Issuer on the First Purchase Date;

"Insolvency Proceedings" means any situation of any person which is subject to any insolvency proceedings (*Insolvenzverfahren*) within the meaning of the Germany Insolvency Code (*Insolvenzordnung*) or any similar proceedings under applicable foreign law;

"Instalment Due Date" means the date on which the payment of a Loan Instalment under an Auto Loan Contract is due by the relevant Debtor;

"Interest Account" means the bank account with the account number as specified in the Accounts Agreement and held in the name of the Issuer at the Account Bank, as well as any other bank accounts specified as such by or on behalf of the Issuer in the future in addition to or as substitute for such Interest Account in accordance with the Accounts Agreement;

"Interest Amount" means the amount of interest payable by the Issuer in respect of each Note on any Payment Date;

"Interest Arrears" means, with respect to each Class of Notes, accrued interest not paid on any Payment Date related to the Interest Period in which it accrued with respect to the relevant Note;

"Interest Component Purchase Price" means, on any Purchase Date and in respect of the Receivables purchased by the Issuer on such Purchase Date, an amount equal to the sum of the accrued but unpaid interest amounts in respect of such Receivables before and up to the Selection Date immediately preceding such Purchase Date;

"Interest Determination Agent" means HSBC Bank plc and any successor / or replacement Interest Determination Agent appointed from time to time in accordance with the Agency Agreement;

"Interest Period" means, with respect to the Notes, as applicable, the period commencing on (and including) any Payment Date and ending on (but excluding) the immediately following Payment Date, **provided that:**

- (a) the first Interest Period under the Notes shall commence on (and include) the Closing Date and shall end on (but exclude) the first Payment Date; and
- (b) the last Interest Period shall end on (but exclude) the earlier of:
 - (i) the Final Maturity Date; and

- (ii) in respect of the Class A Notes, the date on which the Class A Principal Amount is reduced to zero and, in respect of the Class B Notes, the date on which the Class B Principal Amount is reduced to zero;

"Interest Rate" means the interest rate payable on the Notes for each Interest Period, which is, (i) in the case of the Class A Notes, EURIBOR plus 0.40% per annum (and, for the avoidance of doubt, if such rate is below zero, such Interest Rate shall be zero), and, (ii) in the case of the Class B Notes, 0.80% per annum;

"Interest Rate Swap" means the interest rate swap agreement on the basis of an ISDA Master Agreement (2002) (including any schedule thereto and confirmation thereunder as well as any related Credit Support Annex) entered into on or about 23 October 2018, as amended or amended and restated from time to time, between the Issuer and an Interest Rate Swap Counterparty;

"Interest Rate Swap Counterparty" means DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Platz der Republik, 60265 Frankfurt am Main, Germany or its respective successor or any transferee appointed in accordance with the relevant Interest Rate Swap;

"Interest Rate Swap Counterparty Required Ratings" means each of the Interest Rate Swap Counterparty Level 1 Required Rating and the Interest Rate Swap Counterparty Level 2 Required Rating as the current applicable hedge counterparty criteria for structured finance transactions as promulgated by each of the Rating Agencies;

"International Central Securities Depository" or "ICSD" means each operator of the Euroclear System and Clearstream Banking S.A.;

"Investor Report" means the detailed investor report substantially in the form as set out in a schedule to the Agency Agreement, or in a form as otherwise agreed, which shall be prepared by the Reporting Agent with respect to each Collection Period and delivered to the Issuer with a copy to the Calculation Agent, the Seller and each Rating Agency on the Investor Report Date immediately following such Collection Period;

"Investor Report Date" means the third (3rd) Business Day prior to each Payment Date;

"Issuer Event of Default" has the meaning ascribed to such term in Condition 3.5 (*Issuer Event of Default*) of the Terms and Conditions of the Notes;

"Issuer Expenses" means amounts due and payable by the Issuer in the following order or priority (in each case, including (if any) all value added tax thereon to the extent provided in the relevant Transaction Document):

- (a) any obligation of the Issuer which is due and payable with respect to corporation and trade tax under any applicable law (if any);
- (b) any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Security Trustee under the Transaction Documents; and
- (c) the following items *pro rata* and on a *pari passu* basis:
 - (i) any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due and payable in the ordinary course of business), expenses and other amounts due and payable to the Corporate Administrator under the Corporate Administration Agreement, the Back-Up Servicer Facilitator under the Servicing Agreement, the Data Trustee under the Data Trust Agreement, and the Account Bank under the Accounts Agreement, any amounts due and payable by the Issuer in connection with the establishment of the Issuer, and any other amounts due and payable or which are expected to fall due and payable by the Issuer in connection with the liquidation or dissolution (if applicable) of the Issuer or any other fees, costs and expenses;
 - (ii) any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the legal advisers or auditors of the Issuer, the Rating Agencies (including any ongoing monitoring fees), the Paying Agent, the Calculation Agent, the Interest

Determination Agent and the Reporting Agent under the Agency Agreement, the Joint Arrangers and the Joint Lead Managers under the Subscription Agreement, the relevant stock exchange on which the Notes may be listed, any listing agent, any intermediary between the Issuer, the Noteholders and the relevant stock exchange, the Common Safekeepers and any other relevant party with respect to the issue of the Notes; and

- (iii) any fees, costs, taxes (excluding, for the avoidance of doubt, any income taxes or other general taxes due in the ordinary course of business), expenses and other amounts due and payable to the Servicer under the Servicing Agreement or otherwise, and any such amounts due and payable to any substitute servicer or back-up servicer (including any expenses, costs and fees incurred in the course of replacement) for the Purchased Receivables and the Related Collateral which may be appointed from time to time in accordance with the Receivables Purchase Agreement or the Servicing Agreement and any such costs and expenses incurred by the Issuer itself in the event that the Issuer collects and/or services the Purchased Receivables or the Related Collateral;

"Issuer Expenses Arrears" means in respect of any Payment Date, the positive difference between (a) the amount of Issuer Expenses due and payable on any Payment Date and (b) the amount of Issuer Expenses which have been paid on such Payment Date;

"Joint Arrangers" means Crédit Agricole Corporate and Investment Bank and NatWest Markets Plc and **"Joint Arranger"** means any of them;

"Joint Lead Managers" means Crédit Agricole Corporate and Investment Bank, NatWest Markets Plc and Santander Corporate & Investment Banking **"Joint Lead Manager"** means any of them;

"Loan Instalment" means any obligation of a Debtor under an Auto Loan Contract to make a scheduled payment of principal (including, without limitation, in respect of any Auto Loan Contract which is a Balloon Loan, any Balloon Amount), interest, arrears, fees or costs under any relevant Auto Loan Contract or any Related Collateral relating to any of the foregoing;

"Luxembourg Stock Exchange" means Société de la Bourse de Luxembourg with its registered address at 35A Boulevard Joseph II, L-1840 Luxembourg, the Grand Duchy of Luxembourg;

"Material Payment Obligation" means a payment due and payable in the amount of or in excess of EUR 10,000,000 (ten million euro);

"Maximum Receivables Purchase Amount" means, on any Payment Date during the Revolving Period, the lesser of:

- (a) the difference between:
 - (i) the Aggregate Outstanding Note Principal Amount on such Payment Date; *minus*
 - (ii) the Aggregate Outstanding Principal Amount on the last day of the Collection Period immediately preceding such Payment Date; and
- (b) the Available Principal Amount, plus the Additional Interest Reserve Additional Amounts in respect of the Additional Receivables to be acquired on such Payment Date, less the amounts to be applied under item *first* of the Pre-Enforcement Principal Priority of Payments on such Payment Date;

"Money Laundering Laws" means applicable financial recordkeeping and reporting requirements and the money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency, including but not limited to Directive (EU) 2005/60/EC of 26 October 2005, Commission Directive 2006/70/EC of 1 August 2006, Directive (EU) 2015/849 of 20 May 2015, Regulation (EU) 2015/847 of 20 May 2015, and Directive (EU) 2018/843 of 14 May 2018, and the respective national legislation;

"New Car" means a new or demonstration Car of the Peugeot, Citroën or DS brand;

"Note Collateral" means (i) the Collateral and (ii) the security interest granted to the Security Trustee in accordance with the English Security Deed for the benefit of the Beneficiaries;

"Note Principal Amount" of any Note as of any date shall equal the initial note principal amount of EUR 100,000 as reduced by all amounts paid prior to such date on such Note in respect of principal;

"Notification Event" means any of the following events:

1. the Seller or the Servicer fails to make a payment due under or with respect to the Servicing Agreement at the latest on the second (2nd) Business Day after its due date, or, in the event no due date has been determined, within three (3) Business Days after the demand for payment;
2. the Seller or the Servicer fails within five (5) Business Days to perform its material obligations (other than those referred to in paragraph 1 above) owed to the Issuer under or with respect to the Servicing Agreement;
4. either of the Seller or the Servicer is in breach of any of the covenants in relation to, *inter alia*, financial reporting, conduct of business, compliance with laws, rules, regulations, judgements, furnishing of information and inspection and keeping of records, the Credit and Collection Policy, tax, software and banking licenses, prolongation or supplementation of Purchased Receivables, change of business policy, sales and liens as set out in the Receivables Purchase Agreement or any of the covenants set out in the Servicing Agreement;
5. a Seller Event of Default; or
6. a Servicer Termination Event;

"Outstanding Principal Amount" means, with respect to any Purchased Receivable, at any time, the Principal Amount of such Purchased Receivable less the amount of the principal portion of the Available Collections received by the Issuer and applied to the Principal Amount of such Purchased Receivable in accordance with the Auto Loan Contract (including, without limitation, any applicable amortisation schedule), **provided that** Available Collections shall not be treated as received by the Issuer until credited to the General Collection Account;

"Paying Agent" means HSBC Bank plc and any successor / or replacement Interest Determination Agent appointed from time to time in accordance with the Agency Agreement;

"Payment Date" means the First Payment Date and, thereafter, the nineteenth (19th) day each calendar month in each year, unless such date is not a Business Day in which case the Payment Date shall be the next succeeding Business Day unless such date would thereby fall into the next calendar month, in which case such date shall be the immediately preceding Business Day;

"Performing Receivable" means a Purchased Receivable which is not a Defaulted Receivable;

"Personal Data" means any personal data as defined in the applicable Data Protection Standards;

"Portfolio" means the portfolio of Purchased Receivables secured by security interests in the Related Collateral;

"Post-Enforcement Priority of Payments" means the post-enforcement priority of payments set out in of Clause 23.2 (*Post-Enforcement Priority of Payments*) of the Transaction Security Agreement;

"Pre-Enforcement Interest Priority of Payments" means the pre-enforcement priority of payments set out in Condition 6.6 (*Pre-Enforcement Interest Priority of Payments*) of the Terms and Conditions of the Notes;

"Pre-Enforcement Principal Priority of Payments" means the pre-enforcement priority of payments set out in Condition 7.6 (*Pre-Enforcement Principal Priority of Payments*) of the Terms and Conditions of the Notes;

"Pre-Enforcement Priority of Payments" means the Pre-Enforcement Interest Priority of Payments or the Pre-Enforcement Principal Priority of Payments, as applicable;

"Principal Account" means the bank account with the account number as specified in the Accounts Agreement and held in the name of the Issuer at the Account Bank, as well as any other bank accounts specified as such by or on behalf of the Issuer in the future in addition to or as substitute for such Principal Account in accordance with the Accounts Agreement and the Transaction Security Agreement;

"Principal Amount" means, with respect to any Receivable, the aggregate principal amount of such Receivable which is scheduled to become due after the Determination Date immediately preceding the Purchase Date;

"Principal Component Purchase Price" means:

- (a) in respect of each Initial Receivable to be purchased by the Issuer on the First Purchase Date, an amount equal to the Outstanding Principal Amount of such Initial Receivable as at the First Selection Date, less an amount equal to item (a) of the definition of Subsidised Interest Balance relating to such Initial Receivable on such First Selection Date; and
- (b) in respect of each Additional Receivable to be purchased by the Issuer on any Subsequent Purchase Date, an amount equal to the Outstanding Principal Amount of such Additional Receivables as at the relevant Subsequent Selection Date, less an amount equal to item (a) of the definition of the Subsidised Interest Balance relating to such Additional Receivable on such Subsequent Selection Date;

"Principal Deficiency Amount" means, on any Payment Date, an amount equal to the sum of:

- (a) any amounts paid under item *first* under the Pre-Enforcement Principal Priority of Payment applied to discharge items *first* to *third* under the Pre-Enforcement Interest Priority of Payments on such Payment Date; and
- (b) the aggregate Outstanding Principal Amounts of Purchased Receivables that have become Defaulted Receivables during the immediately preceding Collection Period;

"Principal Deficiency Ledger" means a ledger established and maintained by the Calculation Agent on behalf of the Issuer in its internal booking systems for recording on any Payment Date as debit entries any Principal Deficiency Amounts and as credit entries any Available Interest Amounts in accordance with item *fifth* the Pre-Enforcement Interest Priority of Payments;

"Principal Deficiency Shortfall" means any event which occurs if, on any Payment Date during the Revolving Period, after recording (i) as debit entry any Principal Deficiency Amounts and (ii) as credit entry any Available Interest Amount in accordance with item *fifth* of the Pre-Enforcement Interest Priority of Payments, the Principal Deficiency Ledger has an outstanding debit balance;

"Prospectus" means this prospectus to be issued by the Issuer with respect to the issue of the Notes;

"PSA Bank Deutschland" means PSA Bank Deutschland GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) incorporated under the laws of Germany, registered in the commercial register of the local court (*Amtsgericht*) in Offenbach am Main under registration number 48096 with its office at Siemensstraße 10, 63263 Neu-Isenburg, Germany or any successor thereof;

"Purchase Date" means the First Purchase Date or any Subsequent Purchase Date, as applicable;

"Purchase Price" means, on any Purchase Date and in respect of the Receivables to be purchased by the Issuer on that Purchase Date, the Principal Component Purchase Price and the Interest Component Purchase Price, in each case, in respect of such Receivables;

"Purchase Shortfall" means that, on any Payment Date, the amount standing to the credit of the Principal Account and representing Available Principal Collections (after being applied on such Payment Date) is higher than 10% of the initial Aggregate Note Principal Outstanding Amount, unless the Seller is, due to technical reasons and for a period no longer than three (3) consecutive Subsequent Purchase Dates, unable to sell any Additional Receivables to the Issuer;

"Purchased Receivable" means any Receivable which is sold and assigned or purported to be assigned to the Issuer in accordance with the Receivables Purchase Agreement and:

- (a) which remains outstanding;
- (b) which has not been automatically re-assigned or re-transferred to the Seller on such Payment Date following the payment by the Seller to the Issuer of Deemed Collections in accordance with the Receivables Purchase Agreement; and
- (c) which has not been sold back or re-assigned to the Seller or otherwise transferred to a third party;

"Rating Agencies" means Moody's Investors Service Limited (Attn: Structured Finance Monitoring, Moody's Deutschland GmbH, SF Monitoring, An der Welle 5, 60322 Frankfurt am Main, Germany, Email: monitor.abs@moodys.com or such other contact details as may be notified by Moody's to the Issuer from time to time) or its successor ("**Moody's**") and Fitch Ratings Inc. (30 North Colonnade, Canary Wharf, London E14 5GN, United Kingdom or such other contact details as may be notified by Fitch to the Issuer from time to time) or its successor ("**Fitch**"), in each case with respect to the relevant contact details as may be otherwise notified by any of the Rating Agencies from time to time;

"Recast EU Insolvency Regulation" means Regulation (EU) No 2015/848 of 20 May 2015 (recast) on insolvency proceedings.

"Receivable" means any receivable arising from an Auto Loan Contract that confers the right to receive payment of principal, interest, arrears, costs or any other amount due in connection with the repayment of sums made available by the Seller to the relevant Debtor for the sole purpose of funding the purchase of a Car sold by a Car Dealer in the Federal Republic of Germany. Each Receivable may include one or more Ancillary Rights;

"Receivables Purchase Agreement" means a receivables purchase agreement dated on or about 23 October 2018, as amended or amended and restated from time to time, and entered into between the Issuer and the Seller;

"Records" means with respect to any Purchased Receivable, Related Collateral, Car and the related Debtors all contracts, correspondence, files, notes of dealings and other documents, books, books of accounts, registers, records and other information regardless of how stored;

"Recoveries" means any amounts of principal, interest, arrears and other amounts received, in respect of an enforcement proceeding, by the Servicer, acting in accordance with the Credit and Collection Policy, in respect of any Purchased Receivable which has become a Defaulted Receivable, pursuant to the terms of the Servicing Agreement. The Recoveries shall be received, as the case may be:

- (a) in relation to any payment (in part or in full) in respect of such Defaulted Receivable by the relevant Debtor;
- (b) from the proceeds of the sale of the Car by the Servicer; or
- (c) any other amounts received in respect of other Ancillary Rights;

"Related Collateral" means with respect to any Purchased Receivable:

- (a) any accessory security rights (*akzessorische Sicherheiten*) for such Purchased Receivable;
- (b) security title (*Sicherungseigentum*) and any conditional rights (*Anwartschaftsrechte*) relating to the Cars or any other moveable objects granted as collateral in favour of the Seller to secure the payment of such Purchased Receivable;
- (c) any other ownership interests, liens, charges, encumbrances, security interest or other rights or claims in favour of the Seller on any property from time to time securing the payment of such Purchased Receivable, and the Records relating thereto;
- (d) any sureties, guarantees, and any and all present and future rights and claims under insurance and other agreements or arrangements of whatever character from time to time supporting or securing

payment of such Purchased Receivable whether pursuant to the Auto Loan Contract relating to such Receivable or otherwise;

- (e) all Records relating to the Purchased Receivables and/or the Related Collateral under items (a) through (e) and (g);
- (f) any insurance contracts relating the Purchased Receivables and the Cars (including, if any, GAP insurance, car insurance, used car warranty and warranty extensions/maintenance or comprehensive insurances); and
- (g) any claims to receive proceeds which arise from the disposal of or recourse to the Related Collateral, **provided that** any costs incurred by the Seller or (if different) the Servicer in connection with such disposal or recourse and any amounts which are due to the relevant Debtor in accordance with the relevant Auto Loan Contract shall be deducted from such proceeds;

"Replacement Swap Premium" means an amount received by the Issuer from a replacement interest rate swap provider upon entry by the Issuer into an agreement with such replacement interest rate swap provider to replace an Interest Rate Swap;

"Reporting Agent" means BNP Paribas Securities Services and any successor / or replacement Reporting Agent appointed from time to time in accordance with the Agency Agreement;

"Restricted Party" means a person that is:

- (a) listed on, or owned or controlled by a person listed on, a Sanctions List, or a person acting on behalf or at the direction of such a person;
- (b) located or resident in or organised under the laws of a Sanctioned Country, or is owned or controlled by, or acting on behalf or at the direction of a person located or resident in or organised under the laws of a Sanctioned Country; or
- (c) otherwise a subject to Sanctions;

"Restructured Receivable" means any Purchased Receivable under the Auto Loan Contract which has been subject to a restructuring agreed between the Servicer and the relevant Debtor in respect of such Purchased Receivable which does not comply with the Commercial Renegotiations as permitted in accordance with the Credit and Collection Policy and the Servicing Agreement;

"Retail Customer" means any Consumer Debtor or any Commercial Debtor but excluding:

- (a) any Car Dealer;
- (b) any legal person or partnership for which the aggregate financings provided by the Seller exceed EUR 150,000;
- (c) any government, related public entity or local authority; and
- (d) any bank or investment firm;

"Revolving Period" means the period beginning on the Closing Date (inclusive) and ending on the earliest to occur of:

- (a) the Scheduled Revolving Period End Date (inclusive);
- (b) the Payment Date immediately following the date on which an Amortisation Event has occurred (exclusive);
- (c) the Payment Date immediately following the date on which an Issuer Event of Default has occurred (exclusive);

"Sanctioned Country" means a country or territory which is, or whose government is, at any time, the subject or target of country-wide or territory-wide Sanctions.

"Sanctions" means any trade, economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by a Sanctions Authority.

"Sanctions Authority" means:

- (a) the Security Council of the United Nations;
- (b) the United States of America;
- (c) the European Union;
- (d) the member states of the European Union;
- (e) the United Kingdom
- (f) other relevant sanctions authority; and
- (g) the governments and official institutions or agencies of any of items (a) to (f) above, including but not limited to OFAC, the US Department of State, and Her Majesty's Treasury;

"Sanctions List" means the Specially Designated Nationals and Blocked Persons, the Sectoral Sanctions Identifications List and the List of Foreign Sanctions Evaders maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by Her Majesty's Treasury, or any other Sanctions-related list maintained by a Sanctions Authority, each as amended, supplemented or substituted from time to time;

"Scheduled Principal Payment" means, with respect to any Purchased Receivable and on any Instalment Due Date in respect of the relevant Auto Loan Contract, the amount of principal scheduled to be paid by the Debtor under such Auto Loan Contract on such Instalment Due Date;

"Scheduled Revolving Period End Date" means the Payment Date falling in October 2019;

"Security Trustee" means HSBC Corporate Trustee Company (UK) Limited, its successors or any other person appointed from time to time as Security Trustee in accordance with the Transaction Security Agreement;

"Selection Date" means the First Selection Date or any Subsequent Selection Date;

"Seller" means PSA Bank Deutschland;

"Seller Deposits" means, with respect to any Debtor, the actual aggregate amount held by such Debtor in the form of money market accounts (*Tagesgeldkonten*), savings certificates (*Sparbriefe*), savings accounts (*Sparkonten*), current accounts (*Girokonten*) and/or credit cards (*Kreditkarten*) with the Seller at the relevant time;

"Seller Event of Default" means the occurrence of any of the following events:

- (a) the Seller fails to make a payment due under the Receivables Purchase Agreement at the latest on the fifth (5th) Business Day after its due date, or, in the event no due date has been determined, within five (5) Business Days after the demand for payment,
- (b) the Seller fails within five (5) Business Days to perform its material (as determined by the Issuer) obligations (other than those referred to in (1) above) owed to the Issuer under the Receivables Purchase Agreement after its due date, or, in the event no due date has been determined, within five (5) Business Days after the demand for performance,
- (c) any of the representations and warranties made by the Seller, with respect to or under the Receivables Purchase Agreement or information transmitted is materially inaccurate or incorrect, unless such inaccuracy or incorrectness, insofar as it relates to Purchased Receivables, Related Collateral, or the Auto Loan Contracts, has been remedied by the tenth (10th) Business Day (inclusive) after the Seller has become aware that such representations or warranties were inaccurate or incorrect,

- (d) the Seller is subject to Insolvency Proceedings,
- (e) the Seller is in default with respect to any Material Payment Obligations owed to any third parties for a period of more than five (5) calendar days,
- (f) the withdrawal of the banking license of the Seller in the sense of Section 32 of the German Banking Act (*Kreditwesengesetz*) due to the breach of non-performance of its obligations under Section 35(2) no. 4 of the German Banking Act (*Kreditwesengesetz*),
- (g) (i) Financial Supervisory Authority initiates measures against the Seller pursuant to Section 46 *et seq.* of the German Banking Act (*Kreditwesengesetz*) (including, without limitation, a moratorium) or (ii) the resolution authority (*Abwicklungsbehörde*) under the German Restructuring and Resolution Act (*Sanierungs- und Abwicklungsgesetz*) initiates measures against the Seller pursuant to Part 4 (*Abwicklung*) of the German Restructuring and Resolution Act (*Sanierungs- und Abwicklungsgesetz*) or (iii) the competent authority initiated or takes actions or measures against the Seller under Regulation (EU) No 806/2014 of the European Parliament and of the Council,
- (h) the Seller fails to perform any material obligation under the Auto Loan Contracts or in relation to the Related Collateral, or
- (i) a material adverse change in the business or financial conditions of the Seller has occurred which materially affects its ability to perform its obligations under the Receivables Purchase Agreement;

"**Servicer**" means the Seller and any successor thereof or substitute servicer appointed by the Issuer in accordance with the Servicing Agreement or the Receivables Purchase Agreement;

"**Servicing Report Delivery Failure**" means any Payment Date in respect of which the Servicer has failed to provide the Servicing Report on the immediately preceding Subsequent Information Date but the Calculation Agent determines that the amounts standing to the credit of the Interest Account or Principal Account, respectively, are sufficient to pay the interest and principal due on the Class A Notes and any other amount ranking in priority thereto pursuant to the Pre-Enforcement Interest Priority of Payments and the Pre-Enforcement Principal Priority of Payments, **provided that** no Servicing Report Delivery Failure shall occur if (i) a Servicing Report is provided by the Servicer or any substitute servicer prior to such Payment Date in respect of the relevant preceding Collection Period, (b) such Payment Date falls on the Final Legal Maturity Date or (c) such Payment Date follows the occurrence of an Issuer Event of Default;

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

- (a) other than as a result of force majeure, the Servicer breaches any of its non-payment obligations under any Transaction Document to which it is a party and, following a written request from the Security Trustee that the Servicer remedy such breach to the Security Trustee's satisfaction, the Servicer fails to do so within five (5) Business Days of such request;
- (b) other than as a result of force majeure, the Servicer fails to transfer collections to the Collection Account within two (2) Business Days following receipt thereof or otherwise breaches any of its payment obligations under any Transaction Document to which it is a party and, upon becoming aware of such failure or receipt of a written request from the Security Trustee that the Servicer remedy such breach to the Security Trustee's satisfaction, the Servicer fails to do so within two (2) Business Days of such request;
- (c) any representation and/or warranty made by the Servicer under any Transaction Document turns out to have been materially false or incorrect at the time when such representation and/or warranty was given or was deemed to have been given;
- (d) the occurrence of Insolvency Proceedings with respect to the Servicer;
- (e) the withdrawal of the banking license of the Servicer in the sense of Section 32 of the German Banking Act (*Kreditwesengesetz*) due to the breach of non-performance of its obligations under Section 35(2) no. 4 of the German Banking Act (*Kreditwesengesetz*); or
- (f) (i) German Financial Supervisory Authority initiates measures against the Servicer pursuant to Section 46 *et seq.* of the German Banking Act (*Kreditwesengesetz*) (including, without limitation,

a moratorium) or (ii) the resolution authority (*Abwicklungsbehörde*) under the German Restructuring and Resolution Act (*Sanierungs- und Abwicklungsgesetz*) initiates measures against the Servicer pursuant to Part 4 (*Abwicklung*) of the German Restructuring and Resolution Act (*Sanierungs- und Abwicklungsgesetz*) or (iii) the competent authority initiated or takes actions or measures against the Seller under Regulation (EU) No 806/2014 of the European Parliament and of the Council;

"Servicing Agreement" means a servicing agreement dated on or about 23 October 2018, as amended or amended and restated from time to time, and entered into by the Issuer, the Servicer, the Corporate Administrator and the Security Trustee;

"Servicing Report" means any monthly report substantially in the form as set out in a schedule to the Servicing Agreement or otherwise agreed between the Seller, the Servicer (if different) and the Issuer, which shall be prepared by the Servicer with respect to each Collection Period and delivered to the Issuer with a copy to the Calculation Agent on the Information Date immediately following such Collection Period;

"Standard Loan" means an Auto Loan Contract with equal Loan Instalments during the whole life of such Auto Loan Contract;

"Subordinated Loan Agreement" means a subordinated loan agreement dated on or about 23 October 2018, as amended or amended and restated from time to time, and entered into by the Issuer as borrower and the Subordinated Loan Provider as lender;

"Subordinated Loan Provider" means PSA Bank Deutschland, Siemensstraße 10, 63263 Neu-Isenburg, Germany or any successor or assignee thereof;

"Subscription Agreement" means an agreement for the subscription of the Notes dated on or about 23 October 2018, as amended or amended and restated from time to time, and entered into between the Seller, the Issuer, the Joint Arrangers and the Joint Lead Managers;

"Subsequent Determination Date" means the last day of each calendar month following (but excluding) the First Determination Date;

"Subsequent Information Date" means any Business Day falling between (and, in either case, including) the first (1st) Business Day and the third (3rd) Business Day after any Subsequent Determination Date, on which the Servicer shall provide the Issuer and the Calculation Agent with the Servicing Report with respect to the immediately preceding Collection Period in accordance with the terms of the Servicing Agreement;

"Subsequent Purchase Date" means any Payment Date during the Revolving Period;

"Subsequent Selection Date" means the date of each calendar month during the Revolving Period starting in November 2018 on which the Seller identifies in its systems the Receivables (as per 0:00 CET of the respective Subsequent Selection Date) which it shall offer for sale to the Issuer under the Receivables Purchase Agreement on the immediately following Subsequent Purchase Date. Each Subsequent Selection Date shall be a Business Day falling between (and, in either case, including) the fourth (4th) Business Day and the sixth (6th) Business Day of the relevant calendar month;

"Subsidised Interest Amount" means the lump sum paid at or near origination by a Car Dealer or Car Manufacturer to the Seller pursuant to the terms of any Subsidised Interest Arrangement in respect of any Auto Loan Contract with a nil or below market rate interest to compensate the Seller for such below market interest rate;

"Subsidised Interest Arrangement" means any arrangement between the Seller and a Car Dealer or Car Manufacturer under which such Car Dealer or Car Manufacturer (as applicable) agrees to subsidise the rate of interest payable by a Debtor under an Auto Loan Contract;

"Subsidised Interest Instalment Amount" means, in respect of any Receivable in relation to which the Seller has entered into a Subsidised Interest Arrangement and in respect of any Instalment Due Date, the part of the Subsidised Interest Amount that is recognised as income in the Seller's books on such Instalment Due Date;

"Subsidised Interest Balance" means, in respect of any Receivable:

- (a) on the Purchase Date in respect of that Receivable, an amount equal to the part of the Subsidised Interest Amount which is still outstanding on the books of the Seller on the immediately preceding Selection Date;
- (b) in respect of any Payment Date following the Purchase Date in respect of that Receivable, an amount equal to the positive difference, if any, between:
 - (i) the Subsidised Interest Balance as defined in (a) above relating to such Receivable; and
 - (ii) the sum of all Subsidised Interest Instalment Amounts relating to such Receivable debited from the Additional Interest Reserve Account in respect of the Instalment Due Dates in the preceding Collection Periods,

and, where the Sellers has in respect of any Receivable not entered into a Subsidised Interest Arrangement, zero;

"Swap Collateral" means an amount equal to the value of collateral (other than Excess Swap Collateral) and (where relevant) the collateral in the form of securities, in each case to the extent provided by the Interest Rate Swap Counterparty to the Issuer under the Interest Rate Swap, and includes any interest and distributions in respect thereof;

"Swap Collateral Account" means the bank accounts with the relevant account number as specified in the Accounts Agreement and held in the name of the Issuer at the Account Bank, as well as any other bank or custody accounts specified as such by or on behalf of the Issuer in the future in addition to or as substitute for any such Swap Collateral Account in accordance with the Accounts Agreement and to which the Issuer shall transfer any collateral posted by an Interest Rate Swap Counterparty under the relevant Credit Support Annex, any Replacement Swap Premium and any Swap Tax Credit;

"Swap Tax Credit" means any credit, allowance, set-off or repayment received by the Issuer in respect of tax from the tax authorities of any jurisdiction relating to any deduction or withholding giving rise to an increased payment by an Interest Rate Swap Counterparty to the Issuer;

"TARGET2" means the Trans-European Automated Real-time Gross settlement Express Transfer System 2;

"TARGET Day" means any day on which all relevant parts of TARGET2 are operational;

"Terms and Conditions of the Notes" means the terms and conditions of the Class A Notes and the Class B Notes as set out in this Prospectus;

"Transaction Documents" means the Receivables Purchase Agreement, the Servicing Agreement, the Transaction Security Documents, the Interest Rate Swap, the Subordinated Loan Agreement, the Subscription Agreement, the Corporate Administration Agreement, the Accounts Agreement, the Data Trust Agreement, the Notes, the Agency Agreement, any custody agreement entered into by the Issuer in respect of Swap Collateral in the form of securities and any amendment agreement, termination agreement or replacement agreement relating to any such agreement;

"Transaction Security Agreement" means a transaction security agreement dated 23 October 2018, as amended or amended and restated from time to time, and made between the Issuer, the Agents, the Interest Rate Swap Counterparty, the Account Bank, the Data Trustee, the Corporate Administrator, the Seller, the Servicer, the Subordinated Loan Provider, the Beneficiaries and the Security Trustee for the benefit of the Beneficiaries (as such term is defined therein);

"Transaction Security Documents" means the Transaction Security Agreement, the English Security Deed and any other agreement or document entered into from time to time by the Security Trustee with the Issuer for the benefit of the Beneficiaries for the purpose, *inter alia*, of securing all or any of the obligations of the Issuer under the Transaction Documents;

"U.S. Person" means a U.S. person within the meaning of Regulation S;

"U.S. Risk Retention Rules" means the final rules promulgated under Section 15G of the U.S. Securities Exchange Act of 1934, as amended;

"Used Car" means any used car of any brand; and

"Weighted Average Effective Interest Rate" means, on any Selection Date, the rate calculated by the Calculation Agent as the average of the Effective Interest Rates of all Purchased Receivables that are Performing Receivables on the basis of the respective Servicing Report (and any additional servicing report) provided to the Calculation Agent by the Servicer on the Information Date (or such other date as agreed between the Calculation Agent and the Servicer) prior to such Selection Date and taking into account any Eligible Receivables offered for sale by the Seller on such Purchase Date, weighted by the Outstanding Principal Amounts of such Purchased Receivables on such date.

OVERVIEW OF RULES REGARDING RESOLUTIONS OF NOTEHOLDERS

Pursuant to the Terms and Conditions of the Notes, the Noteholders may agree to amendments or decide on other matters relating to the Notes by way of resolution to be passed by taking votes without a meeting.

In addition to the provisions included in the Terms and Conditions of the Notes, the rules regarding the solicitation of votes and the conduct of the voting by Noteholders, the passing and publication of resolutions as well as their implementation and challenge before German courts are set out in Schedule 6 to the Agency Agreement which is incorporated by reference into the Terms and Conditions of the Notes. Under the German Act on Debt Securities (*Schuldverschreibungsgesetz*), these rules are largely mandatory, although they permit in limited circumstances supplementary provisions set out in or incorporated into the Terms and Conditions of the Notes.

Specific rules on the taking of votes without a meeting

The following is a brief summary of some of the statutory rules regarding the solicitation and conduct of the voting, the passing and publication of resolutions as well as their implementation and challenge before German courts.

The voting shall be conducted by the person presiding over the taking of votes (the "**Chairperson**") who shall be (i) a notary appointed by the Issuer, (ii) the Noteholders' representative if such a representative has been appointed and has solicited the taking of votes, or (iii) a person appointed by the competent court.

The notice for the solicitation of votes shall specify the period within which votes may be cast. Such period shall not be less than 72 hours. During such period, the Noteholders may cast their votes to the Chairperson. The notice for the solicitation of votes shall give details as to the prerequisites which must be met for votes to qualify for being counted.

The Chairperson shall determine each Noteholder's entitlement to vote on the basis of evidence presented and shall prepare a roster of the Noteholders entitled to vote. If a quorum is not reached, the Chairperson may convene a Noteholders' meeting. Each Noteholder who has taken part in the vote may request from the Issuer, for up to one year following the end of the voting period, a copy of the minutes for such vote and any annexes thereto.

Each Noteholder who has taken part in the vote may object in writing to the result of the vote within two weeks following the publication of the resolutions passed. The objection shall be decided upon by the Chairperson. If the Chairperson remedies the objection, the Chairperson shall promptly publish the result. If the Chairperson does not remedy the objection, the Chairperson shall promptly inform the objecting Noteholder in writing.

The Issuer shall bear the costs of the vote and, if the court has convened a meeting or appointed or removed the Chairperson, also the costs of such proceedings.

Rules on noteholders' meetings under the German Act on Debt Securities

In addition to the aforementioned rules, the statutory rules applicable to noteholders' meetings apply *mutatis mutandis* to any taking of votes by noteholders without a meeting. The following summarises some of such rules.

Meetings of noteholders may be convened by the issuer and the noteholders' representative if such a representative has been appointed. Meetings of noteholders must be convened if one or more noteholders holding 5 % or more of the outstanding notes so require for specified reasons permitted by statute.

Meetings may be convened not less than fourteen (14) days before the date of the meeting. Attendance and voting at the meeting may be made subject to prior registration of noteholders. The convening notice will provide what proof will be required for attendance and voting at the meeting. The place of the meeting in respect of a German issuer is the place of the issuer's registered office, **provided, however, that** where the relevant notes are listed on a stock exchange within the European Union or the European Economic Area, the meeting may be held at the place of such stock exchange.

The convening notice must include relevant particulars and must be made publicly available together with the agenda of the meeting setting out the proposals for resolution.

Each noteholder may be represented by proxy. A quorum exists if noteholders representing by value not less than 50 % of the outstanding notes are present or represented at the meeting. If the quorum is not reached, a second meeting may be called at which no quorum will be required, **provided that** where a resolution may only be adopted by a qualified majority, a quorum requires the presence of at least 25 % of the principal amount of outstanding notes.

All resolutions adopted must be properly published. Resolutions which amend or supplement the terms and conditions of notes certificated by one or more global notes must be implemented by supplementing or amending the relevant global note(s).

In insolvency proceedings instituted in Germany against the issuer, the noteholders' representative, if appointed, is obliged and exclusively entitled to assert the noteholders' rights under the notes. Any *resolutions passed by the noteholders are subject to the provisions of the German Insolvency Code (Insolvenzordnung)*.

If a resolution constitutes a breach of the statute or the terms and conditions of the notes, noteholders may bring an action to set aside such resolution. Such action must be filed with the competent court within one (1) month following the publication of the resolution.

THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT

The following sets out the main provisions of the Transaction Security Agreement. The full text of the Transaction Security Agreement (excluding any Schedule thereto) constitutes Appendix B to the Terms and Conditions of the Notes and forms an integral part of the Terms and Conditions of the Notes. The text of the recitals, Clause 1 (*Definitions and Construction*), Clause 41.2 (*Notices*) and Clause 47 (*Counterparts*) of the Transaction Security Agreement have been omitted from the following. Consequently, the following outline of the Clauses is starting with Clause 2 (*Duties of the Security Trustee*).

2. DUTIES OF THE SECURITY TRUSTEE

This Transaction Security Agreement sets out the general rights and obligations of the Security Trustee which govern the performance of its functions under this Transaction Security Agreement. The Security Trustee shall perform the activities and services set out in this Transaction Security Agreement or contemplated to be performed by the Security Trustee pursuant to the terms of any other Transaction Document to which the Security Trustee is a party. The Security Trustee is not obliged to supervise or monitor the discharge by any person of its payment and other obligations arising from the Notes or any other relevant Transaction Documents or to carry out duties which are the responsibility of the Issuer or any other person which is a party to any Transaction Document.

3. POSITION OF SECURITY TRUSTEE IN RELATION TO THE BENEFICIARIES

3.1 The Security Trustee shall acquire and hold the security granted to it under this Transaction Security Agreement and exercise its rights (other than its rights under Clause 28 (*Fees*) to 31 (*Taxes*) of this Transaction Security Agreement) and discharge its duties under the Transaction Documents as a trustee (*Treuhänder*) for the benefit of the Beneficiaries. Without prejudice to the Post-Enforcement Priority of Payments pursuant to Clause 23.2 (*Post-Enforcement Priority of Payments*), the Security Trustee shall exercise its duties under this Transaction Security Agreement (i) as long as any of the Class A Notes are outstanding, with regard only to the interests of the Class A Noteholders and (ii) if no Class A Notes remain outstanding, with regard only to the interests of the Class B Noteholders and (iii) if no Notes remain outstanding, with regard only to the interests of the Beneficiary ranking highest in the Post-Enforcement Priority of Payments to whom any amounts are owed.

3.2 This Transaction Security Agreement constitutes a genuine contract for the benefit of third parties (*echter Vertrag zugunsten Dritter*) pursuant to Section 328(1) of the German Civil Code (*Bürgerliches Gesetzbuch*) in respect of the obligations of the Security Trustee contained herein to act as trustee (*Treuhänder*) for the benefit of present and future Beneficiaries. The rights of the Issuer under the Transaction Documents in the event of an enforcement of the Security Trustee Claim pursuant to Clause 4.2 (*Security Trustee Claim*) shall remain unaffected.

4. POSITION OF SECURITY TRUSTEE IN RELATION TO THE ISSUER

4.1 Security Trustee as Secured Party/Insolvency of Security Trustee

With respect to its own claims against the Issuer under this Transaction Security Agreement or otherwise, in particular with respect to any fees, and with respect to the Security Trustee Claim (as set out below in Clause 4.2 (*Security Trustee Claim*)) the Security Trustee shall, in addition to the Beneficiaries, be a secured party (*Sicherungsnehmer*) with respect to the Note Collateral (as defined in Clause 7 (*Security purpose*)).

To the extent that the Assigned Security (as defined in Clause 5.1 (*Assignment and transfer*) below) will be transferred to the Security Trustee for security purposes in accordance with Clause 5 (*Transfer for security purposes of the Assigned Security*), in the event of insolvency proceedings being commenced in respect of the Security Trustee, any Note Collateral held by the Security Trustee shall be transferred by the Security Trustee to the relevant new Security Trustee appointed in accordance with this Transaction Security Agreement.

The Issuer and each Beneficiary who is a party to this Transaction Security Agreement hereby undertakes to assign any claim for segregation (*Aussonderung*) it may have in an insolvency of the Security Trustee with respect to this Transaction Security Agreement and the Note Collateral to

the relevant new Security Trustee appointed in accordance with this Transaction Security Agreement for the purposes set out herein.

4.2 Security Trustee Claim

- (a) The Issuer hereby grants the Security Trustee a separate claim (the "**Security Trustee Claim**"), entitling the Security Trustee to demand from the Issuer:
 - (i) that any present or future, actual or contingent obligation of the Issuer in relation to any Noteholder under any Note be fulfilled; and
 - (ii) that any present or future, actual or contingent obligation of the Issuer in relation to any Beneficiary under any other Transaction Document to which the Issuer is a party be fulfilled.
- (b) The obligation of the Issuer to make payments to the relevant Beneficiary shall remain unaffected by the provisions of paragraph (a) above. The Security Trustee Claim may be enforced separately from the Beneficiary's claim in respect of the same payment obligation of the Issuer. The Security Trustee agrees with the Issuer and the Beneficiaries to pay any sums received from the Issuer pursuant to this Clause 4.2 to the relevant Beneficiaries in accordance with the Post-Enforcement Priority of Payments (as such term is defined in Clause 23.2 (*Post-Enforcement Priority of Payments*)) upon the occurrence of an Issuer Event of Default; the relevant Transaction Secured Obligation shall only be deemed fulfilled when the payment due has been made by the Security Trustee to the relevant Beneficiary.

5. TRANSFER FOR SECURITY PURPOSES OF THE ASSIGNED SECURITY

5.1 Assignment and transfer

The Issuer hereby assigns and transfers the following rights and claims (including any contingent rights (*Anwartschaftsrechte*) to such rights and claims) to the Security Trustee for the security purposes set out in Clause 7 (*Security purpose*) (*Sicherungsabtretung* or *Sicherungsübereignung*, as the case may be):

- (a) all Initial Receivables purchased and acquired on the Closing Date and any Additional Receivables to be purchased and acquired on any Subsequent Payment Date, in each case together with any Related Collateral and all rights, claims and interests relating thereto;
- (b) 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 Receivables Purchase Agreement or the Servicing Agreement, including all rights of the Issuer relating to any additional security;
- (c) 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 Loan Provider and/or any other party pursuant to or in respect of the Subordinated Loan Agreement;
- (d) 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 Joint Arrangers, the Joint Lead Managers, the Seller and/or any other party pursuant to or in respect of the Subscription Agreement;
- (e) all present and future rights, claims and interests which the Issuer is now or may hereafter become entitled to from or in relation to a third party pursuant to or in respect of the sale to such third party of Defaulted Receivables;
- (f) 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/or the Calculation Agent and/or any other party pursuant to or in respect of the Accounts Agreement;

- (g) 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;
- (h) 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 and/or the Calculation Agent and/or the Interest Determination Agent and/or the Reporting Agent pursuant to or in respect of the Agency Agreement;
- (i) 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 Corporate Administrator and/or any other party pursuant to or in respect of the Corporate Administration Agreement; and
- (j) all present and future rights, claims and interests in or in relation to any amounts standing to the credit of any account of the Issuer governed by German law which may be opened in replacement of any of the Accounts,

in each case (a) to (j) above including any and all related non-ancillary (*selbständige*) and ancillary (*unselbständige*) rights to determine unilaterally legal relationships (*Gestaltungsrechte*), including any termination rights (*Kündigungsrechte*) (the "**Assigned Security**").

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

- 5.2 The Security Trustee hereby accepts the assignment and the transfer of the Assigned Security and any security related thereto and the covenants of the Issuer hereunder.
- 5.3 The existing Assigned Security shall pass over to the Security Trustee on the date on which this Transaction Security Agreement becomes effective, and any future Assigned Security shall directly pass over to the Security Trustee at the date on which such Assigned Security arises, and in each case at the earliest at the time at which the Issuer has acquired the rights and claims of which the Assigned Security consists.

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

- 5.4 To the extent that title to the Assigned Security cannot be transferred by mere agreement between the Issuer and the Security Trustee as effected in the foregoing Clauses 5.1 to 5.3, the Issuer and the Security Trustee hereby agree with respect to all Purchased Receivables that:

- (a) the delivery (*Übergabe*) necessary to effect the transfer of title for security purposes with regard to the Cars (and any car certificates (*Fahrzeugbriefe*), registration certificates part II (*Zulassungsbescheinigungen Teil II*) or equivalent documents with respect thereto) and any other moveable Related Collateral with regard to any subsequently inserted parts thereof or with regard to any subsequently arising co-owner's interest, is hereby replaced in that the Issuer and the Security Trustee hereby agree that the Issuer hereby assigns to the Security Trustee all claims, present or future, to request transfer of possession (*Abtretung aller Herausgabeansprüche gemäß section 931 Bürgerliches Gesetzbuch*) against any third party (including any Debtors, Seller or (if different) Servicer) which is in the direct possession (*unmittelbarer Besitz*) or indirect possession (*mittelbarer Besitz*) of the Cars (and any car certificates (*Fahrzeugbriefe*), registration certificates part II (*Zulassungsbescheinigungen Teil II*) or equivalent documents with respect thereto) or other moveable Related Collateral. In addition to the foregoing it is hereby agreed that the Issuer shall, in the event that (but only in the event that) the related Car or other moveable Related Collateral are in the Issuer's direct possession (*unmittelbarer Besitz*), hold

possession as fiduciary (*treuhänderisch*) on behalf of the Security Trustee and shall grant the Security Trustee indirect possession (*mittelbarer Besitz*) of the related Car and other moveable Related Collateral by keeping it with due care free of charge (*als Verwahrer*) and separate from other assets owned by it for the Security Trustee until revoked (*Besitzkonstitut*);

- (b) any notice to be given in order to effect transfer of title in the Assigned Security shall immediately be given by the Issuer in such form as the Security Trustee requires and the Issuer hereby agrees that if it fails to give such notice, the Security Trustee is hereby irrevocably authorised to give such notice on behalf of the Issuer;
- (c) any other thing to be done or form or registration to be effected to perfect a first priority security interest in the Assigned Security for the Security Trustee in favour of the Beneficiaries shall be immediately done and effected by the Issuer at its own costs; and
- (d) the Issuer shall provide any and all necessary details in order to identify the Cars, title to which has been transferred hereunder from the Issuer to the Security Trustee as contemplated herein, at the latest on the date on which this Transaction Security Agreement becomes effective.

The Security Trustee hereby accepts the assignment and transfer.

5.5 **Assignment of claims under account relationship**

If an express or implied current account relationship (*echtes oder unechtes Kontokorrentverhältnis*) exists or is later established between the Issuer and a third party, the Issuer hereby assigns to the Security Trustee (without prejudice to the generality of the provisions in Clause 5.1 (*Assignment and transfer*)) the right to receive a periodic account statement and the right to receive payment of present or future balances and the right to demand the drawing of a balance (including a final net balance determined upon the institution of any insolvency proceedings in respect of the assets of the Issuer), as well as the right to terminate the current account relationship and the right to receive payment of the closing net balance upon termination. The Issuer shall notify the Security Trustee of any future current account relationship it enters into in accordance with the Transaction Documents.

5.6 **Acknowledgement of assignment/transfer**

All parties to this Transaction Security Agreement hereby acknowledge that the rights and claims of the Issuer which constitute the Assigned Security and which have arisen under contracts and agreements between the Issuer and the parties hereto and which are owed by such parties, are assigned and/or transferred to the Security Trustee and that the Issuer is entitled to continue to exercise and collect such rights and claims only in accordance with the provisions of, and subject to, the restrictions contained in this Transaction Security Agreement. For the avoidance of doubt, upon notification to any party hereto by the Security Trustee in respect of the occurrence of an Issuer Event of Default, the Security Trustee solely shall be entitled to exercise the rights of the Issuer under the Transaction Documents referred to in Clause 5.1(a) to 5.1(j) including, without limitation, the right to give instructions to each such party pursuant to the relevant Transaction Document and each party hereto agrees to be bound by such instructions of the Security Trustee given pursuant to the relevant Transaction Document to which such party is a party.

5.7 **English Security Deed**

The Issuer shall create security for the benefit of the Beneficiaries in all its present and future rights, claims and interests which the Issuer is now or becomes hereafter entitled to from or in relation to the Interest Rate Swap Counterparty and/or any other party pursuant to or in respect of the relevant Interest Rate Swap, the Account Bank and/or the Calculation Agent and/or any other party pursuant to or in respect of the Accounts Agreement and shall, in addition hereto, create security over the Accounts and all amounts standing to the credit of the Accounts from time to time pursuant to the English Security Deed in accordance with English law.

6. PLEDGE

- 6.1 The Issuer hereby pledges (*Verpfändung*) to the Security Trustee all its present and future claims against the Security Trustee arising under this Transaction Security Agreement.
- 6.2 The Issuer hereby gives notice to the Security Trustee of such pledge and the Security Trustee hereby confirms receipt of such notice. The Security Trustee is under no obligation to enforce any claims of the Issuer against the Security Trustee pledged to the Security Trustee pursuant to this Clause 6 (*Pledge*).

7. SECURITY PURPOSE

The assignment and transfer for security purposes of rights and claims pursuant to Clause 5 (*Transfer for security purposes of the Assigned Security*) and the pledge pursuant to Clause 6 (*Pledge*) (and the Assigned Security together with such pledges are referred to herein as the "**Collateral**", and together with the security interests established under the English Security Deed in respect of certain of the Issuer's powers, rights and interests, the "**Note Collateral**") serve to secure the Security Trustee Claim.

In addition, the assignment, the transfer and the pledge for security purposes of the Note Collateral is made for the purpose of securing the due payment and performance by the Issuer of any and all obligations (present and future, actual and contingent) which are (or are expressed to be) or become owing by the Issuer to the Beneficiaries or any of them (including any Replacement Beneficiary following a transfer or assignment, accession, assumption of contract (*Vertragsübernahme*) or novation of certain rights and obligations in accordance with the relevant provision of the relevant Transaction Documents under or in connection with any of the Transaction Documents, as each may be amended, novated, supplemented or extended from time to time (the "**Transaction Secured Obligations**"), and which Transaction Secured Obligations shall, for the avoidance of doubt, include, without limitation, (i) any fees to be paid by the Issuer to any Beneficiary in connection with the Transaction Documents irrespective of whether such fees are agreed or determined in such Transaction Documents or in any fee arrangement relating thereto, (ii) any obligations incurred by the Issuer on, as a consequence of or after the opening of any insolvency proceedings and (iii) any potential obligations on the grounds of any invalidity or unenforceability of any of the Transaction Documents, in particular claims on the grounds of unjustified enrichment (*ungerechtfertigter Bereicherung*).

8. COLLECTION AUTHORISATION; FURTHER TRANSFER

8.1 Collection authorisation

- (a) Subject to the revocation of the Issuer's collection authorisation in accordance with Sub-Clause (c) or (d), the Issuer shall be authorised (*ermächtigt*) to collect or have collected in the ordinary course of business or otherwise exercise or deal with (which term shall, for the avoidance of doubt, include the enforcement of any security) the rights assigned and transferred for security purposes under Clause 5 (*Transfer for security purposes of the Assigned Security*) and the rights pledged pursuant to Clause 6 (*Pledge*).
- (b) Without affecting the generality of paragraph (a), the Security Trustee hereby consents to the assignments, transfers and/or releases by the Issuer (or by the Servicer on behalf of the Issuer) of Purchased Receivables and Related Collateral to any third party in accordance with the Credit and Collection Policy and the release by the Servicer of any Car in accordance with the Receivables Purchase Agreement and/or the Servicing Agreement.
- (c) The authority and consents contained in paragraphs (a) and (b) may be revoked by the Security Trustee in accordance with Clause 16 (*Breach of obligations by the Issuer*).
- (d) The authority and consents contained in paragraphs (a) and (b) shall automatically terminate upon the occurrence of an Issuer Event of Default, but with respect to the Servicer and the Seller only upon notice thereof to the Seller and the Servicer (as the case may be).

8.2 **Transfer authorisation**

The Security Trustee shall be authorised to transfer the Assigned Security in the event that the Security Trustee is replaced and the Note Collateral is to be transferred to the New Security Trustee pursuant to Clauses 32.1 (*Resignation*) and 34.1 (*Transfer of Note Collateral*).

In any event the Issuer shall be entitled to retain an amount of up to EUR 500 in each calendar year for its free disposal from the Note Collateral.

9. **ENFORCEABILITY**

The Note Collateral shall be enforced upon an Issuer Event of Default in accordance with Clause 19 (*Enforcement of Note Collateral*).

10. **RELEASE OF COLLATERAL**

As soon as the Security Trustee is satisfied that the Issuer has fully performed all obligations secured by this Transaction Security Agreement and to the extent the Collateral has not been previously released pursuant to this Transaction Security Agreement, the Security Trustee shall promptly at the cost of the Issuer transfer back to the Issuer or to the Issuer's order the Collateral assigned and/or transferred to it under this Transaction Security Agreement.

11. **REPRESENTATIONS OF THE ISSUER WITH RESPECT TO NOTE COLLATERAL, COVENANTS**

11.1 The Issuer hereby represents and warrants to and covenants with the Security Trustee (in the Security Trustee's own name and on behalf of the Beneficiaries) that it has (and will have, insofar as future rights and claims are concerned) full and unaffected title to the Note Collateral and any related security thereto which is assigned and/or transferred or pledged hereby and that such Note Collateral and such related security is (and will be insofar as future rights and claims are concerned) free and clear from any encumbrances and adverse rights and claims of any third parties, always subject only to the rights and encumbrances created under this Transaction Security Agreement and the English Security Deed.

11.2 The Issuer hereby represents and warrants to the Security Trustee (in the Security Trustee's own name and on behalf of the Beneficiaries), that, as of the date of execution of this Transaction Security Agreement, it has the corporate power and the authority to enter into this Transaction Security Agreement and that all necessary corporate action has been taken and the validity and enforceability of this Transaction Security Agreement is not subject to any restriction of any kind, consent or other requirement or condition, that has not been satisfied at the date of execution of this Transaction Security Agreement (save that enforceability may be limited by bankruptcy, insolvency or other similar proceedings with respect to the Issuer or by general principles of good faith (*Treu und Glauben*)).

11.3 The Issuer shall be liable (without prejudice to Clause 44 (*No liability and no right to petition and limitation on payments*)) to pay damages (*Schadenersatz wegen Nichterfüllung*) in the event that any Note Collateral transferred for security purposes in accordance with this Transaction Security Agreement proves to be invalid or if the transfer itself proves to be invalid.

11.4 The Issuer hereby covenants with the Security Trustee to notify the Security Trustee of the issue of the Notes within ten (10) Business Days from the date of issue thereof by way of notice substantially in the form set out in Schedule 1 (*Form of Note Identification Notice*).

12. **REPRESENTATIONS AND WARRANTIES OF THE SECURITY TRUSTEE AND CERTAIN OTHER PARTIES**

The Security Trustee hereby represents and warrants to the other parties:

12.1 with respect to itself only, that, as of the date hereof, it has the corporate power and the authority to enter into this Transaction Security Agreement and the other Transaction Documents to which it is a party and that all necessary corporate action in connection with the entry into this Transaction Security Agreement has been taken.

- 12.2 It is hereby agreed (without prejudice to the other provisions of this Transaction Security Agreement, and in particular Clauses 33 (*Replacement of Security Trustee*) and 34.1 (*Transfer of Note Collateral*) hereof) that, in the event that the Security Trustee does not possess any authorisation, registration or licence which is required for the performance of its duties and obligations hereunder, the Security Trustee shall, without undue delay, remedy any such grounds, obtain such authorisations, registrations and licences, and any other obligations of the Security Trustee and the other provisions of this Transaction Security Agreement shall not be affected by the Security Trustee failing to remedy such grounds or to have obtained such authorisations, registrations or licences.
- 12.3 Each Beneficiary (other than the Security Trustee) who is a party to this Transaction Security Agreement hereby represents and warrants, that, as of the date of execution of this Transaction Security Agreement, it has the corporate power and the authority to enter into this Transaction Security Agreement and that all necessary corporate action in connection with the entry into this Transaction Security Agreement and the other Transaction Documents to which it is a party has been taken.

13. RECEIPT AND CUSTODY OF DOCUMENTS; NOTICES

The Security Trustee shall take delivery of and keep in custody the documents which are delivered to it under the Transaction Documents (if any) and shall:

- (a) keep such documents for one year after the termination of this Transaction Security Agreement; or
- (b) forward the documents to the New Security Trustee if the Security Trustee is replaced in accordance with Clauses 33 (*Replacement of Security Trustee*) and 34.1 (*Transfer of Note Collateral*) hereof.

14. ACCOUNTS TERMINATION

14.1 Accounts termination

Each Account has been opened, or, if applicable, will be opened by the Issuer in accordance with the Accounts Agreement with the Account Bank. The Issuer shall terminate (and, if the Issuer does not terminate, the Security Trustee may terminate on behalf of the Issuer) the account relationship with the Account Bank within forty-five (45) calendar days but no earlier than thirty-three (33) calendar days after (i) any of the ratings of the Account Bank has fallen below the Account Bank Required Rating or (ii) the Account Bank is no longer rated by any of the Rating Agencies (each of such events under (i) and (ii), an "**Account Bank Downgrade**").

14.2 Successor Bank

- (a) Should the account relationship with the Account Bank be terminated by the Account Bank or the Issuer, the Issuer shall promptly inform the Security Trustee of such termination. Unless an Issuer Event of Default has occurred and is continuing or the Note Collateral is enforced, in case of such termination the Issuer, acting in its own name, shall open new accounts with another bank or financial institution (the "**Successor Bank**") on conditions as close as possible to those previously agreed with the previous Account Bank. The Successor Bank shall be a bank or a financial institution having at least the Account Bank Required Rating. The Issuer shall enter into a new account agreement with the Successor Bank, the Security Trustee and the Corporate Administrator as contracting parties and any and all amounts credited to any Account shall be transferred to corresponding new account(s) (as relevant), at the cost (associated with the actual transfer of the funds from the downgraded Accounts to the new corresponding accounts) to the Issuer (and any and all references to "**General Collection Account**", "**Principal Account**", "**Interest Account**", "**General Reserve Account**", "**Additional Interest Reserve Account**" and "**Swap Collateral Account**" and any other Account shall in each case then be read as references to such new corresponding account(s)).
- (b) If accounts replacing the Accounts have been opened with a Successor Bank and an Account Bank Downgrade has occurred with respect to such Successor Bank, then within

forty-five (45) calendar days but no earlier than thirty-three (33) calendar days of such Account Bank Downgrade, the Issuer shall open substitute accounts with another Successor Bank in accordance with the procedure set out in Clause 14.2(a) (*Successor Bank*) and terminate each account with the previous Successor Bank.

15. CONSENT OF THE SECURITY TRUSTEE

If the Issuer requests that the Security Trustee grants its consent pursuant to Clause 39 (*Actions of the Issuer requiring consent*) hereof, the Security Trustee may grant or withhold the requested consent at its discretion taking into account what the Security Trustee believes to be the interests of the Beneficiaries, giving due regard to the provisions of Clause 3 (*Position of Security Trustee in relation to the Beneficiaries*). In any event, the Security Trustee shall give such consent if (regardless of whether the relevant action could, in the professional judgement of the Security Trustee, be materially prejudicial (*wesentlich nachteilig*) to the Beneficiaries) (i) the Security Trustee or the Issuer has notified each Rating Agency of such proposed action and (ii) one or more Noteholders representing at least 66 2/3% of the then outstanding Class Principal Amount of the most senior outstanding Class of Notes (or, if no Notes remain outstanding, one or more Beneficiaries representing 51% of the then outstanding aggregate amount owed to all Beneficiaries) have given their consent and instructed the Security Trustee to such action, it being understood that the Security Trustee shall be entitled at any time to request such instruction or confirmation, and (iii) the Security Trustee has received full indemnification and/or prefunding and/or security that it may in its discretion require (which may deviate from the indemnification otherwise provided for in the Transaction Documents and which may include payment in advance) for any cost, loss, expense or liability (together with any applicable VAT) which it may incur in complying with those instructions.

16. BREACH OF OBLIGATIONS BY THE ISSUER

16.1 If the Security Trustee in the course of its activities obtains actual knowledge or is notified that the existence or the value of the Note Collateral is at risk due to any failure of the Issuer properly to discharge its obligations under this Transaction Security Agreement or the other Transaction Documents to which it is a party, the Security Trustee shall be authorised, at its discretion and subject to Clause 16.2 below, to take or initiate all actions which in the opinion of the Security Trustee are desirable or expedient to avert such risk (including the revocation of the authority and consents contained in Clause 8.1(a) and 8.1(b)). If for any reason the obligations are not duly discharged pursuant to Clause 34 (*Transfer of Note Collateral*) in respect of the Note Collateral, the Issuer and the Security Trustee shall do all further acts and implement all further measures necessary in order to effect the transfer of the Note Collateral, and the Security Trustee shall in particular be authorised and obliged to exercise all rights arising under the relevant Transaction Documents on behalf of the Issuer necessary in order to do so.

16.2 The Security Trustee shall only be obliged to intervene in accordance with Clause 16.1 if, and to the extent that, (i) it is instructed by one or more Noteholders representing at least 66 2/3% of the then outstanding Class Principal Amount of the most senior outstanding Class of Notes (or, if no Notes remain outstanding, one or more Beneficiaries representing 51% of the then outstanding aggregate amount owed to all Beneficiaries) to act in accordance with Clause 16.1 and (ii) it is satisfied that it will be fully indemnified or secured or pre-funded (either by reimbursement of costs, its ranking under the Pre-Enforcement Interest Priority of Payments or the Post-Enforcement Priority of Payments (as applicable) or in any other way it deems appropriate) against all costs and expenses resulting from its activities (including fees for retaining counsel, banks, auditors or other experts as well as the expenses of retaining third parties to perform certain duties) and against all liabilities, obligations and attempts to bring any action in or outside court. Clause 35 (*Standard of care for liability*) shall remain unaffected.

17. FURTHER OBLIGATIONS

17.1 The Security Trustee shall perform its tasks and obligations under the other Transaction Documents to which it is a party in accordance with this Transaction Security Agreement.

17.2 The Security Trustee shall, unless otherwise provided for under this Transaction Security Agreement, decide on any consents or approvals to be given by it pursuant to the other Transaction

Documents in its reasonable discretion in accordance with this Transaction Security Agreement (in particular Clause 36 (*General*) hereof).

18. POWER OF ATTORNEY

The Issuer hereby grants the Security Trustee power of attorney, waiving, to the fullest extent permitted under applicable law, the restrictions of Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and any similar restrictions under the laws of any other countries, with the right to grant substitute power of attorney, to act in the name of the Issuer with respect to all rights of the Issuer arising under the Transaction Documents (except for the rights *vis-à-vis* the Security Trustee). Such power of attorney shall be irrevocable.

It shall expire as soon as a New Security Trustee has been appointed pursuant to Clauses 32 (*Resignation*) or 33 (*Replacement of Security Trustee*) and the Issuer has issued a power of attorney to such New Security Trustee having the same content as the power of attorney previously granted in accordance with the provisions of this Clause 18 (*Power of attorney*). The Security Trustee shall only act under this power of attorney in relation to the exercise of its rights and obligations under the Transaction Documents.

19. ENFORCEMENT OF NOTE COLLATERAL

19.1 Issuer Event of Default

The Note Collateral shall be subject to enforcement upon the occurrence of an Issuer Event of Default. The Security Trustee shall without undue delay, but in any event no later than within ten (10) Business Days, upon obtaining knowledge of an Issuer Event of Default, give notice thereof to the Noteholders pursuant to Clause 19.3 (*Notification, Instruction*) and each other Beneficiary as well as the Rating Agencies pursuant to Clause 41 (*Notices*).

19.2 Enforcement of Note Collateral

Upon being notified by any person of the occurrence of an Issuer Event of Default or otherwise obtaining actual knowledge thereof, the Security Trustee shall enforce or cause enforcement of the Note Collateral as instructed in writing by (i) one or more Class A Noteholders representing at least 51% of the outstanding Class A Principal Amount, (ii) if no Class A Notes are outstanding, one or more Class B Noteholders representing at least 51% of the outstanding Class B Principal Amount, or (iii) if no Notes remain outstanding, any other Beneficiary or Beneficiaries representing at least 51% of the aggregate outstanding amount owed by the Issuer to all Beneficiaries ((i) to (iii) each an "**Enforcement Instruction**") subject to Clause 19.3 (*Notification, Instruction*), Clause 19.4 (*Indemnification*) and Clause 30 (*Right to Indemnification*). For the avoidance of doubt, if an Issuer Event of Default has occurred, the Security Trustee is not obliged to perform any action or omission with respect to the enforcement of the Note Collateral until it has received an Enforcement Instruction.

19.3 Notification, Instruction

Promptly upon receipt of an Enforcement Instruction, the Security Trustee shall provide the Noteholders, each other Beneficiary as well as the Rating Agencies with a copy thereof pursuant to Clause 41 (*Notices*).

19.4 Indemnification

For the avoidance of doubt, the Security Trustee shall not be obliged to undertake any action required to be taken in accordance with an Enforcement Instruction (other than notification thereof pursuant to Clause 19.3 (*Notification, Instruction*)) unless it is fully indemnified or secured or pre-funded to its satisfaction in accordance with Clause 30.2.

20. PAYMENTS UPON OCCURRENCE OF AN ISSUER EVENT OF DEFAULT

Upon the occurrence of an Issuer Event of Default:

- (a) The Note Collateral may be exercised, collected, claimed and enforced exclusively by the Security Trustee.
- (b) The Security Trustee shall deposit the proceeds of any enforcement which it receives in the General Collection Account held in the name of the Issuer (but only to the extent the rights and claims arising from or with respect to the General Collection Account have been validly assigned to it under the English Security Deed or this Transaction Security Agreement, as applicable), or, in the event that the Security Trustee has opened an account for collecting and/or depositing enforcement proceeds in its own name, such account.
- (c) The Security Trustee shall not be required to make payments on the obligations of the Issuer if, and so long as, in the opinion of the Security Trustee, there is a risk that such payment will jeopardise the fulfilment of any later maturing obligation of the Issuer ranking with senior priority pursuant to and in accordance with the Post-Enforcement Priority of Payments.
- (d) The Security Trustee shall make payments out of the proceeds of any enforcement of Note Collateral in accordance with Clause 23.2 (*Post-Enforcement Priority of Payments*).
- (e) Subject to the Post-Enforcement Priority of Payments, after all Transaction Secured Obligations have been satisfied in full, the Security Trustee shall pay out any remaining amounts to the Issuer.

21. CONTINUING DUTIES

For the avoidance of doubt and without affecting general applicable law with respect to any continuing effect of any other provisions of this Transaction Security Agreement, it is hereby agreed that Clauses 13 (*Receipt and custody of documents; notices*) to 18 (*Power of attorney*) shall continue to apply after the occurrence of an Issuer Event of Default.

22. ACCOUNTS; SET-OFF

- 22.1 The General Collection Account of the Issuer set up and maintained pursuant to the Accounts Agreement shall be used for receipt of amounts relating to the Transaction Documents. The Principal Account and the Interest Account of the Issuer set up and maintained pursuant to the Accounts Agreement shall be used for the fulfilment of the payment obligations of the Issuer. The General Reserve Account of the Issuer set up and maintained pursuant to the Accounts Agreement shall be reserved for any amounts paid into the General Reserve. The Additional Interest Reserve Account of the Issuer set up and maintained pursuant to the Accounts Agreement shall be reserved for any Additional Interest Reserve Required Amounts. The Swap Collateral Accounts set-up and maintained pursuant to the Accounts Agreement shall be reserved for any Swap Collateral transferred to the Issuer by the Interest Rate Swap Counterparty in accordance with the Interest Rate Swap and any Swap Tax Credits and Replacement Swap Premiums received by the Issuer.
- 22.2 The Issuer shall ensure that all payments and transfers made to the Issuer be made by way of a bank transfer to or deposit in the General Collection Account or, in case of a transfer of any amount towards the General Reserve, to the General Reserve Account or, in case of a transfer of any Additional Interest Reserve Required Amount, to the Additional Interest Reserve Account or, in the case of Swap Collateral, to the respective Swap Collateral Account. Should any amounts payable to the Issuer be paid in any way other than as set forth in the preceding sentence, the Issuer shall promptly credit such amounts to, or (as the case may be) deposit such securities in, the General Collection Account or, in the case of the Swap Collateral, to the respective Swap Collateral Account. The Pre-Enforcement Priorities of Payments and the Post-Enforcement Priority of Payments set out in Clause 23.2 shall remain unaffected.
- 22.3 The Issuer shall not open any new bank account in addition to the Accounts, or as a replacement of any Account, unless it has granted a security interest over any and all rights relating thereto to the Security Trustee under the relevant applicable law for the security purposes set out in Clause 7

(*Security purpose*), and only after having obtained the consent of the Security Trustee in accordance with this Transaction Security Agreement. For the avoidance of doubt, upon notification to the Account Bank by the Security Trustee in respect of the occurrence of an Issuer Event of Default, the Security Trustee shall be entitled to exercise the rights of the Issuer under the Accounts Agreement assigned to the Security Trustee in accordance with this Transaction Security Agreement and over the Accounts secured in favour of the Security Trustee in accordance with the English Security Deed, including, without limitation, the right to give instructions to the Account Bank pursuant to the Accounts Agreement.

- 22.4 Without prejudice to Clause 44 (*No liability and no right to petition and limitation on payments*) and the set-off and netting arrangements agreed upon in any Interest Rate Swap, all payments by any party hereto (other than the Issuer and the Security Trustee) are to be rendered without any deduction or retention due to any set-off or counterclaim.

23. POST-ENFORCEMENT PRIORITY OF PAYMENTS

- 23.1 Upon the occurrence of an Issuer Event of Default and prior to the full discharge of all Transaction Secured Obligations, any credit (other than (i) any interest earned on the Swap Collateral Account; (ii) any interest on any balance credited to the Additional Interest Reserve Account which shall be paid to the Seller; (iii) amounts representing any Excess Swap Collateral which shall be returned directly to the Interest Rate Swap Counterparty; (iv) any Swap Collateral (except to the extent that the value of such Swap Collateral has been applied, pursuant to the provisions of the relevant Interest Rate Swap, to reduce the amount that would otherwise be payable by the an Interest Rate Swap Counterparty to the Issuer on early termination of such Interest Rate Swap) which shall be returned directly to such Interest Rate Swap Counterparty; (v) any Swap Tax Credits which shall be paid directly to an Interest Rate Swap Counterparty; and (vi) any Replacement Swap Premium (only to the extent that it is applied directly to pay a termination payment due and payable by the Issuer to an Interest Rate Swap Counterparty) which shall be paid directly to the Interest Rate Swap Counterparty) on the relevant Account (including, for the avoidance of doubt, any account of the Security Trustee opened in accordance with Clause 14 (*Accounts termination*)) and any proceeds obtained from the enforcement of the Note Collateral in accordance with Clause 19 (*Enforcement of Note Collateral*) (together, the "**Credit**") shall be applied exclusively in accordance with the post-enforcement priority of payments ("**Post-Enforcement Priority of Payments**") set out in Clause 23.2.

- 23.2 Upon the occurrence of an Issuer Event of Default, on any Payment Date any available funds of the Issuer (including Credit upon the servicing of an Enforcement Instruction) shall be applied in the following order towards fulfilling the payment obligations of the Issuer (the "**Post-Enforcement Priority of Payments**"), **provided that** in each case payments to be made under a certain priority will only be made if payments of all higher priorities have been made in full:

first, to pay the Issuer Expenses and, in priority to such payment (if any), to pay any Issuer Expenses Arrears;

second, to pay any amount due and payable to the Interest Rate Swap Counterparty under the Interest Rate Swap, other than any termination payment (as determined pursuant to the relevant Interest Rate Swap) due and payable to the Interest Rate Swap Counterparty if an event of default has occurred under the Interest Rate Swap with respect to such Interest Rate Swap Counterparty;

third, to pay, *pro rata* and on a *pari passu* basis, the Class A Notes Interest Amounts and, in priority to such payment, any Class A Notes Interest Arrears;

fourth, *pro rata* and on a *pari passu* basis, towards redemption in full of the Class A Notes;

fifth, to pay any termination payment due and payable to the Interest Rate Swap Counterparty under the Interest Rate Swap if an event of default has occurred under the Interest Rate Swap with respect to the Interest Rate Swap Counterparty;

sixth, to pay to the Seller the Principal Component or portion of Principal Component Purchase Price of any Purchased Receivables purchased on any prior Purchase Date during the Revolving Period and remaining unpaid on such Payment Date (if any);

seventh, to pay, *pro rata* and on a *pari passu* basis, the Class B Notes Interest Amounts and, in priority to such payment, any Class B Notes Interest Arrears;

eighth, *pro rata* and on a *pari passu* basis, towards redemption in full of the Class B Notes;

ninth, subject to the full redemption of the Notes of each Class, to pay to the Subordinated Loan Provider, interest due and payable under the Subordinated Loan Agreement;

tenth, to pay to the Seller the Interest Component Purchase Price of any Purchased Receivables or portion of the Interest Component Purchase Price of any Purchased Receivables purchased on any prior Purchase Date prior to the expiration of the Revolving Period and remaining unpaid, due and payable on such Payment Date (if any);

eleventh, subject to the full redemption of the Notes of each Class, to pay to the Subordinated Loan Provider, outstanding principal due and payable under the Subordinated Loan Agreement; and

twelfth, to pay any remaining available amount to the Seller pursuant to the terms of the Receivables Purchase Agreement,

provided that any payment to be made by the Issuer under the *first* item with respect to taxes will be made on the Business Day on which such payment is then due and payable using the Credit; and for the avoidance of doubt, **provided further that** outside of such order of priority, any Excess Swap Collateral, Replacement Swap Premium, Swap Tax Credit or any other Swap Collateral (except to the extent that the value of such Swap Collateral has been applied, pursuant to the provisions of the relevant Interest Rate Swap, to reduce the amount that would otherwise be payable by the Interest Rate Swap Counterparty to the Issuer on early termination of the Interest Rate Swap) due to be transferred or paid by the Issuer to the Interest Rate Swap Counterparty pursuant to the terms and conditions of the Interest Rate Swap will be transferred or paid (as applicable) to the Interest Rate Swap Counterparty.

24. RELATIONSHIP TO THIRD PARTIES

- 24.1 In relation to the Note Collateral, the Post-Enforcement Priority of Payments shall, subject to applicable law, be binding on all creditors of the Issuer, **provided that** in relation to any other assets of the Issuer, the Post-Enforcement Priority of Payments shall only apply internally between the Beneficiaries, the Security Trustee and the Issuer; in respect of third party relationships, the rights of the Beneficiaries and the Security Trustee shall have equal rank to those of third party creditors of the Issuer.
- 24.2 The Post-Enforcement Priority of Payments shall also apply if the Transaction Secured Obligations are transferred to third parties by way of assignment, subrogation into a contract or otherwise.

25. OVERPAYMENT

All payments to Beneficiaries which are parties to this Transaction Security Agreement shall be subject to the condition that, if a payment is made to a creditor in breach of the Post-Enforcement Priority of Payments, such creditor shall re-pay the amount so received to the Security Trustee by payment to the General Collection Account (including any account established by the Security Trustee in accordance with Clause 14 (*Accounts termination*) hereof). The Security Trustee shall then pay out the monies so received in the way that they were payable in accordance with the Post-Enforcement Priority of Payments on the relevant Payment Date. If such overpayment is not repaid by the Payment Date following the overpayment or if the claim to repayment is not enforceable, the Security Trustee is authorised and obliged to make payments in such a way that any over- or under payments made in breach of Clause 23.2 are set off by correspondingly decreased or increased payments on such Payment Date (and, to the extent necessary, on all subsequent Payment Dates).

26. RETAINING THIRD PARTIES

- 26.1 The Security Trustee may retain the services of (a) legal counsel, financial consultants, banks and other experts in Germany or elsewhere for the purpose of seeking information and advice to assist it in performing the duties assigned to it under this Transaction Security Agreement and the other

Transaction Security Documents, and/or (b) a suitable law firm, accounting firm or credit or trust institution for the purpose of delegating the entire or partial performance of its duties hereunder and the other Transaction Documents (as it deems appropriate), in each case, at the cost of the Issuer (any of the aforementioned persons so retained, a "retained third party"). The Security Trustee will obtain at least three (3) fee quotes prior to the appointment of such third party (unless this would be, as determined by the Security Trustee, inappropriate in the specific case considering factors such as timing and the type of services) and select the relevant third party also on the basis of the obtained fee quotes.

- (a) The Security Trustee shall not be liable for the performance or non-performance or any wilful misconduct or negligence of such retained third parties (*Vorsatz und Fahrlässigkeit*). In any event, however, the Security Trustee shall remain liable for diligently selecting and supervising such delegates in accordance with Clause 35 (*Standard of care for liability*) hereof.
- (b) Subject to Clause 26.1(a), the Security Trustee may rely on any information and advice obtained from such retained third parties without having to make its own investigations or to supervise such retained parties.

26.2 The Security Trustee may sub-contract the performance of some (but not all) or any of its obligations. Any breach in the performance of the delegated obligations by such sub-contractor shall not be treated as a breach of obligation by the Security Trustee pursuant to Section 278 of the German Civil Code (*Bürgerliches Gesetzbuch*); however, the Security Trustee shall remain liable for diligently selecting and supervising such sub-contractors in accordance with Clause 35 (*Standard of care for liability*) hereof.

27. REPRESENTATIONS AND WARRANTIES OF THE ISSUER

The Issuer hereby represents and warrants that, as of the date of execution of this Transaction Security Agreement:

- (a) it is a company duly incorporated under the laws of Germany with power to enter into this Transaction Security Agreement and each other document and agreement relating hereto and to exercise its rights and perform its obligations hereunder and thereunder and all corporate and other action required to authorise the execution of and the performance by the Issuer of its obligations hereunder and thereunder has been duly taken;
- (b) under the laws of Germany in force as of the date of execution of this Transaction Security Agreement, it will not be required to make any deduction or withholding from any payment it may make under this Transaction Security Agreement or any other document or agreement relating thereto to which it is expressed to be a party;
- (c) in any proceedings taken in Germany in relation to all or any of this Transaction Security Agreement and each other document and agreement relating hereto it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process;
- (d) all acts, conditions and things required to be done, fulfilled and performed in order (i) to enable it lawfully to enter into, exercise its rights under and perform and comply with the obligations expressed to be assumed by it in this Transaction Security Agreement and each other document and agreement relating hereto and (ii) to ensure that the obligations expressed to be assumed by it herein and therein are legal, valid, binding and enforceable have been done, fulfilled and performed;
- (e) no action or administrative proceeding of or before any court or agency has been started or (to the best of its knowledge and belief) threatened as to which, in its judgment there is a likelihood of an adverse judgment which would have a material adverse effect on its business or financial condition or on its ability to perform its obligations under any of this Transaction Security Agreement or the other documents and agreements relating hereto;
- (f) save for the Transaction Security Documents it has not created any encumbrance over all or any of its present or future revenues or assets and the execution of this Transaction

Security Agreement and each other document and agreement relating hereto and the exercise by it of its rights and performance of its obligations hereunder and thereunder will not result in the existence of nor oblige it to create any encumbrance over all or any of its present or future revenues or assets except as provided therein;

- (g) the execution of this Transaction Security Agreement and each other document and agreement relating hereto and the exercise by it of its rights and performance of its obligations hereunder and thereunder do not constitute and will not result in any breach of any agreement or treaty to which it is a party or which is binding upon it;
- (h) the execution of this Transaction Security Agreement and each other document and agreement relating hereto constitute, and the exercise of its rights and performance of its obligations hereunder and thereunder will constitute, private and commercial acts done and performed for private and commercial purposes;
- (i) no Issuer Event of Default has occurred and is continuing;
- (j) its obligations hereunder were entered into on arm's length terms;
- (k) it has opened each of the Accounts with the Account Bank;
- (l) it has its "centre of main interests", as that term is used in Article 3(1) of the Recast EU Insolvency Regulation, in the Federal Republic of Germany; and
- (m) it has no "establishment", as that term is used in Article 2(10) of the Recast EU Insolvency Regulation or branch or office in any jurisdiction, no subsidiaries, no employees and no premises.

28. FEES

The Issuer shall pay the Security Trustee a fee as separately agreed upon between the Issuer and the Security Trustee in a fee letter dated on or about the date of this Transaction Security Agreement. In the event of the Note Collateral becoming enforceable or in the event of the Security Trustee finding it, in its professional judgment and after good faith consultation (except that in the case of the enforcement of the Note Collateral where fees are charged on a time-spent basis and such consultation is not required) with the Seller, expedient or being required to undertake any duties which the Security Trustee determines to be of an exceptional nature or otherwise outside the scope of the normal duties of the Security Trustee under this Transaction Security Agreement and the other Transaction Documents to which it is a party, the Issuer shall pay such additional remuneration as shall be agreed between the Security Trustee and the Issuer, and the Issuer shall be responsible to promptly inform the Rating Agencies of any change of the regular Security Trustee's fees (except for additional fees due to exceptional circumstances and outside the scope of its normal duties). In the event of the Security Trustee and the Issuer failing to agree upon such increased or additional remuneration, such matters shall be determined by an independent investment bank (acting as an expert and not as an arbitrator) selected by the Security Trustee and approved by the Issuer or, failing such approval, nominated by the Corporate Administrator, the expenses involved in such nomination and the fees of such investment bank being for the account of the Issuer, and the decision of any such investment bank shall be final and binding on the Issuer and the Security Trustee.

29. REIMBURSEMENT OF EXPENSES

In addition to the remuneration of the Security Trustee, the Issuer shall pay all reasonable out-of-pocket costs, charges and expenses (including, without limitation, legal and travelling expenses and fees and expenses of its agents, delegates and advisors) which the Security Trustee properly incurs in relation to the negotiation, preparation and execution of this Transaction Security Agreement and the other Transaction Documents, any action taken by it under or in relation to this Transaction Security Agreement or any of the other Transaction Documents or any amendment, renewals or waivers made in accordance with the Transaction Documents in respect hereof.

30. RIGHT TO INDEMNIFICATION

30.1 The Issuer shall indemnify the Security Trustee in respect of all proceedings (including claims and liabilities in respect of taxes other than on the Security Trustee's own overall net profits, income or gains and subject to Clause 31.2), losses, claims and demands and all costs, charges, expenses, and liabilities to which the Security Trustee (or any third party pursuant to Clause 26 (*Retaining third parties*)) may be or become liable or which may be incurred by the Security Trustee (or any such third party) in respect of anything done or omitted in relation to this Transaction Security Agreement and any of the other Transaction Documents, unless such costs and expenses are incurred by the Security Trustee due to a breach of the duty of care provided for in Clause 35 (*Standard of care for liability*).

For the avoidance of doubt it is hereby agreed that any indemnities shall be owed by the Issuer and that the Security Trustee has no right of indemnification against the Beneficiaries hereunder unless it has received an Enforcement Instruction from any Beneficiary or Beneficiaries (other than the Noteholders) in accordance with Clause 19.3 (*Notification, Instruction*).

30.2 The Security Trustee shall not be bound to take any action under or in connection with this Transaction Security Agreement or any other Transaction Document 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 or secured or pre-funded to its satisfaction (including under the Post-Enforcement Priority of Payments), and is reasonably satisfied that the Issuer will be able to honour any indemnity in accordance with the Post-Enforcement Priority of Payments as set out in Clause 23.2 hereof, against all liabilities, proceedings, claims and demands to which it may be or become liable and all costs, charges and expenses which may be incurred by it in connection with them for which purpose the Security Trustee may require payment in advance of such liabilities being incurred of an amount which it considers (without prejudice to any further demand) sufficient to indemnify it or security satisfactory to it.

30.3 The obligation of the Issuer to indemnify the Security Trustee (for the avoidance of doubt subject to Clause 44 (*No liability and no right to petition and limitation on payments*)) will survive the termination of this Agreement.

31. TAXES

31.1 The Issuer shall bear all stamp duties, transfer taxes and other similar taxes incurred by the Security Trustee, duties or charges which are imposed in Germany on or in connection with (i) the creation of, holding of, or enforcement of the Note Collateral, (ii) any action taken by the Security Trustee pursuant to the Terms and Conditions of the Notes or the other Transaction Documents, and (iii) the issue of the Notes or the conclusion of Transaction Documents.

31.2 All payments of fees and reimbursements of expenses to the Security Trustee shall include any turnover taxes, value added taxes or similar taxes, other than taxes on the Security Trustee's net profits, overall income or gains, which are imposed in the future on the services of the Security Trustee.

32. RESIGNATION

32.1 Resignation

The Security Trustee may resign from its office as Security Trustee at any time by giving two (2) months prior written notice, **provided that** upon or prior to the last Business Day of such notice period a reputable accounting firm or financial institution or other suitable service provider which is experienced in the business of Security Trusteeship in the context of securitisations of assets originated in Germany and which has obtained any required authorisations and licences (an "**eligible institution**") has been appointed by the Issuer as successor (the "**New Security Trustee**") and such appointee assumes all rights and obligations arising from this Transaction Security Agreement and each other Transaction Document to which the Security Trustee is a party and which has been furnished with all authorities and powers that have been granted to the Security Trustee. The Security Trustee shall promptly notify in advance and in writing the Issuer and the Rating Agencies of its intention of resignation. The Issuer shall, upon receipt of the written notice

of resignation referred to in the first sentence of this Clause 32.1 (*Resignation*), promptly appoint an eligible institution as New Security Trustee. The Security Trustee shall have the right (but no obligation) to nominate a New Security Trustee for appointment by the Issuer. The Issuer shall have the right to veto any nomination of a New Security Trustee by the resigning Security Trustee if such New Security Trustee is not an eligible institution or if any other eligible institution has been appointed by the Issuer to be the New Security Trustee and has accepted such appointment. The proposed appointment of the New Security Trustee shall further be subject to Clauses 32.2 (*Effects of resignation*) and 34.4 (*Notification; publications*) below.

32.2 **Effects of resignation**

Any termination of the appointment of the Security Trustee shall not become effective unless (i) the Issuer has been liquidated and the proceeds of liquidation distributed to the Beneficiaries in accordance with this Transaction Security Agreement or, if earlier, no obligations under the Transaction Secured Obligations are outstanding, or (ii) a New Security Trustee has been appointed and has accepted such Security Trusteeship (subject to Clause 34.4 (*Notification; publications*) below).

32.3 **Continuation of rights and obligations**

Notwithstanding a termination pursuant to Clause 32.1 (*Resignation*), the rights and obligations of the Security Trustee under all the Transaction Documents to which it is a party shall continue until the appointment of the New Security Trustee has become effective and the assets and rights have been assigned or transferred to it pursuant to Clause 34.1 (*Transfer of Note Collateral*). None of the provisions of this Clause 32 shall affect the right of the Security Trustee to resign from its office for good cause (*aus wichtigem Grund*) with immediate effect.

33. **REPLACEMENT OF SECURITY TRUSTEE**

The Issuer shall be authorised and obliged to replace the Security Trustee under all Transaction Documents to which the Security Trustee is a party with a reputable accounting firm or financial institution (which is experienced in the business of Security Trusteeship in securitisation transactions and which has obtained any required authorisations, registrations and licences), if the Issuer has been so instructed in writing by (i) one or more Class A Noteholders representing at least 25% of the outstanding Class A Principal Amount, unless Class A Noteholders representing at least 50% of the outstanding Class A Principal Amount instruct the Issuer not to replace the Security Trustee, (ii) if no Class A Notes are outstanding, one or more Class B Noteholders representing at least 25% of the outstanding Class B Principal Amount, unless Class B Noteholders representing at least 50% of the outstanding Class B Principal Amount instruct the Issuer not to replace the Security Trustee or (iii) if no Notes remain outstanding, any Beneficiary or Beneficiaries representing at least 25% of all Beneficiaries to which any amounts are owed, unless Beneficiaries representing at least 50% of all Beneficiaries to which any amounts are owed instruct the Issuer not to replace the Security Trustee. Any replacement of the Security Trustee shall be notified by the Issuer to the Rating Agencies by giving not less than thirty (30) calendar days' notice.

34. **TRANSFER OF NOTE COLLATERAL**

34.1 **Transfer of Note Collateral**

In the case of a replacement of the Security Trustee pursuant to Clause 32 (*Resignation*) or Clause 33 (*Replacement of Security Trustee*), the Security Trustee shall without undue delay (*unverzüglich*) assign or transfer the Note Collateral and other assets and other rights it holds as fiduciary (*Treuhänder*) under any Transaction Security Document, as well as its Security Trustee Claim under Clause 4 (*Position of Security Trustee in relation to the Issuer*) and the pledge granted to it pursuant to Clause 6 (*Pledge*) to the New Security Trustee. If the Security Trustee fails to assign or transfer the Note Collateral to the New Trustee within a reasonable timeframe, the Issuer shall hereby be irrevocably authorised to effect such assignment, transfer or pledge on behalf of the Security Trustee as set out in the first sentence and is for that purpose exempted to the fullest extent permitted under applicable law from the restrictions under Section 181 of the German Civil

Code (*Bürgerliches Gesetzbuch*) and any similar provisions contained in the laws of any other country.

34.2 **Assumption of obligations**

Subject to the consent of all other parties to the Transaction Documents, in the event of a replacement of the Security Trustee pursuant to Clause 32 (*Resignation*) or Clause 33 (*Replacement of Security Trustee*), the Security Trustee shall reach an agreement with the New Security Trustee that the New Security Trustee assumes the obligations of the Security Trustee under each Transaction Document to which the Security Trustee is a party.

34.3 **Costs**

The costs incurred in connection with replacing the Security Trustee pursuant to Clause 32 (*Resignation*) or Clause 33 (*Replacement of Security Trustee*) shall be borne by the Issuer. If such replacement pursuant to Clause 33 (*Replacement of Security Trustee*) is due to the conduct of the Security Trustee constituting good cause (*wichtiger Grund*) for termination, the Issuer shall be entitled, without prejudice to any additional rights, to claim damages from the Security Trustee in the amount of such costs, **provided that** such claim for damages is limited to an amount of EUR 25,000.

34.4 **Notification; publications**

The appointment of a New Security Trustee in accordance with Clause 32 (*Resignation*) or Clause 33 (*Replacement of Security Trustee*) shall be notified by the Issuer to the Rating Agencies. Following such notifications, the appointment of the New Security Trustee shall take effect and shall be (i) published without delay in accordance with the Terms and Conditions of the Notes or, if this is not possible, in any other appropriate way and (ii) notified by email or facsimile to each Beneficiary other than the Noteholders.

34.5 **Accounting**

The Security Trustee shall be obliged to account to the New Security Trustee for its activities under or with respect to each Transaction Security Document.

34.6 **Transfer of documents and information**

The Security Trustee shall be obliged to provide the New Security Trustee with all documents and other information relating its activities under or with respect to each Transaction Security Document as the New Security Trustee may reasonably request.

35. **STANDARD OF CARE FOR LIABILITY**

The Security Trustee shall be liable for any breach of its obligations under this Transaction Security Agreement only if it fails to meet the standard of care it exercises in its own affairs (*Sorgfalt in eigenen Angelegenheiten*) and only for gross negligence (*grobe Fahrlässigkeit*) or wilful misconduct (*Vorsatz*).

36. **GENERAL**

36.1 The Security Trustee shall not be liable for: (i) any action or failure to act of the Issuer or of other parties to the Transaction Documents; (ii) the Transaction Documents (including any security interest created thereunder) not being legal, valid, binding or enforceable, or for the fairness of the provisions of the Transaction Documents; and (iii) a loss of documents related to the Note Collateral not attributable to the gross negligence (*grobe Fahrlässigkeit*) or wilful misconduct (*Vorsatz*) of the Security Trustee.

36.2 Each party to the Transaction Security Agreement shall provide the Security Trustee at its reasonable request with all additional information it deems necessary for the performance of its duties under the Transaction Documents.

- 36.3 The Security Trustee may call for and shall be at liberty to accept a certificate signed by any two managing directors of the Issuer as sufficient evidence of any fact or matter or the expediency of any transaction or thing, 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 Security 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.
- 36.4 The Security Trustee shall (save as otherwise expressly provided herein) as regards all the powers, authorities and discretions vested in it by or pursuant to any Transaction Document (including this Transaction Security Agreement) to which the Security Trustee is a party or conferred upon the Security Trustee by operation of law (the exercise of which, as between the Security Trustee and the Beneficiaries, shall be conclusive and binding on the Beneficiaries) have discretion as to the exercise or non-exercise thereof and, provided it shall not have acted in violation of its standard of care as set out in Clause 35 (*Standard of care for liability*), the Security Trustee shall not be responsible for any loss, costs, damages, expenses or inconvenience that may result from the exercise or non-exercise thereof.
- 36.5 The Security Trustee, as between itself and the Beneficiaries, shall have full power to determine all questions and doubts arising in relation to any of the provisions of any Transaction Document and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Security Trustee, shall be conclusive and shall bind the Security Trustee and the Beneficiaries. In particular, the Security Trustee may determine whether or not any event described in this Transaction Security Agreement is, in its opinion, materially prejudicial to the interests of Beneficiaries and if the Security Trustee shall certify that any such event is, in its opinion, materially prejudicial, such certificate shall be conclusive and binding upon the Issuer and the relevant Beneficiaries.
- 36.6 The Security Trustee may determine whether or not a default in the performance by the Issuer of any obligation under the provisions of any Transaction Document is capable of remedy and, if the Security Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Beneficiaries.
- 36.7 Any consent given by the Security Trustee for the purposes of any Transaction Document may be given on such terms and subject to such conditions (if any) as the Security Trustee thinks fit in its discretion and, notwithstanding anything to the contrary contained in any Transaction Document may be given retrospectively.
- 36.8 The Security Trustee shall not be responsible for recitals, statements, warranties or representations of any party (other than those relating to or provided by it) contained in any Transaction Document or other document entered into in connection therewith and may rely on the accuracy and correctness thereof (absent actual knowledge to the contrary) and shall not be responsible for the execution, legality, effectiveness, adequacy, genuineness, validity or enforceability or admissibility in evidence of any such agreement or other document or security thereby constituted or evidenced. The Security Trustee may accept without enquiry, requisition or objection such title as the Issuer may have to the Note Collateral or any part thereof from time to time and shall not be bound to investigate or make any enquiry into the title of the Issuer to the Note Collateral or any part thereof from time to time.
- 36.9 The Security Trustee shall not be liable for any error of judgement made in good faith by any officer or employee of the Security Trustee assigned by the Security Trustee to administer its corporate trust matters unless such officer or employee has failed to observe the standard of care provided for in Clause 35 (*Standard of care for liability*).
- 36.10 No provision of this Transaction Security Agreement shall require the Security Trustee to do anything which may be illegal or contrary to applicable law or regulation or expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties, or in the exercise of any of its rights or powers or otherwise in connection with any Transaction Document (including, without limitation, forming any opinion or employing any legal, financial or other adviser), if it determines in its reasonable discretion that repayment of such funds or adequate indemnity against such risk or liability is not assured to it.

- 36.11 The Security Trustee shall not be responsible for the genuineness, validity, effectiveness or suitability of any Transaction Documents or any other documents entered into in connection therewith or any other document or any obligation or rights created or purported to be created thereby or pursuant thereto or any security or the priority thereof constituted or purported to be constituted thereby or pursuant thereto, nor shall it be responsible or liable to any person because of any invalidity of any provision of such documents or the unenforceability thereof, whether arising from statute, law or decisions of any court and (without prejudice to the generality of the foregoing) the Security Trustee shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for:
- (a) the nature, status, creditworthiness or solvency of the Issuer or any other person or entity who has at any time provided any security or support whether by way of guarantee, charge or otherwise in respect of any advance made to the Issuer;
 - (b) the execution, legality, validity, adequacy, admissibility in evidence or enforceability of any Transaction Document or any other document entered into in connection therewith;
 - (c) the scope or accuracy of any representations, warranties or statements made by or on behalf of the Issuer or any other person or entity who has at any time provided any Transaction Document or in any document entered into in connection therewith;
 - (d) the performance or observance by the Issuer or any other person of any provisions or stipulations relating to Notes or contained in any other Transaction Document or in any document entered into in connection therewith or the fulfilment or satisfaction of any conditions contained therein or relating thereto or as to the existence or occurrence at any time of any default, event of default or similar event contained therein or any waiver or consent which has at any time been granted in relation to any of the foregoing;
 - (e) the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection with the Transaction Documents;
 - (f) the failure by the Issuer to obtain or comply with any licence, consent or other authority in connection with the Note Collateral or the Transaction Documents or the failure to effect or procure registration of or to give notice to any person in relation to or otherwise protect the security created or purported to be created by or pursuant to any of the Note Collateral or the Transaction Documents or other documents entered into in connection therewith; or
 - (g) any accounts, books, records or files maintained by the Issuer or any other person in respect of any of the Note Collateral or the Transaction Documents.
- 36.12 The Security Trustee shall be at any time entitled to request instructions, or clarification of any instruction in accordance with this Agreement or any other Transaction Document as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Security Trustee may refrain from acting unless and until it receives those instructions or that clarification.
- 36.13 The Parties acknowledge and agree that the Security Trustee shall be entitled to specify any applicable constraints in relation to any action or omission it is required to take or any consent it is required to give pursuant to Clause 15 (*Consent of the Security Trustee*) and the Parties shall act in a manner which enables the Security Trustee to comply with its obligations under Clause 15 (*Consent of the Security Trustee*).
- 36.14 In exercising any discretion to exercise a right, power or authority under the Transaction Documents where it has not received any instruction as to the exercise of that discretion the Security Trustee shall do so having regard to the interests of all the Beneficiaries.
- 36.15 The Security Trustee may refrain from acting in accordance with any instructions of any Noteholder until it has received any indemnification and/or prefunding and/or security that it may in its discretion require (which may be greater in extent than that contained in the Transaction

Documents and which may include payment in advance) for any cost, loss, expense or liability (together with any applicable VAT) which it may incur in complying with those instructions.

- 36.16 The Security Trustee may, in the absence of actual knowledge to the contrary, assume without enquiry that the Issuer and each of the other parties to the Transaction Documents is duly performing and observing all of the provisions of those documents binding on or relating to it and that no event has happened which constitutes an Issuer Event of Default.

37. UNDERTAKINGS OF THE ISSUER IN RELATION TO THE NOTE COLLATERAL

The Issuer hereby undertakes to the Security Trustee:

- (a) not to sell the Note Collateral and to refrain from all actions and omissions to act (excluding, for the avoidance of doubt, the collection and enforcement of the Note Collateral in the ordinary course of business or otherwise dealing with the Note Collateral in accordance with the Transaction Documents) which may result in a significant (*wesentlichen*) decrease in the aggregate value or in a loss of the Note Collateral;
- (b) promptly to notify the Security Trustee in the event of becoming aware that the rights of the Security Trustee in the Note Collateral are impaired or jeopardised by way of an attachment or other actions of third parties, by sending a copy of the attachment or transfer order or of any other document on which the enforcement claim of the third party is based and which it has received, as well as all further documents available to it which are required or useful to enable the Security Trustee to file proceedings and take other actions in defence of its rights. In addition, the Issuer shall promptly inform the attachment creditor (*Pfändungsgläubiger*) and other third parties in writing of the rights of the Security Trustee in the Note Collateral; and
- (c) to permit the Security Trustee or its representatives to inspect its books and records at any time during usual business hours for purposes of verifying and enforcing the Note Collateral, to give any information necessary for such purpose, and to make the relevant records available for inspection.

38. OTHER UNDERTAKINGS OF THE ISSUER

38.1 The Issuer undertakes to:

- (a) promptly notify the Security Trustee and the Rating Agencies in writing if circumstances occur which constitute an Issuer Event of Default;
- (b) give the Security Trustee at any time such other information available to it which the Security Trustee may reasonably demand for the purpose of performing its duties under the Transaction Documents;
- (c) send to the Security Trustee one copy in English (translated if necessary at the Issuer's cost from German by a publicly appointed and sworn translator) of any schedule on the origin and the allocation of funds, any report or notice or any other memorandum as well as any balance sheet, any profit and loss accounts and other statements (such balance sheet, profit and loss accounts and other statements only to be translated at the Issuer's cost from German if reasonably requested by the Security Trustee in writing) sent out by the Issuer to its shareholders either at the time of the mailing of those documents to the shareholders or as soon as possible thereafter;
- (d) send or have sent to the Security Trustee a copy of any notice given to the Noteholders in accordance with the Terms and Conditions of the Notes immediately, or at the latest, on the day of the publication of such notice;
- (e) ensure that the Paying Agent notifies the Corporate Administrator, the Calculation Agent, the Security Trustee and the Rating Agencies immediately if it does not receive the monies needed to discharge in full any obligation to pay or repay the full or partial principal or interest amounts due to the Noteholders and/ or the Notes on any Payment Date;

- (f) notify the Security Trustee of any written amendment to any Transaction Document under which rights of the Security Trustee arise and to which the Security Trustee is not a party;
- (g) to have always at least two independent managing directors (*Geschäftsführer*);
- (h) not to enter into any other agreements unless (x) such agreement contains "limited recourse", "non-petition" and "limitation on payments" provisions as set out in Clause 44 (*No liability and no right to petition and limitation on payments*) of this Transaction Security Agreement and any third party replacing any of the parties to the Transaction Documents is allocated the same ranking in the Pre-Enforcement Interest Priority of Payments and the Post-Enforcement Priority of Payments as was allocated to such creditor and, such third party accedes to this Transaction Security Agreement as Replacement Beneficiary in accordance with Clause 40 (*Accession of replacement Beneficiaries*) and (y) such agreement has been notified in writing to each Rating Agency; it being understood, however, that any Excess Swap Collateral, Replacement Swap Premium, Swap Tax Credit or any other Swap Collateral (except to the extent that the value of such Swap Collateral has been applied, pursuant to the provisions of the Interest Rate Swap, to reduce the amount that would otherwise be payable by the Interest Rate Swap Counterparty to the Issuer on early termination of the Interest Rate Swap) due to be transferred or paid by the Issuer to the Interest Rate Swap Counterparty pursuant to the terms and conditions of the relevant Interest Rate Swap shall be transferred or paid (as applicable) to the Interest Rate Swap Counterparty and shall not be subject to either the Pre-Enforcement Interest Priority of Payments, or the Pre-Enforcement Principal Priority of Payments, or the Post-Enforcement Priority of Payments;
- (i) do all such things as are necessary to maintain and keep in full force and effect its corporate existence;
- (j) ensure that it has the capacity and is duly qualified to conduct its business as it is conducted in all applicable jurisdictions;
- (k) procure that no change is made to the general nature or scope of its business from that carried on at the date of this Transaction Security Agreement;
- (l) carry on and conduct its business in its own name and in all dealings with all third parties and the public, identify itself by its own corporate name as a separate and distinct entity and not identify itself as being a division or part of any other entity whatsoever;
- (m) hold itself out as a separate entity from any other person or entity and take reasonable measures to correct any misunderstanding regarding its separate identity known to it; and prepare and maintain its own full and complete books, records, stationary, invoices and checks, and financial statements separately from those of any other entity including, without limitation, any related company and shall ensure that any such financial statements will comply with generally accepted accounting principles;
- (n) observe all corporate and other formalities required by its constitutional documents;
- (o) maintain adequate capital in light of its contemplated business operations and pay its own liabilities out of its own funds;
- (p) three (3) months prior to the expiry of the exemption from withholding tax (and solidarity surcharge thereon) for interest paid on the Purchased Receivables granted in favour of the Issuer and evidenced by a certificate issued by the competent tax authority in Germany (*Dauerüberzahlerbescheinigung*), the Issuer shall apply for a renewal of such exemption;
- (q) unless the following notifications have already been made pursuant to another Transaction Document, without undue delay following the termination of the Servicer, to notify, or procure notification of, each Debtor of the assignment of the relevant Purchased Receivables and the Related Collateral and to provide such Debtor with the contact details of the Issuer in accordance with Section 496(2) of the German Civil Code (*Bürgerliches Gesetzbuch*);

- (r) to transfer any Swap Collateral, Swap Tax Credit and Replacement Swap Premium to the respective Swap Collateral Account;
- (s) subject to being provided by the Servicer with the relevant loan level data as contemplated by the Servicing Agreement, to use its best efforts to make loan level data available in such manner as may be required in the future to comply with the Eurosystem eligibility criteria (as set out in Annex VIII (loan level data reporting requirements for asset-backed securities) of the Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast), as amended and supplemented from time to time and as supplemented by the temporary criteria for certain asset-backed securities contained in, inter alia, Guideline (ECB/2014/31) on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9 (recast) and Decision (EU) 2015/5 of the European Central Bank of 19 November 2014 on the implementation of the asset-backed securities purchase programme (ECB/2014/45) (as amended from time to time), subject to the Data Protection Standards and banking secrecy duties; and
- (t) to use its best efforts to ensure compliance with any clearing, reporting or other obligations with respect to the Interest Rate Swap or any replacement swap imposed on it by virtue of 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 ("**EMIR**").

38.2 The Issuer undertakes that it will not, save as contemplated or permitted by this Transaction Security Agreement or any other Transaction Document:

- (a) sell, transfer or otherwise dispose of or cease to exercise direct control over any part of its present or future undertaking, assets, rights or revenues or otherwise dispose of or use, invest or otherwise deal with any of its assets or undertaking or grant any option or right to acquire the same, whether by one or a series of transactions related or not;
- (b) enter into any amalgamation, demerger, merger or corporate reconstruction;
- (c) make any loans, grant any credit or give any guarantee or indemnity to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any other person or hold out its credit as being available to satisfy the obligations of third parties;
- (d) permit its assets to become commingled with those of any other entity; and
- (e) permit its accounts and the debts represented thereby to become commingled with those of any other entity.

39. ACTIONS OF THE ISSUER REQUIRING CONSENT

39.1 So long as any part of the Notes remains outstanding, the Issuer shall not be entitled, unless (a) each Rating Agency has been notified of such action and the prior written consent of the Security Trustee has been obtained or (b) required by applicable law, to:

- (a) engage in any business or any other activities other than:
 - (i) the performance of its obligations under the Notes and the other Transaction Documents to which it is a party and under any other agreements which have been entered into in connection with the issue of the Notes or the other Transaction Documents;
 - (ii) the enforcement of its rights;
 - (iii) the performance of any acts which are necessary or desirable in connection with (i) or (ii) above; and

- (iv) the execution of all further documents (including, for the avoidance of doubt, amendment agreements) and undertaking of all other actions, at any time and to the extent permitted by law, which, in the opinion of the Security Trustee are necessary or desirable having regard to the interests of the Noteholders in particular, without limitation, in order to ensure that the Terms and Conditions of the Notes are always valid or are necessary or desirable in order to comply with the provisions of EMIR and any national or EU measures implementing such regulation;
- (b) hold shares in any entity;
- (c) dispose of any assets or any part thereof or interest therein, unless permitted or contemplated under (a) above;
- (d) pay dividends or make any other distribution to its shareholders in excess of EUR 1,000 per annum (determined prior to the deduction of any taxes);
- (e) acquire obligations or securities of its shareholders;
- (f) incur further indebtedness (other than as contemplated in (a) above);
- (g) have any employees or own any real estate asset;
- (h) create or permit to subsist any mortgage, lien, pledge, security interest or other encumbrance in respect of any of its assets (except as hereunder permitted and except as otherwise contemplated in (a) above);
- (i) consolidate or merge with or into any other person or convey or transfer its properties or assets substantially as an entirety to any other person;
- (j) materially amend its articles of association (*Gesellschaftsvertrag*);
- (k) issue new shares or acquire or repurchase shares, or capital or declare or pay dividends or any other distributions of any kind whatsoever (other than the dividends provided for under Clause 39.1(d) above and except as contemplated by the Transaction Documents); or
- (l) open new accounts (other than as contemplated in Clause 39.1(a) above or with a Successor Bank as contemplated in Clause 14.2(a) above).

39.2 Notwithstanding any provision to the contrary in this Transaction Security Agreement or in any other Transaction Document and subject to the Issuer's compliance with all of its obligations under Clause 5.3 above, each Party agrees that no consent of the Security Trustee shall be required with respect to (i) any replacement or substitution of a party to any Transaction Document (including, without limitation, any replacement or substitution made or proposed to be made for the purpose of averting an expected or imminent downgrade or withdrawal, or reversing a downgrade or withdrawal, of any minimum rating set forth in any Transaction Document) and (ii) any amendment or termination of any Transaction Document, and/or entry into any supplemental, substitute or additional document, in each case in connection with such replacement or substitution referred to under (i) above, **provided that** the Issuer shall not enter into any such supplemental, substitute or additional document if the Issuer receives, no later than on the fifth (5th) Business Day following notification and provision of the draft document by or on behalf of the Issuer to the Security Trustee, a notice from the Security Trustee to the effect that, in the reasonable view of the Security Trustee, such document would (if entered into) be in whole or in part materially prejudicial (wesentlich nachteilig) to the interests of the holders of the then outstanding most senior Class of Notes and **provided further that** the Issuer shall notify each of the Rating Agencies in writing of any replacement or substitution effected in accordance with this Clause 39.2.

40. ACCESSION OF REPLACEMENT BENEFICIARIES

40.1 Any party replacing any of the parties to an existing or future Transaction Document shall become a party (or add a new capacity as a party hereto) to this Transaction Security Agreement (each, a

"Replacement Beneficiary") (without affecting any rights under general applicable law of such Replacement Beneficiary or under any agreement with any other party to the Transaction Documents) upon execution of an accession agreement (the **"Accession Agreement"**) by the Security Trustee and any Replacement Beneficiary in the form of Schedule 2 hereto.

40.2 The Security Trustee is hereby irrevocably authorised to execute such Accession Agreement for and on behalf of the Issuer, and the Beneficiaries pursuant to Schedule 2 hereto and to determine the ranking of any Replacement Beneficiary within the order of priorities provided for in the Post-Enforcement Priority of Payments, **provided that**, without prejudice to Clause 3.2, the Security Trustee shall allocate to the Replacement Beneficiary the same ranking as was allocated to the Beneficiary so replaced. Each party to this Transaction Security Agreement is hereby irrevocably exempted to the fullest extent possible under applicable law from the restrictions set out in Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and any similar provisions under any applicable law of any other country.

41. NOTICES

41.1 Any communication (including any consents and approvals) to be made hereunder shall be made in writing *via* e-mail, mail or facsimile, provided that notices regarding termination of this Agreement given by e-mail or facsimile shall also be confirmed by mail.

41.2 [*contact details and addresses of the parties to the Transaction Security Agreement not reprinted*]

(a) The Security Trustee shall not be liable for any Losses arising or caused by it receiving or transmitting Instructions from or to the Issuer or any Authorised Person by means of any facsimile or email, **provided, however, that** such Losses, so incurred have not arisen from the gross negligence (*grobe Fahrlässigkeit*) or wilful misconduct (*Vorsatz*) of the Security Trustee.

(b) The Issuer acknowledges that communication by way of facsimile and email are not secure and accepts the limitation of liability on the part of the Security Trustee as set out in Clause 41.2(a). The Issuer shall use all reasonable endeavours to ensure that any Instruction transmitted or communicated by it or any Authorised Person to the Security Trustee pursuant to this Transaction Security Agreement is complete and correct.

For the purposes of this Clause 41.2, the following terms shall have the following specific meanings:

"Authorised Person" means any person who is designated in writing by the Issuer from time to time to give Instructions to the Security Trustee under the terms of this Transaction Security Agreement.

"Instructions" means any notices, directions or instructions in written form (in Text form) received by the Security Trustee in accordance with this Transaction Security Agreement from an Authorised Person or from a person reasonably believed by the Security Trustee to be an Authorised Person.

"Losses" means any and all claims, losses, liabilities, damages, costs, expenses and judgments (including legal fees and expenses) sustained by any party to the Transaction Documents or any Noteholder due to the contents contained in any Instruction received by the Security Trustee from any Authorised Person being incomplete or incorrect.

41.3 All notices to the Noteholders by the Security Trustee under or in connection with this Transaction Security Agreement or the Notes shall either be (i) delivered to Euroclear and Clearstream Luxembourg for communication by it to the Noteholders or (ii) made available for a period not less than thirty (30) calendar days but in any case only as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange on the following website: www.bourse.lu.

Any such notice referred to under this Clause 41.3(i) shall be deemed to have been given to all Noteholders on the seventh (7th) calendar day after the day on which such notice was delivered to the ICSDs. Any notice referred to under this Clause 41.3(ii) shall be deemed to have been given to

all Noteholders on the day on which it is made available on the website, **provided that** if so made available after 4:00 p.m. (Frankfurt time) it shall be deemed to have been given on the immediately following calendar day.

42. SEVERABILITY; CO-ORDINATION

42.1 Without prejudice to any other provision hereof, if one or more provisions hereof is or becomes invalid, illegal or unenforceable for any reason in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party or parties shall not, to the fullest extent permitted by applicable law, render invalid, illegal or unenforceable such provision or provisions in any other jurisdiction or with respect to any other party or parties hereto. Such invalid, illegal or unenforceable provision shall be replaced by the relevant parties with a provision which comes as close as reasonably possible to the commercial intentions of the invalid, illegal or unenforceable provision. In the event of any contractual gaps, that provision shall be considered as agreed upon which most closely approximates the intended commercial purpose hereof.

For the avoidance of doubt and without affecting the generality of the foregoing, it is hereby agreed that any invalidity, illegality or unenforceability of this Transaction Security Agreement shall not be affected by the invalidity, illegality or unenforceability with respect to any provision in any jurisdiction or with respect to any party of any other Transaction Document or amendment agreement thereto in any jurisdiction or with respect to any party or parties shall not affect the validity, legality or enforceability of this Agreement in any jurisdiction and with respect to any party or parties.

42.2 The Parties mutually agree to take all measures and actions that become necessary under Clause 41.1 or for other reasons for the continued performance of this Transaction Security Agreement.

43. Variations, remedies and waivers

43.1 No variation of this Transaction Security Agreement (including to this Clause 43 shall be effective unless it is in writing, unless expressly provided otherwise, and **provided that** each Rating Agency has been notified in writing of such variation. Waivers of this requirement as to form shall also be made in writing. Any requirement of a written form (*Schriftformerfordernis*) agreed between the parties to this Transaction Security Agreement shall not prevent the parties from making a reference to any other agreement or document which is not attached as such to this Transaction Security Agreement. The Issuer shall immediately inform the Rating Agencies in writing of any variation of this Transaction Security Agreement.

43.2 This Transaction Security Agreement may be amended by the Issuer and the Security Trustee without the consent of the Beneficiaries (but with effect for the Beneficiaries) if such amendments, in the opinion of the Security Trustee, are not materially prejudicial (*wesentlich nachteilig*) to the interests of the Beneficiaries. For that purpose the Security Trustee is hereby irrevocably authorised to execute such amendments for and on behalf of the Beneficiaries and is hereby irrevocably exempted to the fullest extent permitted under applicable law from the restrictions set out in Section 181 of the German Civil Code (*Bürgerliches Gesetzbuch*) and any similar provisions under any applicable law of any other country.

43.3 No failure to exercise, nor any delay in exercising, on the part of any party hereto, any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy.

43.4 The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law or any other Transaction Document.

44. NO LIABILITY AND NO RIGHT TO PETITION AND LIMITATION ON PAYMENTS

44.1 No recourse under any obligation, covenant, or agreement of the Issuer contained in this Transaction Security Agreement shall be held against any shareholder, officer, agent or managing director of the Issuer as such, by the enforcement of any obligation (including, for the avoidance of doubt, any obligation arising from false representations under this Transaction Security

Agreement (other than by wilful default or gross negligence)) or by any proceeding, by virtue of any statute or otherwise; it being expressly agreed and understood that this Transaction Security Agreement is a corporate obligation of the Issuer and no liability shall attach to or be incurred by the shareholders, officers, agents or managing directors of the Issuer as such, or any of them, under or by reason of any of the obligations, covenants or agreements of such Issuer contained in this Transaction Security Agreement, or implied therefrom, and that any and all personal liability for breaches by the Issuer of any of such obligations, covenants or agreements, either at law or by statute or constitution, of every such shareholder, officer, agent or managing director is hereby expressly waived by the other parties hereto as a condition of and consideration for the execution of this Transaction Security Agreement. The aforementioned limitations shall not release or restrict any liabilities that may arise in case of wilful misconduct or gross negligence of a shareholder, officer, agent or managing director of the Issuer.

44.2 Each party (other than the Issuer) hereby agrees with the other parties and the Issuer that it shall not (otherwise than as contemplated in this Transaction Security Agreement or any other Transaction Security Document), until the expiration of two (2) years and one (1) day after all outstanding amounts under the last maturing Note issued by the Issuer have been paid in full:

- (a) take any corporate action or other steps or legal proceedings for the winding-up, administration, examinership, dissolution or re-organisation or for the appointment of a receiver, administrator, examiner, administrative receiver, trustee in bankruptcy, liquidator, sequestrator or similar officer regarding some or all of the revenues and assets of the Issuer; or
- (b) have any right to take any steps for the purpose of obtaining payment (other than through the enforcement of the Note Collateral) of any amounts payable to it under the Transaction Documents by the Issuer (including, for the avoidance of doubt, any payment obligation arising from false representations under this Transaction Security Agreement) and shall not until such time take any steps to recover any debts or liabilities of any nature whatsoever owing to it by the Issuer.

44.3 Notwithstanding any provision contained in any Transaction Document to the contrary, the Issuer shall not, and shall not be obligated to, pay any amount pursuant to this Transaction Security Agreement unless the Issuer has received funds or has any other future profits (*künftige Gewinne*), remaining liquidation proceeds (*Liquidationsüberschuss*) or other positive balance of net assets (*anderes freies Vermögen*) which may be used to make such payment in accordance with the relevant Pre-Enforcement Priority of Payments. Each party hereto acknowledges that the obligations of the Issuer arising hereunder are limited recourse obligations payable solely from the proceeds of the Note Collateral or any other future profits (*künftige Gewinne*), remaining liquidation proceeds (*Liquidationsüberschuss*) or other positive balance of net assets (*anderes freies Vermögen*) and, following realisation of the Note Collateral and the application of the proceeds thereof in accordance with the Post-Enforcement Priority of Payments set out in Clause 23.2 of this Transaction Security Agreement, any claims of any party to this Transaction Security Agreement against the Issuer (and the obligations of the Issuer) shall be extinguished.

"**Extinguished**" for these purposes means that such claim shall not lapse, but shall be subordinated in accordance with Section 39 para 2 of the German Insolvency Code (*Insolvenzordnung*) to all current and future claims of the other creditors of the Issuer as set out in Section 39 para 1 no 1 to 5 of the German Insolvency Code (*Insolvenzordnung*). Any such claims shall be settled only after all current and future claims of the Issuer's other creditors have been settled if and to the extent the Issuer is in a position to settle such claims using future profits (*künftige Gewinne*), any remaining liquidation proceeds (*Liquidationsüberschuss*) or any positive balance of the net assets (*anderes freies Vermögen*) of the Issuer.

44.4 The provisions of this Clause 44 shall survive the termination of this Transaction Security Agreement.

**45. APPLICABLE LAW; PLACE OF PERFORMANCE; JURISDICTION;
MISCELLANEOUS**

45.1 This Transaction Security Agreement (and any non-contractual obligation arising out of it) shall be governed by, and construed in accordance with, the German law.

45.2 Place of performance for all obligations of all parties is Frankfurt am Main.

45.3 The courts of Frankfurt am Main shall have non-exclusive jurisdiction over disputes arising out of or in connection with this Transaction Security Agreement.

46. CONDITION PRECEDENT

The parties hereto hereby agree that this Transaction Security Agreement and the rights and obligations hereunder shall only become effective upon fulfilment of the condition precedent (*aufschiebende Bedingung*) that, on or about the Closing Date, the Issuer has issued the Notes.

OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS

Receivables Purchase Agreement

On the Closing Date, the Issuer will purchase the Initial Receivables from the Seller in accordance with the Receivables Purchase Agreement. The Seller will represent under the Receivables Purchase Agreement, that each Receivable and any part thereof to be sold and assigned to the Issuer meets the eligibility criteria set out in "*DESCRIPTION OF THE PORTFOLIO — Individual Receivable Eligibility Criteria — Eligibility Criteria – Part 1 – Eligibility Criteria*" herein.

On each Subsequent Selection Date, the Seller will flag – randomly selected – the Additional Receivables in its systems which it intends to offer for sale, transfer and assignment on the next following Subsequent Purchase Date in accordance with the Receivables Purchase Agreement for the relevant Principal Component Purchase Price, subject to the aggregate Outstanding Principal Amount of such Additional Receivables not exceeding the Maximum Receivables Purchase Amount. On each Subsequent Purchase Date, the Seller will offer such Additional Receivables for sale to the Issuer and, in such case, the Issuer will be obligated to purchase and acquire such Additional Receivables for purposes of a replenishment, **provided that** that the obligation to pay the Principal Component Purchase Price on such Subsequent Purchase Date can be satisfied in whole (but not in part) by the Issuer by applying the Available Principal Amount in accordance with item *second* of the Pre-Enforcement Principal Priority of Payments.

The obligation of the Issuer to pay the purchase price for any Additional Receivables in accordance with the Receivables Purchase Agreement may (to the extent possible) be netted against the obligation of the Seller acting as Servicer under the Servicing Agreement to transfer Available Collections (or, with respect to Deemed Collections, pay Deemed Collections as long as the Seller is identical with the Servicer) to the Issuer on the respective Payment Date falling on the Purchase Date on which the Issuer purchases the relevant Additional Receivables from the Seller. The Seller shall sell and assign only Additional Receivables which are Eligible Receivables and, in addition, following the purchase of such Additional Receivable on a Subsequent Purchase Date, the Portfolio must meet the eligibility criteria for an Eligible Portfolio (and, for the avoidance of doubt, such Additional Receivable shall not be so purchased if, following such purchase, the Portfolio would not meet such eligibility criteria). See "*DESCRIPTION OF THE PORTFOLIO — Eligibility Criteria – Part 1 – Individual Receivable Eligibility Criteria*" and "*DESCRIPTION OF THE PORTFOLIO — Eligibility Criteria – Part 2 – Global Portfolio Revolving Eligibility Criteria*".

Any offer of the Seller for the purchase and assignment of Receivables under the Receivables Purchase Agreement shall contain certain relevant information for the purpose of identification of the Receivables. In the offer, the Seller will represent that certain representations and warranties with respect to the relevant Receivable are true and correct on the Purchase Date. Upon acceptance, the Issuer will acquire in respect of the relevant Auto Loan Contracts unrestricted title to any and all outstanding Receivables arising under such Auto Loan Contracts as from the Selection Date immediately preceding the date of the offer, other than any Loan Instalments which have become due prior to such Selection Date, together with all of the Seller's rights, title and interest in the Related Collateral in accordance with the Receivables Purchase Agreement. As a result, the Issuer will obtain the full economic ownership in the Purchased Receivables, including principal and interest, and is free to transfer or otherwise dispose over (*verfügen*) the Purchased Receivables, subject only to the contractual restrictions provided in the relevant Auto Loan Contracts and the contractual agreements underlying the Related Collateral.

If for any reason title to any Purchased Receivable or Related Collateral was 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 Receivables or the Related Collateral not being sold or transferred or only being sold and transferred will be borne by the Seller.

The sale and assignment of the Receivables pursuant to the 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 Debtors to make payment under the relevant Purchased Receivables.

Pursuant to the Receivables Purchase Agreement, the delivery (*Übergabe*) necessary to effect the transfer of title in respect of the Cars (including any subsequently inserted parts in the Cars) and other moveable Related Collateral securing a Purchased Receivable (including any car certificate (*Fahrzeugbrief*),

registration certificate part II (*Zulassungsbescheinigung Teil II*) or equivalent document) 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 Cars and other moveable Related Collateral, the Issuer is granted constructive possession (*mittelbarer Besitz*) by the Seller in respect thereof.

Subsidies of Interest Rate

For marketing reasons, certain car dealers, importers or manufacturers of Cars offer to subsidise the financing of the Cars at a set rate by paying an up-front subsidy to the Seller upon the conclusion of the respective Auto Loan Contract. The Seller is then in a position to offer to a Debtor a reduced rate of interest in respect of the Auto Loan Contract. The Seller and the Issuer have, therefore, agreed that any Receivables in relation to which the Seller has entered into a Subsidised Interest Arrangement shall be sold at the Adjusted Outstanding Principal Amount in order to reflect the below market rates applying to the relevant Receivables.

Deemed Collections

If certain events (see the definition of Deemed Collections in "*CERTAIN DEFINITIONS — Deemed Collections*") occur with respect to a Purchased Receivable, the Seller will in certain events be deemed to have received a Deemed Collection in an amount equal to the Adjusted Outstanding Principal Amount of such Purchased Receivable plus any outstanding balance of interest accrued and not paid thereunder (or the affected portion thereof), **provided that**, where such events arise from a breach by the Seller of representations and warranties under the Receivables Purchase Agreement, the Issuer will only be entitled to receive Deemed Collections if such breach has not been remedied by the tenth (10th) Business Day (inclusive) after the Seller has become aware that the respective representations and warranties were inaccurate or incorrect. To this end, the Seller has undertaken to pay to the Issuer such Deemed Collection.

The Servicer will determine the Deemed Collections in respect of Purchased Receivables payable during a relevant Collection Period on the Calculation Date immediately following a relevant Collection Period. Deemed Collections will be paid by the Seller to the Issuer on the Payment Date following the end of the relevant Collection Period in respect of which Deemed Collections have been determined. Upon full receipt of such Deemed Collection in the full amount of the Adjusted Outstanding Principal Amount of such Purchased Receivable plus any outstanding balance of interest accrued and not paid thereunder (or the affected portion thereof), such Purchased Receivable and the relevant Related Collateral (or the affected portion thereof and unless it is extinguished) will be automatically re-assigned or re-transferred to the Seller by the Issuer on the next succeeding 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.

All amounts corresponding to Deemed Collections will be held by the Seller on trust in the name and for the account of the Issuer until payment is made to the General Collection Account.

Use of Related Collateral

The Issuer has agreed to make use of any Related Collateral only in accordance with the provisions underlying such Related Collateral and the related Auto Loan Contracts.

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

Taxes and Increased Costs

Pursuant to the Receivables Purchase Agreement, the Seller will pay any stamp duty, registration and other similar taxes to which the Receivables Purchase Agreement or any other Transaction Document or any judgement given in connection therewith may be subject.

In addition, the Seller will pay all taxes levied on the Issuer or other relevant parties involved in the financing of the Issuer (in each case excluding taxes on the net income, profits or net worth of such persons under German law, United States federal or state laws, or any other applicable law) due to the Issuer having entered into the Receivables Purchase Agreement or the Issuer and such other relevant parties having entered into the Transaction Documents or other agreements relating to the financing of the acquisition by

the Issuer of Receivables in accordance with the Receivables Purchase Agreement. Upon demand of the Issuer, the Seller will indemnify the Issuer against any liabilities, costs, claims and expenses which arise from the non-payment or the delayed payment of any such taxes, except for those penalties and interest charges which are attributable to the gross negligence of the Issuer.

All payments to be made by the Seller to the Issuer pursuant to the 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 to 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.

Notification of Assignment

The Debtors and other relevant debtors will only be notified by the Seller in respect of the assignment of the Purchased Receivables and Related Collateral upon request by the Issuer following the occurrence of a Notification Event or whenever it is necessary to protect the Issuer's justified interests. Where any Debtor is either a military person, a civil servant, a clergyman or a teacher at a public teaching institution and has assigned its rights and claims to wages and social security benefits (to the extent legally possible) to the Seller as part of the Related Collateral, the Seller will, upon request by the Issuer following the occurrence of a Notification Event or if it becomes necessary to protect the Issuer's justified interests, notify such Debtor's employer of such assignment by way of a notarial deed as required under Section 411 of the German Civil Code (*Bürgerliches Gesetzbuch*). Should the Seller fail to notify the Debtors and the other relevant debtors within five (5) Business Days of such request, the Issuer may, at the Seller's costs, notify the Debtors and other relevant debtors of the assignment of the Purchased Receivables and the Related Collateral itself. Without prejudice to the foregoing, under the Servicing Agreement the Issuer is entitled to notify by itself or through any agent or require the Servicer to notify the Debtors, of the assignment if a Notification Event has occurred or whenever it is necessary to protect the Issuer's justified interests. If the Issuer has to undertake the notification by way of notarial deed, the notarization costs will be borne by the Seller.

Upon notification, the Debtors will be notified to make all payments to the Issuer to the General Collection Account in order to obtain valid discharge of their payment obligations.

Each of the following constitutes "**Notification Events**" pursuant to the Receivables Purchase Agreement:

1. the Seller or the Servicer fails to make a payment due under or with respect to the Servicing Agreement at the latest on the second (2nd) Business Day after its due date, or, in the event no due date has been determined, within three (3) Business Days after the demand for payment;
2. the Seller or the Servicer fails within five (5) Business Days to perform its material obligations (other than those referred to in paragraph 1 above) owed to the Issuer under or with respect to the Servicing Agreement;
3. either of the Seller or the Servicer is in breach of any of the covenants in relation to, *inter alia*, financial reporting, conduct of business, compliance with laws, rules, regulations, judgements, furnishing of information and inspection and keeping of records, the Credit and Collection Policy, tax, software and banking licenses, prolongation or supplementation of Purchased Receivables, change of business policy, sales and liens as set out in the Receivables Purchase Agreement or any of the covenants set out in the Servicing Agreement;
4. the occurrence of a Seller Event of Default; or
5. the occurrence of a Servicer Termination Event.

Instalment of new parts or replacement parts in Cars

If, after transfer of title to any Car to the Issuer, any new parts or any new replacement parts are installed into such Car 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

As from the Aggregate Outstanding Principal Amount being less than 10% of the Aggregate Outstanding Principal Amount as of the First Determination Date, the Seller will have the right to repurchase from the Issuer all outstanding Purchased Receivables together with any Related Collateral on any Payment Date.

Such resale and retransfer would occur on the Early Redemption Date at the cost of the Seller causing the early redemption of the Notes. See "*TERMS AND CONDITIONS OF THE NOTES — Replenishment and Redemption — Early Redemption*". The Seller may not demand any partial resale of Purchased Receivables. Such resale and retransfer would be for a repurchase price in an amount equal to the Aggregate Outstanding Principal Amount on the Early Redemption Date plus any interest accrued but unpaid on all Purchased Receivables which are not Defaulted Receivables as at such time and without any recourse against, or warranty or guarantee of, the Issuer. The repurchase and early redemption of the transaction will be excluded if the repurchase price determined by the Seller is not sufficient to fully satisfy the obligations of the Issuer under the Class A Notes together with all amounts ranking prior to the Class A Notes according to the relevant Pre-Enforcement Priority of Payments. The Issuer will retransfer the Purchased Receivables (together with any Related Collateral) at the cost of the Seller to the Seller upon receipt (*Zug um Zug*) of the full repurchase price and all other payments owed by the Seller or the Servicer under the Receivables Purchase Agreement, the Servicing Agreement or the Data Trust Agreement.

Representations and warranties

Under the Receivables Purchase Agreement the Seller represents and warrants, as at the Closing Date and as at each Purchase Date during the Revolving Period, by way of an independent guarantee within the meaning of Section 311 of the German Civil Code (*Bürgerliches Gesetzbuch*) irrespective of fault (*selbständiges verschuldensunabhängiges Garantieversprechen*) to the Issuer as follows:

- (a) The Seller is a limited liability company (*Gesellschaft mit beschränkter Haftung*) duly organised and validly existing under the laws of the Federal Republic of Germany, is a fully licensed bank under the German Banking Act (*Kreditwesengesetz*) and has all corporate power and all governmental approvals which are necessary in order to conduct its business in the Federal Republic of Germany, and has the required expertise in originating receivables of similar nature to the Purchased Receivables.
- (b) The execution, delivery and performance by it of the Receivables Purchase Agreement and the transactions contemplated thereby are within its corporate powers, have been duly authorised by all necessary corporate action, require no action by or in respect of, or filing recording or enrolling with, any governmental body, agency court official or other authority, and do not contravene, or constitute a default under, any provision of applicable law or regulation or of its articles of association (*Satzung*) or of any agreement, judgment, injunction, order, decree or other instrument binding upon it or result in the creation or imposition of any Adverse Claim on its assets (other than in favour of the Issuer pursuant to the Receivables Purchase Agreement).
- (c) The Receivables Purchase Agreement constitutes legally valid, binding and enforceable obligations of the Seller enforceable against the Seller in accordance with its terms. The Seller has undertaken all actions, obtained all approvals and fulfilled all other conditions in order to conclude the Receivables Purchase Agreement, to safeguard the rights and to fulfil their respective duties arising therefrom.
- (d)
 - (i) The Seller has not taken any action nor is the Seller aware of any measures having been taken or initiated by third parties to commence insolvency proceedings or any other proceedings directed towards the liquidation or reorganisation of the Seller or which could

- lead to the appointment of a receiver, trustee in bankruptcy, sequestrator or any other person entrusted with such duties in relation to the Seller's assets.
- (ii) There are no actions, suits or proceedings current or pending, or to the knowledge of the Seller threatened, against or affecting the Seller or any of the assets of the Seller in any court, or before any arbitrator of any kind, or before or by any governmental, public or administrative body, which may materially adversely affect the financial condition of the Seller or materially adversely affect the ability of the Seller to perform its obligations under the Receivables Purchase Agreement.
 - (iii) The Seller is not subject to Insolvency Proceedings.
 - (iv) The banking license of the Seller in the sense of Section 32 of the German Banking Act (*Kreditwesengesetz*) is in full force and has not been withdrawn due to the breach or non-performance of its obligations under Section 35 (2) no. 4 of the German Banking Act (*Kreditwesengesetz*).
 - (v) The German Federal Financial Supervisory Authority has not initiated measures against the Seller pursuant to Section 46 *et seq.* of the German Banking Act (*Kreditwesengesetz*) (including, without limitation, a moratorium) and (ii) the resolution authority (*Abwicklungsbehörde*) under the German Restructuring and Resolution Act (*Sanierungs- und Abwicklungsgesetz*) has not initiated measures against the Seller pursuant to Part 4 (*Abwicklung*) of the German Restructuring and Resolution Act (*Sanierungs- und Abwicklungsgesetz*) and (iii) the competent authority has not initiated or taken actions or measures against such Person under Regulation (EU) No 806/2014 of the European Parliament and of the Council.
- (e) All information (including any information contained in any offer and any Servicing Report) furnished by the Seller to the Issuer is, or if hereafter furnished by the Seller to the Issuer, will be true and accurate in every material respect and will not contain any material error or omission, on the date of its disclosure.
 - (f) The principal place of business (*Ort der Geschäftsleitung*) and chief executive office (*Verwaltungssitz*) of the Seller is located in Germany. The Seller shall store the physical Records related to the Receivables Purchase Agreement at the address described therein or at any other location in the Federal Republic of Germany which the Seller has notified to the Issuer.
 - (g) On any relevant Purchase Date, any Receivable offered for purchase on such Purchase Date meets the individual receivable eligibility criteria specified under Part I of the Eligibility Criteria (Individual Receivable Eligibility Criteria) and, in addition, on any Subsequent Purchase Date, the Portfolio meets the global portfolio revolving eligibility criteria specified under Part II of the Eligibility Criteria (Global Portfolio Revolving Eligibility Criteria) following the purchase of such Receivables.
 - (h) All the Auto Loan Contracts are legally valid, binding, enforceable and assignable and that all Auto Loan Contracts were entered into with respect to a Car registered in the Federal Republic of Germany title to which has been transferred by the relevant Debtor to the Seller as Related Collateral, and such Related Collateral is legally valid, binding and enforceable in accordance with its terms. In addition, no Auto Loan Contract has been subject to Commercial Renegotiation.
 - (i) There exists in respect of each Receivable offered for sale and assignment to the Issuer under the Receivables Purchase Agreement the Related Collateral contemplated in the relevant Auto Loan Contract.
 - (j) Until the relevant Purchase Date, the Seller is the legal and beneficial owner of a Receivable (and the Related Collateral relating to such Receivable) to be sold and assigned on such Purchase Date, and such Receivable (and the related Collateral relating to such Receivables) contemplated in the relevant Auto Loan Contract is free and clear of any Adverse Claim. Upon the payment of the purchase price on the Purchase Date under the Receivables Purchase Agreement the Issuer will acquire the ownership of each Purchased Receivable assigned on the Purchase Date and the Related Collateral contemplated in the relevant Auto Loan Contract free and clear of any Adverse Claim.

- (k) There has not been nor will there be any material amendment to the Credit and Collection Policy unless (i) each Rating Agency and the Security Trustee have been notified in writing of such amendment and (ii) the Issuer, the Servicer (if different from the Seller) and, where such amendment would be materially prejudicial (*wesentlich nachteilig*) to the interests of the holders of the Class A Notes in the opinion of the Security Trustee, the Security Trustee has consented to such amendment in writing (such consent not to be unreasonably withheld).
- (l) Neither the Purchased Receivables, the Related Collateral nor the claim for payment of Available Collections by the Servicer and the Seller to the Issuer is collateralised by a security interest in German-situs real property, or rights therein, or in ships, or rights in ships, registered in a German ship registry, or is evidenced by a security, such as a registered or bearer bond.
- (m) The Seller has not opted for value-added tax on the Purchased Receivables.
- (n) The Seller is not a related party in the meaning of Section 1 para. 2 German Foreign Tax Act (*Außensteuergesetz*) to the Issuer.

Undertakings

Under the Receivables Purchase Agreement, the Seller has agreed to the following undertakings *vis-a-vis* the Issuer:

- (a) The Seller shall maintain an accounting system which is prepared and managed in accordance with generally accepted German accounting principles.

The Seller shall procure, in particular, the following:

- (i) *Servicing Report*

The Seller, acting in its capacity as Servicer, shall prepare a Servicing Report for each Collection Period in the form and with the contents set out in Schedule 1 to the Servicing Agreement, including detailed summary statistics and information regarding the performance of the portfolio of Purchased Receivables during the last Collection Period and a glossary of the terms used in such Servicing Report, as well as a confirmation certifying that no Notification Event has occurred and, in addition, any other information which the Issuer requires in order to comply with its reporting obligations under the Securitisation Regulation, to the extent applicable. The Seller shall procure that the Servicer will deliver such Servicing Report to the Issuer with a copy to the Calculation Agent in accordance with the Servicing Agreement.

- (ii) *Cash flow models*

From the Closing Date until the Final Maturity Date the Seller will make available to the Noteholders cash flow models directly or indirectly through Intex Solutions, Inc. or another provider of cash flow models.

- (iii) *Notice of Seller Event of Default*

Immediately after, and in any event within three (3) Business Days of, the occurrence of any Seller Event of Default, the Seller shall submit to the Issuer and the Security Trustee a statement setting forth the details of such Seller Event of Default and the measures which the Seller proposes to take in this regard, including any information requested by the Issuer or required to appropriately assess the financial standing of the Seller. For the avoidance of doubt, any such proposed measures shall not affect the rights of the Issuer arising from such Seller Event of Default under the Receivables Purchase Agreement.

- (iv) *Related Collateral*

The Seller shall provide to the Issuer any information as the Issuer may from time to time reasonably request in respect of the Related Collateral including, for the avoidance of doubt, information reasonably required by the Issuer for any realisation of such Related Collateral.

(v) *Other Information*

The Seller shall provide the Issuer with any other information (including non-financial information) as reasonably requested by the Issuer from time to time for its own purposes or for the purposes of any of the persons providing direct or indirect finance to it, and in particular, but without limitation, any information requested by the Security Trustee in accordance with the Transaction Security Agreement.

- (b) The Seller shall do all things necessary in order to remain a corporation duly organised and validly existing under the laws of the Federal Republic of Germany and maintain all requisite authority to conduct its business in the Federal Republic of Germany.
- (c) The Seller shall comply in all respects which could be regarded as material in the context of the transactions contemplated by the Receivables Purchase Agreement, with all laws, rules, regulations, orders, writs, judgements, injunctions, decrees or awards to which it may be subject.
- (d) The Seller shall have systems in place in relation to the Purchased Receivables and Related Collateral that are capable of providing the information and Records to which the Issuer (including any of its agents and any person acting on behalf of or in favour of the Issuer) is entitled in accordance with the Receivables Purchase Agreement, always in a format readable by the Issuer or in any other form determined by the Receivables Purchase Agreement, and shall ensure that the data made available or to be made available in this way can be used at all times without any licenses or other restrictions on its use by the Issuer or any third party commissioned by the Issuer.

To the extent allowed by the Data Protection Standards and banking secrecy duties, the Seller shall permit the Issuer, the external auditors of the Seller (acting on behalf of, and on the instructions of, the Issuer) and/or any other representatives of the Issuer who are subject to a professional duty of confidentiality or undertake for the benefit of the Seller to comply with duties of to enter under the direct supervision of the Seller upon its premises in order to:

- (i) inspect and satisfy itself or themselves that the systems are in place, maintained in working order and are capable of providing the information to which it or they are reasonably and properly entitled pursuant to the Receivables Purchase Agreement or the Servicing Agreement and which the Seller or the Servicer has failed to supply within ten (10) days of receiving written notice of such failure or to verify any such information which has been provided and which the Issuer has reason to believe is inaccurate; and
- (ii) examine and make copies of and extracts from all Records but, for the avoidance of doubt, the Issuer shall have no right to examine and make copies of and extracts from Records which contain confidential technical information of the Seller,

provided that no originals of Records (other than to that which the Issuer is entitled so to examine, copy or make abstracts from) shall be removed from the Seller's premises (but for the avoidance of doubt this prohibition of removal shall not apply to copies of such original Records). Such Records shall remain confidential and shall not be used or disclosed or divulged to any person (except to the extent and in the circumstances permitted by the Receivables Purchase Agreement or the Servicing Agreement and in accordance with applicable law) without the prior written consent of the Seller, such consent not to be unreasonably withheld.

- (e) The Seller shall keep and maintain Records required by the Servicer in order to keep and maintain, Records for each Purchased Receivable and Related Collateral for the purposes of identifying, in particular, at any time, the amounts which have been paid by or to any Debtor, which are to be paid by or to any Debtor, the source of payments which are paid to the Seller or Servicer and the General Collection Account, and the balance outstanding with respect to each Debtor. The Seller shall inform the Issuer regarding any material change in its administrative or accounting procedures related to the preparation and maintenance of the Records. The Seller shall mark in its Records each Purchased Receivable (together with the Related Collateral) as sold and assigned to the Issuer and, in addition, any Purchased Receivable which will be re-assigned and re-transferred from the Issuer automatically upon payment of Deemed Collections by the Seller.

- (f) In relation to the Purchased Receivables and Related Collateral, and in relation to each of its representations, warranties, covenants and other obligations under the Receivables Purchase Agreement the Seller shall apply the due care which the Seller exercises in its own affairs but at least the care of a prudent business man (*Sorgfalt eines ordentlichen Kaufmannes*).

Subject to and in accordance with the Data Protection Standards and applicable banking secrecy law, the Seller shall promptly provide the Issuer with any information which prejudices the existence of any Auto Loan Contract. The Seller shall immediately notify the Issuer if third parties levy execution upon the assigned claims of the Issuer, the Purchased Receivables or the Related Collateral or if the Purchased Receivables or the Related Collateral are materially prejudiced or jeopardised by any other events.

- (g) The Seller shall, at its own expense, in a timely manner fully perform and comply with all provisions, covenants and other promises required to be observed by it under the Auto Loan Contracts and Related Collateral documents related to the Purchased Receivables as if interests in such Purchased Receivables had not been assigned and sold under the Receivables Purchase Agreement and the Seller shall as soon as is reasonable notify the Issuer and the Servicer if third parties make claims or exercise (or purport to exercise) rights regarding the Purchased Receivables or the Related Collateral.
- (h) The Seller shall comply with its Credit and Collection Policy with respect to each Debtor, each Purchased Receivable and Related Collateral as if interests in such Purchased Receivables would not be sold and assigned and had not been assigned and sold under the Receivables Purchase Agreement.

The Seller shall comply, in its capacity as Servicer, with respect to each Purchased Receivable, the Related Collateral and the related Auto Loan Contracts, with the Credit and Collection Policy in accordance with the Servicing Agreement.

The Seller shall not materially amend the Credit and Collection Policy unless (i) each Rating Agency has been notified in writing of such amendment and (ii) the Issuer, the Servicer (if different from the Seller) and, where such amendment would be materially prejudicial (*wesentlich nachteilig*) to the interests of the holders of the Class A Notes in the opinion of the Security Trustee, the Security Trustee has consented to such amendment in writing (such consent not to be unreasonably withheld), the Security Trustee has consented to such amendment in writing (such consent not to be unreasonably withheld). The Seller shall ensure that the procedure applied by it in relation to the recovery of Available Collections and the servicing of the Purchased Receivables and the Related Collateral are the same as those applied by the Seller in relation to receivables and collateral other than the Purchased Receivables and the Related Collateral.

- (i) All amounts paid to the Issuer shall be made free of all withholding taxes or other taxes including but not limited to value added tax.
- (j) The Seller acting in its capacity as Servicer confirms that it has obtained and maintains any and all required licenses prior to execution of the Receivables Purchase Agreement.
- (k) The Seller confirms that it has obtained and maintains at all times, a valid banking license, duly granted by the German Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).
- (l)
- (i) The Seller shall always comply with its obligations under the CRR (or the Securitisation Regulation, to the extent applicable) and the German Banking Act (*Kreditwesengesetz*) with respect to required regulatory capital, in particular Sections 10 to 22 of the German Banking Act and the regulations, interpretations or orders issued with respect thereto, in particular the principles on capital and liquidity (*Grundsätze über Eigenmittel und Liquidität*).
- (ii) In the event that any measures have been taken with respect to the Seller under or pursuant to Sections 45 – 48t of the German Banking Act (*Kreditwesengesetz*) (other than measures pursuant to Section 44 (1) 2, 44 (2) 2 of the German Banking Act (*Kreditwesengesetz*) in

the ordinary course of business) or the Act on the Reorganisation of Credit Institutions (*Gesetz zur Reorganisation von Kreditinstituten*) or the German Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*), the Seller shall immediately inform the Issuer, the Security Trustee and the Rating Agencies thereof and comply with such financial and other requirements which the Issuer may reasonably request with respect thereto.

- (m) The Seller shall maintain its actual seat and centre of main interests (as defined in Article 3.1 of Regulation (EU) No 2015/848).
- (n) Except as permitted under the Receivables Purchase Agreement, in the Servicing Agreement or in the Credit and Collection Policy, the Seller may not enter into Commercial Renegotiations.
- (o) The Seller and the Servicer may not undertake any material modifications in the nature of its business, otherwise than in accordance with the Receivables Purchase Agreement.
- (p) Except as otherwise provided in the Receivables Purchase Agreement, the Seller shall not sell, assign or otherwise dispose of, or create or suffer to exist any Adverse Claim upon or with respect to any Purchased Receivables, any Related Collateral, any goods or services the subject of any Purchased Receivable or related Auto Loan Contract or Related Collateral, or assign any right to receive income in respect thereof or attempt, purport or agree to do any of the foregoing. Further, the Seller shall not create or allow to exist any counterclaims, rights of set-off or other defences of the Debtors with respect to the obligation of the Debtors to make payment of the Loan Instalments other than such counterclaims, rights of set-off or other defences of the Debtors existing or arising under statutory law and relating to deposits held by a Debtor on a current account with the Seller.
- (q) Neither the Seller nor any of its subsidiaries:
 - (i) is a Restricted Party or is engaging in or has engaged in any transaction or conduct that could result in it becoming a Restricted Party;
 - (ii) is or ever has been subject to any claim, proceeding, formal notice, or investigation with respect to Sanctions;
 - (iii) is engaging or has engaged in any transaction that evades or avoids, or has the purpose of evading or avoiding, or breaches or attempts to breach, directly or indirectly, any Sanctions; or
 - (iv) has engaged or is engaging, directly or indirectly, in any trade, business, or other activities which is in breach of any Sanctions.
- (r) The Seller and each of its subsidiaries has implemented and will maintain in effect policies and procedures designed to ensure compliance by it, or any of its subsidiaries, with Anti-Corruption Laws as well as Sanctions.
- (s) The Seller and each of its subsidiaries has conducted and is conducting its business in compliance with all Anti-Corruption Laws as well as Sanctions.
- (t) Neither the Seller nor any of its subsidiaries:
 - (i) a Restricted Party or is engaging in or has engaged in any transaction or conduct that could result in it becoming a Restricted Party;
 - (ii) is or ever has been subject to any claim, proceeding, formal notice, or investigation with respect to Sanctions;
 - (iii) is engaging or has engaged in any transaction that evades or avoids, or has the purpose of evading or avoiding, or breaches or attempts to breach, directly or indirectly, any Sanctions; or
 - (iv) has engaged or is engaging, directly or indirectly, in any trade, business, or other activities which is in breach of any Sanctions.

The Seller and each of its subsidiaries has implemented and will maintain in effect policies and procedures designed to ensure compliance by it, or any of its subsidiaries, with Anti-Corruption Laws as well as Sanctions.

The Seller and each of its subsidiaries has conducted and is conducting its business in compliance with all Anti-Corruption Laws as well as Sanctions.

The operations of the Seller and any of its subsidiaries are and have been conducted at all times in compliance with the Money Laundering Laws and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Issuer with respect to the Money Laundering Laws is pending or, to the best knowledge of the Seller, threatened. The Seller further represents and warrants that no funds or other consideration that it contributes in connection with any transaction under this Agreement will have been derived from or related to any activity that is deemed criminal under Money Laundering Laws.

The Seller shall, upon becoming aware of the same, supply to the Security Trustee and the Issuer details of any claim, proceeding, formal notice or investigation against it with respect to such sanctions.

Notwithstanding anything to the contrary in this Agreement, the undertaking given herein shall not apply in so far as the making of or compliance with or, as the case may be, benefitting from such undertaking would result in a violation of, or conflict with, Section 7 of the German Foreign Trade Order (*Außenwirtschaftsverordnung*), any provision of Regulation (EC) No 2271/1996 or any other anti-boycott statute..

The Seller shall, upon becoming aware of the same, supply to the Security Trustee and the Issuer details of any claim, proceeding, formal notice or investigation against it with respect to such sanctions.

Notwithstanding anything to the contrary in the Receivables Purchase Agreement, the undertaking given herein shall not apply in so far as the making of or compliance with or, as the case may be, benefitting from such undertaking would result in a violation of, or conflict with, Section 7 of the German Foreign Trade Order (*Außenwirtschaftsverordnung*), any provision of Regulation (EC) No 2271/1996 or any other anti-boycott statute.

Servicing Agreement

Pursuant to the Servicing Agreement between the Servicer, the Security Trustee and the Issuer (in its capacity as Issuer under the Receivables Purchase Agreement), the Servicer has the right and duty to administer the Purchased Receivables and the Related Collateral, collect and, if necessary, enforce or otherwise enforce the Purchased Receivables and foreclose on the Related Collateral and pay all proceeds to the Issuer.

Servicer's Duties

The Servicer acts as agent (*Beauftragter*) of the Issuer (in its capacity as Issuer under the Receivables Purchase Agreement) under the Servicing Agreement. The duties of the Servicer (the "**Services**") are set out in the Servicing Agreement and include the following:

- (a) the assumption of collection and administrative tasks and the specific duties set out in the Servicing Agreement. In the performance of its obligations under the Servicing Agreement, the Servicer shall exercise the due care and diligence of a prudent business man (*Sorgfalt eines ordentlichen Kaufmannes*) as if it was administering receivables on its own behalf.
- (b) The Servicer shall:
 - (i) collect any and all amounts payable, from time to time, by the Debtors under or in relation to the Auto Loan Contracts as and when they fall due;
 - (ii) identify the Available Principal Collections and the Available Interest Collections and identify the amount of such Available Collections;

- (iii) give, on the relevant payment date, directions to its relevant bank from time to time as the case may be with respect to the on-payment of Available Collections (including Deemed Collections);
 - (iv) endeavour at its own expense to seek Recoveries in accordance with the Credit and Collection Policy, in particular (but without prejudice to the generality of the foregoing) exercise all enforcement measures concerning amounts due from the Debtors. The Issuer shall assist the Servicer in exercising all rights and legal remedies from and in relation to the Purchased Receivables and the Related Collateral, as is reasonably necessary. The Servicer shall reimburse the Issuer for any costs and expenses incurred in this regard;
 - (v) keep and maintain Records, account books and documents in relation to the Purchased Receivables and the Related Collateral in electronic or paper form in a manner such that it is easily distinguishable from records relating to other receivables or collateral to which the Servicer itself is originator, servicer or depository, or otherwise, and shall identify such Records, account books and documents with contract numbers in order to distinguish them from all other records, account books and documents relating to such other receivables or collateral managed by the Servicer;
 - (vi) keep records for taxation purposes, including for the purposes of value added tax;
 - (vii) hold, subject to the Data Protection Standards and banking secrecy duties, all Records relating to the Purchased Receivables and the Related Collateral in its possession in trust (*treuhänderisch*) for, and to the order of, the Issuer;
 - (viii) assist the Issuer in discharging any Related Collateral in respect of the relevant Purchased Receivable which has been paid;
 - (ix) assist the Issuer's auditors and provide information to them upon request; and
 - (x) prepare and deliver the Servicing Report in accordance with the Servicing Agreement, which shall, *inter alia*, contain updated information with respect to the Portfolio.
- (c) The Servicer shall not initiate, nor propose to any Debtor to enter into a Commercial Renegotiation of the terms of any Auto Loan Contract entered into by such Debtor. To the extent to which the Servicer enters into a Commercial Renegotiation at the initiative of any Debtor with respect to the terms of any Auto Loan Contract entered into by such Debtor, the Servicer shall conduct such Commercial Renegotiation in accordance with the Credit and Collection Policy. If, at any time, the Servicer becomes aware that any Commercial Renegotiation would result in a breach of the Servicer's obligations under the Servicing Agreement (with respect to the relevant Auto Loan Contract the subject of such Commercial Renegotiation or otherwise), the Servicer shall notify the Issuer and the Seller accordingly and the Issuer shall be entitled to receive, on the immediately following Payment Date, Deemed Collections in respect of the respective Purchased Receivables in accordance with the Receivables Purchase Agreement.
- (d) The Servicer shall terminate any Auto Loan Contract underlying a Purchased Receivable in accordance with the Credit and Collection Policy. The Servicer agrees that it shall not agree with any Debtor on any provisions which would restrict such termination rights as compared to the situation currently existing at law and under the standard form contracts used by the Seller for Auto Loan Contracts.

For the avoidance of doubt and without affecting any other obligation of the Seller or the Servicer to pay damages to the Issuer or to indemnify the Issuer against any amounts, and irrespective of whether such other obligations arise under the Servicing Agreement, the Receivables Purchase Agreement or at law, the Servicer shall pay damages to the Issuer if any Auto Loan Contract is not duly and timely terminated in accordance with the preceding paragraph and the Receivables Purchase Agreement, and, additionally (but without double-counting) shall put the Issuer in the position in which the Issuer would have been in if the Servicer had complied with such obligation to terminate such Auto Loan Contract.

- (e) In the event of an enforcement of any Related Collateral, the Servicer shall enforce such Related Collateral or other existing collateral as soon as possible by taking such measures as it deems

necessary in its professional discretion, but always in accordance with the Credit and Collection Policy. The Servicer shall pay to the Issuer the portion of the realisation proceeds which have been applied or are to be applied to Purchased Receivables in accordance with Sections 366 (2), 367 (1) or, with respect to consumers, 497 (3) of the German Civil Code (*Bürgerliches Gesetzbuch*) or to which the Issuer is otherwise entitled pursuant to the Receivables Purchase Agreement.

- (f) The Servicer shall take all necessary steps to secure payment of all sums due from or in connection with a Purchased Receivable or Related Collateral. The Servicer shall enforce all covenants and obligations of the Debtors owed pursuant to the Auto Loan Contracts underlying the Purchased Receivables in the same manner as it generally does in relation to its own receivables and, if applicable, in compliance with the Credit and Collection Policy.

The Servicer shall comply with the Credit and Collection Policy with respect to each Purchased Receivable, the Related Collateral and the related Auto Loan Contracts, unless the Issuer has previously approved such change to or deviation from the Credit and Collection Policy in general or with respect to the collection of a specific Purchased Receivable or Related Collateral and notified the Rating Agencies in respect of such change or deviation.

- (g) The Servicer shall transfer into the General Collection Account Available Collections not later than two (2) Business Days following receipt thereof or as otherwise directed by the Issuer or the Security Trustee. Where a Debtor owes at least another receivable in addition to a Purchased Receivable to the Seller and such Debtor has failed to indicate to which receivable (or to which component relating to such receivable) its payment should be allocated, the Servicer shall allocate such payment in accordance with Sections 366 (2), 367 (1) or, with respect to consumers, 497 (3) of the German Civil Code (*Bürgerliches Gesetzbuch*).
- (h) The Servicer covenants and declares that, pending transfer to the Issuer or the General Collection Account, all Available Collections and other amounts in respect of Purchased Receivables or the Related Collateral which the Servicer otherwise receives and to which the Issuer is entitled or which are to be paid to the Issuer or into the General Collection Account, shall be held by it on trust (*treuhänderisch*) for the Issuer and that it will give directions to the relevant banks in relation to such sums accordingly, subject to the terms of the Servicing Agreement and comply with its duties and obligations thereunder. Immediately after the receipt of such funds, the Servicer shall pay or keep them in accordance with the Servicing Agreement or as otherwise directed by the Issuer or, as relevant, the Security Trustee.
- (i) The Servicer shall keep and maintain, subject to the Data Protection Standards and banking secrecy duties, all necessary information and Records for each individual Purchased Receivable and Related Collateral for the purposes of, in particular, identifying at any time amounts which have been paid by or to any individual Debtor, amounts to be paid by or to any individual Debtor, and the outstanding balance with respect to each Debtor. The Servicer shall give notice to the Issuer, the Security Trustee and the Rating Agencies regarding any material change in its administrative or operating procedures relating to the keeping and maintaining of the Records. Any such material change shall only take effect with the Issuer's prior written consent.
- (j) All payments due under the Servicing Agreement shall be made free of all bank charges and costs for the recipient thereof. Without prejudice to the other provisions of the Servicing Agreement, all payments by any party thereto (other than the Issuer and the Security Trustee) are to be rendered without any deduction or retention due to any set-off or counterclaim; however, if the parties to the Servicing Agreement are under the obligation to make payments under the Servicing Agreement or the Receivables Purchase Agreement in the same currency on the same day, the party owing the higher amount shall pay to the other party the difference between the amounts owed and the payment of such difference will discharge the obligation of the parties hereto to make such payments, **provided that** such payment netting shall be excluded if and to the extent any of such obligations to make payments is disputed in whole or in part by the relevant party.
- (k) All payments to be made by the Servicer to the Issuer shall be made free and clear of and without deduction for or on account of any tax. In the event the Servicer is obliged to render a payment with any deduction or withholding of tax, the Servicer shall reimburse the Issuer in an amount corresponding to such deduction or retention so that the net amount paid to the Issuer corresponds

to the amount to which the Issuer would have been entitled had the deduction or retention not been made.

Any demand which the Issuer makes pursuant to this paragraph (k) must specify the details of the claim for reimbursement and be duly signed by an authorised officer of the Issuer.

The Issuer shall immediately inform the Servicer if the Issuer becomes aware of any circumstances which could reasonably be expected to lead to a claim on the part of the Issuer under this paragraph (k).

The Issuer shall give the Servicer the opportunity and authorisation to raise defences against Debtors (in its own name or in the name of the Issuer, but in any event at the Servicer's own costs (and insofar the Servicer undertakes to reimburse the Issuer and indemnify the Issuer against any costs, expenses and damages which might be incurred by the Issuer because of or within the course of the Servicer taking such action)) against the relevant payment. In the event that the Servicer intends to raise such defences it shall inform the Issuer of such intention and the nature of the defences to be raised by it. Unless the Issuer notifies the Servicer within ten (10) Business Days of receipt of the foregoing notification of the Servicer that it intends to raise defences on its own, the Servicer may proceed with such defences and the Issuer shall provide the Servicer with any information which the Servicer reasonably requests in the context of such defence. The obligation of the Servicer to immediately indemnify or reimburse the Issuer or otherwise make payments to the Issuer in accordance with this paragraph (k) and the Servicing Agreement shall not be affected by the foregoing, in particular the foregoing shall not be interpreted as to give the Servicer any additional time for making payments (*keine Stundung*).

- (l) The Servicer shall not make any deposit or otherwise credit, or cause or permit to be so deposited or credited, to the General Collection Account cash or cash proceeds other than Available Collections (including Deemed Collections) and other amounts owed to the Issuer under the Servicing Agreement, the Receivables Purchase Agreement or otherwise.
- (m) Subject to fees (including VAT, if any), costs, charges and expenses, indemnity claims and other amounts payable by the Servicer to any agent appointed with the consent of the Issuer and the Security Trustee, the Servicer shall not be entitled to any fee or reimbursement of expenses as consideration for the performance of the Services under the Servicing Agreement. The Issuer and the Servicer agree that, if the servicing and collection of the Receivables and the Related Collateral of the Seller is outsourced to a Subsidiary and such Subsidiary is appointed as new Servicer by the Issuer, that, without prejudice to the foregoing, the Servicer in its capacity as Seller shall procure that such new Servicer will not be entitled to any fee or reimbursement of expenses as consideration for the performance of the Services under the Servicing Agreement.

Further Undertakings

Under the Servicing Agreement, the following further obligations of the Servicer apply:

- (a) The Servicer shall, subject to the Data Protection Standards and banking secrecy duties, keep safe and shall use all reasonable endeavours to maintain Records (including back-ups of any computer tapes, discs and data) and shall maintain in computer readable form or otherwise (but only insofar as executed copies of the Auto Loan Contracts as such are concerned) Records in relation to each Purchased Receivable and Related Collateral.
- (b) The Servicer shall prepare a Servicing Report for each Collection Period in the form and with the contents set out in Schedule 1 to the Servicing Agreement, including detailed summary statistics and information regarding the performance of the portfolio of Purchased Receivables during the last Collection Period and a glossary of the terms used in such Servicing Report, as well as a confirmation certifying that Notification Event has occurred. The Servicer shall deliver such Servicing Report to the Issuer with a copy to the Calculation Agent on the respective Information Date immediately following such Collection Period.
- (c) All reports or certificates which are delivered by the Servicer pursuant to the Servicing Agreement shall be signed by an authorised signatory of the Servicer.

- (d) The Servicer shall have systems in place in relation to the relevant Purchased Receivables and Related Collateral that are capable of providing the information and Records to which the Issuer (including any of its agents and persons acting on behalf or in favour of the Issuer) is entitled to pursuant to the Servicing Agreement or the Receivables Purchase Agreement, always in a format readable by the Issuer or in any other form determined by the Servicing Agreement, and shall ensure that the data made available or to be made available in this way can be used at all times without any licenses or other restrictions on its use by the Issuer or any third party commissioned by the Issuer.

The Servicer shall maintain such systems in working order and shall permit the Issuer (to the extent permitted under the Data Protection Standards and banking secrecy duties to which the Seller is subject in relation to the relevant Purchased Receivables), the external auditors of the Servicer (acting on behalf of, and on the instructions of the Issuer) and/or any other representatives of the Issuer (who are subject to a professional duty of confidentiality or undertake for the benefit of the Servicer to comply with duties of confidentiality similar to those agreed upon in the Servicing Agreement) to enter under the direct supervision of the Servicer upon its premises in order to:

- (i) inspect and satisfy itself or themselves that the systems are in place, maintained in working order and are capable of providing the information to which it or they are entitled pursuant to the Servicing Agreement or the Receivables Purchase Agreement and which the Servicer has failed to supply within five (5) calendar days of receiving written notice of such failure, or to verify any such information which has been provided and which the Issuer has reason to believe is inaccurate; and
- (ii) examine and make copies of and extracts from all Records but, for the avoidance of doubt, the Issuer shall have no right to examine and make copies of and extracts from Records which contain confidential technical information of the Servicer,

provided that no originals of Records (other than to that which the Issuer is entitled so to examine, copy or make extracts from) shall be removed from the Servicer's premises (but for the avoidance of doubt this prohibition of removal shall not apply to copies of such original Records). Such Records shall remain confidential and shall not be used or disclosed or divulged to any person (except to the extent and in the circumstances permitted by the Servicing Agreement or the Receivables Purchase Agreement and in accordance with applicable law) without the prior written consent of the Servicer (such consent not to be unreasonably withheld).

The Servicer shall take all necessary measures in order to provide the information which the Issuer may request in accordance with the Servicing Agreement in a format readable by the Issuer or in any other form determined by the Servicing Agreement and shall ensure that the data made available in this way can be used at all times without any licenses or other restrictions on its use by the Issuer or any third party commissioned by the Issuer.

- (e) The Servicer shall give such time and attention and will exercise such skill, care and diligence in the performance of the Services as it does in servicing loan receivables other than the Purchased Receivables. The Servicer shall apply the due care which the Servicer exercises in its own affairs but at least the care of a prudent business man (*Sorgfalt eines ordentlichen Kaufmannes*) not only in relation to the Purchased Receivables and Related Collateral but also in relation to each of its representations, warranties, covenants and other obligations under the Servicing Agreement (in particular, but without limitation, its obligation to comply with the Credit and Collection Policy).
- (f) The Servicer shall ensure that the procedures applied by it in relation to the recovery of Available Collections and the servicing of Purchased Receivables and the Related Collateral are the same as those applied by the Servicer in relation to receivables and collateral other than the Purchased Receivables and the Related Collateral.
- (g) The Servicer shall consider the interests of the Issuer in relation to the Debtors and in exercising any discretion which arises from the performance of the Services.
- (h) The Servicer shall obtain and keep all required licenses, approvals, registrations, authorisations and consents which are necessary or desirable in connection with the performance of the Services and procure that any of its agents obtains and maintains any such license. The Servicer confirms

that it has obtained and maintains at all times, a valid banking license, duly granted by the German Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).

- (i) The Servicer shall at its own expense and in a timely manner fully perform and comply with all provisions, covenants and other obligations required to be observed by the Seller under the relevant Auto Loan Contracts and the documents relating to the Related Collateral.
- (j) The Servicer shall comply with all legal requirements in relation to the Purchased Receivables and the Related Collateral.
- (k) The Servicer shall not, otherwise than as permitted in the Servicing Agreement, dispose of objects or rights which exist in relation to the Purchased Receivables and the Related Collateral without the prior written consent of the Issuer.
- (l) The Servicer shall not, except as otherwise permitted under the Servicing Agreement, the Credit and Collection Policy or under the Receivables Purchase Agreement, enter into Commercial Renegotiations without the prior written consent of the Issuer.
- (m) The Servicer shall maintain an accounting system which is prepared and managed in accordance with generally accepted German accounting principles.
- (n) The Servicer shall in particular procure the following:
 - (i) The Servicer shall provide to the Issuer any information as the Issuer may from time to time request in respect of the Related Collateral including, for the avoidance of doubt, information reasonably required by the Issuer for any realisation of such Related Collateral and any information relating to any damage to, or loss of, Cars or other problems or potential problems with regard to the Related Collateral.
 - (ii) The Servicer shall as soon as the same become available, but in any event within six (6) months after the end of each of its financial years, deliver to the Issuer its audited consolidated and not consolidated financial statements for such financial year. The Servicer shall ensure that each set of financial statements delivered by it (i) is prepared in accordance with accounting principles generally accepted in Germany and consistently applied, (ii) is certified by a duly authorised officer of it as giving a true and fair view of its financial condition as at the end of the period to which those financial statements relate and of the results of its operations during such period and (iii) has been audited by an internationally recognised firm of independent auditors licensed to practise in Germany.
 - (iii) The Servicer shall provide the Issuer with any other information (including non-financial information) as reasonably requested by the Issuer from time to time for its own purposes or for the purposes of any of the persons providing direct or indirect finance to it, subject to the Data Protection Standards.
 - (iv) The Servicer (any delegate of the Servicer) shall, upon request of the Issuer, use its best efforts to make loan level data available in such a manner as may be required to comply with the Eurosystem eligibility criteria (as set out in Annex VIII (loan level data reporting requirements for asset-backed securities) of the Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (recast), as amended and supplemented from time to time and as supplemented by the temporary criteria for certain asset-backed securities contained in, inter alia, Guideline (ECB/2014/31) on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9 (recast) and Decision (EU) 2015/5 of the European Central Bank of 19 November 2014 on the implementation of the asset-backed securities purchase programme (ECB/2014/45) (as amended from time to time, subject to the Data Protection Standards and banking secrecy duties.
- (o) The Servicer shall do all things necessary in order to remain a corporation duly organised and validly existing under the laws of Germany and maintain all requisite authority and licenses to conduct its business in Germany.

- (p) The Servicer shall comply in all respects which could be regarded as material in the context of the transactions contemplated by the Servicing Agreement, with all laws, rules, regulations, orders, writs, judgements, injunctions, decrees or awards to which it may be subject.
- (q) The Servicer shall immediately provide the Issuer with any information which prejudices the existence of any Purchased Receivables or Related Collateral **provided that** the Servicer is entitled to disclose such information. The Servicer shall immediately notify the Issuer if third parties levy execution upon the assigned claims of the Issuer, any Purchased Receivables or the Related Collateral or if any Purchased Receivables or Related Collateral are materially prejudiced or jeopardised by any other events.
- (r) The Servicer shall not materially amend the Credit and Collection Policy unless (i) each Rating Agency and the Security Trustee have been notified in writing of such amendment, and (ii) the Issuer, the Seller (if different from the Servicer) and, where such amendment would be materially prejudicial (*wesentlich nachteilig*) to the interests of the holders of the Class A Notes in the opinion of the Security Trustee, the Security Trustee has consented to such amendment in writing (such consent not to be unreasonably withheld).
- (s) To the extent legally possible, the Servicer shall provide free of charge any required software and/or licenses to any substitute servicer appointed with respect to the Purchased Receivables or Related Collateral by the Issuer in accordance with the Servicing Agreement and/or the Receivables Purchase Agreement.
- (t) Neither the Servicer nor any of its managing directors or employees shall have any power to enter into any new agreements on behalf of the Issuer or hold themselves as being entitled to legally bind or negotiate on behalf of the Issuer (other than as contemplated in the Servicing Agreement), to act as a branch, agent or representative of the Issuer, to issue instructions, manage, direct or administer any aspect of the Issuer's business (except as expressly provided for in the Servicing Agreement). Accordingly, the Servicer shall only be obliged to render the Services specified in the Servicing Agreement and the Issuer shall not be entitled to direct the Servicer to perform any other activities or to render any other services. The Servicer is instructed by the Issuer to comply with and collect all Purchased Receivables and the Related Collateral always in accordance with the Credit and Collection Policy.

Representations and Warranties

Under the Servicing Agreement the Servicer represents and warrants by way of an independent guarantee within the meaning of Section 311 of the German Civil Code (*Bürgerliches Gesetzbuch*) irrespective of fault (*selbständiges verschuldensunabhängiges Garantieverprechen*) to the Issuer as follows:

- (a) The Servicer is a limited liability company (*Gesellschaft mit beschränkter Haftung*) duly organised and validly existing under the laws of the Federal Republic of Germany, is a fully licensed bank under the German Banking Act (*Kreditwesengesetz*) and has all corporate power and all governmental approvals which are necessary in order to conduct its business in the Federal Republic of Germany, and has the required expertise in servicing receivables of similar nature to the Purchased Receivables.
- (b) The execution, delivery and performance by it of the Servicing Agreement and the transactions contemplated thereby are within its corporate powers, have been duly authorised by all necessary corporate action, require no action by or in respect of, or filing recording or enrolling with, any governmental body, agency court official or other authority, and do not contravene, or constitute a default under, any provision of applicable law or regulation or of its articles of association (*Satzung*) or of any agreement, judgment, injunction, order, decree or other instrument binding upon it or result in the creation or imposition of any Adverse Claim on its assets (other than in favour of the Issuer pursuant to the Servicing Agreement).
- (c) The Servicing Agreement constitutes legally valid, binding and enforceable obligations of the Servicer enforceable against the Servicer in accordance with its terms. The Servicer has undertaken all actions, obtained all approvals and licenses required for the performance of the Services under the Servicing Agreement and has fulfilled all other conditions in order to conclude the Servicing Agreement, to safeguard the rights and to fulfil its respective duties arising therefrom.

- (d)
- (i) The Servicer has not taken any action nor is the Servicer aware of any measures having been taken or initiated by third parties to commence insolvency proceedings or any other proceedings directed towards the liquidation or reorganisation of the Servicer or which could lead to the appointment of a receiver, trustee in bankruptcy, sequestrator or any other person entrusted with such duties in relation to the Servicer's assets.
 - (ii) No judicial or similar proceedings are pending, initiated or threatened against the Servicer which could have a material adverse effect on the maintenance of its business operations or its financial position and thus the proper performance of the Servicing Agreement.
 - (iii) The Servicer is neither over-indebted (*überschuldet*), nor unable to pay its debts when they fall due (*zahlungsunfähig*), nor in a stoppage of payment situation, nor in a situation of threatened inability to pay (*drohende Zahlungsunfähigkeit*). The Servicer enters into the Servicing Agreement for its own commercial benefit without the intention to prejudice its creditors.
- (e) All information (including any information contained in any offer and any Servicing Report) furnished by the Servicer to the Issuer is, or if hereafter furnished by the Servicer to the Issuer, will be true and accurate in every material respect and will not contain any material error or omission, on the date of its disclosure.
- (f) The principal place of business (*Ort der Geschäftsleitung*) and chief executive office (*Verwaltungssitz*) of the Servicer is located in Germany. The Servicer shall store the Records at the address described in the Servicing Agreement or at any other location in the Federal Republic of Germany which the Servicer has notified to the Issuer in accordance with the Servicing Agreement.
- (g) There are no actions, suits or proceedings current or pending, or to the knowledge of the Servicer threatened, against or affecting the Servicer or any of the assets of the Servicer in any court, or before any arbitrator of any kind, or before or by any governmental, public or administrative body, which may materially adversely affect the financial condition of the Servicer or materially adversely affect the ability of the Servicer to perform its obligations under the Servicing Agreement.
- (h) There has not been nor will there be any material amendment to the Credit and Collection Policy unless (i) each Rating Agency has been notified in writing of such amendment and (ii) the Issuer, the Seller (if different from the Servicer) and, where such amendment would be materially prejudicial (*wesentlich nachteilig*) to the interests of the holders of the then outstanding most senior Class of Notes, the Security Trustee have consented to such amendment in writing (such consent not to be unreasonably withheld).

Use of Third Parties

The Servicer may, subject to certain requirements, delegate and sub-contract its duties in connection with the servicing and enforcement of the Purchased Receivables and/or foreclosure on the Related Collateral.

Cash Collection Arrangements

The Seller expects that the Debtors will continue to make all payments to the account of the Seller as provided in the Auto Loan Contracts between each Debtor and the Seller and thereby obtain a valid discharge of their respective payment obligation. The Debtors will only receive notice of the sale and transfer of the relevant Purchased Receivables to the Issuer if a Notification Event has occurred (see "*Receivables Purchase Agreement — Notification of Assignment*"), following receipt of which the Debtors shall make all payments to the Issuer to the General Collection Account in order to obtain valid discharge of their payment obligations.

Under the terms of the Servicing Agreement, Available Collections shall be transferred by the Servicer to the General Collection Account not later than two (2) Business Days following receipt thereof or as otherwise directed by the Issuer or the Security Trustee. Until such transfer, the Servicer will hold the Available Collections and any other amount received on trust (*treuhänderisch*) for the Issuer and will give

directions to the relevant banks accordingly. All payments will be made free of all bank charges and costs as well as any tax for the recipient thereof.

Servicing Fee

The Servicer will receive a monthly fee equal to (a) 1/12 of 0.23% of the Aggregate Outstanding Principal Amount of all Purchased Receivables which are Performing Receivables (and which are not Delinquent Receivables) as of the commencement of a relevant Collection Period (including VAT) plus (B) as the case may be, 1/12 of 3.5% of the sum of (i) the Aggregate Outstanding Principal Amount of all Delinquent Receivables, (ii) the aggregate Defaulted Amounts of all Defaulted Receivables (excluding written-off Receivables) as of the commencement of the relevant Collection Period (including VAT), provided that the aggregate of the fees paid to the Servicer in respect of any Collection Period under (a) and (b) shall not exceed 1/12 of 0.3% of the Aggregate Outstanding Principal Amount of all Purchased Receivables.

Information and Regular Reporting

The Servicer will use all reasonable endeavours to safely maintain records in relation to each Purchased Receivable in computer readable form. The Servicer will notify to the Issuer and the Rating Agencies any material change in its administrative or operating procedures relating to the keeping and maintaining of records. Any such material change requires the prior consent of the Issuer.

The Servicing Agreement requires the Servicer to prepare a Servicing Report for each Collection Period in the form and with the contents set out in Schedule 1 to the Servicing Agreement. Each Servicing Report will set out in detail, on an aggregate basis, the state of repayment and amounts outstanding on the Purchased Receivables, measures being taken to collect any overdue payments as well as details regarding all foreclosure proceedings in respect of any Related Collateral and the status, development and timing of such proceedings. The Servicer will, upon request, provide the Issuer with all additional information concerning the Purchased Receivables and the Related Collateral in which the Issuer has a legitimate interest, subject to the terms of the Servicing Agreement and the Data Protection Standards. In the event that the Servicer has agreed with the respective Debtor to debt restructuring of a Purchased Receivable in accordance with the Credit and Collection Policy, the Servicer will not be obliged to report on, or, keep and maintain Records of, the waived principal and interest portions of such Purchased Receivable after the relevant settlement date. The Servicer shall deliver such Servicing Report to the Issuer with a copy to the Calculation Agent and each Rating Agency on the Information Date immediately following such Collection Period. On any Selection Date immediately following an Information Date during the Revolving Period, the Servicer will deliver to the Calculation Agent an additional servicing report in respect of the portfolio of Receivables which shall be the subject of the purchase by the Issuer of Additional Receivables on the immediately following Purchase Date.

Termination of Auto Loan Contracts and Enforcement

If a Debtor defaults on a Purchased 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 Receivables Purchase Agreement and the Servicing Agreement. If the Related Collateral is to be enforced, the Servicer will take such measures as it deems necessary in its professional discretion to enforce the Related Collateral.

The Servicer is obliged to terminate any Auto Loan Contract in accordance with the Credit and Collection Policy. Where the Servicer fails to do so, the Servicer must compensate the Issuer for any damage caused for its failure to carry out such duly and timely termination such that the Issuer is placed in the same position as if the Servicer had complied with its obligation. The Servicer has undertaken not to agree with any Debtor to restrict such termination rights and will pay damages to the Issuer if it does not affect due and timely termination.

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

Termination of the Servicing Agreement

Pursuant to the Servicing Agreement, the Issuer may at any time terminate the appointment of the Servicer and appoint a substitute servicer if a Servicer Termination Event has occurred, and/or notify or require the

Servicer to notify the relevant Debtors of the assignment of the Purchased Receivables to the Issuer such that all payments in respect to such Purchased Receivables are to be made to the Issuer or a substitute servicer appointed by the Issuer if a Notification Event has occurred. Each of the following events constitutes a "**Servicer Termination Event**":

- (a) other than as a result of force majeure, the Servicer breaches any of its non-payment obligations under any Transaction Document to which it is a party and, following a written request from the Security Trustee that the Servicer remedy such breach to the Security Trustee's satisfaction, the Servicer fails to do so within five (5) Business Days of such request;
- (b) other than as a result of force majeure, the Servicer fails to transfer collections to the Collection Account within two (2) Business Days following receipt thereof or otherwise breaches any of its payment obligations under any Transaction Document to which it is a party and, upon becoming aware of such failure or receipt of a written request from the Security Trustee that the Servicer remedy such breach to the Security Trustee's satisfaction, the Servicer fails to do so within two (2) Business Days of such request;
- (c) any representation and/or warranty made by the Servicer under any Transaction Document turns out to have been materially false or incorrect at the time when such representation and/or warranty was given or was deemed to have been given;
- (d) the occurrence of Insolvency Proceedings with respect to the Servicer;
- (e) the withdrawal of the banking license of the Servicer in the sense of Section 32 of the German Banking Act (*Kreditwesengesetz*) due to the breach of non-performance of its obligations under Section 35(2) no. 4 of the German Banking Act (*Kreditwesengesetz*); or
- (f) (i) German Financial Supervisory Authority initiates measures against the Servicer pursuant to Section 46 *et seq.* of the German Banking Act (*Kreditwesengesetz*) (including, without limitation, a moratorium) or (ii) the resolution authority (*Abwicklungsbehörde*) under the German Restructuring and Resolution Act (*Sanierungs- und Abwicklungsgesetz*) initiates measures against the Servicer pursuant to Part 4 (*Abwicklung*) of the German Restructuring and Resolution Act (*Sanierungs- und Abwicklungsgesetz*) or (iii) the competent authority initiated or takes actions or measures against the Seller under Regulation (EU) No 806/2014 of the European Parliament and of the Council.

Pursuant to the Servicing Agreement, the appointment of the Servicer is automatically terminated in the event that the Servicer is either over-indebted (*überschuldet*) or unable to pay its debts (*zahlungsunfähig*) or the inability of the Servicer to pay its debts is imminent (*drohende Zahlungsunfähigkeit*) or if any measures under Section 21 of the German Insolvency Code or under Sections 45 – 48t of the German Banking Act (*Kreditwesengesetz*) are taken in respect of the Servicer.

The Servicer is only entitled to resign as Servicer under the Servicing Agreement for good cause (*aus wichtigem Grund*) and, if the Servicer is the Seller, upon outsourcing of the servicing and collection of the receivables and the related collateral in whole or in part by the Seller to a (direct or indirect) subsidiary of the Seller or of a parent of the Seller where such subsidiary constitutes any related enterprise in accordance with Section 15 of the German Stock Corporation Act (*Aktiengesetz*) in accordance with the Servicing Agreement.

Pursuant to the terms of the Servicing Agreement, Wilmington Trust SP Services (Frankfurt) GmbH has agreed that it will act as back-up servicer facilitator (the "**Back-Up Servicer Facilitator**") and 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 by negotiating with such entity and the other relevant parties on behalf of the Issuer.

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 substitute servicer the rights and obligations of the outgoing Servicer, assumption by any substitute servicer of the specific obligations of substitute servicers 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 substitute servicer, the Servicer will transfer to any substitute servicer all Records and any and all related material, documentation and information. Any substitute servicer will have all required licences, authorisations and registrations, in particular, any registrations required under the German Legal Services Act (*Rechtsdienstleistungsgesetz*).

Any termination of the appointment of the Servicer or of a substitute servicer as well as the appointment of any new servicer will be notified by the Issuer to the Rating Agencies, the Security Trustee and the Corporate Administrator and by the Paying Agent, acting on behalf of the Issuer, to the Noteholders in accordance with the Terms and Conditions of the Notes.

English Security Deed

Pursuant to the English Security Deed, the Issuer has granted a security interest to the Security Trustee in respect of all present and future rights, title, claims and interests which the Issuer is or becomes entitled to from or in relation to (i) the Interest Rate Swap (including, without limitation, against the Interest Rate Swap Counterparty), (ii) the Accounts Agreement (including, without limitation, against the Account Bank and/or the Calculation Agent) and (iii) the Accounts; the aggregate of the sums from time to time standing to the credit of such Accounts; any book debts in which the Issuer may at any time acquire any right, title, interest or benefit in relation to the transaction upon which the English Security Deed is granted and located in England; all interest and other rights, benefits or sums accruing to, in respect of or incidental to each of the Accounts; and the debts represented by the Accounts. The Security Trustee will hold such security interest on trust for the Secured Parties as security for the payment and/or discharge on demand of all monies and liabilities due by the Issuer to the Security Trustee. Such security interest will secure the Transaction Secured Obligations and the Security Trustee Claim. The English Security Deed is governed by the laws of England.

Subordinated Loan Agreement

Pursuant to the Subordinated Loan Agreement, a committed credit facility was made available to the Issuer by the Subordinated Loan Provider. Pursuant to the terms of the Subordinated Loan Agreement, the Issuer has drawn amounts made available thereunder in one single drawdown on or before the Closing Date which have been credited to the General Reserve Account. The Issuer is not entitled to make any drawings thereunder after the Closing Date. As of the Closing Date, the outstanding amount under the Subordinated Loan Agreement is expected to amount to EUR 6,000,000.

Principal amounts outstanding under the Subordinated Loan Agreement are only repayable if and to the extent the General Reserve Required Amount is reduced in accordance with the Subordinated Loan Agreement.

Pursuant to the Subordinated Loan Agreement, the Issuer is under no obligation to pay any amounts under the Subordinated Loan Agreement unless the Issuer has received funds which may be used to make such payment in accordance with the Pre-Enforcement Priority of Payments or, upon the occurrence of an Issuer Event of Default, the Post-Enforcement Priority of Payments. The Subordinated Loan Provider has also agreed in 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.

Data Trust Agreement

Pursuant to the Data Trust Agreement the Data Trustee will safeguard the Decoding Key (and any updated Decoding Key will be sent to the Data Trustee on each relevant Payment Date) pursuant to which encrypted Personal Data, including, *inter alia*, the names and addresses of the Debtors under the Purchased Receivables and of any third party which has provided security which forms part of the Related Collateral contained in the relevant Encryption File may be decrypted. The Data Trustee will release the Decoding Key to the Issuer, the Security Trustee and any back-up servicer only subject to certain limited events which grant the Issuer the right to notify the Debtors in accordance with the Receivables Purchase Agreement. In the event that Insolvency Proceedings are commenced with respect to the Issuer, the Data Trustee will deliver to the Security Trustee the Decoding Key. If a substitute servicer has been appointed, the Decoding Key will be released to it.

Interest Rate Swap

Pursuant to the Interest Rate Swap, the Issuer has hedged its interest rate exposure resulting from fixed rate interest revenue under the Purchased Receivables and floating rate interest obligations under the Class A Notes. Under the Interest Rate Swap, on each Payment Date the Issuer will pay the Fixed Swap Rate applied to the lower of (a) the Class A Principal Amount as of the immediately preceding Payment Date (less any corresponding amount of principal repaid or scheduled to be repaid by the Issuer under the Class A Notes on such immediately preceding Payment Date) (or, in the case of the first Payment Date, as of the Closing Date) and (b) the Aggregate Outstanding Principal Amount as of the immediately preceding Payment Date (less any corresponding amount of principal repaid or scheduled to be repaid by the Debtors under such Purchased Receivables on such immediately preceding Payment Date) (the "**Notional Amount**"), and the Interest Rate Swap Counterparty will pay a floating rate equal to EURIBOR plus the Class A Notes Margin as set by the relevant Interest Rate Swap Counterparty in respect of the Interest Period immediately preceding such Payment Date, applied to the same Notional Amount, **provided that** and, for the avoidance of doubt, if such floating rate is below zero, such floating rate shall be zero. Payments under the Interest Rate Swap will be made on a net basis. The Interest Rate Swap will remain in full force until the earliest of (i) the Early Redemption Date, (ii) the Final Maturity Date and (iii) the full redemption of the Class A Notes, unless it is terminated early by one of the parties thereto in accordance with its terms.

Pursuant to the Interest Rate Swap, if the Interest Rate Swap Counterparty ceases to have the Interest Rate Swap Level 1 Required Ratings (as defined below), then under certain pre-conditions the Issuer has the right to terminate such Interest Rate Swap unless such Interest Rate Swap Counterparty, within certain periods of time (as further set out in such Interest Rate Swap) and at its own cost,

- (i) posts collateral for its obligations in accordance with the provisions of the Credit Support Annex; or
- (ii) obtains a guarantee of its obligations under such Interest Rate Swap from a sufficiently rated third party; or
- (iii) transfers all of its rights and obligations under such Interest Rate Swap or the relevant interest rate swap transaction(s) to an eligible third party with a sufficient rating

(the "**Posting Trigger Remedies**").

"**Interest Rate Swap Level 1 Required Ratings**" means, in relation to a person, that (i) its counterparty risk assessment from Moody's is at least 'A3(cr)' or, if such person has no counterparty risk assessment from Moody's, its long-term, unsecured and unsubordinated debt obligations are rated at least 'A3' by Moody's (or its replacement) and (ii) its short-term issuer default rating is at least 'F1' (or its replacement) by Fitch or its derivative counterparty rating (or, if it does not have a derivative counterparty rating, its long-term issuer default rating) is at least 'A' (or its replacement) by Fitch,

provided that with respect to (i), the amount of collateral which the counterparty should post after its loss of the relevant rating would be calculated in accordance with a formula such that the higher such counterparty's revised rating is, the lower the amount of collateral it would be required to post.

Pursuant to each Interest Rate Swap, if the relevant Interest Rate Swap Counterparty ceases to have the Interest Rate Swap Level 2 Required Ratings (as defined below), then under certain pre-conditions the Issuer has the right to terminate such Interest Rate Swap unless such Interest Rate Swap Counterparty, within certain periods of time (as further set out in such Interest Rate Swap) and at its own cost, posts collateral for its obligations in accordance with the provisions of the relevant Credit Support Annex, **and**

in addition, at its own cost,

- (i) obtains a guarantee of its obligations under such Interest Rate Swap from a sufficiently rated third party; or
- (ii) transfers all of its rights and obligations under such Interest Rate Swap or the relevant interest rate swap transaction(s) to an eligible third party with a sufficient rating (the "**Replacement Trigger Remedies**").

"Interest Rate Swap Level 2 Required Ratings" means, in relation to a person, that (i) its counterparty risk assessment from Moody's is at least Baa1(cr), if such person has no counterparty risk assessment from Moody's, its long-term, unsecured and unsubordinated debt obligations are rated at least Baa1 by Moody's (or its replacement) and (ii) its short-term issuer default rating is at least 'F3' (or its replacement) by Fitch or its derivative counterparty rating (or, if it does not have a derivative counterparty rating, its long-term issuer default rating) is at least 'BBB-' (or its replacement) by Fitch.

In the event that any Interest Rate Swap Counterparty ceases to have the Interest Rate Swap Level 1 Required Ratings or the Interest Rate Swap Level 2 Required Ratings in respect of the Fitch ratings, as relevant, such event may alternatively to the Posting Trigger Remedies and Replacement Trigger Remedies be remedied by other actions as a result of which the Class A Notes will be rated by Fitch at the same level as immediately prior to such event.

Where an Interest Rate Swap Counterparty provides collateral in accordance with the provisions of the relevant Credit Support Annex, such collateral or interest thereon will not form part of the Available Interest Amount (other than enforcement proceeds from such collateral applied in satisfaction of termination payments due to the Issuer following the designation of an early termination date under the relevant Interest Rate Swap), the Available Principal Amount or the proceeds obtained from the enforcement of the Note Collateral in accordance with clause 19 (*Enforcement of Note Collateral*) of the Transaction Security Agreement.

Each Interest Rate Swap is governed by the laws of England. Pursuant to the English Security Deed, the Issuer has created security in favour of the Security Trustee in all its present and future rights, claims and interests which the Issuer is now or becomes hereafter entitled to pursuant to or in respect of each Interest Rate Swap (see "*— English Security Deed*" above).

Agency Agreement

Pursuant to the Agency Agreement, the Reporting Agent, the Paying Agent, the Interest Determination Agent and the Calculation Agent are appointed by the Issuer and each will act as agent of the Issuer to make certain calculations, determinations and to effect payments in respect of the Notes.

The Calculation Agent shall make all calculations and determinations in respect of the Portfolio as well as the Notes and with respect to any payments to be effected on any Payment Date or otherwise in accordance with the Transaction Documents, based on information provided in the Servicing Report (or any additional servicing report) by the Servicer under the Servicing Agreement and any information received from the Interest Determination Agent on the relevant EURIBOR Determination Date or any other party in order to enable the Calculation Agent to perform its services under the Transaction Documents. The Calculation Agent is also responsible to provide certain cash management services such as providing the Account Bank with payment instructions on behalf of the Issuer required to effect payments in respect of the Notes and any other payments in accordance with the Transaction Documents. The Reporting Agent shall prepare on a monthly basis an Investor Report for each Interest Period in the form and with the contents set out in the Servicing Agreement on the basis of the information set out in the Servicing Report and any additional servicing report which the Servicer may prepare for a respective Collection Period. The Investor Report shall include detailed summary statistics and information regarding the performance of the portfolio of Purchased Receivables during the last Collection Period and contain a glossary of the terms used in such Investor Report. The Investor Report shall also contain the envisaged payments to be effected on the immediately following Payment Date. Moreover, any Investor Report shall contain all post-issuance transaction information regarding the performance of the Purchased Receivables and the Notes. The Reporting Agent shall deliver such Investor Report to the Issuer with a copy to the Calculation Agent, the Seller and each Rating Agency on any Investor Report Date prior to the respective Payment Date to which such Investor Report relates, and shall notify any other party of information as required in accordance with the Transaction Documents. The Reporting Agent shall communicate each Investor Report by posting it to Bloomberg and True Sale International GmbH (www.true-sale-international.de) on the relevant Investor Report Date in order for such Investor Report to be publicly available on the relevant platform.

The functions, rights and duties of the Paying Agent, the Interest Determination Agent, the Reporting Agent and the Calculation Agent are set out in the Terms and Conditions of the Notes as well as the Agency Agreement. See "*TERMS AND CONDITIONS OF THE NOTES*".

The Agency Agreement provides that the Issuer may terminate the appointment of any Paying Agent with regard to some or all of its functions with the prior written consent of the Security Trustee upon giving such Paying Agent not less than thirty (30) calendar days' prior notice. Any Paying Agent may at any time resign from its office by giving the Issuer and the Security Trustee not less than thirty (30) calendar days' prior notice, **provided that** at all times there shall be a Paying Agent, a Calculation Agent, an Interest Determination Agent and a Reporting Agent appointed. Any termination of the appointment of any Paying Agent and any resignation of such Paying Agent shall only become effective upon the appointment in accordance with the Agency Agreement of one or more banks or financial institutions as replacement agent(s) in the required capacity. The right to termination or resignation for good cause will remain unaffected. If no replacement agent is appointed within twenty (20) calendar days of any Paying Agent's resignation, then such Paying Agent may itself, subject to certain requirements, appoint such replacement agent in the name of the Issuer.

Furthermore, the Issuer will undertake that:

- (i) it will disclose in the first investor report that follows the award of the PCS Label, the amount of the Notes:
 - (a) privately-placed with investors which are not affiliates of the Seller;
 - (b) retained by an affiliate of the Seller; and
 - (c) publicly-placed with investors which are not affiliates of the Seller; and
- (ii) in relation to any amount initially retained by an affiliate of the Seller, but subsequently placed with investors which are not affiliates of the Seller, it will (to the extent permissible) disclose such placement in the next Investor Report.

Corporate Administration Agreement

Pursuant to a Corporate Administration Agreement the Corporate Administrator provides certain corporate and administrative services to the Issuer. The corporate services to be provided by the Corporate Administrator include:

- (i) provision of the registered address for the Issuer;
- (ii) proposing to the Issuer at least two persons but not more than three (3) persons that fulfil the criteria for managing directors set out in the articles of association (*Gesellschaftsvertrag*) of the Issuer to be appointed by the Issuer's shareholders' meeting as managing directors of the Issuer and if the appointment of any managing director has been revoked for any reason whatsoever and the Corporate Administration Agreement has not been terminated at such time, proposing to the Issuer a person to be appointed by the Issuer's shareholders' meeting as a new managing director of the Issuer;
- (iii) assisting the managing directors of the Issuer in complying with their duties under statutory law and the articles of association of the Issuer;
- (iv) making available telephone, facsimile and post box facilities at the Issuer's registered address;
- (v) dealing with correspondence of the Issuer, including checking and filing and forwarding it to the respective contact persons;
- (vi) preparing and organising shareholders' meetings, preparing and circulating agendas and other documents or draft documents required at or in connection with such meetings, providing facilities for such meetings and keeping the minutes of such meetings;
- (vii) keeping and maintaining the Issuer's corporate files and maintaining the corporate records, including the list of shareholders and the minutes of the shareholders' meetings;
- (viii) mandating and supervising tax advisors to prepare tax returns and statutory financial statements;
- (ix) supervising matters related to the local registration with the commercial register;

- (x) mandating the managing directors of the Issuer to prepare the annual accounts of the Issuer;
- (xi) accounting for the Issuer, including, without limitation, the preparation of monthly statements according to German GAAP (*Generally Accepted Accounting Principles*) and IFRS (*International Financial Reporting Standards*), as relevant, and providing such monthly statements to the Seller or the Servicer (if different to the Seller) within three (3) Business Days after receipt of each Servicing Report from the Servicer in accordance with the Servicing Agreement;
- (xii) instructing and providing assistance to the auditors of the Issuer to carry out the audit of the annual accounts of the Issuer and, if required, filing such accounts with the relevant authorities;
- (xiii) filing the Issuer's annual accounts and tax returns with the competent authorities;
- (xiv) assisting the tax advisors and/or auditors of the Issuer to ensure that all application forms (including for extending the certificate issued by a competent German local tax authority confirming that there is no obligation to withhold any taxes (*Dauerüberzahlerbescheinigung*)) are filed with the competent German local tax authority and that the Issuer is registered for tax purposes with respect to all applicable German taxes and using all reasonable endeavours to ensure that the Issuer complies in all respects with its obligations in respect of any applicable taxes;
- (xv) with the assistance of tax advisors if necessary, filing all applications for reverse VAT and undertaking all subsequent monthly VAT filings, if applicable
- (xvi) instructing the tax advisors to prepare the annual tax returns of the Issuer and providing to the tax advisors all information necessary to prepare such returns and submitting such returns together with the annual accounts to the competent German tax authorities;
- (xvii) being responsible for the administrative monitoring of each Account (including, for the avoidance of doubt, any ledger of such Account), including:
 - (a) ensuring that the Issuer complies with its obligations under the Transaction Documents and any other agreements entered into by it in relation to any Account;
 - (b) performing all its duties under the Accounts Agreement with respect to each Account;
 - (c) neither creating nor permitting the creation of any security interest in the name of the Issuer over or in relation to the assets of the Issuer, other than as provided by the Transaction Documents; and
 - (d) opening new Accounts and a custody account with an acceptable counterparty as custodian, as and when required;
- (xviii) notifying each of the Issuer and the Security Trustee without undue delay if the Corporate Administrator attains actual knowledge that the rating of the Account Bank is withdrawn or falls under any of the Account Bank Required Ratings of the Account Bank;
- (xix) co-ordinating and facilitating the preparation and issuance by the Issuer of and, if requested by either the Issuer or the Security Trustee, drafting all notices, acknowledgements, consents and demands which the Issuer is required to provide or issue under the Transaction Documents and undertaking all other obligations required of it under the Transaction Documents;
- (xx) assisting the Issuer with and facilitating the identification of a suitable substitute servicer if the appointment of the Servicer under the Servicing Agreement is terminated and such termination is not due to the outsourcing of the servicing and collection of receivables and related collateral to a new direct or indirect subsidiary of the Seller or of a parent of the Seller;
- (xxi) providing the services necessary to procure that the Issuer complies with (aa) its obligations under the German Money Laundering Act (*Gesetz über das Aufspüren von Gewinnen aus schweren Straftaten – Geldwäschegesetz*), (bb) its clearing, reporting or other obligations imposed on it by virtue of EMIR (or any amended or successor provisions) with respect to any Transaction Document (including any replacement swap), and (cc) any other legal obligations applicable to it;

- (xxii) undertaking quarterly statistical reporting to the German central bank (*Deutsche Bundesbank*) based on the respective reporting received by it from the Servicer (enclosure S1/P1 of their reporting to the German central bank);
- (xxiii) undertaking monthly reporting to the German central bank (*Deutsche Bundesbank*) with respect to cross-border payments (*AWV-Meldungen*);
- (xxiv) acting as process agent on behalf of the Issuer in the Federal Republic of Germany;
- (xxv) providing all other services as are incidental to the above corporate services and as are from time to time agreed with the Issuer in connection with the transaction contemplated by the Transaction Documents;
- (xxvi) providing such further corporate administration services as may be required by the Issuer from time to time subject to the fees chargeable by the Corporate Administrator in accordance with Clause 9.3 of the Corporate Administration Agreement;
- (xxvii) notifying the Security Trustee, the Issuer and the Servicer and if no back-up servicer has been appointed within thirty (30) calendar days after the Back-Up Facilitator has been commenced its services;
- (xxviii) notifying the Security Trustee, the Issuer, the Servicer and each Rating Agency if no backup servicer has been appointed within ninety (90) calendar days after the Back-Up Facilitator has been commenced its services;
- (xxix) making the demands pursuant to Paragraph 2(a) of the relevant Credit Support Annex entered into between any Interest Rate Swap Counterparty and the Issuer in connection with the relevant Interest Rate Swap on behalf of the Issuer, if relevant;
- (xxx) facilitating the appointment of a replacement swap counterparty pursuant to the relevant ISDA Schedule in respect of each relevant Interest Rate Swap.

Each party to the Corporate Administration Agreement may terminate such agreement or any part thereof for good cause (*aus wichtigem Grund*) and, if possible, give the other party and the Security Trustee not less than thirty (30) calendar days' prior notice thereof. The Issuer may, with the prior written consent of the Security Trustee, terminate the appointment of the Corporate Administrator under the Corporate Administration Agreement by giving the Corporate Administrator not less than thirty (30) calendar days' prior notice of such termination. The Corporate Administrator may at any time resign from its office by giving the Issuer and the Security Trustee not less than thirty (30) calendar days' prior notice.

Any such resignation shall become effective only upon (i) the appointment by the Issuer, with the prior written consent of the Security Trustee, of another entity (the "**New Corporate Administrator**") and (ii) the giving of prior notice of such appointment to the Noteholders in accordance with Condition 13 (*Form of Notices*) of the Terms and Conditions of the Notes. If the Issuer fails to appoint a New Corporate Administrator within ten (10) calendar days after receipt of the resignation notice given by the Corporate Administrator in accordance with item (b) above, then the resigning Corporate Administrator may appoint such New Corporate Administrator in the name and for the account of the Issuer by giving (i) prior notice of such appointment to the Noteholders in accordance with Condition 13 (*Form of Notices*) of the Terms and Conditions of the Notes and (ii) at least fifteen (15) calendar days' prior notice of such appointment to the Issuer and the Security Trustee in accordance with the Corporate Administration Agreement.

In the event the Corporate Administrator resigns from office in accordance with the Corporate Administration Agreement without good cause (*ohne wichtigen Grund*) or the Issuer terminates the appointment of the Corporate Administrator due to its conduct constituting good cause (*wichtiger Grund*) for termination, the Corporate Administrator shall bear all costs and expenses directly associated with the appointment of a New Corporate Administrator (including the costs of all required publications and legal fees, if any).

Upon the termination or resignation of the Corporate Administrator becoming effective, the Corporate Administrator shall deliver to the Issuer, as it shall direct, all books of accounts, papers, records, registers, correspondence and documents in its possession or under its control relating to the affairs of or belonging to the Issuer, any original contracts and/or Transaction Documents, any monies then held by the Corporate

Administrator on behalf of the Issuer and any other assets of the Issuer and shall take such further action as the Issuer may reasonably direct.

At any time following the appointment of a New Corporate Administrator in accordance with the terms of the Corporate Administration Agreement, the Corporate Administrator shall:

- (i) provide to the New Corporate Administrator all such information available to the Corporate Administrator as the New Corporate Administrator may reasonably require for the purposes of performing the functions of corporate administrator under the Corporate Administration Agreement;
- (ii) take such further action within its power with regard to the appointment of a New Corporate Administrator as the Issuer or the Security Trustee may reasonably request; and
- (iii) not take any action which would be likely to have a material adverse effect on the ability of the New Corporate Administrator to perform its obligations under the Corporate Administration Agreement.

WEIGHTED AVERAGE LIFE OF NOTES AND ASSUMPTIONS

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

Calculated estimates as to the expected average life of the Class A Notes and the Class B Notes can be made based on certain assumptions. These estimates have certain inherent limitations. No representations are made that such estimates are accurate, that all assumptions relating to such estimates have been considered or stated or that such estimates will be realised. The calculated estimates as to the expected average life of the Class A Notes and the Class B Notes are subject to change should one or more than one of the assumptions (a) to (g) below turn out to be incorrect.

The table below shows the expected average life of the Class A Notes and the Class B Notes based on the following assumptions:

(a) the contractual amortisation schedule of the Portfolio as of 11 October 2018 is assumed as follows:

Month	Outstanding Principal Balance (%)	Month	Outstanding Principal Balance (%)	Month	Outstanding Principal Balance (%)
0	100.00%	30	30.35%	60	0.44%
1	98.78%	31	28.47%	61	0.39%
2	96.54%	32	26.28%	62	0.35%
3	94.15%	33	24.42%	63	0.32%
4	91.81%	34	22.40%	64	0.28%
5	89.49%	35	20.76%	65	0.25%
6	86.90%	36	19.28%	66	0.22%
7	84.43%	37	17.67%	67	0.19%
8	82.01%	38	15.91%	68	0.17%
9	79.49%	39	14.43%	69	0.14%
10	77.09%	40	12.75%	70	0.12%
11	74.95%	41	11.20%	71	0.10%
12	72.86%	42	9.49%	72	0.09%
13	70.79%	43	7.95%	73	0.07%
14	68.72%	44	6.26%	74	0.06%
15	66.69%	45	4.66%	75	0.04%
16	64.59%	46	3.01%	76	0.03%
17	62.10%	47	2.53%	77	0.02%
18	59.22%	48	2.30%	78	0.02%
19	56.22%	49	2.08%	79	0.01%
20	53.12%	50	1.84%	80	0.00%
21	50.23%	51	1.62%	81	0.00%
22	47.69%	52	1.41%	82	0.00%
23	45.34%	53	1.25%	83	0.00%
24	43.20%	54	1.07%	84	0.00%
25	40.92%	55	0.93%	85	0.00%
26	38.58%	56	0.80%	86	0.00%
27	36.46%	57	0.69%	87	0.00%
28	34.40%	58	0.55%	88	0.00%
29	32.46%	59	0.48%	89	0.00%

(b) during the Revolving Period, all principal collections are applied to the purchase Additional Receivables;

- (c) the contractual amortisation schedule of each pool of Additional Receivables transferred to the Issuer on each Payment Date of the Revolving Period has a contractual amortisation schedule identical to that of the Portfolio as of 11 October 2018;
- (d) the Seller does not repurchase any Purchased Receivable;
- (e) there are no delinquencies or losses on the Purchased Receivables, and monthly instalments of principal are received on their due date together with prepayments, if any, at the respective constant prepayment rates ("CPR") set forth in the table below;
- (f) no liquidation of the Issuer except for the 10% Clean-up Call;
- (g) payments of interest due and payable under the Notes are received on the 19th day of each month, commencing in 19 November 2018;
- (h) payments of principal due and payable under the Notes are received on the 19th day of each month, commencing in 19 November 2019;
- (i) zero per cent. investment return is earned on the Accounts; and
- (j) no Amortisation Event occurs.

Constant Prepayment Rate in %	Class A Notes			Class B Notes		
	Weighted Average Life (years)	First Principal Payment Date	Last Principal Payment Date	Weighted Average Life (years)	First Principal Payment Date	Last Principal Payment Date
0.0%	2.28	Nov-19	Jul-22	3.73	Jul-22	Jul-22
5.0%	2.22	Nov-19	Jul-22	3.73	Jul-22	Jul-22
10.0%	2.15	Nov-19	Jun-22	3.65	Jun-22	Jun-22
15.0%	2.09	Nov-19	May-22	3.57	May-22	May-22
20.0%	2.03	Nov-19	May-22	3.57	May-22	May-22

The CPR is an assumed annual constant rate of payment of principal not anticipated by the scheduled amortisation of the Portfolio which, when applied monthly, results in the expected portfolio of the Purchased Receivables balance and allows to calculate the monthly prepayment. The Constant Prepayment Rates shown above are purely illustrative and do not represent the full range of possibilities for constant prepayment rates.

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

ASSUMED AMORTISATION OF THE NOTES

Assumed Amortisation of the Notes if Clean-up Call is exercised

The following estimated amortisation scenario is based on (a) the assumptions listed above under "Weighted Average Life of Notes And Assumptions" and (b) for different CPR scenarios. It should be noted that the actual amortisation of the Class A Notes may differ substantially from the amortisation scenario indicated below. The amortisation is calculated on certain monthly payment dates and under the scenario of the constant CPR shown as a percentage of the initial Class A Principal Amount at the Closing Date and rounded at the nearest decimal.

Month	Class A Principal Outstanding Amount				
	0% CPR	5% CPR	10% CPR	15% CPR	20% CPR
Oct-18	100.00%	100.00%	100.00%	100.00%	100.00%
Nov-18	100.00%	100.00%	100.00%	100.00%	100.00%
Dec-18	100.00%	100.00%	100.00%	100.00%	100.00%
Jan-19	100.00%	100.00%	100.00%	100.00%	100.00%
Feb-19	100.00%	100.00%	100.00%	100.00%	100.00%
Mar-19	100.00%	100.00%	100.00%	100.00%	100.00%
Apr-19	100.00%	100.00%	100.00%	100.00%	100.00%
May-19	100.00%	100.00%	100.00%	100.00%	100.00%
Jun-19	100.00%	100.00%	100.00%	100.00%	100.00%
Jul-19	100.00%	100.00%	100.00%	100.00%	100.00%
Aug-19	100.00%	100.00%	100.00%	100.00%	100.00%
Sep-19	100.00%	100.00%	100.00%	100.00%	100.00%
Oct-19	100.00%	100.00%	100.00%	100.00%	100.00%
Nov-19	96.93%	96.48%	96.01%	95.52%	94.99%
Dec-19	93.84%	92.96%	92.05%	91.09%	90.09%
Jan-20	90.78%	89.51%	88.19%	86.81%	85.36%
Feb-20	87.67%	86.04%	84.34%	82.58%	80.74%
Mar-20	84.13%	82.18%	80.18%	78.10%	75.94%
Apr-20	80.15%	77.96%	75.71%	73.39%	70.98%
May-20	76.05%	73.66%	71.21%	68.68%	66.08%
Jun-20	71.82%	69.28%	66.67%	63.99%	61.24%
Jul-20	67.81%	65.13%	62.38%	59.57%	56.70%
Aug-20	64.18%	61.35%	58.47%	55.53%	52.54%
Sep-20	60.74%	57.78%	54.78%	51.73%	48.64%
Oct-20	57.53%	54.45%	51.33%	48.18%	45.00%
Nov-20	54.16%	50.99%	47.80%	44.59%	41.36%
Dec-20	50.72%	47.50%	44.27%	41.03%	37.79%
Jan-21	47.51%	44.24%	40.98%	37.72%	34.48%
Feb-21	44.35%	41.06%	37.78%	34.52%	31.29%
Mar-21	41.32%	38.01%	34.73%	31.49%	28.28%
Apr-21	38.13%	34.84%	31.61%	28.41%	25.28%
May-21	35.22%	31.96%	28.76%	25.61%	22.54%
Jun-21	31.99%	28.82%	25.72%	22.69%	19.73%
Jul-21	29.16%	26.07%	23.05%	20.11%	17.25%
Aug-21	26.18%	23.21%	20.32%	17.51%	14.79%
Sep-21	23.64%	20.75%	17.96%	15.25%	12.64%
Oct-21	21.30%	18.50%	15.79%	13.18%	10.67%
Nov-21	18.82%	16.14%	13.56%	11.08%	8.71%
Dec-21	16.20%	13.69%	11.27%	8.96%	6.75%
Jan-22	13.91%	11.53%	9.26%	7.09%	5.02%
Feb-22	11.41%	9.23%	7.14%	5.15%	3.26%

Mar-22	9.07%	7.08%	5.17%	3.36%	1.64%
Apr-22	6.57%	4.81%	3.13%	1.52%	0.00%
May-22	4.26%	2.73%	1.25%	0.00%	0.00%
Jun-22	1.80%	0.53%	0.00%	0.00%	0.00%
Jul-22	0.00%	0.00%	0.00%	0.00%	0.00%
Aug-22	0.00%	0.00%	0.00%	0.00%	0.00%

Class B Principal Outstanding Amount					
Month	0% CPR	5% CPR	10% CPR	15% CPR	20% CPR
Oct-18	100.00%	100.00%	100.00%	100.00%	100.00%
Nov-18	100.00%	100.00%	100.00%	100.00%	100.00%
Dec-18	100.00%	100.00%	100.00%	100.00%	100.00%
Jan-19	100.00%	100.00%	100.00%	100.00%	100.00%
Feb-19	100.00%	100.00%	100.00%	100.00%	100.00%
Mar-19	100.00%	100.00%	100.00%	100.00%	100.00%
Apr-19	100.00%	100.00%	100.00%	100.00%	100.00%
May-19	100.00%	100.00%	100.00%	100.00%	100.00%
Jun-19	100.00%	100.00%	100.00%	100.00%	100.00%
Jul-19	100.00%	100.00%	100.00%	100.00%	100.00%
Aug-19	100.00%	100.00%	100.00%	100.00%	100.00%
Sep-19	100.00%	100.00%	100.00%	100.00%	100.00%
Oct-19	100.00%	100.00%	100.00%	100.00%	100.00%
Nov-19	100.00%	100.00%	100.00%	100.00%	100.00%
Dec-19	100.00%	100.00%	100.00%	100.00%	100.00%
Jan-20	100.00%	100.00%	100.00%	100.00%	100.00%
Feb-20	100.00%	100.00%	100.00%	100.00%	100.00%
Mar-20	100.00%	100.00%	100.00%	100.00%	100.00%
Apr-20	100.00%	100.00%	100.00%	100.00%	100.00%
May-20	100.00%	100.00%	100.00%	100.00%	100.00%
Jun-20	100.00%	100.00%	100.00%	100.00%	100.00%
Jul-20	100.00%	100.00%	100.00%	100.00%	100.00%
Aug-20	100.00%	100.00%	100.00%	100.00%	100.00%
Sep-20	100.00%	100.00%	100.00%	100.00%	100.00%
Oct-20	100.00%	100.00%	100.00%	100.00%	100.00%
Nov-20	100.00%	100.00%	100.00%	100.00%	100.00%
Dec-20	100.00%	100.00%	100.00%	100.00%	100.00%
Jan-21	100.00%	100.00%	100.00%	100.00%	100.00%
Feb-21	100.00%	100.00%	100.00%	100.00%	100.00%
Mar-21	100.00%	100.00%	100.00%	100.00%	100.00%
Apr-21	100.00%	100.00%	100.00%	100.00%	100.00%
May-21	100.00%	100.00%	100.00%	100.00%	100.00%
Jun-21	100.00%	100.00%	100.00%	100.00%	100.00%
Jul-21	100.00%	100.00%	100.00%	100.00%	100.00%
Aug-21	100.00%	100.00%	100.00%	100.00%	100.00%
Sep-21	100.00%	100.00%	100.00%	100.00%	100.00%
Oct-21	100.00%	100.00%	100.00%	100.00%	100.00%
Nov-21	100.00%	100.00%	100.00%	100.00%	100.00%
Dec-21	100.00%	100.00%	100.00%	100.00%	100.00%
Jan-22	100.00%	100.00%	100.00%	100.00%	100.00%
Feb-22	100.00%	100.00%	100.00%	100.00%	100.00%
Mar-22	100.00%	100.00%	100.00%	100.00%	100.00%
Apr-22	100.00%	100.00%	100.00%	100.00%	100.00%

May-22	100.00%	100.00%	100.00%	0.00%	0.00%
Jun-22	100.00%	100.00%	0.00%	0.00%	0.00%
Jul-22	0.00%	0.00%	0.00%	0.00%	0.00%
Aug-22	0.00%	0.00%	0.00%	0.00%	0.00%

DESCRIPTION OF THE PORTFOLIO

The Portfolio consists of the Purchased Receivables arising under the Auto Loan Contracts and the Related Collateral, originated by the Seller pursuant to the Credit and Collection Policy. See "*CREDIT AND COLLECTION POLICY*". The Purchased Receivables included in the Portfolio are derived from a portfolio of loans to retail customers to finance the purchase of Cars and were acquired by the Issuer pursuant to the Receivables Purchase Agreement. The Aggregate Outstanding Principal Amount of the Portfolio as of 11 October 2018 is EUR 666,699,650.51.

The Seller has made, *inter alia*, the following representations and warranties with respect to the Portfolio under the Receivables Purchase Agreement to the Issuer:

- (a) On each Purchase Date any Receivable offered for purchase is an Eligible Receivable.
- (b) All the Auto Loan Contracts are legally valid, binding, enforceable and assignable and that all Auto Loan Contracts were entered into with respect to a Car registered in Germany title to which has been transferred by the relevant Debtor to the Seller as Related Collateral.
- (c) There exists in respect of each Receivable offered for sale and assignment to the Issuer under the Receivables Purchase Agreement the Related Collateral contemplated in the relevant Auto Loan Contract.
- (d) Upon the payment of the purchase price for the Receivables and the Related Collateral on the Purchase Date under the Receivables Purchase Agreement the Issuer will acquire the ownership of each Purchased Receivable assigned on the Purchase Date and the Related Collateral contemplated in the relevant Auto Loan Contract free and clear of any Adverse Claim.
- (e) Neither the Purchased Receivables, the Related Collateral nor the claim for payment of Available Collections by the Servicer and the Seller to the Issuer is collateralised by a security interest in German-situs real property, or rights therein, or in ships, or rights in ships, registered in a German ship registry, or is evidenced by a security, such as a registered or bearer bond.

The Issuer hereby declares that the securitised assets backing the issue have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes. However, this is not a guarantee by the Issuer and the Issuer as a special purpose entity has only limited resources available as described under the heading "*RISK FACTORS - Limited resources of the Issuer*".

SALE AND PURCHASE OF RECEIVABLES

On the Closing Date, the Issuer will purchase the Initial Receivables from the Seller in accordance with the Receivables Purchase Agreement. The Seller will represent under the Receivables Purchase Agreement, that each Receivable and any part thereof to be sold and assigned to the Issuer meets the eligibility criteria set out in "*DESCRIPTION OF THE PORTFOLIO — Individual Receivable Eligibility Criteria — Eligibility Criteria – Part 1 – Eligibility Criteria*" herein.

On each Subsequent Selection Date, the Seller will flag the Additional Receivables in its systems which it intends to offer for sale, transfer and assignment on the next following Subsequent Purchase Date in accordance with the Receivables Purchase Agreement for the relevant Principal Component Purchase Price, subject to the aggregate Outstanding Principal Amount of such Additional Receivables not exceeding the Maximum Receivables Purchase Amount. On each Subsequent Purchase Date, the Seller will offer such Additional Receivables for sale to the Issuer and, in such case, the Issuer will be obligated to purchase and acquire such Additional Receivables for purposes of a replenishment, **provided that** that the obligation to pay the Principal Component Purchase Price on such Subsequent Purchase Date can be satisfied in whole (but not in part) by the Issuer by applying the Available Principal Amount in accordance with item *second* of the Pre-Enforcement Principal Priority of Payments.

The obligation of the Issuer to pay the purchase price for any Additional Receivables in accordance with the Receivables Purchase Agreement may (to the extent possible) be netted against the obligation of the Seller acting as Servicer under the Servicing Agreement to transfer Available Collections (or, with respect to Deemed Collections, pay Deemed Collections where the Seller is identical with the Servicer) to the Issuer on the respective Payment Date falling on the Purchase Date on which the Issuer purchases the relevant Additional Receivables from the Seller. The Seller shall sell and assign only Additional Receivables which are Eligible Receivables and, in addition, following the purchase of such Additional Receivable on a Subsequent Purchase Date, the Portfolio must meet the eligibility criteria for an Eligible Portfolio (and, for the avoidance of doubt, such Additional Receivable shall not be so purchased if, following such purchase, the Portfolio would not meet such eligibility criteria). See "*DESCRIPTION OF THE PORTFOLIO — Eligibility Criteria – Part 1 – Individual Receivable Eligibility Criteria*" and "*DESCRIPTION OF THE PORTFOLIO — Eligibility Criteria – Part 2 – Global Portfolio Revolving Eligibility Criteria*".

ELIGIBILITY CRITERIA

As of the Purchase Date on which any Receivable is purchased, such Receivable must meet the following criteria (the "**Eligibility Criteria**") in order to be eligible for acquisition by the Issuer pursuant to the Receivables Purchase Agreement. The Eligibility Criteria constitute **Appendix C** to the Terms and Conditions of the Notes and form an integral part of the Terms and Conditions of the Notes.

The Eligibility Criteria comprise two parts. Part 1 comprises criteria which must be met by each Receivable on the Purchase Date on which such Receivable is purchased. Part 2 comprises criteria which must be met by the Portfolio following the purchase of any Additional Receivable on the relevant Subsequent Purchase Date on which such Additional Receivable has been purchased (for the avoidance of doubt, taking into account such Additional Receivable). Compliance with the Eligibility Criteria will be determined by the Calculation Agent, with respect to any Determination Date and a Collection Period ending on such Determination Date, on the Calculation Date immediately following such Determination Date on the basis of the Servicing Report (and any additional servicing report) relating to such Collection Period provided to the Calculation Agent by the Servicer prior to such Calculation Date.

Under the Receivables Purchase Agreement the Seller represents and warrants, as at the Closing Date and as at each Purchase Date during the Revolving Period, by way of an independent guarantee within the meaning of Section 311 of the German Civil Code (*Bürgerliches Gesetzbuch*) irrespective of fault (*selbständiges verschuldensunabhängiges Garantieverprechen*) to the Issuer that on the First Purchase Date and, thereafter, on any Subsequent Purchase Date, any Receivable offered for purchase on the relevant Purchase Date is an Eligible Receivable and, in addition, on any Subsequent Purchase Date, the Portfolio meets eligibility criteria for an Eligible Portfolio following the purchase of such Additional Receivable on such Subsequent Purchase Date.

Part 1 – Individual Receivable Eligibility Criteria

A Receivable is an Eligible Receivable and will be eligible for acquisition by the Issuer pursuant to the Receivables Purchase Agreement if it and the relevant Auto Loan Contract and any part thereof meets the following conditions cumulatively:

1. The Receivable

- (a) it arises under an Auto Loan Contract which complies with the Auto Loan Contracts Eligibility Criteria and has been originated in the ordinary course of the Seller's business in accordance with its underwriting and management procedures and is based on the Seller's general terms and conditions of business;
- (b) the Auto Loan Contract from which it derives has not been terminated;
- (c) the loan facility under the Auto Loan Contract from which it derives has been fully drawn by the relevant Debtor and the Auto Loan Contract does not provide for any possibility of further advances to the relevant Debtor;
- (d) the Auto Loan Contract was executed with a Retail Customer for the acquisition of a New Car or a Used Car;
- (e) the Auto Loan Contract from which it derives was executed by the Seller in relation to the purchase by the relevant Debtor of a Car, and is secured by the relevant Car, and at the time of sale and assignment of the relevant Receivable and of the related Ancillary Rights the Seller has no direct possession (*unmittelbaren Besitz*) but indirect possession (*mittelbaren Besitz*) to and a valid claim for return of (*Herausgabeanspruch*) the Car (which was situated in Germany at that time);
- (f) to the extent that the relevant Debtor is a consumer within the meaning of Section 491 (1) of the German Civil Code (*Bürgerliches Gesetzbuch*), the Seller has fully complied with all applicable consumer legislation and any applicable right of withdrawal (*Widerrufsrecht/Widerspruchsrecht*) or right to return (*Rückgaberecht*) of such Debtor with respect to the relevant Auto Loan Contract or to the relevant Car has irrevocably lapsed;

- (g) it is due from a Debtor who is not insolvent or bankrupt (*zahlungsunfähig*) including imminent inability to pay its debts (*drohende Zahlungsunfähigkeit*) or overindebted (*überschuldet*) and against whom no proceedings for the commencement of insolvency proceedings are pending in any jurisdiction;
- (h) immediately prior to its assignment by the Seller to the Issuer the Seller has full title to the Receivable and the related Ancillary Rights and neither the Receivable nor any related Ancillary Right is, at such time, subject, either totally or partially, to assignment, delegation, pledge, attachment, claim, set-off claim which has arisen or encumbrance of whatever type which would affect the assignment of the Receivable or any related Ancillary Right;
- (i) the interest rate applicable to such Receivable is fixed and its Loan Instalments are of the same amount (with the exception of, in respect of a Balloon Loan, the last Instalment);
- (j) the Effective Interest Rate applicable to each Receivable is at least 3.0% per annum;
- (k) it is payable in Euros;
- (l) it is not a Defaulted Receivable and more generally is not doubtful, or subject to any kind of litigation or moratorium and not a Restructured Receivable;
- (m) the Auto Loan Contract from which it derives amortises on a monthly basis and gives rise to monthly Loan Instalments;
- (n) its payment is made by the direct debit of a bank account authorised by the relevant Debtor at the signature date of the Auto Loan Contract from which it derives and the Servicer has taken the steps necessary to ensure that such direct debit is credited directly to the credit of the Servicer's account from the relevant Purchase Date;
- (o) there is no amount in arrears under the Auto Loan Contract from which it derives and it is not subject to a judicial collection procedure;
- (p) it respect of which at least one (1) Loan Instalment has been paid by the relevant Debtor;
- (q) the relevant Debtor is domiciled in Germany as of the signature date of the relevant Auto Loan Contract;
- (r) the payment due by the Debtor in respect of the Receivable is not subject to withholding tax;
- (s) the Outstanding Principal Amount due under the relevant Auto Loan Contract shall be between EUR 500 and EUR 75,000, as of the First Selection Date or, as applicable, the Subsequent Selection Date immediately preceding the relevant Subsequent Purchase Date;
- (t) the Auto Loan Contract from which it derives does not provide for an arrangement for the extension of time for payments, or for the temporary cessation of payments by the relevant Debtor;
- (u) the Auto Loan Contract from which it derives has (i) in respect of a Standard Loan, an initial maturity not longer than 84 months and (ii) in respect of a Balloon Loan, an initial maturity not longer than 60 months;
- (v) if the Auto Loan Contract constitutes a Balloon Loan, upon the conclusion of the Auto Loan Contract, the final (balloon) instalment does not exceed 80% of the Outstanding Principal Amount;
- (w) as of the relevant Selection Date, the Auto Loan Contract from which it derives shall still give rise to at least two (2) Loan Instalments until its termination date;
- (x) it is individualised and identified in the Seller's information systems, at the latest before the relevant Purchase Date, in such manner as to be identified or identifiable for the

purpose of German civil law by the Issuer at any moment when an offer is made as of the relevant Purchase Date;

- (y) the Seller has not taken any deposit from a Commercial Debtor (including Seller Deposits), except if the respective Auto Loan Contract entered into by such Commercial Debtor excludes any set-off right that would entitle such Commercial Debtor to raise any defense in respect of any Purchased Receivable; and
- (z) no Debtor has a defense, a claim for compensation or any other similar claim it can raise against the Seller, a Dealer or the Issuer, whether by way of set-off or otherwise, and whether under the Auto Loan Contract or a linked contract, which could adversely affect a Receivable;

2. The Auto Loan Contracts

- (a) were each executed between the Seller (or any other entity to the rights of which the Seller has succeeded) and a Debtor pursuant to the applicable provisions of the German Civil Code (*Bürgerliches Gesetzbuch*) and all other applicable legal and regulatory provisions;
- (b) are governed by German Law and any related claims are subject to the jurisdiction of the German courts;
- (c) were executed pursuant to the following process: (i) a non-binding preliminary credit-offer was made by the Seller to the Debtors; (ii) the relevant Debtor signed the credit offer, which constituted the offer to execute the Auto Loan Contract; (iii) this offer by the relevant Debtor has then been accepted by the Seller;
- (d) constitute legal, valid and enforceable contractual obligations (except for provisions restricting the right of the borrower to declare set-off to cases where his or her claim is either undisputed (*unbestritten*) or finally adjudicated (*rechtskräftig festgestellt*) and, to the extent that the relevant Debtor is a consumer within the meaning of Section 491 (1) of the German Civil Code (*Bürgerliches Gesetzbuch*), the Auto Loan Contract in particular complies with all requirements of the applicable consumer legislation;
- (e) do not contain any legal flaws rendering them voidable, rescindable, revocable or subject to legal termination and, in particular include orderly instructions in respect of the right of revocation of the relevant Debtor, and the relevant Debtor has not used any such right of revocation nor has it commenced an action of revocation within the relevant revocation period, any such revocation period has elapsed, and any revocation right under the Auto Loan Contract is extinguished;
- (f) were each executed in connection with the execution of a sale contract in respect of a New Car manufactured by a Car Manufacturer or a Used Car of any make, entered into between a Car Dealer in Germany or the Seller and a Debtor;
- (g) were each executed by the Seller pursuant to its standard forms of contracts and normal procedures in respect of the acceptance and the extension, of auto financing loans, within the scope of its ordinary credit activity and the Credit and Collection Policy pursuant to procedures and regulations commonly applied by the Seller for these types of receivables;
- (h) are not subject to an action to terminate commenced by the Debtor in virtue of the failure to deliver the Car or relating to hidden defects affecting the Car;
- (i) are not subject to an action to terminate by the Seller on the basis of breach by the relevant Debtor of its obligations under the terms of the Auto Loan Contract and in particular the Debtor's obligation to make timely payments of the Loan Instalments;
- (j) do not authorise the deferral of principal and interest and have not been rescheduled following an amendment of the Auto Loan Contracts;
- (k) result from a value added tax (VAT)-exempt Auto Loan Contract;

- (l) have not been entered into with an employee or affiliate of any group member of PSA Deutschland;
- (m) each have been executed for the financing of one Car only;
- (n) do not contain any provision limiting the free and valid transfer or assignment of the relevant Receivables by the Seller nor any requirement to give notice or obtain consent from the Debtor in relation to any such transfer or assignment;
- (o) were created in compliance with all applicable laws, rules and regulations (in particular with respect to consumer protection and data protection) and all required consents, approvals and authorisations have been obtained in respect thereof and the Seller is not in violation of any such law, rule or regulation;
- (p) do not include any provision preventing the transfer of the Receivables or any data relating to the Receivables, to the relevant Auto Loan Contract or to the relevant Debtor, in the manner and for the purposes contemplated in the Transaction Documents;
- (q) do not make available an initial principal amount which exceeds 100% of the acquisition price of the Car; and
- (r) do not foresee charging a handling fee (*Bearbeitungsgebühr*) by the Seller.

Part 2 – Global Portfolio Revolving Eligibility Criteria

Further and in addition, any Additional Receivable purchased on a Subsequent Purchase Date during the Revolving Period is an Eligible Receivable and will be eligible for acquisition by the Issuer pursuant to the Receivables Purchase Agreement if, following the purchase of such Additional Receivable on the relevant Subsequent Purchase Date, the Portfolio would meet the following conditions cumulatively (and, for the avoidance of doubt, such Additional Receivable shall not be so purchased if, following such purchase, the Portfolio would not meet the following conditions cumulatively):

- (a) the aggregate Outstanding Principal Amount of all Purchased Receivables that are Performing Receivables (as of such Subsequent Purchase Date and taking into account all Additional Receivables to be purchased on such Subsequent Purchase Date):
 - (i) which derive from Auto Loan Contracts in respect of Balloon Loans entered into with a Commercial Debtor does not exceed 25% of the aggregate Outstanding Principal Amount of all Purchased Receivables that are Performing Receivables, taking into account those Additional Receivables;
 - (ii) which derive from Auto Loan Contracts entered into with a Commercial Debtor does not exceed 35% of the aggregate Outstanding Principal Amount of all Purchased Receivables that are Performing Receivables, taking into account those Additional Receivables;
 - (iii) which derive from Auto Loan Contracts in respect of Balloon Loans does not exceed 85% of the aggregate Outstanding Principal Amount of all Purchased Receivables that are Performing Receivables, taking into account those Additional Receivables;
 - (iv) which derive from Auto Loan Contracts entered into to purchase Used Cars does not exceed 25% of the aggregate Outstanding Principal Amount of all Purchased Receivables that are Performing Receivables, taking into account those Additional Receivables; and
 - (v) which are owed by the same Debtor does not exceed 0.05% of the aggregate Outstanding Principal Amount of all Purchased Receivables that are Performing Receivables, taking into account those Additional Receivables;
- (b) the aggregate of the Balloon Amounts in respect of all Purchased Receivables that are Performing Receivables as of such date, taking into account all Additional Receivables to

be purchased on such Subsequent Purchase Date, is less than 60% of the aggregate Outstanding Principal Amount of all Purchased Receivables that are Performing Receivables, taking into account those Additional Receivables;

- (c) the Weighted Average Effective Interest Rate of all Purchased Receivables that are Performing Receivables as of such date, taking into account all Additional Receivables to be purchased on such Subsequent Purchase Date, is higher than or equal to 4.0%; and
- (d) the average remaining term weighted by the Outstanding Principal Amount under the Auto Loan Contracts from which the Receivables arising are Performing Receivables, taking into account all Additional Receivables to be purchased on such Subsequent Purchase Date, does not exceed 46 months.

INFORMATION TABLES REGARDING THE PORTFOLIO

The following statistical information sets out certain characteristics of the Portfolio as of 11 October 2018, unless indicated otherwise. The information set out below in respect of the Portfolio may not necessarily correspond to that of the Purchased Receivables as of the Closing Date or as of any Subsequent Purchase Date as a result of prepayments and repayments prior to the Closing Date or the relevant Subsequent Purchase Date or failure to comply with the Eligibility Criteria on the Closing Date or the relevant Subsequent Purchase Date. After the Closing Date and after any Subsequent Purchase Date, the Portfolio will change from time to time as a result of repayment, prepayments or repurchase of Purchased Receivables.

1. Key Characteristics of the Portfolio

Number of Loans	64,942
Original Outstanding Balance (EUR)	939,319,711
Outstanding Balance (EUR)	666,699,651
Average Original Outstanding Loan Size (EUR)	14,464
Average Current Outstanding Loan Size (EUR)	10,266
WA Effective Interest Rate (%)	4.55%
WA Seasoning (in months)	18.03
WA Remaining Term (in months)	32.11

2. Vehicle Type

Vehicle Type	Number of Loans Standard	Number of Loans Balloon	Total Number of Loans		Outstanding Balance Standard	Outstanding Balance Balloon	Total Outstanding Balance	
			Number	%			Amount in EUR	%
New Cars	8,011	37,095	45,106	69.46%	79,835,012	461,223,086	541,058,098	81.15%
Used Cars	15,862	3,974	19,836	30.54%	87,924,176	37,717,376	125,641,552	18.85%
Total :	23,873	41,069	64,942	100.00%	167,759,188	498,940,462	666,699,651	100.00%

3. Customer Type

Customer Type	Number of Loans Standard	Number of Loans Balloon	Total Number of Loans		Outstanding Balance Standard	Outstanding Balance Balloon	Total Outstanding Balance	
			Number	%			Amount in EUR	%
Commercial	10,015	9,235	19,250	29.64%	90,809,429	132,291,571	223,101,000	33.46%
Consumer	13,858	31,834	45,692	70.36%	76,949,759	366,648,891	443,598,650	66.54%
Total :	23,873	41,069	64,942	100.00%	167,759,188	498,940,462	666,699,651	100.00%

4. Amortisation Type

Amortisation Type	Number of Loans		Total Outstanding Balance	
	Number	%	Amount in EUR	%
Standard	23,873	36.76%	167,759,188	25.16%
Balloon	41,069	63.24%	498,940,462	74.84%
Total :	64,942	100.00%	666,699,651	100.00%

5. Initial Outstanding Balance

Initial Outstanding Balance	Number of Loans		Total Outstanding Balance	
	Number	%	Amount in EUR	%
[0.00 – 2,500.00 [	401	0.62%	430,992	0.06%
[2,500.00 – 5,000.00 [	2,681	4.13%	6,094,879	0.91%
[5,000.00 – 7,500.00 [	6,064	9.34%	23,328,819	3.50%
[7,500.00 - 10,000.00 [	8,637	13.30%	50,078,287	7.51%
[10,000.00 – 12,500.00 [	10,367	15.96%	81,232,390	12.18%
[12,500.00 - 15,000.00 [	9,830	15.14%	95,987,095	14.40%
[15,000.00 - 17,500.00 [	7,736	11.91%	89,658,932	13.45%
[17,500.00 - 20,000.00[	6,334	9.75%	85,820,988	12.87%
[20,000.00 - 22,500.00[	4,926	7.59%	74,667,466	11.20%
[22,500.00 - 25,000.00 [	3,361	5.18%	57,148,017	8.57%
[25,000.00 - 27,500.00 [	1,953	3.01%	37,473,180	5.62%
[27,500.00 - 30,000.00 [	1,181	1.82%	25,670,791	3.85%
[30,000.00 - 32,500.00 [	661	1.02%	16,057,716	2.41%
[32,500.00 - 35,000.00 [	401	0.62%	10,678,221	1.60%
[35,000.00 - 37,500.00 [	202	0.31%	5,858,351	0.88%
[37,500.00 - 40,000.00 [	110	0.17%	3,257,920	0.49%
[40,000.00 - 42,500.00 [	49	0.08%	1,628,535	0.24%
[42,500.00 - 45,000.00 [	22	0.03%	753,067	0.11%
[45,000.00 - 47,500.00 [	14	0.02%	401,130	0.06%
[47,500.00 - 50,000.00 [	5	0.01%	226,750	0.03%
[50,000.00 - 52,500.00 [	1	0.00%	48,833	0.01%
[52,500.00 - 55,000.00 [	3	0.00%	100,973	0.02%

[55,000.00 - 57,500.00 [	1	0.00%	38,800	0.01%
[57,500.00 - 60,000.00 [	2	0.00%	57,517	0.01%
>= 60,000.00	0	0.00%	0	0.00%
Total :	64,942	100.00%	666,699,651	100.00%

Minimum	€ 1,000
Maximum	€ 58,641
Average	€ 14,464

6. Remaining Outstanding Balance

Remaining Outstanding Balance	Number of Loans		Total Outstanding Balance	
	Number	%	Amount in EUR	%
[0.00 – 2,500.00 [	5,764	8.88%	8,724,137	1.31%
[2,500.00 – 5,000.00 [	8,272	12.74%	31,336,772	4.70%
[5,000.00 – 7,500.00 [	9,711	14.95%	60,819,236	9.12%
[7,500.00 - 10,000.00 [	10,757	16.56%	94,325,276	14.15%
[10,000.00 – 12,500.00 [	9,928	15.29%	111,398,609	16.71%
[12,500.00 - 15,000.00 [	7,564	11.65%	103,471,052	15.52%
[15,000.00 - 17,500.00 [	4,943	7.61%	79,771,580	11.97%
[17,500.00 - 20,000.00[	3,192	4.92%	59,613,024	8.94%
[20,000.00 - 22,500.00[	2,015	3.10%	42,610,560	6.39%
[22,500.00 - 25,000.00 [	1,164	1.79%	27,478,581	4.12%
[25,000.00 - 27,500.00 [	699	1.08%	18,258,103	2.74%
[27,500.00 - 30,000.00 [	456	0.70%	13,054,654	1.96%
[30,000.00 - 32,500.00 [	264	0.41%	8,227,817	1.23%
[32,500.00 - 35,000.00 [	118	0.18%	3,978,124	0.60%
[35,000.00 - 37,500.00 [	54	0.08%	1,957,579	0.29%
[37,500.00 - 40,000.00 [	23	0.04%	892,842	0.13%
[40,000.00 - 42,500.00 [	10	0.02%	410,785	0.06%
[42,500.00 - 45,000.00 [	1	0.00%	43,006	0.01%
[45,000.00 - 47,500.00 [	6	0.01%	279,080	0.04%
[47,500.00 - 50,000.00 [	1	0.00%	48,833	0.01%

[50,000.00 - 52,500.00 [	0	0.00%	0	0.00%
[52,500.00 - 55,000.00 [	0	0.00%	0	0.00%
[55,000.00 - 57,500.00 [	0	0.00%	0	0.00%
[57,500.00 - 60,000.00 [	0	0.00%	0	0.00%
[60,000.00 - 62,500.00 [	0	0.00%	0	0.00%
Total :	64,942	100.00%	666,699,651	100.00%

Minimum	€ 500.23
Maximum	€ 48,832.78
Average	€ 10,266.08

7. Original Term

Original Term to Maturity in Months	Number of Loans		Total Outstanding Balance	
	Number	%	Amount in EUR	%
[06.00 - 12.00 [	15	0.02%	46,397	0.01%
[12.00 - 18.00 [	202	0.31%	644,146	0.10%
[18.00 - 24.00 [	159	0.24%	537,678	0.08%
[24.00 - 30.00 [	1,458	2.25%	7,615,016	1.14%
[30.00 - 36.00 [	464	0.71%	2,344,133	0.35%
[36.00 - 42.00 [	6,012	9.26%	43,018,431	6.45%
[42.00 - 48.00 [	585	0.90%	3,805,024	0.57%
[48.00 - 54.00 [	41,390	63.73%	482,720,878	72.40%
[54.00 - 60.00 [	396	0.61%	2,772,695	0.42%
[60.00 - 66.00 [	9,168	14.12%	84,692,677	12.70%
[66.00 - 72.00 [	196	0.30%	1,178,140	0.18%
[72.00 - 78.00 [	2,128	3.28%	14,620,235	2.19%
[78.00 - 84.00 [	2,769	4.26%	22,704,201	3.41%
Total :	64,942	100.00%	666,699,651	100.00%

Minimum	6.00
Maximum	84.00
Weighted Average	50.14

8. Remaining Term

Remaining Term to Maturity in Months	Number of Loans		Total Outstanding Balance	
	Number	%	Amount in EUR	%
[00.00 - 06.00 [	3,026	4.66%	14,548,704	2.18%
[06.00 - 12.00 [	6,736	10.37%	37,111,474	5.57%
[12.00 - 18.00 [	6,202	9.55%	43,668,866	6.55%
[18.00 - 24.00 [	10,803	16.63%	101,447,651	15.22%
[24.00 - 30.00 [	8,390	12.92%	89,053,033	13.36%
[30.00 - 36.00 [	8,868	13.66%	101,606,442	15.24%
[36.00 - 42.00 [	7,821	12.04%	102,576,632	15.39%
[42.00 - 48.00 [	7,741	11.92%	109,956,665	16.49%
[48.00 - 54.00 [	1,965	3.03%	24,496,301	3.67%
[54.00 - 60.00 [	1,815	2.79%	23,564,717	3.53%
[60.00 - 66.00 [	545	0.84%	5,846,325	0.88%
[66.00 - 72.00 [	466	0.72%	5,400,188	0.81%
[72.00 - 78.00 [	323	0.50%	4,031,862	0.60%
[78.00 - 84.00 [	241	0.37%	3,390,790	0.51%
Total :	64,942	100.00%	666,699,651	100.00%

Minimum	2.00
Maximum	82.00
Weighted Average	32.11

9. Seasoning

Seasoning in Months	Number of Loans		Total Outstanding Balance	
	Number	%	Amount in EUR	%
[0.00 - 6.00 [	7,506	11.56%	104,267,936	15.64%
[6.00 - 12.00 [	11,148	17.17%	142,882,744	21.43%
[12.00 - 18.00 [	9,935	15.30%	112,590,087	16.89%
[18.00 - 24.00 [	9,146	14.08%	97,153,394	14.57%
[24.00 - 30.00 [	10,129	15.60%	97,067,343	14.56%
[30.00 - 36.00 [	6,098	9.39%	51,407,151	7.71%

[36.00 - 42.00 [	4,597	7.08%	32,149,503	4.82%
[42.00 - 48.00 [	3,546	5.46%	21,324,889	3.20%
[48.00 - 54.00 [	1,129	1.74%	3,813,153	0.57%
[54.00 - 60.00 [	890	1.37%	2,253,199	0.34%
[60.00 - 66.00 [	320	0.49%	873,056	0.13%
[66.00 - 72.00 [	250	0.38%	531,151	0.08%
[72.00 - 78.00 [	225	0.35%	357,544	0.05%
[78.00 - 84.00 [	23	0.04%	28,499	0.00%
Total :	64,942	100.00%	666,699,651	100.00%

Minimum	2.00
Maximum	78.00
Weighted Average	18.03

10. Effective Interest Rate

Effective Interest Rate	Number of Loans		Total Outstanding Balance	
	Number	%	Amount in EUR	%
[3.00% - 4.00% [	17,817	27.44%	176,217,384	26.43%
[4.00% - 5.00% [	32,363	49.83%	400,616,144	60.09%
[5.00% - 6.00% [	6,768	10.42%	47,389,862	7.11%
[6.00% - 7.00% [	5,550	8.55%	33,443,491	5.02%
[7.00% - 8.00% [	2,274	3.50%	8,468,263	1.27%
[8.00% - 9.00% [	150	0.23%	503,393	0.08%
[9.00% - 10.00% [	18	0.03%	57,584	0.01%
[10.00% - 11.00% [	2	0.00%	3,530	0.00%
[11.00% - 12.00% [	0	0.00%	0	0.00%
>= 12.00%	0	0.00%	0	0.00%
Total :	64,942	100.00%	666,699,651	100.00%

Minimum	3.00%
Maximum	10.47%
Weighted Average	4.55%

11. Balloon Payment as % of Car Sale Price

Balloon Payment as % of Car Sale Price	Number of Loans		Total Outstanding Balance	
	Number	%	Amount in EUR	%
[0% ; 10% [	4,800	11.69%	31,757,479	6.36%
[10% ; 20% [	3,092	7.53%	27,493,175	5.51%
[20% ; 30% [	4,278	10.42%	45,217,460	9.06%
[30% ; 40% [	7,257	17.67%	87,637,608	17.56%
[40% ; 50% [	13,009	31.68%	180,630,374	36.20%
[50% ; 60% [	7,956	19.37%	116,704,739	23.39%
[60% ; 70% [	654	1.59%	9,230,323	1.85%
[70% ; 80% [	23	0.06%	269,305	0.05%
Total :	41,069	100.00%	498,940,462	100.00%

Minimum	0.00%
Maximum	76.36%
Weighted Average	39.82%

12. Balloon Payment as % of Initial Outstanding Balance

Balloon Payment as % of Initial Outstanding Balance	Number of Loans		Total Outstanding Balance	
	Number	%	Amount in EUR	%
[0% ; 10% [	3,780	9.20%	25,434,761	5.10%
[10% ; 20% [	1,807	4.40%	14,857,281	2.98%
[20% ; 30% [	2,654	6.46%	25,573,363	5.13%
[30% ; 40% [	4,554	11.09%	50,673,437	10.16%
[40% ; 50% [	8,413	20.49%	106,992,381	21.44%
[50% ; 60% [	11,987	29.19%	164,607,311	32.99%
[60% ; 70% [	6,241	15.20%	88,038,567	17.65%
[70% ; 80% [1,633	3.98%	22,763,361	4.56%
[80% ; 90% [0	0.00%	0	0.00%
Total :	41,069	100.00%	498,940,462	100.00%

Minimum	0.00%
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Maximum	79.99%
Weighted Average	48.18%

13. Year of Origination

Year of Origination	Number of Loans		Total Outstanding Balance	
	Number	%	Amount in EUR	%
2011	0	0.00%	0	0.00%
2012	340	0.52%	578,761	0.09%
2013	751	1.16%	1,946,427	0.29%
2014	2,952	4.55%	12,006,655	1.80%
2015	8,588	13.22%	59,569,367	8.93%
2016	18,703	28.80%	178,567,698	26.78%
2017	19,571	30.14%	224,341,073	33.65%
2018	14,037	21.61%	189,689,670	28.45%
Total :	64,942	100.00%	666,699,651	100.00%

14. Borrower Initial Down Payment

Borrower Initial Downpayment	Number of Loans		Total Outstanding Balance	
	Number	%	Amount in EUR	%
[0% ; 10% [	17,816	27.43%	190,654,849	28.60%
[10% ; 20% [	18,111	27.89%	226,315,347	33.95%
[20% ; 30% [	12,785	19.69%	137,234,523	20.58%
[30% ; 40% [	6,896	10.62%	60,161,137	9.02%
[40% ; 50% [	4,251	6.55%	29,445,351	4.42%
[50% ; 60% [	2,622	4.04%	14,403,121	2.16%
[60% ; 70% [	1,433	2.21%	5,995,126	0.90%
[70% ; 80% [	636	0.98%	1,907,167	0.29%
[80% ; 90% [272	0.42%	461,555	0.07%
[90% ; 100% [120	0.18%	121,475	0.02%
Total :	64,942	100.00%	666,699,651	100.00%

Minimum	0.00%
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Maximum	96.42%
Weighted Average	18.05%

15. Original Loan to Value

Original Loan to Value	Number of Loans		Total Outstanding Balance	
	Number	%	Amount in EUR	%
[0.00% - 10.00% [	118	0.18%	120,154	0.02%
[10.00% - 20.00% [	263	0.40%	446,821	0.07%
[20.00% - 30.00% [	641	0.99%	1,904,710	0.29%
[30.00% - 40.00% [	1,416	2.18%	5,941,519	0.89%
[40.00% - 50.00% [	2,532	3.90%	13,839,009	2.08%
[50.00% - 60.00% [	4,275	6.58%	29,557,877	4.43%
[60.00% - 70.00% [	6,950	10.70%	60,461,038	9.07%
[70.00% - 80.00% [	12,418	19.12%	133,273,156	19.99%
[80.00% - 90.00% [	18,262	28.12%	227,172,495	34.07%
[90.00% - 100.00% [	6,990	10.76%	89,912,034	13.49%
= 100.00%	11,077	17.06%	104,070,837	15.61%
Total :	64,942	100.00%	666,699,651	100.00%

Minimum	3.58%
Maximum	100.00%
Weighted Average	81.95%

16. Region

Region of Residence	Number of Loans		Total Outstanding Balance	
	Number	%	Amount in EUR	%
Baden-Württemberg	9,705	14.94%	101,673,711	15.25%
Bayern	6,705	10.32%	71,275,025	10.69%
Berlin	464	0.71%	4,301,621	0.65%
Brandenburg	3,778	5.82%	37,941,220	5.69%
Bremen	285	0.44%	2,832,637	0.42%
Hamburg	157	0.24%	1,349,002	0.20%

Hessen	6,928	10.67%	72,095,128	10.81%
Mecklenburg-Vorpommern	902	1.39%	9,386,604	1.41%
Niedersachsen	3,580	5.51%	36,647,006	5.50%
Nordrhein-Westfalen	13,491	20.77%	136,623,679	20.49%
Rheinland-Pfalz	4,188	6.45%	43,353,717	6.50%
Saarland	2,633	4.05%	27,515,089	4.13%
Sachsen	5,435	8.37%	53,113,214	7.97%
Sachsen-Anhalt	1,471	2.27%	15,649,669	2.35%
Schleswig-Holstein	3,854	5.93%	38,152,730	5.72%
Thüringen	1,366	2.10%	14,789,598	2.22%
Total	64,942	100.00%	666,699,651	100.00%

17. Car Makers

Car Makers	Number of Loans		Total Outstanding Balance	
	Number	%	Amount in EUR	%
CITROEN	25,482	39.24%	256,244,616	38.43%
PEUGEOT	38,021	58.55%	400,117,741	60.01%
OTHER	1,439	2.22%	10,337,294	1.55%
Total	64,942	100.00%	666,699,651	100.00%

18. Concentration

Concentration - Top Borrowers	Total Outstanding Balance (EUR)	%
TOP 1	115,804	0.02%
TOP 5	565,769	0.08%
TOP 10	1,098,139	0.16%
TOP 20	2,083,134	0.31%
REMAINING EX TOP 20	664,616,516	99.69%

19. Fuel Type

Fuel Type	Number of Loans		Total Outstanding Balance	
	Number	%	Amount in EUR	%
Diesel	31,017	47.76%	355,912,396	53.38%

Petrol	33,315	51.30%	301,298,492	45.19%
Hybrid	394	0.61%	7,863,790	1.18%
Electric	31	0.05%	224,770	0.03%
No Data	185	0.28%	1,400,202	0.21%
Total	64,942	100.00%	666,699,651	100.00%

20. Engine Type

EURO Standard	Number of Loans		Total Outstanding Balance	
	Number	%	Amount in EUR	%
Euro 4	1,513	2.33%	3,816,909	0.57%
Euro 5	19,406	29.88%	122,585,462	18.39%
Euro 6	41,985	64.65%	527,976,496	79.19%
No Data	2,038	3.14%	12,320,784	1.85%
Total	64,942	100.00%	666,699,651	100.00%

21. Engine Type Split for Diesel Fuel

Engine Type split for Diesel Fuel	Number of Loans		Total Outstanding Balance	
	Number	%	Amount in EUR	%
Diesel				
Euro 4	479	1.54%	1,522,813	0.43%
Euro 5	11,643	37.54%	83,650,863	23.50%
Euro 6	18,018	58.09%	264,605,778	74.35%
No Data	877	2.83%	6,132,941	1.72%
Total	31,017	100.00%	355,912,396	100.00%

HISTORICAL DATA

The Seller has extracted data on the historical performance of the German auto loan portfolio. The tables below show historical performance data on cumulative gross defaults, for the period from January 2007 to June 2018. Cumulative recovery rates (as per quarter of default) for the period from January 2007 to June 2018 are also shown. In addition, historical data on delinquencies and prepayments for the period January 2007 to June 2018 is provided.

The default data displayed below are in static format and show the cumulative gross defaults incurred for each portfolio of auto loans originated by the Seller in a particular quarter (excluding loans granted to (i) employees of PSA and (ii) Car Dealers), expressed as a percentage of the original principal balance of that portfolio.

The recovery data displayed below are in static format and show the cumulative recoveries for each portfolio of loans, which defaulted in a particular quarter (excluding loans granted to (i) employees of PSA and (ii) Car Dealers, but including the proceeds of the sale of the vehicles and other recoveries), expressed as a percentage of the defaulted balance of that portfolio (as per quarter of default).

1. Cumulative Quarterly Gross Defaults – Total Portfolio

Quarter of Origination	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24
2007 Q1	0.00%	0.08%	0.25%	0.37%	0.49%	0.62%	0.75%	0.91%	1.02%	1.13%	1.21%	1.38%	1.52%	1.63%	1.66%	1.71%	1.77%	1.85%	1.88%	1.89%	1.89%	1.89%	1.89%	1.90%	1.90%
2007 Q2	0.00%	0.06%	0.17%	0.35%	0.55%	0.69%	0.82%	0.91%	1.03%	1.18%	1.33%	1.45%	1.54%	1.60%	1.67%	1.72%	1.78%	1.83%	1.85%	1.86%	1.86%	1.87%	1.88%	1.88%	1.88%
2007 Q3	0.00%	0.07%	0.17%	0.37%	0.54%	0.83%	1.04%	1.23%	1.45%	1.58%	1.74%	1.88%	2.00%	2.10%	2.13%	2.18%	2.27%	2.34%	2.36%	2.37%	2.38%	2.38%	2.38%	2.39%	2.40%
2007 Q4	0.00%	0.08%	0.20%	0.44%	0.57%	0.78%	0.92%	1.14%	1.35%	1.53%	1.67%	1.77%	1.88%	1.96%	2.05%	2.13%	2.21%	2.29%	2.32%	2.32%	2.34%	2.35%	2.36%	2.37%	2.38%
2008 Q1	0.01%	0.10%	0.24%	0.42%	0.54%	0.78%	0.89%	1.11%	1.34%	1.58%	1.65%	1.73%	1.85%	1.94%	1.99%	2.13%	2.20%	2.30%	2.33%	2.37%	2.41%	2.42%	2.44%	2.44%	2.44%
2008 Q2	0.00%	0.08%	0.20%	0.39%	0.58%	0.77%	0.99%	1.30%	1.47%	1.63%	1.76%	1.95%	2.08%	2.25%	2.33%	2.41%	2.47%	2.54%	2.58%	2.60%	2.62%	2.68%	2.69%	2.70%	2.71%
2008 Q3	0.00%	0.15%	0.36%	0.54%	0.75%	1.01%	1.33%	1.52%	1.77%	1.96%	2.11%	2.20%	2.33%	2.43%	2.50%	2.56%	2.63%	2.71%	2.75%	2.76%	2.81%	2.84%	2.85%	2.85%	2.85%
2008 Q4	0.00%	0.10%	0.39%	0.68%	0.94%	1.14%	1.39%	1.57%	1.69%	1.87%	2.06%	2.17%	2.30%	2.35%	2.49%	2.54%	2.65%	2.70%	2.72%	2.78%	2.79%	2.81%	2.83%	2.85%	2.86%
2009 Q1	0.00%	0.04%	0.20%	0.42%	0.55%	0.79%	0.91%	1.07%	1.24%	1.33%	1.47%	1.59%	1.69%	1.81%	1.87%	1.93%	2.02%	2.08%	2.15%	2.18%	2.21%	2.22%	2.23%	2.24%	2.24%
2009 Q2	0.00%	0.02%	0.13%	0.28%	0.45%	0.59%	0.66%	0.79%	0.94%	1.06%	1.17%	1.30%	1.38%	1.44%	1.49%	1.53%	1.57%	1.62%	1.65%	1.67%	1.69%	1.72%	1.74%	1.75%	1.75%
2009 Q3	0.02%	0.06%	0.21%	0.37%	0.55%	0.68%	0.82%	0.95%	1.09%	1.27%	1.37%	1.52%	1.63%	1.72%	1.78%	1.85%	1.90%	1.99%	2.06%	2.08%	2.10%	2.11%	2.11%	2.11%	2.12%
2009 Q4	0.00%	0.03%	0.24%	0.37%	0.45%	0.57%	0.66%	0.90%	1.07%	1.24%	1.32%	1.40%	1.47%	1.57%	1.61%	1.69%	1.74%	1.83%	1.87%	1.92%	1.93%	1.94%	1.95%	1.95%	1.95%
2010 Q1	0.00%	0.02%	0.09%	0.36%	0.47%	0.88%	1.06%	1.24%	1.33%	1.45%	1.54%	1.64%	1.78%	1.85%	1.90%	1.96%	2.01%	2.05%	2.09%	2.09%	2.11%	2.11%	2.12%	2.12%	2.12%
2010 Q2	0.00%	0.06%	0.15%	0.37%	0.57%	0.69%	0.79%	0.90%	1.10%	1.22%	1.33%	1.40%	1.46%	1.54%	1.62%	1.66%	1.72%	1.78%	1.83%	1.84%	1.84%	1.85%	1.86%	1.86%	1.86%
2010 Q3	0.00%	0.04%	0.12%	0.23%	0.39%	0.51%	0.63%	0.77%	0.91%	1.01%	1.13%	1.27%	1.35%	1.44%	1.50%	1.56%	1.60%	1.64%	1.67%	1.68%	1.69%	1.69%	1.70%	1.70%	1.70%
2010 Q4	0.00%	0.10%	0.24%	0.38%	0.56%	0.77%	0.86%	1.14%	1.30%	1.43%	1.52%	1.68%	1.78%	1.88%	1.95%	2.00%	2.02%	2.03%	2.07%	2.07%	2.08%	2.09%	2.10%	2.10%	2.10%
2011 Q1	0.00%	0.03%	0.23%	0.40%	0.53%	0.68%	0.79%	0.91%	0.98%	1.07%	1.21%	1.29%	1.37%	1.46%	1.54%	1.58%	1.59%	1.65%	1.68%	1.69%	1.70%	1.71%	1.71%	1.71%	1.71%
2011 Q2	0.01%	0.03%	0.11%	0.29%	0.45%	0.64%	0.80%	0.94%	1.20%	1.34%	1.44%	1.54%	1.65%	1.72%	1.73%	1.79%	1.81%	1.84%	1.86%	1.87%	1.88%	1.90%	1.90%	1.90%	1.90%
2011 Q3	0.00%	0.10%	0.27%	0.50%	0.74%	0.94%	1.11%	1.25%	1.57%	1.73%	1.90%	2.05%	2.14%	2.22%	2.26%	2.31%	2.33%	2.38%	2.41%	2.41%	2.43%	2.43%	2.45%	2.45%	2.45%
2011 Q4	0.00%	0.02%	0.31%	0.57%	0.82%	1.06%	1.22%	1.40%	1.54%	1.70%	1.91%	2.02%	2.06%	2.13%	2.15%	2.18%	2.21%	2.24%	2.26%	2.27%	2.28%	2.29%	2.29%	2.29%	2.30%
2012 Q1	0.00%	0.04%	0.21%	0.42%	0.54%	0.69%	0.89%	1.14%	1.35%	1.61%	1.82%	1.92%	1.99%	2.13%	2.17%	2.21%	2.24%	2.29%	2.33%	2.33%	2.34%	2.34%	2.34%	2.34%	2.34%
2012 Q2	0.00%	0.10%	0.28%	0.49%	0.71%	0.99%	1.19%	1.36%	1.48%	1.75%	2.01%	2.16%	2.25%	2.32%	2.33%	2.36%	2.37%	2.43%	2.48%	2.48%	2.48%	2.49%	2.49%	2.49%	2.50%
2012 Q3	0.00%	0.02%	0.20%	0.38%	0.58%	0.75%	0.91%	1.08%	1.35%	1.54%	1.66%	1.72%	1.81%	1.86%	1.89%	1.91%	1.94%	1.97%	2.00%	2.02%	2.03%	2.04%	2.04%	2.04%	
2012 Q4	0.00%	0.05%	0.17%	0.39%	0.57%	0.76%	0.99%	1.22%	1.38%	1.57%	1.72%	1.78%	1.87%	1.93%	2.02%	2.10%	2.12%	2.16%	2.19%	2.19%	2.19%	2.19%	2.19%	2.20%	
2013 Q1	0.00%	0.08%	0.35%	0.54%	0.75%	0.99%	1.23%	1.42%	1.62%	1.75%	1.92%	2.02%	2.12%	2.19%	2.22%	2.26%	2.29%	2.33%	2.35%	2.35%	2.36%	2.38%			
2013 Q2	0.00%	0.05%	0.30%	0.46%	0.69%	0.90%	1.09%	1.28%	1.51%	1.65%	1.72%	1.85%	1.99%	2.07%	2.15%	2.19%	2.23%	2.26%	2.30%	2.31%	2.32%				
2013 Q3	0.00%	0.04%	0.19%	0.40%	0.56%	0.74%	0.93%	1.08%	1.35%	1.44%	1.58%	1.63%	1.71%	1.79%	1.81%	1.86%	1.88%	1.94%	1.97%	1.98%					

Quarter of Origination	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24
2013 Q4	0.00%	0.02%	0.41%	0.55%	0.69%	0.99%	1.19%	1.47%	1.69%	1.73%	1.80%	1.86%	2.00%	2.08%	2.14%	2.23%	2.33%	2.35%	2.35%						
2014 Q1	0.02%	0.03%	0.27%	0.35%	0.57%	0.71%	0.90%	1.04%	1.19%	1.30%	1.51%	1.70%	1.74%	1.78%	1.85%	1.94%	1.99%	2.06%							
2014 Q2	0.00%	0.03%	0.09%	0.33%	0.44%	0.60%	0.69%	0.74%	0.86%	1.08%	1.14%	1.21%	1.25%	1.33%	1.38%	1.40%	1.41%								
2014 Q3	0.00%	0.05%	0.26%	0.38%	0.51%	0.64%	0.78%	0.88%	0.98%	0.99%	1.04%	1.10%	1.16%	1.24%	1.27%	1.29%									
2014 Q4	0.00%	0.05%	0.16%	0.24%	0.34%	0.58%	0.86%	1.00%	1.13%	1.20%	1.23%	1.33%	1.46%	1.50%	1.59%										
2015 Q1	0.00%	0.12%	0.23%	0.36%	0.43%	0.53%	0.62%	0.71%	0.92%	1.03%	1.13%	1.25%	1.28%	1.34%											
2015 Q2	0.00%	0.07%	0.19%	0.23%	0.35%	0.41%	0.55%	0.67%	0.74%	0.82%	0.87%	0.95%	1.02%												
2015 Q3	0.00%	0.01%	0.10%	0.18%	0.30%	0.56%	0.70%	0.87%	0.97%	1.09%	1.26%	1.34%													
2015 Q4	0.00%	0.03%	0.22%	0.43%	0.61%	0.73%	0.83%	0.96%	1.23%	1.38%	1.49%														
2016 Q1	0.00%	0.06%	0.17%	0.27%	0.50%	0.55%	0.57%	0.74%	0.77%	0.85%															
2016 Q2	0.00%	0.02%	0.06%	0.17%	0.27%	0.36%	0.43%	0.52%	0.62%																
2016 Q3	0.00%	0.03%	0.13%	0.18%	0.29%	0.37%	0.44%	0.53%																	
2016 Q4	0.00%	0.00%	0.13%	0.13%	0.28%	0.31%	0.42%																		
2017 Q1	0.00%	0.00%	0.11%	0.15%	0.18%	0.22%																			
2017 Q2	0.01%	0.03%	0.12%	0.18%	0.22%																				
2017 Q3	0.00%	0.00%	0.17%	0.26%																					
2017 Q4	0.00%	0.03%	0.12%																						
2018 Q1	0.00%	0.02%																							
2018 Q2	0.00%																								

Quarter of Origination	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Q42	Q43	Q44	Q45		
2007 Q1	1.90%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	1.92%	
2007 Q2	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	
2007 Q3	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	2.41%	
2007 Q4	2.38%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	2.39%	
2008 Q1	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	
2008 Q2	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	2.72%	
2008 Q3	2.85%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	
2008 Q4	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	2.86%	
2009 Q1	2.24%	2.24%	2.24%	2.24%	2.24%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	
2009 Q2	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	
2009 Q3	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	
2009 Q4	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	1.95%	
2010 Q1	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	
2010 Q2	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	
2010 Q3	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	
2010 Q4	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	
2011 Q1	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	
2011 Q2	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	
2011 Q3	2.45%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	2.46%	
2011 Q4	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%	2.31%
2012 Q1	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%	2.34%

Quarter of Origination	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24
2014 Q3	0.02%	0.13%	0.30%	0.47%	0.60%	0.85%	0.94%	1.04%	1.14%	1.17%	1.20%	1.25%	1.35%	1.45%	1.48%	1.48%									
2014 Q4	0.00%	0.06%	0.06%	0.25%	0.37%	0.44%	0.46%	0.64%	0.73%	0.75%	0.77%	0.91%	0.91%	0.91%	0.91%										
2015 Q1	0.00%	0.00%	0.00%	0.02%	0.19%	0.22%	0.22%	0.34%	0.64%	0.79%	0.82%	0.93%	1.00%	1.00%											
2015 Q2	0.00%	0.00%	0.07%	0.07%	0.17%	0.22%	0.33%	0.39%	0.39%	0.39%	0.40%	0.45%	0.50%												
2015 Q3	0.00%	0.03%	0.03%	0.06%	0.06%	0.06%	0.24%	0.31%	0.31%	0.42%	0.75%	0.77%													
2015 Q4	0.00%	0.00%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.34%	0.34%	0.34%														
2016 Q1	0.00%	0.00%	0.00%	0.02%	0.11%	0.16%	0.16%	0.17%	0.17%	0.25%															
2016 Q2	0.00%	0.00%	0.00%	0.00%	0.28%	0.28%	0.28%	0.39%	0.45%																
2016 Q3	0.00%	0.15%	0.15%	0.20%	0.24%	0.24%	0.34%	0.34%																	
2016 Q4	0.00%	0.00%	0.15%	0.15%	0.35%	0.35%	0.40%																		
2017 Q1	0.00%	0.00%	0.09%	0.19%	0.19%	0.19%																			
2017 Q2	0.00%	0.00%	0.00%	0.07%	0.11%																				
2017 Q3	0.00%	0.00%	0.36%	0.36%																					
2017 Q4	0.00%	0.00%	0.12%																						
2018 Q1	0.00%	0.00%																							
2018 Q2	0.00%																								

Quarter of Origination	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Q42	Q43	Q44	Q45
2007 Q1	1.13%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%
2007 Q2	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%
2007 Q3	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%	1.17%
2007 Q4	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%	1.44%
2008 Q1	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
2008 Q2	1.54%	1.54%	1.54%	1.54%	1.54%	1.54%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%	1.55%
2008 Q3	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%	1.76%
2008 Q4	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%	1.89%
2009 Q1	1.40%	1.40%	1.40%	1.41%	1.41%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%	1.42%
2009 Q2	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%	1.32%
2009 Q3	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%	1.31%
2009 Q4	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%	1.38%
2010 Q1	1.22%	1.22%	1.22%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%
2010 Q2	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%
2010 Q3	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%
2010 Q4	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%
2011 Q1	0.83%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%
2011 Q2	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%
2011 Q3	1.02%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%	1.04%
2011 Q4	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%	1.15%
2012 Q1	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%	1.23%

Quarter of Origination	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Q42	Q43	Q44	Q45
2007 Q1	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%
2007 Q2	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%
2007 Q3	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%	1.36%
2007 Q4	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%	1.79%
2008 Q1	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%	1.47%
2008 Q2	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%	1.67%
2008 Q3	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%
2008 Q4	1.68%	1.68%	1.68%	1.68%	1.68%	1.68%	1.68%	1.68%	1.68%	1.68%	1.68%	1.68%	1.68%	1.68%	1.68%	1.68%	1.68%	1.68%	1.68%	1.68%	1.68%
2009 Q1	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%	1.48%
2009 Q2	1.09%	1.09%	1.09%	1.09%	1.09%	1.09%	1.09%	1.09%	1.09%	1.09%	1.09%	1.09%	1.09%	1.09%	1.09%	1.09%	1.09%	1.09%	1.09%	1.09%	1.09%
2009 Q3	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%	1.43%
2009 Q4	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%	1.37%
2010 Q1	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%	0.94%
2010 Q2	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%
2010 Q3	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%	1.29%
2010 Q4	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%
2011 Q1	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%	0.92%
2011 Q2	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%
2011 Q3	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%	1.24%
2011 Q4	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%
2012 Q1	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%	0.96%

6. Quarterly Cumulative Gross Defaults – New Cars

Quarter of Origination	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24
2007 Q1	0.00%	0.07%	0.27%	0.43%	0.53%	0.64%	0.77%	0.92%	1.04%	1.12%	1.21%	1.40%	1.56%	1.69%	1.72%	1.78%	1.86%	1.95%	1.99%	1.99%	2.00%	2.00%	2.00%	2.01%	2.01%
2007 Q2	0.00%	0.06%	0.15%	0.34%	0.53%	0.69%	0.81%	0.89%	1.02%	1.17%	1.30%	1.41%	1.49%	1.56%	1.61%	1.68%	1.75%	1.81%	1.82%	1.84%	1.84%	1.85%	1.85%	1.85%	1.85%
2007 Q3	0.00%	0.09%	0.20%	0.39%	0.55%	0.89%	1.09%	1.32%	1.54%	1.69%	1.86%	2.02%	2.16%	2.26%	2.29%	2.33%	2.44%	2.52%	2.52%	2.52%	2.53%	2.53%	2.53%	2.54%	2.54%
2007 Q4	0.00%	0.08%	0.20%	0.42%	0.53%	0.78%	0.94%	1.19%	1.42%	1.62%	1.79%	1.90%	2.01%	2.11%	2.23%	2.30%	2.38%	2.47%	2.50%	2.50%	2.52%	2.53%	2.53%	2.55%	2.55%
2008 Q1	0.00%	0.08%	0.23%	0.40%	0.50%	0.80%	0.89%	1.17%	1.43%	1.71%	1.76%	1.86%	1.97%	2.09%	2.13%	2.33%	2.41%	2.53%	2.54%	2.59%	2.63%	2.64%	2.65%	2.66%	2.66%
2008 Q2	0.00%	0.05%	0.16%	0.42%	0.60%	0.79%	1.03%	1.37%	1.52%	1.70%	1.84%	2.06%	2.23%	2.43%	2.53%	2.64%	2.72%	2.82%	2.86%	2.88%	2.90%	2.99%	3.00%	3.01%	3.01%
2008 Q3	0.00%	0.15%	0.36%	0.51%	0.75%	1.01%	1.36%	1.60%	1.85%	2.05%	2.20%	2.29%	2.42%	2.49%	2.55%	2.63%	2.71%	2.81%	2.85%	2.85%	2.91%	2.93%	2.94%	2.94%	2.94%
2008 Q4	0.00%	0.07%	0.45%	0.78%	1.04%	1.24%	1.50%	1.69%	1.77%	1.88%	2.09%	2.17%	2.28%	2.35%	2.48%	2.54%	2.67%	2.73%	2.74%	2.78%	2.79%	2.81%	2.83%	2.84%	2.85%
2009 Q1	0.00%	0.05%	0.22%	0.45%	0.56%	0.84%	0.96%	1.12%	1.33%	1.39%	1.53%	1.64%	1.71%	1.86%	1.91%	1.98%	2.06%	2.13%	2.21%	2.23%	2.26%	2.27%	2.27%	2.28%	2.28%
2009 Q2	0.00%	0.01%	0.10%	0.20%	0.36%	0.50%	0.54%	0.69%	0.81%	0.95%	1.03%	1.12%	1.22%	1.26%	1.30%	1.34%	1.40%	1.43%	1.45%	1.47%	1.49%	1.53%	1.54%	1.56%	1.56%
2009 Q3	0.02%	0.02%	0.17%	0.29%	0.48%	0.61%	0.73%	0.83%	0.98%	1.16%	1.26%	1.41%	1.53%	1.62%	1.70%	1.77%	1.80%	1.92%	2.00%	2.01%	2.04%	2.04%	2.04%	2.04%	2.05%
2009 Q4	0.00%	0.01%	0.17%	0.24%	0.32%	0.42%	0.53%	0.78%	0.96%	1.14%	1.23%	1.31%	1.38%	1.46%	1.50%	1.60%	1.65%	1.78%	1.82%	1.87%	1.88%	1.90%	1.90%	1.90%	1.90%
2010 Q1	0.00%	0.00%	0.04%	0.30%	0.40%	0.86%	1.05%	1.20%	1.25%	1.38%	1.48%	1.61%	1.73%	1.79%	1.81%	1.87%	1.94%	1.99%	2.04%	2.04%	2.06%	2.06%	2.06%	2.06%	2.06%
2010 Q2	0.00%	0.06%	0.14%	0.38%	0.57%	0.66%	0.74%	0.83%	1.01%	1.16%	1.29%	1.33%	1.40%	1.47%	1.58%	1.61%	1.67%	1.75%	1.81%	1.82%	1.82%	1.84%	1.85%	1.85%	1.85%
2010 Q3	0.00%	0.04%	0.07%	0.14%	0.30%	0.43%	0.57%	0.71%	0.91%	1.00%	1.10%	1.28%	1.37%	1.44%	1.52%	1.60%	1.66%	1.68%	1.71%	1.72%	1.73%	1.74%	1.75%	1.75%	1.75%
2010 Q4	0.00%	0.06%	0.22%	0.34%	0.51%	0.79%	0.87%	1.22%	1.42%	1.59%	1.70%	1.88%	2.01%	2.12%	2.20%	2.24%	2.26%	2.27%	2.30%	2.30%	2.33%	2.33%	2.35%	2.35%	2.35%

Quarter of Origination	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24
2011 Q1	0.00%	0.05%	0.30%	0.46%	0.52%	0.64%	0.76%	0.88%	0.96%	1.08%	1.23%	1.30%	1.41%	1.46%	1.55%	1.58%	1.59%	1.66%	1.68%	1.70%	1.71%	1.73%	1.73%	1.73%	1.73%
2011 Q2	0.02%	0.02%	0.10%	0.20%	0.34%	0.56%	0.72%	0.89%	1.15%	1.32%	1.41%	1.53%	1.66%	1.72%	1.72%	1.78%	1.82%	1.84%	1.88%	1.90%	1.92%	1.95%	1.95%	1.95%	1.95%
2011 Q3	0.00%	0.17%	0.41%	0.67%	0.91%	1.11%	1.36%	1.53%	2.03%	2.23%	2.42%	2.58%	2.67%	2.79%	2.83%	2.88%	2.90%	2.98%	3.00%	3.00%	3.02%	3.02%	3.05%	3.05%	3.05%
2011 Q4	0.00%	0.00%	0.24%	0.59%	0.92%	1.20%	1.34%	1.55%	1.65%	1.80%	2.06%	2.18%	2.24%	2.34%	2.36%	2.38%	2.41%	2.47%	2.48%	2.49%	2.50%	2.51%	2.51%	2.51%	2.52%
2012 Q1	0.00%	0.03%	0.23%	0.48%	0.62%	0.83%	1.00%	1.35%	1.54%	1.84%	2.08%	2.24%	2.26%	2.48%	2.52%	2.56%	2.60%	2.69%	2.74%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
2012 Q2	0.00%	0.15%	0.33%	0.48%	0.81%	1.05%	1.38%	1.56%	1.70%	2.09%	2.38%	2.60%	2.70%	2.75%	2.77%	2.81%	2.83%	2.92%	2.97%	2.97%	2.97%	2.97%	2.97%	2.99%	3.00%
2012 Q3	0.00%	0.04%	0.21%	0.42%	0.63%	0.82%	0.96%	1.10%	1.38%	1.54%	1.67%	1.73%	1.79%	1.88%	1.93%	1.93%	1.99%	2.01%	2.06%	2.09%	2.10%	2.10%	2.10%	2.10%	
2012 Q4	0.00%	0.06%	0.16%	0.43%	0.62%	0.83%	1.11%	1.35%	1.51%	1.66%	1.84%	1.90%	2.03%	2.09%	2.21%	2.32%	2.33%	2.39%	2.41%	2.41%	2.41%	2.41%	2.41%	2.42%	
2013 Q1	0.00%	0.06%	0.42%	0.50%	0.67%	0.86%	1.07%	1.28%	1.46%	1.58%	1.79%	1.93%	2.03%	2.12%	2.13%	2.18%	2.21%	2.23%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	
2013 Q2	0.00%	0.02%	0.21%	0.33%	0.63%	0.84%	0.97%	1.19%	1.43%	1.60%	1.65%	1.76%	1.93%	2.04%	2.14%	2.19%	2.24%	2.28%	2.34%	2.36%	2.36%				
2013 Q3	0.00%	0.00%	0.13%	0.36%	0.46%	0.69%	0.88%	1.04%	1.32%	1.42%	1.60%	1.64%	1.74%	1.81%	1.82%	1.90%	1.91%	1.99%	2.02%	2.03%					
2013 Q4	0.00%	0.03%	0.49%	0.64%	0.77%	1.12%	1.30%	1.69%	1.91%	1.91%	1.97%	2.02%	2.17%	2.26%	2.33%	2.44%	2.57%	2.60%	2.60%						
2014 Q1	0.02%	0.04%	0.34%	0.42%	0.64%	0.80%	1.01%	1.17%	1.33%	1.44%	1.65%	1.88%	1.92%	1.95%	2.03%	2.13%	2.16%	2.25%							
2014 Q2	0.00%	0.00%	0.02%	0.24%	0.33%	0.51%	0.58%	0.61%	0.74%	0.95%	1.01%	1.07%	1.12%	1.20%	1.26%	1.28%	1.30%								
2014 Q3	0.00%	0.03%	0.25%	0.33%	0.44%	0.55%	0.65%	0.74%	0.83%	0.83%	0.89%	0.93%	0.99%	1.08%	1.13%	1.15%									
2014 Q4	0.00%	0.05%	0.17%	0.20%	0.24%	0.45%	0.79%	0.93%	1.05%	1.12%	1.15%	1.24%	1.39%	1.44%	1.55%										
2015 Q1	0.00%	0.16%	0.30%	0.41%	0.45%	0.52%	0.60%	0.69%	0.91%	1.03%	1.15%	1.27%	1.30%	1.34%											
2015 Q2	0.00%	0.07%	0.17%	0.21%	0.28%	0.35%	0.50%	0.64%	0.72%	0.82%	0.88%	0.97%	1.02%												
2015 Q3	0.00%	0.00%	0.12%	0.17%	0.30%	0.56%	0.68%	0.90%	0.98%	1.11%	1.24%	1.35%													
2015 Q4	0.00%	0.04%	0.14%	0.39%	0.61%	0.74%	0.78%	0.98%	1.31%	1.51%	1.66%														
2016 Q1	0.00%	0.05%	0.19%	0.32%	0.56%	0.59%	0.62%	0.77%	0.80%	0.89%															
2016 Q2	0.00%	0.02%	0.05%	0.18%	0.23%	0.34%	0.39%	0.47%	0.57%																
2016 Q3	0.00%	0.02%	0.11%	0.14%	0.28%	0.36%	0.43%	0.54%																	
2016 Q4	0.00%	0.00%	0.15%	0.15%	0.26%	0.30%	0.38%																		
2017 Q1	0.00%	0.00%	0.12%	0.12%	0.16%	0.21%																			
2017 Q2	0.02%	0.04%	0.12%	0.19%	0.22%																				
2017 Q3	0.00%	0.00%	0.13%	0.20%																					
2017 Q4	0.00%	0.03%	0.08%																						
2018 Q1	0.00%	0.02%																							
2018 Q2	0.00%																								

Quarter of Origination	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Q42	Q43	Q44	Q45
2007 Q1	2.01%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%	2.02%
2007 Q2	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%	1.87%
2007 Q3	2.54%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%	2.55%
2007 Q4	2.56%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%	2.57%
2008 Q1	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%	2.66%
2008 Q2	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%	3.01%
2008 Q3	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%	2.94%
2008 Q4	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%	2.85%
2009 Q1	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%	2.28%
2009 Q2	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%	1.57%
2009 Q3	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%
2009 Q4	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%
2010 Q1	2.06%	2.06%	2.06%	2.07%	2.07%	2.07%	2.07%	2.07%	2.07%	2.07%	2.07%	2.07%	2.07%	2.07%	2.07%	2.07%	2.07%	2.07%	2.07%	2.07%	2.07%
2010 Q2	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%
2010 Q3	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%

Quarter of Origination	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Q42	Q43	Q44	Q45
2010 Q4	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%															
2011 Q1	1.73%	1.73%	1.73%	1.73%																	
2011 Q2	1.95%	1.95%	1.95%	1.95%																	
2011 Q3	3.05%	3.05%	3.05%																		
2011 Q4	2.53%	2.53%																			
2012 Q1	2.75%																				

7. Cumulative Quarterly Gross Defaults – Used Cars

Quarter of Origination	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24
2007 Q1	0.00%	0.10%	0.20%	0.22%	0.38%	0.55%	0.70%	0.90%	0.98%	1.14%	1.22%	1.31%	1.42%	1.44%	1.47%	1.51%	1.52%	1.57%	1.58%	1.60%	1.61%	1.61%	1.61%	1.62%	1.63%
2007 Q2	0.00%	0.09%	0.25%	0.40%	0.64%	0.71%	0.85%	0.97%	1.05%	1.23%	1.41%	1.56%	1.67%	1.74%	1.85%	1.87%	1.88%	1.90%	1.94%	1.94%	1.94%	1.96%	1.97%	1.97%	1.98%
2007 Q3	0.00%	0.05%	0.12%	0.32%	0.50%	0.70%	0.92%	1.05%	1.26%	1.39%	1.49%	1.58%	1.65%	1.76%	1.79%	1.84%	1.90%	1.96%	2.01%	2.04%	2.06%	2.07%	2.07%	2.08%	2.11%
2007 Q4	0.00%	0.09%	0.21%	0.51%	0.67%	0.79%	0.89%	1.03%	1.15%	1.30%	1.37%	1.46%	1.54%	1.57%	1.60%	1.68%	1.78%	1.82%	1.87%	1.88%	1.90%	1.94%	1.94%	1.94%	1.94%
2008 Q1	0.02%	0.14%	0.25%	0.47%	0.61%	0.75%	0.88%	1.01%	1.19%	1.34%	1.44%	1.49%	1.61%	1.67%	1.71%	1.74%	1.79%	1.86%	1.94%	1.97%	1.99%	2.01%	2.02%	2.02%	2.03%
2008 Q2	0.00%	0.12%	0.26%	0.34%	0.55%	0.74%	0.91%	1.18%	1.38%	1.51%	1.61%	1.76%	1.81%	1.92%	1.97%	2.02%	2.04%	2.05%	2.09%	2.10%	2.11%	2.13%	2.14%	2.15%	2.19%
2008 Q3	0.00%	0.14%	0.36%	0.59%	0.74%	1.03%	1.28%	1.38%	1.63%	1.82%	1.96%	2.04%	2.18%	2.31%	2.40%	2.45%	2.49%	2.53%	2.57%	2.59%	2.64%	2.68%	2.69%	2.70%	2.70%
2008 Q4	0.00%	0.16%	0.27%	0.47%	0.74%	0.92%	1.16%	1.34%	1.51%	1.85%	2.02%	2.18%	2.34%	2.35%	2.50%	2.53%	2.61%	2.63%	2.67%	2.77%	2.79%	2.81%	2.83%	2.87%	2.87%
2009 Q1	0.00%	0.04%	0.17%	0.36%	0.54%	0.68%	0.80%	0.98%	1.05%	1.21%	1.35%	1.49%	1.64%	1.70%	1.80%	1.86%	1.93%	2.00%	2.03%	2.07%	2.11%	2.12%	2.15%	2.15%	2.16%
2009 Q2	0.00%	0.04%	0.22%	0.52%	0.70%	0.85%	1.02%	1.09%	1.29%	1.41%	1.61%	1.80%	1.86%	1.96%	2.02%	2.06%	2.07%	2.19%	2.23%	2.25%	2.28%	2.30%	2.31%	2.31%	2.31%
2009 Q3	0.00%	0.16%	0.31%	0.56%	0.73%	0.88%	1.06%	1.26%	1.38%	1.55%	1.66%	1.83%	1.90%	1.97%	1.98%	2.05%	2.15%	2.16%	2.21%	2.25%	2.25%	2.27%	2.29%	2.29%	2.31%
2009 Q4	0.00%	0.07%	0.43%	0.67%	0.76%	0.94%	0.99%	1.21%	1.37%	1.47%	1.57%	1.63%	1.71%	1.83%	1.92%	1.94%	1.97%	1.98%	2.01%	2.05%	2.08%	2.08%	2.08%	2.08%	2.09%
2010 Q1	0.00%	0.06%	0.20%	0.46%	0.61%	0.93%	1.09%	1.31%	1.48%	1.61%	1.66%	1.71%	1.87%	1.97%	2.08%	2.13%	2.16%	2.18%	2.19%	2.20%	2.20%	2.22%	2.23%	2.23%	2.24%
2010 Q2	0.00%	0.06%	0.18%	0.37%	0.57%	0.74%	0.89%	1.04%	1.28%	1.36%	1.42%	1.54%	1.60%	1.68%	1.72%	1.76%	1.81%	1.85%	1.87%	1.88%	1.89%	1.89%	1.90%	1.90%	1.90%
2010 Q3	0.00%	0.05%	0.22%	0.36%	0.54%	0.65%	0.74%	0.86%	0.93%	1.05%	1.17%	1.24%	1.32%	1.45%	1.48%	1.50%	1.52%	1.56%	1.61%	1.61%	1.62%	1.62%	1.62%	1.62%	1.62%
2010 Q4	0.00%	0.16%	0.26%	0.45%	0.63%	0.75%	0.86%	1.00%	1.12%	1.17%	1.25%	1.37%	1.42%	1.51%	1.56%	1.63%	1.64%	1.67%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%	1.70%
2011 Q1	0.00%	0.01%	0.13%	0.31%	0.54%	0.74%	0.84%	0.95%	1.01%	1.05%	1.20%	1.28%	1.32%	1.45%	1.53%	1.57%	1.58%	1.65%	1.67%	1.68%	1.69%	1.69%	1.69%	1.69%	1.69%
2011 Q2	0.00%	0.04%	0.12%	0.42%	0.59%	0.76%	0.90%	1.01%	1.28%	1.37%	1.47%	1.55%	1.64%	1.73%	1.75%	1.80%	1.80%	1.83%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%
2011 Q3	0.00%	0.01%	0.10%	0.29%	0.52%	0.72%	0.80%	0.88%	1.00%	1.10%	1.26%	1.38%	1.48%	1.51%	1.54%	1.58%	1.61%	1.63%	1.66%	1.68%	1.70%	1.70%	1.70%	1.70%	1.70%
2011 Q4	0.00%	0.06%	0.40%	0.54%	0.67%	0.86%	1.04%	1.18%	1.39%	1.56%	1.69%	1.78%	1.79%	1.83%	1.85%	1.88%	1.92%	1.92%	1.94%	1.94%	1.95%	1.97%	1.97%	1.97%	1.97%
2012 Q1	0.00%	0.06%	0.19%	0.35%	0.44%	0.54%	0.77%	0.89%	1.12%	1.35%	1.51%	1.55%	1.66%	1.70%	1.75%	1.80%	1.80%	1.82%	1.84%	1.84%	1.84%	1.85%	1.85%	1.86%	1.86%
2012 Q2	0.00%	0.06%	0.22%	0.49%	0.59%	0.91%	0.96%	1.12%	1.23%	1.34%	1.57%	1.65%	1.71%	1.79%	1.80%	1.81%	1.83%	1.86%	1.89%	1.89%	1.89%	1.91%	1.91%	1.91%	1.91%
2012 Q3	0.00%	0.00%	0.17%	0.33%	0.50%	0.66%	0.84%	1.05%	1.29%	1.55%	1.64%	1.70%	1.83%	1.83%	1.84%	1.88%	1.88%	1.90%	1.92%	1.92%	1.93%	1.95%	1.95%	1.95%	1.95%
2012 Q4	0.00%	0.03%	0.18%	0.32%	0.46%	0.63%	0.76%	0.93%	1.12%	1.39%	1.47%	1.54%	1.56%	1.60%	1.64%	1.66%	1.68%	1.70%	1.75%	1.75%	1.76%	1.76%	1.76%	1.76%	1.76%
2013 Q1	0.00%	0.12%	0.20%	0.60%	0.92%	1.25%	1.57%	1.69%	1.94%	2.10%	2.18%	2.21%	2.31%	2.36%	2.40%	2.43%	2.44%	2.53%	2.56%	2.58%	2.60%	2.66%	2.66%	2.66%	2.66%
2013 Q2	0.00%	0.10%	0.47%	0.71%	0.80%	0.99%	1.31%	1.43%	1.64%	1.73%	1.84%	2.02%	2.11%	2.14%	2.16%	2.19%	2.19%	2.22%	2.23%	2.24%	2.25%				
2013 Q3	0.00%	0.11%	0.30%	0.49%	0.73%	0.84%	1.04%	1.16%	1.40%	1.47%	1.54%	1.61%	1.65%	1.75%	1.79%	1.81%	1.84%	1.86%	1.88%	1.88%					
2013 Q4	0.00%	0.00%	0.23%	0.37%	0.52%	0.71%	0.96%	1.01%	1.21%	1.34%	1.41%	1.49%	1.62%	1.69%	1.74%	1.77%	1.81%	1.81%	1.82%						
2014 Q1	0.00%	0.00%	0.04%	0.14%	0.37%	0.42%	0.54%	0.65%	0.77%	0.87%	1.06%	1.16%	1.18%	1.27%	1.31%	1.37%	1.46%	1.49%							
2014 Q2	0.00%	0.13%	0.36%	0.66%	0.89%	0.97%	1.12%	1.22%	1.33%	1.55%	1.61%	1.75%	1.75%	1.84%	1.85%	1.86%	1.86%								
2014 Q3	0.02%	0.10%	0.29%	0.52%	0.69%	0.89%	1.15%	1.26%	1.39%	1.43%	1.45%	1.55%	1.64%	1.66%	1.68%	1.69%									
2014 Q4	0.00%	0.04%	0.12%	0.38%	0.67%	1.03%	1.09%	1.24%	1.41%	1.47%	1.48%	1.62%	1.69%	1.69%	1.73%										
2015 Q1	0.00%	0.00%	0.00%	0.17%	0.38%	0.54%	0.66%	0.77%	0.93%	1.03%	1.06%	1.18%	1.22%	1.34%											
2015 Q2	0.00%	0.08%	0.27%	0.31%	0.58%	0.65%	0.73%	0.80%	0.83%	0.83%	0.84%	0.91%	1.03%												
2015 Q3	0.00%	0.02%	0.06%	0.20%	0.29%	0.53%	0.74%	0.79%	0.93%	1.05%	1.31%														
2015 Q4	0.00%	0.00%	0.43%	0.53%	0.60%	0.72%	0.92%	0.92%	1.03%	1.08%	1.11%														

Quarter of Origination	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24
2016 Q1	0.00%	0.11%	0.14%	0.15%	0.31%	0.42%	0.42%	0.64%	0.67%	0.73%															
2016 Q2	0.00%	0.00%	0.07%	0.17%	0.40%	0.47%	0.58%	0.71%	0.79%																
2016 Q3	0.00%	0.09%	0.18%	0.30%	0.35%	0.39%	0.45%	0.50%																	
2016 Q4	0.00%	0.00%	0.06%	0.09%	0.33%	0.33%	0.57%																		
2017 Q1	0.00%	0.00%	0.09%	0.24%	0.24%	0.24%																			
2017 Q2	0.00%	0.00%	0.11%	0.12%	0.24%																				
2017 Q3	0.00%	0.00%	0.32%	0.45%																					
2017 Q4	0.00%	0.04%	0.24%																						
2018 Q1	0.00%	0.00%																							
2018 Q2	0.00%																								

Quarter of Origination	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Q42	Q43	Q44	Q45	
2007 Q1	1.63%	1.63%	1.63%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%	1.64%
2007 Q2	1.98%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
2007 Q3	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%	2.11%
2007 Q4	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%	1.94%
2008 Q1	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%	2.05%
2008 Q2	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%
2008 Q3	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%	2.70%
2008 Q4	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%	2.87%
2009 Q1	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%	2.16%
2009 Q2	2.31%	2.31%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%
2009 Q3	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%	2.32%
2009 Q4	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%	2.09%
2010 Q1	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%	2.24%
2010 Q2	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%	1.90%
2010 Q3	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%	1.62%
2010 Q4	1.70%	1.70%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%
2011 Q1	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%	1.69%
2011 Q2	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%	1.84%
2011 Q3	1.70%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%	1.71%
2011 Q4	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
2012 Q1	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%	1.86%

8. Cumulative Quarterly Recoveries – Total Portfolio

Quarter of default	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24
2007 Q1	25.10%	47.75%	51.37%	52.31%	53.14%	54.21%	55.77%	56.48%	57.11%	57.72%	58.69%	60.27%	60.57%	61.19%	61.54%	62.03%	62.62%	62.85%	63.07%	63.33%	63.56%	63.72%	63.87%	64.05%	64.25%
2007 Q2	25.99%	52.17%	54.83%	56.68%	57.60%	59.00%	60.36%	60.82%	61.45%	61.99%	62.37%	62.93%	63.56%	63.78%	64.18%	64.63%	65.49%	65.86%	66.07%	66.46%	66.74%	66.90%	67.25%	67.45%	67.68%
2007 Q3	29.80%	53.04%	55.31%	57.54%	58.23%	59.20%	60.19%	60.96%	61.50%	61.93%	62.60%	63.53%	63.84%	64.13%	64.45%	64.78%	65.09%	65.40%	65.56%	65.93%	66.21%	66.39%	66.67%	67.02%	67.19%

Quarter of default	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	
2007 Q4	26.18%	50.55%	52.83%	54.26%	56.21%	57.18%	58.53%	59.22%	59.89%	60.60%	61.48%	62.40%	62.96%	63.69%	64.62%	65.27%	66.00%	66.33%	66.80%	67.09%	67.70%	68.11%	68.30%	68.77%	68.88%	
2008 Q1	26.50%	52.48%	54.15%	55.57%	56.53%	57.78%	58.72%	59.57%	61.14%	61.72%	62.69%	63.29%	63.71%	64.06%	64.67%	65.03%	65.32%	65.62%	65.84%	66.25%	66.47%	66.76%	66.96%	67.05%	67.29%	
2008 Q2	27.57%	52.78%	54.62%	56.36%	58.48%	59.65%	60.82%	61.70%	62.41%	63.04%	63.56%	64.05%	64.66%	65.46%	65.84%	66.35%	66.68%	66.91%	67.24%	67.37%	67.62%	67.93%	68.30%	68.43%	68.55%	
2008 Q3	29.58%	53.29%	55.16%	56.35%	58.18%	59.27%	60.37%	61.22%	61.90%	62.57%	63.17%	63.65%	64.07%	64.38%	64.63%	64.91%	65.35%	65.65%	65.91%	66.22%	66.43%	66.61%	66.71%	66.82%	66.92%	
2008 Q4	25.28%	48.86%	50.84%	52.19%	53.03%	54.10%	55.34%	56.35%	57.36%	58.46%	59.10%	59.61%	60.15%	60.85%	61.22%	61.57%	61.95%	62.38%	62.73%	63.22%	63.57%	63.77%	63.94%	64.11%	64.31%	
2009 Q1	18.00%	44.07%	46.54%	49.28%	51.51%	52.35%	53.17%	54.94%	56.02%	56.94%	57.68%	58.02%	58.25%	58.53%	58.73%	58.90%	59.17%	59.47%	59.75%	59.94%	60.09%	60.47%	60.65%	60.87%	61.49%	
2009 Q2	20.95%	44.15%	46.22%	46.93%	47.83%	49.42%	50.23%	51.24%	51.93%	52.98%	53.97%	54.63%	55.20%	55.64%	56.10%	56.41%	56.79%	57.01%	57.14%	57.27%	57.45%	57.75%	57.89%	58.14%	58.27%	
2009 Q3	23.96%	43.44%	45.73%	47.15%	48.65%	49.46%	50.71%	51.28%	52.40%	53.11%	54.13%	54.69%	55.49%	56.05%	56.73%	57.17%	57.58%	58.08%	58.54%	58.91%	59.13%	59.62%	59.93%	60.13%	60.34%	
2009 Q4	24.82%	39.93%	45.19%	46.12%	47.19%	48.07%	48.85%	49.62%	50.58%	51.22%	51.83%	52.25%	53.32%	53.82%	54.27%	54.77%	55.12%	55.39%	55.63%	56.08%	56.48%	57.00%	57.29%	57.54%	57.79%	
2010 Q1	23.20%	42.27%	43.86%	45.38%	46.74%	47.28%	47.96%	48.57%	49.31%	49.85%	50.49%	51.17%	51.53%	51.86%	52.36%	52.61%	53.53%	53.90%	54.11%	54.49%	54.70%	54.94%	55.44%	55.73%	56.01%	
2010 Q2	26.63%	44.76%	45.69%	46.63%	47.54%	48.51%	49.18%	49.70%	50.24%	50.61%	51.34%	51.82%	52.31%	52.84%	53.33%	53.70%	54.00%	54.36%	54.83%	55.15%	55.51%	55.76%	55.99%	56.33%	56.49%	
2010 Q3	29.90%	45.87%	47.42%	48.82%	50.40%	51.94%	52.94%	53.76%	54.35%	54.81%	55.35%	55.94%	56.54%	57.01%	57.58%	58.03%	58.32%	58.79%	59.04%	59.22%	59.84%	60.14%	60.56%	60.73%	60.95%	
2010 Q4	26.68%	43.46%	45.01%	46.09%	47.24%	48.56%	49.82%	51.13%	52.10%	53.07%	54.06%	54.94%	55.87%	56.49%	57.04%	57.49%	57.82%	58.22%	58.42%	58.79%	59.13%	59.41%	59.87%	60.48%	60.69%	
2011 Q1	21.52%	40.52%	43.71%	44.32%	45.18%	45.84%	46.44%	47.18%	47.83%	48.77%	49.37%	49.92%	50.47%	50.94%	51.58%	52.07%	52.57%	52.87%	53.09%	53.43%	53.55%	53.65%	54.47%	54.66%	54.79%	
2011 Q2	24.18%	41.79%	43.31%	44.20%	45.24%	46.06%	46.61%	47.07%	48.00%	48.86%	49.48%	49.99%	50.31%	50.67%	51.76%	52.30%	52.56%	52.81%	53.23%	53.57%	53.92%	54.17%	54.43%	54.88%	55.22%	
2011 Q3	29.90%	45.19%	46.97%	48.02%	49.14%	50.05%	51.13%	52.29%	53.26%	54.41%	55.06%	55.65%	56.10%	56.63%	56.93%	57.32%	57.66%	58.02%	58.29%	58.58%	58.93%	59.12%	59.42%	59.54%	60.11%	
2011 Q4	25.96%	43.65%	44.85%	45.91%	46.85%	47.88%	48.85%	50.02%	51.01%	51.67%	52.25%	53.09%	53.62%	55.25%	55.70%	55.95%	56.31%	56.76%	57.12%	57.60%	57.83%	58.00%	58.13%	58.34%	58.55%	
2012 Q1	31.39%	44.39%	46.84%	47.87%	49.00%	50.00%	50.89%	52.13%	52.66%	53.38%	53.64%	54.20%	54.38%	54.59%	54.79%	55.00%	55.19%	55.41%	55.71%	55.95%	56.25%	56.66%	57.05%	57.25%	57.36%	
2012 Q2	22.81%	42.09%	43.23%	44.36%	46.05%	46.85%	47.53%	48.11%	48.78%	49.12%	49.97%	50.84%	51.40%	51.77%	52.28%	52.64%	52.91%	53.18%	53.54%	53.92%	54.28%	54.51%	54.78%	54.90%	55.28%	
2012 Q3	24.45%	43.21%	46.10%	47.52%	48.73%	49.30%	50.61%	51.02%	51.49%	52.06%	52.57%	52.82%	53.25%	53.51%	53.75%	54.15%	54.48%	55.07%	55.25%	55.39%	55.87%	56.15%	56.29%	56.43%		
2012 Q4	27.85%	43.04%	46.70%	48.09%	49.28%	49.85%	50.62%	51.33%	51.85%	52.42%	52.82%	53.12%	53.30%	53.62%	53.96%	54.26%	54.94%	55.22%	55.44%	55.71%	56.01%	56.44%	56.64%			
2013 Q1	22.94%	44.04%	45.40%	47.17%	47.76%	48.25%	48.80%	49.11%	49.88%	50.49%	50.89%	51.45%	51.82%	52.35%	52.70%	52.99%	53.30%	53.67%	53.99%	54.56%	54.88%	55.39%				
2013 Q2	23.45%	44.50%	47.98%	49.70%	50.83%	51.45%	52.55%	53.13%	53.61%	53.97%	54.37%	54.88%	55.65%	56.13%	56.72%	57.31%	57.67%	58.39%	58.93%	59.19%	59.40%					
2013 Q3	21.43%	39.58%	42.38%	43.46%	44.44%	45.58%	46.45%	47.51%	48.40%	48.75%	49.27%	49.72%	50.47%	50.89%	51.65%	52.07%	52.70%	53.15%	53.57%	53.97%						
2013 Q4	25.41%	42.72%	44.88%	46.07%	47.28%	48.20%	48.71%	49.62%	50.46%	50.98%	51.82%	52.48%	52.81%	53.53%	54.15%	54.51%	54.99%	55.36%	55.57%							
2014 Q1	28.23%	44.76%	47.07%	48.46%	49.48%	50.87%	51.86%	52.86%	53.38%	54.43%	54.82%	55.21%	55.79%	56.15%	56.32%	56.52%	57.10%	57.49%								
2014 Q2	24.43%	41.83%	44.13%	45.83%	47.37%	48.48%	49.29%	49.84%	50.46%	51.09%	52.37%	52.70%	52.98%	53.35%	53.65%	53.96%	54.21%									
2014 Q3	25.02%	45.23%	46.34%	47.63%	50.21%	51.66%	52.18%	53.03%	53.90%	54.22%	54.57%	54.79%	55.12%	55.48%	55.88%	56.20%										
2014 Q4	27.32%	43.32%	44.43%	45.65%	46.39%	47.24%	47.86%	48.63%	50.39%	51.32%	51.74%	52.10%	52.37%	52.62%	52.80%											
2015 Q1	26.84%	46.47%	47.48%	49.08%	49.67%	50.49%	52.25%	52.96%	53.36%	53.89%	54.44%	54.94%	55.55%	55.88%												
2015 Q2	25.04%	41.96%	44.00%	44.94%	46.72%	47.78%	48.18%	48.74%	49.03%	49.36%	49.92%	50.46%	50.91%													
2015 Q3	31.61%	49.05%	51.98%	53.47%	54.37%	55.43%	56.25%	56.95%	57.33%	57.78%	58.23%	58.66%														
2015 Q4	30.43%	42.34%	44.01%	46.56%	48.15%	48.66%	49.03%	49.57%	50.95%	51.28%	51.52%															
2016 Q1	31.25%	51.29%	51.81%	52.55%	52.88%	54.47%	55.75%	56.36%	57.15%	57.45%																
2016 Q2	26.40%	44.94%	47.39%	48.29%	50.17%	51.12%	52.06%	52.47%	52.84%																	
2016 Q3	25.15%	48.56%	51.64%	54.75%	55.74%	56.41%	56.99%	57.35%																		
2016 Q4	29.99%	50.97%	53.58%	54.76%	55.65%	56.08%	56.78%																			
2017 Q1	33.20%	54.32%	55.82%	57.20%	58.60%	59.11%																				
2017 Q2	26.92%	50.11%	51.80%	52.51%	52.82%																					
2017 Q3	34.06%	54.19%	56.10%	56.68%																						
2017 Q4	24.64%	49.75%	50.43%																							
2018 Q1	22.65%	40.73%																								
2018 Q2	21.19%																									

Quarter of default	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Q42	Q43	Q44	Q45
2007 Q1	64.42%	64.69%	64.85%	64.99%	65.19%	65.32%	65.59%	65.91%	66.02%	66.14%	66.21%	66.28%	66.34%	66.40%	66.48%	66.52%	66.69%	66.81%	66.92%	67.02%	67.12%
2007 Q2	67.84%	68.09%	68.31%	68.45%	68.60%	68.74%	69.20%	69.25%	69.28%	69.32%	69.36%	69.39%	69.61%	69.63%	69.65%	69.67%	69.68%	69.71%	69.73%	69.75%	
2007 Q3	67.40%	67.60%	67.91%	68.09%	68.26%	68.70%	68.82%	68.92%	69.07%	69.16%	69.20%	69.26%	69.33%	69.38%	69.40%	69.43%	69.47%	69.50%	69.51%		
2007 Q4	68.99%	69.14%	69.29%	69.35%	69.67%	69.78%	69.85%	70.05%	70.16%	70.27%	70.35%	70.46%	70.52%	70.60%	70.67%	70.71%	70.75%	70.77%			
2008 Q1	67.41%	67.53%	67.60%	67.91%	68.24%	68.40%	68.47%	68.53%	68.55%	68.72%	68.74%	68.75%	68.92%	69.02%	69.19%	69.27%	69.28%				
2008 Q2	68.67%	68.86%	69.37%	69.41%	69.43%	69.48%	69.52%	69.60%	69.70%	69.80%	69.85%	69.90%	69.94%	70.00%	70.24%	70.29%					
2008 Q3	67.04%	67.50%	67.63%	67.97%	68.13%	68.16%	68.30%	68.34%	68.35%	68.38%	68.43%	68.45%	68.49%	68.55%	68.56%						
2008 Q4	64.72%	64.88%	65.15%	65.29%	65.40%	65.50%	65.60%	65.70%	65.81%	65.88%	65.94%	66.03%	66.10%	66.17%							
2009 Q1	61.78%	61.95%	62.15%	62.36%	62.43%	62.50%	62.65%	62.68%	62.71%	62.72%	62.73%	62.75%	62.76%								
2009 Q2	58.41%	59.09%	59.29%	59.40%	59.58%	59.67%	59.91%	59.99%	60.07%	60.33%	60.42%	60.48%									
2009 Q3	60.66%	60.87%	61.23%	61.43%	61.60%	61.70%	61.83%	61.91%	62.14%	62.30%	62.42%										
2009 Q4	58.02%	58.26%	58.51%	58.66%	58.75%	58.90%	59.09%	59.22%	59.33%	59.51%											
2010 Q1	56.53%	56.86%	57.28%	57.53%	57.65%	57.93%	58.03%	58.17%	58.35%												
2010 Q2	56.66%	56.88%	57.01%	57.06%	57.22%	57.27%	57.38%	57.42%													
2010 Q3	61.22%	61.33%	61.49%	61.93%	62.05%	62.29%	62.36%														
2010 Q4	60.99%	61.11%	61.21%	61.41%	61.49%	61.57%															
2011 Q1	55.08%	55.18%	55.46%	55.55%	55.63%																
2011 Q2	55.35%	55.53%	55.73%	55.88%																	
2011 Q3	60.33%	60.59%	60.80%																		
2011 Q4	58.72%	58.90%																			
2012 Q1	57.48%																				

9. Cumulative Quarterly Recoveries – Commercial Standard

Quarter of default	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24
2007 Q1	31.03%	51.96%	53.39%	53.91%	54.48%	54.91%	56.22%	56.43%	56.57%	56.75%	57.69%	57.77%	58.03%	58.33%	58.58%	58.67%	58.78%	58.89%	59.07%	59.17%	59.28%	59.42%	59.50%	59.53%	59.56%
2007 Q2	27.50%	50.42%	52.73%	53.99%	54.10%	55.76%	56.17%	56.43%	56.66%	56.81%	56.95%	57.20%	57.28%	57.39%	57.50%	57.72%	57.97%	58.12%	58.24%	58.31%	58.43%	58.54%	58.69%	58.73%	58.99%
2007 Q3	23.86%	48.04%	51.27%	55.20%	55.93%	57.02%	57.17%	57.65%	57.96%	58.08%	58.17%	58.25%	58.39%	58.45%	58.65%	58.81%	59.16%	59.19%	59.19%	59.19%	59.22%	59.22%	59.22%	59.58%	59.58%
2007 Q4	25.92%	54.55%	55.67%	59.15%	62.38%	62.54%	62.91%	63.11%	63.48%	63.71%	63.99%	64.39%	64.77%	65.07%	65.72%	66.12%	66.46%	66.68%	67.26%	67.59%	70.09%	70.25%	70.40%	70.70%	70.89%
2008 Q1	30.64%	54.28%	54.88%	57.46%	58.14%	58.99%	59.51%	60.92%	61.47%	61.89%	62.53%	63.64%	63.96%	64.14%	64.27%	64.39%	64.50%	64.62%	64.71%	64.80%	65.08%	65.14%	65.50%	65.59%	65.99%
2008 Q2	28.92%	56.54%	57.75%	58.24%	59.11%	62.29%	63.04%	63.57%	64.37%	65.54%	66.00%	67.06%	68.43%	70.63%	70.94%	71.53%	72.21%	72.42%	72.70%	72.80%	72.80%	72.91%	72.91%	72.93%	73.26%
2008 Q3	27.31%	59.10%	59.62%	59.91%	61.07%	62.12%	62.55%	62.85%	63.21%	63.48%	63.75%	64.00%	64.27%	64.45%	64.63%	64.72%	65.34%	65.37%	65.37%	65.37%	65.37%	65.37%	65.37%	65.37%	65.40%
2008 Q4	24.60%	46.53%	47.61%	48.48%	48.85%	50.01%	50.63%	51.20%	51.77%	53.42%	53.80%	54.12%	54.40%	56.06%	56.16%	56.32%	56.85%	56.93%	57.06%	57.44%	57.60%	57.70%	57.81%	57.87%	57.91%
2009 Q1	12.63%	49.20%	50.58%	51.19%	52.08%	52.33%	52.48%	52.75%	53.30%	53.89%	54.07%	54.22%	54.37%	54.69%	55.00%	55.00%	55.01%	55.47%	55.68%	55.74%	55.80%	55.90%	56.25%	56.40%	56.77%
2009 Q2	17.68%	48.03%	50.14%	51.68%	52.60%	53.25%	54.39%	54.81%	55.50%	55.84%	56.44%	56.92%	57.32%	57.62%	57.95%	58.13%	58.23%	58.40%	58.46%	58.52%	58.66%	58.70%	58.94%	59.05%	59.07%
2009 Q3	22.07%	39.15%	41.85%	42.78%	44.39%	44.81%	44.97%	45.14%	45.20%	45.49%	45.82%	45.78%	45.90%	46.00%	46.16%	46.33%	46.33%	46.53%	46.71%	47.00%	47.19%	47.43%	47.82%	47.98%	48.26%
2009 Q4	27.64%	41.89%	47.23%	47.84%	48.55%	48.89%	49.44%	49.91%	50.14%	50.39%	50.56%	50.75%	52.13%	52.37%	52.75%	52.95%	53.14%	53.23%	53.38%	53.61%	53.85%	54.02%	54.22%	54.39%	54.59%
2010 Q1	26.84%	43.94%	45.71%	46.04%	47.69%	48.05%	48.64%	49.04%	50.17%	50.60%	50.85%	51.19%	51.50%	51.69%	51.90%	52.18%	53.34%	53.56%	53.72%	54.13%	54.24%	54.36%	54.53%	54.61%	54.74%
2010 Q2	32.13%	45.27%	46.16%	46.66%	47.07%	47.25%	47.46%	47.70%	48.02%	48.24%	48.45%	48.87%	49.67%	49.93%	50.32%	50.58%	50.80%	51.20%	51.65%	52.00%	52.20%	52.49%	52.57%	52.58%	52.62%

Quarter of default	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	
2010 Q3	37.13%	49.18%	49.31%	50.86%	51.14%	52.09%	52.22%	52.45%	52.60%	52.76%	52.94%	53.10%	53.35%	53.51%	53.86%	54.20%	54.34%	54.43%	54.55%	54.64%	56.47%	56.56%	56.75%	56.87%	56.93%	
2010 Q4	31.25%	43.41%	43.98%	44.92%	45.25%	45.71%	46.35%	46.47%	46.66%	47.05%	47.25%	47.40%	47.47%	47.53%	47.60%	47.75%	47.85%	47.96%	48.02%	48.07%	48.18%	48.24%	48.28%	48.41%	48.56%	
2011 Q1	25.20%	42.61%	43.12%	43.70%	44.47%	44.93%	45.27%	45.66%	45.98%	46.55%	47.37%	47.72%	48.15%	48.48%	49.26%	49.49%	49.88%	50.21%	50.41%	50.61%	50.75%	50.79%	52.87%	53.06%	53.09%	
2011 Q2	25.49%	41.54%	42.29%	42.60%	43.76%	44.40%	44.68%	45.14%	46.88%	47.46%	47.80%	48.22%	48.63%	49.01%	49.38%	49.81%	50.15%	50.52%	51.02%	51.56%	52.06%	52.48%	52.96%	53.87%	54.03%	
2011 Q3	28.03%	44.19%	46.31%	47.64%	48.40%	48.97%	50.24%	50.60%	51.65%	52.61%	52.79%	53.01%	53.32%	53.48%	53.61%	53.77%	53.96%	54.08%	54.15%	54.33%	54.45%	54.54%	54.59%	54.69%	54.82%	
2011 Q4	27.61%	41.74%	43.48%	44.47%	45.35%	46.27%	46.90%	48.33%	49.15%	49.50%	49.90%	50.30%	50.72%	51.25%	51.44%	51.55%	51.90%	51.98%	52.00%	52.27%	52.43%	52.53%	52.58%	52.75%	52.89%	
2012 Q1	30.73%	43.28%	45.05%	45.83%	46.29%	46.95%	47.23%	47.43%	48.09%	48.31%	48.52%	48.67%	48.86%	48.94%	48.99%	49.07%	49.22%	49.31%	49.40%	49.72%	49.78%	49.89%	50.52%	50.62%	50.67%	
2012 Q2	22.58%	40.72%	41.61%	42.04%	43.14%	44.16%	44.58%	45.02%	45.38%	45.79%	46.19%	47.32%	47.74%	48.08%	48.49%	48.77%	48.88%	49.04%	49.16%	49.34%	49.34%	49.53%	49.71%	49.89%	50.00%	50.08%
2012 Q3	22.04%	41.00%	45.61%	47.35%	47.90%	48.18%	48.84%	49.13%	49.45%	50.03%	50.19%	50.24%	50.29%	50.43%	50.65%	50.74%	50.92%	51.39%	51.64%	51.76%	52.71%	53.28%	53.37%	53.44%		
2012 Q4	24.10%	44.69%	49.25%	50.32%	51.14%	51.33%	51.53%	51.95%	52.46%	52.76%	53.11%	53.25%	53.29%	53.44%	53.53%	53.73%	54.92%	55.20%	55.42%	55.73%	56.07%	56.79%	57.01%			
2013 Q1	17.63%	42.65%	44.44%	45.79%	46.65%	47.03%	47.32%	47.57%	49.21%	49.97%	50.18%	50.40%	50.77%	51.50%	51.88%	52.35%	52.86%	53.25%	53.74%	54.49%	54.93%	55.34%				
2013 Q2	23.76%	44.92%	47.41%	49.36%	50.63%	51.05%	52.34%	52.96%	53.80%	53.92%	54.03%	54.42%	55.60%	55.79%	56.01%	56.45%	57.07%	57.70%	58.65%	58.76%	58.87%					
2013 Q3	19.92%	41.91%	45.36%	45.90%	46.58%	47.21%	47.94%	49.03%	49.16%	49.21%	49.29%	49.29%	49.30%	49.34%	49.47%	49.49%	49.52%	49.54%	49.58%	49.61%						
2013 Q4	27.44%	42.08%	42.82%	44.60%	45.04%	45.30%	45.39%	45.48%	46.12%	46.29%	46.64%	46.84%	46.98%	47.11%	48.18%	48.33%	48.77%	49.05%	49.32%							
2014 Q1	27.50%	43.91%	46.74%	47.40%	48.12%	48.37%	49.33%	49.64%	49.81%	50.45%	50.69%	50.99%	51.10%	51.21%	51.25%	51.29%	52.41%	52.57%								
2014 Q2	19.59%	38.66%	41.81%	42.69%	44.26%	45.25%	45.95%	46.66%	47.57%	48.63%	50.47%	50.71%	50.94%	51.10%	51.37%	51.77%	51.95%									
2014 Q3	24.92%	45.10%	46.11%	46.60%	48.39%	49.01%	49.36%	50.85%	51.33%	51.42%	51.63%	51.71%	51.87%	52.52%	52.68%	52.97%										
2014 Q4	24.79%	41.80%	42.28%	42.42%	42.66%	43.04%	43.24%	43.44%	43.70%	45.94%	46.12%	46.21%	46.29%	46.46%												
2015 Q1	25.55%	40.84%	42.70%	46.04%	46.58%	47.37%	48.58%	49.02%	49.38%	50.10%	51.02%	51.53%	52.18%	52.27%												
2015 Q2	24.16%	42.22%	44.19%	44.50%	46.77%	46.89%	46.92%	46.96%	47.00%	47.00%	47.68%	47.85%	48.12%													
2015 Q3	32.38%	49.74%	52.49%	55.49%	55.59%	57.72%	57.83%	57.91%	58.05%	58.15%	58.32%	58.44%														
2015 Q4	34.15%	42.91%	43.37%	44.55%	46.75%	47.03%	47.11%	47.13%	47.13%	47.32%	47.54%															
2016 Q1	35.79%	52.89%	52.89%	52.89%	52.94%	53.61%	53.89%	54.18%	54.66%	54.69%																
2016 Q2	24.73%	41.15%	44.30%	45.36%	45.87%	46.28%	47.09%	47.63%	48.23%																	
2016 Q3	29.73%	55.78%	59.26%	59.99%	60.77%	61.09%	61.64%	62.02%																		
2016 Q4	26.23%	45.67%	49.43%	49.97%	50.58%	51.10%	51.87%																			
2017 Q1	25.38%	45.80%	46.26%	46.35%	47.32%	48.03%																				
2017 Q2	22.29%	46.49%	48.18%	48.56%	49.04%																					
2017 Q3	36.04%	55.15%	56.81%	57.34%																						
2017 Q4	20.76%	56.46%	57.16%																							
2018 Q1	18.16%	39.88%																								
2018 Q2	22.70%																									
Quarter of default	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Q42	Q43	Q44	Q45					
2007 Q1	59.58%	59.58%	59.66%	59.66%	59.66%	59.66%	59.77%	59.92%	59.92%	59.96%	59.96%	59.96%	59.96%	59.96%	59.96%	59.96%	59.96%	59.96%	60.34%	60.34%	60.34%					
2007 Q2	59.03%	59.04%	59.04%	59.29%	59.30%	59.30%	59.43%	59.43%	59.43%	59.43%	59.43%	59.43%	59.43%	59.43%	59.43%	59.43%	59.43%	59.43%	59.43%	59.43%	59.43%					
2007 Q3	59.59%	59.59%	59.59%	59.59%	59.59%	60.48%	60.48%	60.48%	60.48%	60.49%	60.49%	60.49%	60.49%	60.49%	60.49%	60.50%	60.54%	60.60%	60.60%							
2007 Q4	71.03%	71.15%	71.22%	71.27%	71.51%	71.59%	71.67%	71.74%	71.82%	71.92%	71.99%	72.07%	72.15%	72.24%	72.32%	72.41%	72.43%	72.43%								
2008 Q1	65.99%	66.04%	66.14%	66.42%	67.22%	67.93%	68.11%	68.19%	68.19%	68.19%	68.19%	68.19%	68.19%	69.06%	69.06%	69.06%	69.06%	69.06%								
2008 Q2	73.34%	73.53%	73.82%	73.85%	73.88%	73.91%	73.95%	74.00%	74.03%	74.07%	74.15%	74.19%	74.20%	74.26%	74.27%	74.29%										
2008 Q3	65.41%	65.73%	65.73%	65.74%	65.74%	65.74%	65.74%	65.74%	65.74%	65.74%	65.74%	65.74%	65.74%	65.74%	65.74%	65.74%	65.74%	65.74%	65.74%	65.74%	65.74%	65.74%	65.74%	65.74%	65.74%	
2008 Q4	58.08%	58.11%	58.29%	58.32%	58.36%	58.39%	58.41%	58.44%	58.46%	58.49%	58.51%	58.65%	58.67%	58.67%												
2009 Q1	56.77%	56.97%	57.03%	57.03%	57.03%	57.03%	57.03%	57.03%	57.03%	57.03%	57.03%	57.03%	57.03%	57.03%	57.03%	57.03%	57.03%	57.03%	57.03%	57.03%	57.03%	57.03%	57.03%	57.03%	57.03%	
2009 Q2	59.09%	59.22%	59.29%	59.29%	59.29%	59.31%	59.55%	59.55%	59.55%	59.55%	59.57%	59.57%	59.57%													
2009 Q3	48.39%	48.48%	48.64%	48.74%	48.84%	48.93%	49.04%	49.13%	49.22%	49.32%	49.47%															

Quarter of default	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24
2015 Q1	22.19%	49.61%	49.95%	50.16%	50.61%	51.11%	52.28%	52.66%	53.07%	53.72%	54.23%	55.08%	55.45%	55.85%											
2015 Q2	25.32%	40.83%	42.90%	43.21%	44.43%	44.83%	45.59%	46.16%	46.56%	46.97%	47.46%	47.90%	48.69%												
2015 Q3	20.71%	45.24%	48.37%	48.42%	48.50%	48.65%	48.83%	49.54%	49.72%	50.15%	50.36%	50.57%													
2015 Q4	30.02%	40.65%	41.61%	41.99%	42.22%	42.35%	42.46%	42.59%	42.63%	42.63%	42.74%														
2016 Q1	26.99%	46.59%	46.98%	47.45%	47.86%	51.15%	51.75%	52.63%	53.89%	54.25%															
2016 Q2	27.48%	49.07%	52.39%	53.20%	55.98%	57.11%	57.80%	58.08%	58.15%																
2016 Q3	24.05%	43.49%	44.42%	47.66%	48.27%	48.82%	48.90%	49.01%																	
2016 Q4	36.53%	52.60%	54.50%	54.93%	55.41%	55.74%	55.92%																		
2017 Q1	37.57%	57.75%	59.67%	60.39%	60.69%	60.95%																			
2017 Q2	25.65%	51.82%	54.02%	54.17%	54.25%																				
2017 Q3	24.75%	44.23%	47.24%	47.55%																					
2017 Q4	25.81%	42.73%	43.12%																						
2018 Q1	23.00%	37.52%																							
2018 Q2	19.82%																								

Quarter of default	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Q42	Q43	Q44	Q45
2007 Q1	61.14%	61.48%	61.53%	61.55%	61.70%	61.76%	61.77%	61.83%	61.85%	61.86%	61.88%	61.88%	61.90%	61.90%	62.02%	62.03%	62.13%	62.27%	62.31%	62.40%	62.49%
2007 Q2	60.63%	60.69%	60.81%	60.88%	60.98%	61.00%	62.18%	62.18%	62.18%	62.18%	62.18%	62.18%	62.18%	62.18%	62.18%	62.18%	62.18%	62.18%	62.18%	62.18%	62.18%
2007 Q3	63.24%	63.32%	63.46%	63.82%	63.94%	64.28%	64.36%	64.43%	64.97%	65.14%	65.14%	65.14%	65.14%	65.14%	65.14%	65.14%	65.14%	65.14%	65.14%	65.14%	65.14%
2007 Q4	65.36%	65.36%	65.36%	65.40%	65.63%	65.72%	65.72%	65.78%	65.79%	65.79%	65.79%	65.81%	65.86%	65.96%	66.00%	66.08%	66.15%				
2008 Q1	65.82%	65.98%	66.03%	66.54%	66.54%	66.56%	66.56%	66.56%	66.56%	66.56%	66.56%	66.56%	66.56%	66.56%	66.65%	66.65%					
2008 Q2	60.35%	60.43%	61.08%	61.10%	61.11%	61.14%	61.19%	61.27%	61.54%	61.81%	61.87%	61.91%	61.94%	61.98%	62.75%	62.85%					
2008 Q3	71.64%	71.66%	71.68%	71.69%	71.69%	71.69%	71.90%	72.00%	72.01%	72.01%	72.01%	72.01%	72.01%	72.01%	72.15%	72.15%					
2008 Q4	60.86%	61.02%	61.52%	61.65%	61.76%	61.89%	62.06%	62.26%	62.36%	62.43%	62.50%	62.60%	62.69%	62.74%							
2009 Q1	58.61%	58.70%	59.05%	59.21%	59.30%	59.47%	59.49%	59.50%	59.61%	59.63%	59.65%	59.66%	59.67%								
2009 Q2	54.03%	54.28%	54.39%	54.51%	54.75%	54.86%	55.01%	55.10%	55.19%	55.25%	55.34%	55.41%									
2009 Q3	57.46%	57.49%	57.57%	57.66%	57.74%	57.78%	57.81%	57.87%	57.96%	58.02%	58.06%										
2009 Q4	51.40%	51.55%	51.70%	51.94%	51.96%	51.99%	52.43%	52.56%	52.71%	52.96%											
2010 Q1	49.60%	49.64%	50.19%	50.41%	50.44%	50.48%	50.56%	50.76%	51.04%												
2010 Q2	51.71%	51.74%	51.74%	51.75%	51.77%	51.78%	51.79%	51.80%													
2010 Q3	60.75%	60.77%	60.81%	61.79%	61.83%	61.88%	61.92%														
2010 Q4	62.44%	62.44%	62.44%	62.47%	62.47%	62.51%															
2011 Q1	51.21%	51.24%	51.32%	51.37%	51.46%																
2011 Q2	52.38%	52.52%	52.86%	52.90%																	
2011 Q3	53.26%	53.28%	53.29%																		
2011 Q4	50.42%	50.75%																			
2012 Q1	53.03%																				

11. Cumulative Quarterly Recoveries – Consumer Standard

Quarter of default	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	
2007 Q1	21.54%	40.25%	43.18%	45.25%	46.12%	47.34%	48.26%	49.31%	50.93%	51.83%	52.46%	53.09%	53.39%	54.50%	54.84%	55.89%	56.30%	56.64%	56.89%	57.28%	57.64%	57.95%	58.28%	58.72%	59.13%	
2007 Q2	31.27%	49.60%	52.53%	53.47%	55.16%	56.20%	56.66%	57.03%	57.59%	58.52%	59.14%	59.74%	60.07%	60.47%	61.23%	62.25%	62.62%	63.55%	63.88%	64.45%	64.70%	64.85%	65.07%	65.31%	65.78%	
2007 Q3	35.46%	48.19%	50.47%	51.67%	52.89%	53.77%	55.06%	56.26%	56.90%	57.63%	59.05%	60.41%	60.92%	61.31%	61.76%	62.40%	62.93%	63.26%	63.64%	64.32%	64.78%	65.10%	65.80%	66.44%	66.77%	
2007 Q4	19.77%	44.10%	47.06%	48.04%	49.07%	49.72%	50.83%	52.29%	53.58%	54.99%	56.70%	58.63%	59.19%	59.98%	61.77%	62.69%	64.04%	64.48%	65.32%	65.80%	66.28%	66.49%	66.67%	66.94%	66.97%	
2008 Q1	21.48%	43.27%	45.61%	48.76%	50.66%	54.09%	55.80%	57.20%	60.00%	60.97%	61.73%	62.69%	63.41%	64.17%	65.17%	66.32%	66.67%	66.85%	67.26%	67.63%	67.87%	68.12%	68.36%	68.57%	69.01%	
2008 Q2	25.03%	45.98%	48.62%	52.20%	55.82%	57.37%	58.93%	60.15%	61.40%	62.73%	64.19%	64.89%	65.71%	66.70%	67.69%	68.19%	68.72%	69.16%	69.74%	70.05%	70.36%	71.39%	72.84%	72.94%	73.01%	
2008 Q3	24.85%	43.43%	45.23%	46.39%	48.50%	49.47%	50.76%	51.96%	52.32%	53.22%	54.60%	55.74%	55.92%	56.22%	56.37%	56.60%	56.94%	57.25%	57.59%	57.88%	58.19%	58.32%	58.45%	58.65%	58.80%	
2008 Q4	20.15%	45.63%	48.34%	50.22%	51.65%	52.87%	53.81%	54.72%	56.48%	57.99%	59.09%	59.91%	60.29%	60.75%	61.27%	61.81%	62.15%	62.93%	63.34%	64.07%	64.56%	65.04%	65.29%	65.68%	65.89%	
2009 Q1	20.77%	39.45%	43.75%	46.92%	50.07%	51.64%	53.26%	54.95%	56.74%	58.35%	59.27%	59.95%	60.45%	61.04%	61.47%	61.88%	62.23%	62.48%	62.96%	63.25%	63.62%	64.20%	64.46%	64.79%	65.32%	
2009 Q2	19.72%	36.16%	39.30%	40.40%	41.50%	43.07%	44.56%	47.40%	48.70%	50.50%	53.69%	54.44%	55.13%	55.63%	56.21%	56.77%	57.07%	57.42%	57.64%	57.78%	57.99%	58.31%	58.43%	58.80%	58.87%	
2009 Q3	21.28%	34.09%	35.98%	39.64%	43.13%	44.37%	46.29%	47.29%	50.01%	51.45%	53.75%	54.90%	56.88%	57.70%	58.13%	58.56%	58.87%	60.20%	60.89%	61.84%	62.21%	63.09%	63.37%	63.65%	63.88%	
2009 Q4	17.64%	34.91%	37.98%	40.05%	41.46%	42.33%	44.21%	45.45%	47.55%	48.90%	50.08%	50.85%	52.80%	53.37%	53.79%	54.07%	54.54%	54.92%	55.14%	56.27%	56.91%	58.22%	58.77%	59.16%	59.47%	
2010 Q1	17.28%	36.24%	38.20%	41.58%	42.40%	43.08%	43.70%	45.10%	45.97%	46.83%	48.16%	48.84%	49.45%	50.24%	50.86%	51.18%	51.96%	52.93%	53.25%	53.84%	54.21%	54.85%	56.70%	57.43%	57.75%	
2010 Q2	16.17%	37.57%	39.40%	39.92%	41.18%	42.54%	43.52%	44.35%	45.20%	46.16%	47.49%	48.54%	49.29%	50.20%	51.09%	51.89%	52.34%	52.87%	53.43%	53.81%	54.47%	54.79%	55.19%	56.21%	56.58%	
2010 Q3	20.07%	34.58%	36.93%	39.68%	42.41%	44.77%	45.86%	47.36%	48.98%	50.10%	51.20%	52.42%	53.63%	54.58%	55.24%	55.74%	56.21%	56.62%	57.18%	57.60%	57.87%	58.34%	58.97%	59.26%	59.43%	
2010 Q4	26.39%	40.08%	42.04%	43.61%	45.40%	47.27%	48.53%	50.14%	51.43%	52.54%	53.80%	54.67%	56.37%	57.33%	58.11%	58.48%	58.86%	59.28%	59.40%	59.97%	60.64%	61.04%	61.80%	62.23%	62.46%	
2011 Q1	18.27%	31.18%	37.03%	38.03%	39.00%	40.64%	41.58%	42.67%	43.55%	45.88%	46.59%	47.44%	48.50%	49.05%	49.46%	50.64%	51.95%	52.57%	52.85%	53.78%	53.85%	53.99%	54.34%	54.70%	54.89%	
2011 Q2	18.42%	33.59%	35.08%	36.54%	38.70%	39.66%	40.42%	41.01%	41.90%	42.95%	44.10%	44.85%	45.35%	45.82%	46.97%	47.60%	47.87%	48.10%	48.71%	49.06%	49.26%	49.40%	49.70%	50.08%	50.15%	
2011 Q3	22.59%	38.39%	40.94%	42.74%	45.25%	46.96%	48.13%	50.35%	52.03%	53.56%	54.59%	55.65%	56.38%	57.64%	58.03%	58.78%	59.21%	59.67%	60.19%	60.58%	61.19%	61.60%	62.30%	62.43%	62.79%	
2011 Q4	20.42%	41.60%	42.73%	44.85%	46.18%	47.69%	49.76%	51.29%	53.48%	54.63%	55.88%	56.72%	57.87%	58.99%	59.44%	59.95%	60.44%	61.50%	62.35%	63.61%	64.18%	64.49%	64.79%	65.21%	65.53%	
2012 Q1	26.92%	44.50%	49.62%	50.96%	54.23%	55.84%	56.85%	57.96%	58.85%	60.04%	60.53%	61.86%	62.15%	62.66%	63.25%	63.55%	63.73%	63.87%	64.54%	64.78%	65.50%	66.59%	67.00%	67.13%	67.30%	
2012 Q2	23.05%	41.55%	43.17%	46.21%	48.44%	49.84%	51.58%	53.01%	55.35%	56.10%	59.14%	59.90%	61.08%	61.89%	62.84%	63.49%	63.97%	64.52%	64.84%	65.72%	66.18%	66.40%	67.03%	67.28%	67.51%	
2012 Q3	26.42%	44.33%	46.63%	47.52%	49.89%	50.64%	51.12%	51.61%	51.99%	52.21%	52.34%	52.60%	53.59%	53.92%	54.09%	54.54%	54.88%	55.27%	55.36%	55.53%	55.89%	56.00%	56.12%	56.19%		
2012 Q4	26.50%	38.45%	42.42%	44.85%	46.34%	47.53%	48.57%	50.35%	51.39%	52.16%	52.97%	53.42%	53.65%	54.16%	54.92%	55.34%	56.02%	56.47%	56.72%	57.06%	57.58%	58.04%	58.29%			
2013 Q1	18.56%	36.72%	38.97%	39.97%	40.84%	41.98%	43.19%	43.73%	44.37%	45.15%	45.61%	45.96%	46.46%	47.14%	47.81%	48.12%	48.36%	48.92%	49.29%	50.09%	50.64%	51.41%				
2013 Q2	22.77%	44.05%	46.34%	47.29%	48.41%	49.60%	50.88%	52.24%	52.71%	53.63%	54.67%	55.70%	56.23%	56.67%	57.16%	58.11%	58.60%	59.05%	59.51%	60.19%	60.80%					
2013 Q3	19.32%	35.69%	39.94%	43.42%	45.25%	47.97%	50.34%	51.56%	52.63%	53.05%	54.14%	55.53%	56.46%	56.94%	57.55%	57.98%	58.65%	59.18%	59.83%	60.56%						
2013 Q4	26.19%	42.03%	43.66%	44.67%	46.50%	47.48%	48.49%	51.09%	52.61%	53.69%	55.15%	56.35%	56.98%	57.23%	57.45%	58.09%	58.87%	59.90%	60.07%							
2014 Q1	17.99%	32.72%	35.78%	38.52%	40.42%	42.59%	43.92%	45.17%	46.29%	48.81%	49.47%	50.51%	52.86%	53.18%	53.56%	54.36%	54.90%	56.33%								
2014 Q2	18.26%	37.75%	39.31%	41.45%	42.78%	44.91%	46.49%	47.59%	48.73%	49.53%	50.42%	51.39%	52.19%	53.45%	54.12%	54.78%	55.34%									
2014 Q3	24.30%	39.17%	41.12%	43.10%	45.66%	47.69%	48.58%	49.19%	49.63%	50.37%	51.00%	51.69%	52.83%	53.27%	53.81%	54.23%										
2014 Q4	20.66%	32.67%	34.62%	37.34%	38.75%	40.04%	42.24%	45.05%	46.73%	47.49%	48.57%	49.70%	50.34%	50.62%	51.15%											
2015 Q1	21.19%	38.47%	39.25%	40.10%	41.36%	41.76%	43.65%	45.72%	46.03%	46.28%	46.45%	46.65%	47.72%	48.54%												
2015 Q2	22.78%	39.80%	43.21%	45.88%	48.03%	50.65%	51.47%	52.76%	53.57%	54.61%	55.01%	55.48%	55.95%													
2015 Q3	34.68%	47.04%	52.31%	53.87%	57.92%	59.05%	60.16%	60.76%	61.40%	62.31%	63.77%	65.14%														
2015 Q4	23.46%	37.80%	41.25%	46.05%	47.64%	49.07%	49.94%	51.41%	52.18%	53.07%	53.29%															
2016 Q1	23.18%	44.37%	46.22%	47.08%	47.31%	48.85%	49.44%	49.77%	50.14%	50.27%																
2016 Q2	23.03%	38.12%	40.26%	41.48%	41.48%	44.24%	45.55%	45.98%	46.32%																	
2016 Q3	20.60%	44.64%	49.11%	56.82%	59.29%	61.03%	62.64%	63.61%																		
2016 Q4	23.86%	52.78%	55.42%	59.71%	61.13%	61.92%	64.77%																			
2017 Q1	34.78%	53.21%	54.35%	56.03%	60.27%	60.99%																				
2017 Q2	32.11%	46.05%	46.84%	49.81%																						

Quarter of default	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24
2017 Q3	30.89%	47.80%	48.73%	50.17%																					
2017 Q4	17.11%	45.54%	46.70%																						
2018 Q1	16.77%	47.60%																							
2018 Q2	23.08%																								

Quarter of default	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Q42	Q43	Q44	Q45
2007 Q1	59.50%	59.88%	60.20%	60.52%	60.83%	61.12%	62.03%	62.60%	62.86%	63.16%	63.34%	63.51%	63.64%	63.76%	63.89%	63.94%	64.45%	64.51%	64.57%	64.78%	64.86%
2007 Q2	66.10%	66.67%	66.90%	67.13%	67.53%	67.86%	68.15%	68.29%	68.42%	68.61%	68.75%	68.91%	69.28%	69.36%	69.44%	69.51%	69.58%	69.67%	69.76%	69.84%	
2007 Q3	67.19%	67.48%	68.09%	68.27%	68.53%	68.82%	68.94%	69.09%	69.19%	69.25%	69.31%	69.45%	69.53%	69.58%	69.61%	69.65%	69.69%	69.71%	69.75%		
2007 Q4	67.00%	67.17%	67.56%	67.59%	67.98%	68.01%	68.04%	68.73%	68.83%	68.99%	69.13%	69.27%	69.34%	69.38%	69.39%	69.39%	69.39%				
2008 Q1	69.20%	69.34%	69.39%	69.44%	69.50%	69.55%	69.60%	69.66%	69.71%	69.77%	69.80%	69.81%	69.82%	70.30%	71.21%	71.37%	71.38%				
2008 Q2	73.24%	73.38%	73.98%	74.02%	74.04%	74.18%	74.19%	74.20%	74.23%	74.25%	74.26%	74.31%	74.40%	74.55%	74.59%	74.64%					
2008 Q3	58.91%	59.80%	60.01%	60.04%	60.08%	60.12%	60.42%	60.46%	60.51%	60.55%	60.67%	60.71%	60.77%	60.81%	60.87%						
2008 Q4	66.47%	66.78%	67.05%	67.19%	67.35%	67.51%	67.62%	67.74%	67.87%	67.97%	68.04%	68.13%	68.22%	68.35%							
2009 Q1	65.81%	66.14%	66.22%	66.82%	66.97%	67.04%	67.58%	67.65%	67.65%	67.65%	67.65%	67.65%	67.65%								
2009 Q2	59.04%	60.16%	60.59%	60.72%	60.85%	60.92%	61.01%	61.12%	61.23%	62.21%	62.39%	62.51%									
2009 Q3	64.15%	64.32%	64.47%	64.59%	64.71%	64.83%	65.02%	65.09%	65.27%	65.40%	65.47%										
2009 Q4	59.71%	59.88%	60.54%	60.55%	60.57%	60.89%	60.89%	60.91%	60.95%	60.96%											
2010 Q1	58.35%	59.20%	59.74%	60.14%	60.48%	60.67%	60.90%	61.10%	61.16%												
2010 Q2	56.87%	57.70%	57.97%	58.03%	58.18%	58.19%	58.37%	58.40%													
2010 Q3	59.88%	60.22%	60.63%	60.89%	61.08%	61.21%	61.35%														
2010 Q4	63.05%	63.21%	63.29%	63.80%	63.86%	63.93%															
2011 Q1	55.62%	55.81%	56.51%	56.74%	56.82%																
2011 Q2	50.38%	50.48%	50.74%	50.90%																	
2011 Q3	63.17%	63.93%	64.64%																		
2011 Q4	65.84%	66.16%																			
2012 Q1	67.47%																				

12. Cumulative Quarterly Recoveries – Consumer Balloon

Quarter of default	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24
2007 Q1	25.02%	50.58%	56.80%	57.42%	58.60%	60.29%	62.70%	63.58%	63.96%	64.74%	66.32%	66.60%	67.03%	67.69%	68.16%	68.45%	69.06%	69.36%	69.67%	70.02%	70.33%	70.46%	70.58%	70.71%	70.93%
2007 Q2	24.83%	54.97%	57.63%	61.62%	62.64%	63.96%	67.14%	68.07%	69.17%	69.91%	70.50%	71.29%	72.78%	73.09%	73.67%	74.07%	75.05%	75.39%	75.69%	76.33%	76.89%	77.18%	77.95%	78.35%	78.51%
2007 Q3	29.87%	58.05%	60.10%	62.62%	62.93%	64.31%	65.71%	66.71%	67.58%	68.15%	68.72%	70.26%	70.64%	71.00%	71.43%	71.75%	72.03%	72.63%	72.74%	73.21%	73.64%	73.86%	74.09%	74.36%	74.56%
2007 Q4	29.36%	50.31%	52.82%	54.25%	56.58%	57.82%	60.22%	60.89%	61.58%	62.28%	63.31%	64.25%	65.02%	66.11%	66.65%	67.11%	68.04%	68.29%	68.76%	69.09%	69.43%	70.22%	70.52%	71.31%	71.49%
2008 Q1	20.44%	53.15%	54.70%	55.37%	56.49%	57.51%	58.65%	59.37%	61.45%	61.91%	63.58%	64.02%	64.46%	64.75%	65.38%	65.60%	65.99%	66.43%	66.69%	67.39%	67.59%	67.69%	67.80%	67.85%	68.00%
2008 Q2	26.92%	51.31%	53.75%	56.31%	59.85%	60.30%	62.54%	64.10%	65.03%	65.38%	65.70%	66.02%	66.41%	66.58%	66.95%	67.82%	68.02%	68.30%	68.46%	68.62%	68.77%	68.96%	69.12%	69.48%	69.53%
2008 Q3	31.33%	48.05%	50.72%	53.31%	55.17%	56.99%	59.09%	60.42%	61.10%	61.93%	62.46%	62.78%	63.51%	64.11%	64.53%	64.92%	65.39%	65.92%	66.28%	66.89%	67.06%	67.27%	67.36%	67.50%	67.63%

Quarter of default	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24
2008 Q4	28.18%	52.05%	52.83%	55.06%	56.03%	57.61%	60.27%	62.35%	63.62%	64.50%	65.17%	65.63%	66.61%	67.22%	67.64%	67.99%	68.44%	69.03%	69.48%	70.05%	70.44%	70.61%	70.83%	70.94%	71.22%
2009 Q1	18.19%	42.62%	45.66%	48.21%	51.27%	52.27%	53.15%	55.85%	57.61%	58.23%	59.70%	60.21%	60.44%	60.70%	60.84%	61.04%	61.22%	61.43%	61.77%	62.04%	62.18%	62.76%	62.91%	63.20%	64.41%
2009 Q2	26.87%	45.32%	47.47%	48.21%	49.60%	51.31%	52.03%	53.24%	54.23%	56.24%	57.21%	58.33%	59.58%	60.53%	61.02%	61.43%	61.78%	62.12%	62.29%	62.36%	62.58%	62.77%	62.91%	63.03%	63.23%
2009 Q3	23.16%	48.79%	50.40%	51.60%	52.64%	53.96%	56.26%	57.02%	58.20%	59.14%	60.60%	61.34%	62.23%	63.10%	64.72%	65.27%	66.10%	66.60%	67.05%	67.32%	67.58%	68.29%	68.65%	68.88%	69.12%
2009 Q4	28.26%	43.59%	48.67%	49.80%	51.91%	53.18%	53.79%	54.78%	56.32%	57.30%	58.30%	58.92%	59.50%	60.36%	61.12%	62.26%	62.85%	63.28%	63.69%	64.14%	64.78%	65.25%	65.60%	65.95%	66.28%
2010 Q1	27.38%	46.70%	48.08%	50.47%	51.64%	52.30%	53.21%	53.81%	54.77%	55.66%	56.65%	57.94%	58.44%	58.83%	60.06%	60.45%	60.94%	61.24%	61.54%	62.03%	62.36%	62.60%	62.73%	63.17%	63.89%
2010 Q2	28.11%	50.53%	51.73%	53.04%	54.87%	57.14%	58.54%	59.41%	59.74%	59.98%	61.14%	61.52%	61.92%	62.68%	63.11%	63.43%	63.78%	64.13%	64.44%	64.58%	65.05%	65.41%	65.85%	65.98%	66.28%
2010 Q3	33.03%	48.35%	50.32%	51.44%	53.31%	55.13%	56.66%	57.45%	57.71%	58.00%	58.56%	59.20%	59.81%	60.32%	61.29%	61.93%	62.33%	62.62%	62.88%	63.00%	63.53%	64.00%	64.56%	64.78%	65.33%
2010 Q4	26.49%	44.48%	47.97%	48.83%	50.42%	52.20%	54.10%	55.37%	56.24%	57.08%	57.96%	58.59%	59.06%	59.61%	60.55%	61.47%	62.20%	62.92%	63.44%	64.11%	64.68%	65.08%	66.02%	67.86%	68.31%
2011 Q1	23.70%	43.01%	49.93%	50.61%	51.27%	51.80%	52.39%	53.67%	54.80%	55.71%	56.35%	57.31%	57.76%	58.20%	59.06%	59.61%	60.00%	60.17%	60.51%	60.79%	60.89%	61.02%	61.35%	61.48%	61.66%
2011 Q2	27.41%	49.05%	49.87%	52.01%	52.46%	54.22%	55.13%	55.78%	56.35%	56.76%	57.87%	58.18%	58.50%	59.11%	62.84%	64.14%	64.46%	64.69%	65.15%	65.35%	65.65%	66.13%	66.31%	66.41%	67.57%
2011 Q3	35.95%	51.23%	52.74%	53.58%	54.38%	55.66%	57.22%	59.17%	59.97%	61.80%	63.23%	64.26%	64.91%	65.61%	66.25%	66.68%	67.30%	68.11%	68.47%	68.77%	69.15%	69.44%	69.67%	69.86%	70.14%
2011 Q4	30.04%	52.45%	53.71%	54.35%	55.30%	56.59%	57.13%	57.76%	58.41%	58.78%	59.22%	60.96%	61.44%	62.91%	63.58%	63.94%	64.29%	64.95%	65.19%	65.57%	65.67%	65.82%	65.96%	66.13%	66.43%
2012 Q1	34.91%	45.98%	49.49%	50.53%	50.87%	52.23%	52.67%	57.83%	58.00%	58.33%	58.65%	59.77%	59.94%	60.04%	60.14%	60.34%	60.62%	60.66%	60.77%	61.08%	61.70%	62.26%	62.62%	63.41%	63.70%
2012 Q2	29.65%	48.88%	50.67%	52.47%	53.48%	54.28%	55.23%	55.85%	56.19%	56.42%	56.79%	57.21%	57.51%	57.68%	57.78%	57.99%	58.09%	58.59%	59.55%	59.70%	59.93%	60.25%	60.44%	60.54%	60.65%
2012 Q3	26.57%	51.74%	52.09%	54.51%	56.94%	57.74%	60.24%	61.07%	62.48%	63.87%	66.22%	67.15%	67.80%	68.67%	69.35%	70.56%	71.14%	72.07%	72.40%	72.72%	72.95%	73.07%	73.46%	73.96%	
2012 Q4	37.85%	52.57%	52.97%	54.93%	56.52%	57.74%	60.33%	61.08%	61.59%	62.90%	63.16%	63.78%	64.21%	64.63%	65.20%	65.44%	65.74%	66.07%	66.34%	66.64%	66.82%	66.97%	67.09%		
2013 Q1	29.02%	48.06%	49.76%	51.46%	51.89%	52.51%	53.44%	53.89%	54.34%	54.83%	55.20%	55.46%	55.75%	56.18%	56.49%	56.77%	57.09%	57.56%	57.86%	58.44%	58.73%	59.70%			
2013 Q2	26.93%	46.49%	50.56%	51.28%	53.22%	54.59%	55.58%	56.18%	56.71%	57.28%	57.90%	58.73%	59.67%	60.15%	61.83%	62.09%	62.32%	62.55%	62.88%	63.05%	63.10%				
2013 Q3	25.60%	43.08%	47.87%	48.84%	50.75%	51.76%	52.58%	53.88%	56.65%	57.58%	58.75%	59.31%	59.76%	60.83%	62.71%	63.15%	64.42%	65.26%	66.02%	66.87%					
2013 Q4	27.91%	46.93%	50.80%	51.67%	54.54%	56.98%	57.85%	59.32%	60.47%	61.27%	62.84%	64.03%	64.52%	65.41%	65.80%	66.44%	67.08%	67.29%	67.52%						
2014 Q1	41.63%	53.05%	55.25%	56.29%	57.49%	60.72%	61.72%	62.51%	63.08%	64.37%	64.75%	64.98%	65.25%	66.26%	66.44%	66.58%	66.68%	66.95%							
2014 Q2	33.81%	45.74%	48.93%	53.65%	54.86%	55.16%	56.07%	56.61%	56.99%	57.43%	57.82%	58.19%	58.50%	59.00%	59.44%	59.71%	60.03%								
2014 Q3	30.33%	49.01%	49.82%	50.70%	51.54%	53.49%	54.41%	55.11%	58.12%	58.57%	58.79%	58.88%	59.03%	59.17%	59.93%	60.30%									
2014 Q4	48.54%	57.63%	58.85%	59.14%	60.32%	60.64%	61.44%	61.81%	62.61%	62.83%	63.61%	63.78%	64.34%	65.08%	65.32%										
2015 Q1	40.13%	59.31%	59.83%	60.67%	61.02%	62.64%	66.14%	66.66%	67.19%	67.43%	67.68%	67.94%	68.43%	68.72%											
2015 Q2	28.34%	44.95%	45.92%	47.64%	48.96%	51.63%	51.90%	52.91%	53.13%	53.40%	53.95%	55.44%	55.74%												
2015 Q3	43.96%	55.27%	56.22%	57.42%	58.15%	58.81%	61.51%	63.25%	64.07%	64.71%	65.16%	65.58%													
2015 Q4	31.76%	48.14%	51.11%	57.05%	59.86%	60.49%	61.24%	62.34%	68.39%	68.93%	69.44%														
2016 Q1	36.04%	60.98%	61.79%	64.16%	64.80%	65.00%	69.48%	70.34%	71.06%	71.80%															
2016 Q2	29.83%	48.22%	48.47%	48.80%	51.99%	52.37%	53.92%	54.34%	54.92%																
2016 Q3	23.25%	49.55%	55.01%	58.86%	60.07%	60.90%	61.87%	62.36%																	
2016 Q4	28.63%	58.73%	60.17%	62.19%	64.34%	64.50%	64.50%																		
2017 Q1	34.25%	59.05%	61.22%	65.06%	67.46%	68.06%																			
2017 Q2	33.83%	54.14%	54.78%	55.67%	56.38%																				
2017 Q3	40.90%	63.38%	64.86%	65.46%																					
2017 Q4	32.05%	58.46%	59.51%																						
2018 Q1	35.55%	46.70%																							
2018 Q2	21.04%																								
Quarter of default	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Q42	Q43	Q44	Q45				
2007 Q1	71.11%	71.36%	71.51%	71.66%	71.90%	72.02%	72.08%	72.42%	72.54%	72.62%	72.69%	72.75%	72.81%	72.88%	72.94%	73.00%	73.08%	73.25%	73.32%	73.39%	73.56%				
2007 Q2	78.73%	79.06%	79.44%	79.53%	79.62%	79.80%	80.04%	80.09%	80.10%	80.10%	80.11%	80.12%	80.51%	80.51%	80.52%	80.53%	80.53%	80.54%	80.55%	80.55%					

2007 Q3	74.75%	75.06%	75.39%	75.55%	75.76%	76.14%	76.35%	76.47%	76.53%	76.64%	76.70%	76.76%	76.89%	77.02%	77.06%	77.11%	77.17%	77.20%	77.21%				
2007 Q4	71.64%	71.87%	72.02%	72.11%	72.47%	72.63%	72.76%	72.86%	73.01%	73.17%	73.28%	73.44%	73.52%	73.62%	73.70%	73.76%	73.79%	73.82%					
2008 Q1	68.15%	68.27%	68.35%	68.68%	69.11%	69.15%	69.22%	69.30%	69.34%	69.73%	69.75%	69.78%	69.81%	69.83%	69.86%	69.92%	69.94%						
2008 Q2	69.57%	69.89%	70.41%	70.45%	70.48%	70.52%	70.56%	70.70%	70.75%	70.80%	70.86%	70.91%	70.94%	70.98%	71.03%	71.08%							
2008 Q3	67.89%	68.63%	68.89%	69.96%	70.48%	70.56%	70.59%	70.60%	70.61%	70.66%	70.69%	70.72%	70.73%	70.74%	70.75%								
2008 Q4	71.55%	71.70%	71.84%	72.06%	72.17%	72.26%	72.33%	72.40%	72.56%	72.63%	72.69%	72.76%	72.84%	72.92%									
2009 Q1	64.86%	64.98%	65.22%	65.33%	65.39%	65.41%	65.45%	65.50%	65.51%	65.53%	65.53%	65.53%	65.53%	65.57%									
2009 Q2	63.41%	64.74%	64.98%	65.15%	65.40%	65.50%	65.99%	66.08%	66.19%	66.38%	66.46%	66.52%											
2009 Q3	69.78%	70.23%	71.07%	71.48%	71.78%	71.92%	72.09%	72.21%	72.65%	72.96%	73.14%												
2009 Q4	66.63%	67.02%	67.17%	67.32%	67.49%	67.63%	67.73%	67.94%	68.05%	68.31%													
2010 Q1	64.90%	65.32%	65.71%	65.87%	65.96%	66.05%	66.14%	66.24%	66.61%														
2010 Q2	66.45%	66.57%	66.71%	66.83%	67.32%	67.44%	67.72%	67.82%															
2010 Q3	65.85%	65.90%	66.03%	66.45%	66.67%	67.21%	67.28%																
2010 Q4	68.57%	68.80%	69.12%	69.28%	69.45%	69.60%																	
2011 Q1	62.10%	62.20%	62.48%	62.59%	62.73%																		
2011 Q2	67.74%	68.21%	68.26%	68.59%																			
2011 Q3	70.62%	70.85%	70.99%																				
2011 Q4	66.61%	66.64%																					
2012 Q1	64.05%																						

13. Cumulative Quarterly Recoveries – New Cars

Quarter of default	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24
2007 Q1	27.96%	50.83%	54.91%	55.74%	56.49%	57.53%	59.25%	59.79%	60.15%	60.64%	61.59%	63.35%	63.62%	63.90%	64.16%	64.46%	64.98%	65.18%	65.34%	65.57%	65.78%	65.89%	66.00%	66.09%	66.20%
2007 Q2	24.94%	53.44%	55.76%	57.62%	58.53%	60.18%	61.65%	62.10%	62.75%	63.20%	63.56%	64.15%	64.87%	65.05%	65.36%	65.71%	66.71%	67.11%	67.33%	67.74%	68.07%	68.23%	68.65%	68.86%	69.05%
2007 Q3	31.50%	56.09%	57.89%	59.59%	60.11%	60.97%	61.89%	62.56%	63.11%	63.45%	64.14%	65.00%	65.28%	65.57%	65.90%	66.24%	66.55%	66.91%	67.04%	67.43%	67.64%	67.81%	67.99%	68.39%	68.56%
2007 Q4	25.76%	51.46%	53.61%	55.01%	56.84%	57.94%	59.57%	60.22%	60.81%	61.42%	62.42%	63.35%	63.99%	64.83%	65.70%	66.38%	67.13%	67.44%	67.89%	68.14%	68.43%	68.89%	69.09%	69.67%	69.80%
2008 Q1	27.40%	53.42%	54.94%	56.00%	56.77%	57.89%	58.67%	59.29%	60.63%	61.14%	62.17%	62.71%	63.08%	63.34%	63.88%	64.18%	64.46%	64.78%	64.95%	65.37%	65.60%	65.90%	66.04%	66.09%	66.22%
2008 Q2	28.91%	55.64%	57.30%	58.64%	60.64%	61.75%	62.86%	63.67%	64.26%	64.75%	65.11%	65.53%	66.10%	66.90%	67.17%	67.64%	67.81%	68.00%	68.23%	68.33%	68.58%	68.72%	68.84%	69.00%	69.04%
2008 Q3	29.74%	55.64%	57.08%	58.40%	59.92%	61.12%	62.29%	63.10%	63.89%	64.50%	65.01%	65.59%	66.09%	66.43%	66.73%	67.05%	67.52%	67.81%	68.05%	68.40%	68.61%	68.81%	68.92%	69.03%	69.11%
2008 Q4	26.22%	51.07%	53.07%	54.01%	54.75%	55.50%	56.82%	57.85%	58.69%	59.65%	60.13%	60.50%	61.00%	61.40%	61.74%	62.06%	62.32%	62.66%	63.02%	63.50%	63.85%	63.98%	64.11%	64.23%	64.45%
2009 Q1	18.36%	46.42%	48.97%	52.14%	54.77%	55.51%	56.14%	58.05%	59.08%	59.77%	60.52%	60.83%	61.01%	61.23%	61.37%	61.50%	61.77%	62.10%	62.38%	62.56%	62.68%	63.12%	63.24%	63.44%	64.07%
2009 Q2	21.95%	47.52%	48.95%	49.26%	50.08%	51.63%	52.24%	52.98%	53.51%	54.45%	55.44%	55.95%	56.48%	56.87%	57.28%	57.47%	57.84%	58.04%	58.14%	58.26%	58.41%	58.58%	58.69%	58.90%	59.06%
2009 Q3	25.32%	46.29%	48.57%	49.68%	50.70%	51.35%	52.54%	53.00%	53.64%	54.15%	54.92%	55.33%	55.84%	56.38%	57.15%	57.61%	58.06%	58.38%	58.81%	59.06%	59.23%	59.64%	59.95%	60.13%	60.31%
2009 Q4	26.72%	42.29%	47.65%	48.15%	49.06%	49.86%	50.62%	51.32%	52.25%	52.78%	53.32%	53.71%	54.72%	55.29%	55.78%	56.37%	56.73%	57.02%	57.28%	57.58%	57.96%	58.30%	58.54%	58.77%	59.03%
2010 Q1	24.03%	45.21%	46.74%	48.14%	48.67%	49.09%	49.74%	50.15%	50.59%	51.02%	51.48%	52.13%	52.36%	52.59%	53.10%	53.38%	54.53%	54.77%	54.99%	55.42%	55.65%	55.82%	55.96%	56.18%	56.50%
2010 Q2	28.47%	47.15%	47.81%	48.82%	49.54%	50.42%	50.98%	51.44%	51.89%	52.16%	52.87%	53.14%	53.50%	53.98%	54.34%	54.59%	54.88%	55.18%	55.62%	55.96%	56.32%	56.57%	56.77%	57.02%	57.16%
2010 Q3	33.66%	50.75%	52.39%	53.30%	54.71%	55.79%	56.77%	57.36%	57.90%	58.20%	58.61%	59.06%	59.53%	59.80%	60.11%	60.55%	60.79%	61.29%	61.45%	61.56%	62.33%	62.59%	62.95%	63.08%	63.32%
2010 Q4	24.99%	44.64%	46.04%	46.88%	47.80%	48.95%	50.14%	51.54%	52.48%	53.56%	54.52%	55.50%	56.28%	56.87%	57.56%	58.13%	58.52%	58.95%	59.15%	59.53%	59.75%	59.96%	60.50%	61.26%	61.47%
2011 Q1	22.19%	42.23%	44.71%	44.94%	45.72%	46.13%	46.62%	47.26%	47.80%	48.65%	49.04%	49.37%	49.73%	50.24%	50.97%	51.45%	51.87%	52.18%	52.39%	52.74%	52.90%	53.01%	54.11%	54.23%	54.41%
2011 Q2	27.04%	45.39%	46.90%	47.69%	48.16%	48.88%	49.38%	49.80%	50.22%	51.05%	51.56%	52.02%	52.28%	52.59%	53.73%	54.32%	54.58%	54.83%	55.24%	55.51%	55.89%	56.17%	56.43%	56.95%	57.39%
2011 Q3	31.48%	48.00%	49.77%	50.65%	51.44%	52.13%	53.24%	54.09%	54.86%	55.84%	56.35%	56.75%	57.07%	57.63%	57.93%	58.20%	58.47%	58.83%	59.14%	59.45%	59.76%	59.93%	60.17%	60.31%	60.99%
2011 Q4	27.97%	47.01%	48.28%	49.09%	49.79%	50.80%	51.43%	52.55%	53.56%	54.14%	54.53%	55.08%	55.46%	57.37%	57.89%	58.06%	58.29%	58.57%	58.81%	59.03%	59.11%	59.21%	59.31%	59.48%	59.65%

Quarter of default	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24
2012 Q1	33.61%	48.00%	49.40%	50.57%	50.98%	51.86%	52.83%	54.36%	54.82%	55.53%	55.71%	56.24%	56.40%	56.51%	56.60%	56.83%	56.96%	57.22%	57.39%	57.63%	57.79%	57.89%	58.03%	58.13%	58.22%
2012 Q2	23.98%	44.52%	45.44%	46.17%	47.92%	48.24%	48.52%	48.89%	49.35%	49.57%	49.99%	50.76%	51.17%	51.37%	51.73%	52.01%	52.26%	52.47%	52.91%	53.18%	53.56%	53.80%	53.96%	54.03%	54.48%
2012 Q3	24.07%	42.08%	45.42%	46.69%	48.01%	48.57%	50.23%	50.61%	51.07%	51.66%	52.29%	52.51%	52.81%	53.00%	53.14%	53.51%	53.83%	54.32%	54.49%	54.54%	55.05%	55.35%	55.47%	55.53%	
2012 Q4	27.97%	44.94%	48.44%	49.38%	50.28%	50.68%	51.43%	51.79%	52.06%	52.61%	52.83%	53.12%	53.30%	53.47%	53.70%	53.99%	54.72%	54.89%	55.10%	55.35%	55.66%	56.03%	56.18%		
2013 Q1	24.62%	47.06%	48.72%	51.02%	51.59%	51.87%	52.26%	52.51%	53.40%	54.13%	54.54%	55.22%	55.50%	56.03%	56.32%	56.63%	56.96%	57.32%	57.69%	58.47%	58.79%	59.32%			
2013 Q2	23.96%	46.76%	50.48%	52.06%	53.23%	53.68%	54.40%	54.82%	55.21%	55.46%	55.71%	56.16%	56.63%	57.21%	57.83%	58.52%	58.77%	59.63%	60.27%	60.49%	60.61%				
2013 Q3	22.49%	42.25%	44.79%	45.32%	45.91%	46.58%	47.00%	47.69%	48.45%	48.70%	49.00%	49.28%	49.70%	50.12%	50.98%	51.41%	52.13%	52.61%	52.94%	53.20%					
2013 Q4	26.57%	43.88%	45.72%	46.54%	47.81%	48.91%	49.42%	49.95%	50.58%	51.00%	51.72%	52.41%	52.70%	53.57%	54.08%	54.45%	54.77%	54.99%	55.19%						
2014 Q1	32.40%	48.18%	50.25%	51.57%	52.42%	53.87%	54.74%	55.76%	56.16%	57.12%	57.46%	57.91%	58.39%	58.86%	58.99%	59.08%	59.78%	59.96%							
2014 Q2	26.56%	44.34%	46.46%	47.83%	49.45%	50.30%	50.99%	51.43%	51.92%	52.34%	53.89%	54.10%	54.29%	54.53%	54.80%	55.02%	55.23%								
2014 Q3	26.21%	47.64%	48.49%	49.73%	52.78%	54.06%	54.53%	55.48%	55.96%	56.17%	56.51%	56.65%	56.80%	57.20%	57.48%	57.69%									
2014 Q4	30.09%	49.02%	49.70%	50.81%	51.34%	51.55%	51.86%	52.07%	52.41%	53.67%	53.90%	54.17%	54.43%	54.77%	54.87%										
2015 Q1	30.92%	51.37%	52.37%	53.41%	53.70%	54.49%	56.08%	56.45%	56.84%	57.16%	57.62%	58.21%	58.55%	58.94%											
2015 Q2	26.14%	44.35%	45.67%	45.92%	47.62%	47.76%	47.98%	48.32%	48.45%	48.61%	49.20%	49.36%	49.74%												
2015 Q3	33.31%	51.33%	54.16%	55.61%	55.86%	57.04%	57.92%	58.41%	58.61%	58.98%	59.43%	59.63%													
2015 Q4	31.72%	43.78%	45.06%	48.02%	49.89%	50.16%	50.44%	50.83%	52.61%	52.75%	52.95%														
2016 Q1	30.58%	52.88%	53.27%	53.79%	53.98%	56.04%	57.54%	58.00%	58.76%	59.00%															
2016 Q2	28.61%	47.86%	50.23%	51.14%	53.49%	54.26%	55.26%	55.64%	55.96%																
2016 Q3	26.01%	48.27%	51.50%	54.33%	55.04%	55.63%	56.18%	56.47%																	
2016 Q4	31.23%	53.57%	56.06%	56.85%	57.73%	58.17%	58.63%																		
2017 Q1	34.19%	55.64%	57.27%	58.81%	59.71%	60.20%																			
2017 Q2	30.11%	55.03%	56.25%	56.48%	56.62%																				
2017 Q3	34.39%	55.79%	57.73%	58.27%																					
2017 Q4	25.96%	52.05%	52.50%																						
2018 Q1	22.25%	40.12%																							
2018 Q2	19.58%																								

Quarter of default	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Q42	Q43	Q44	Q45
2007 Q1	66.28%	66.48%	66.56%	66.61%	66.77%	66.83%	66.97%	67.20%	67.25%	67.28%	67.30%	67.32%	67.33%	67.35%	67.40%	67.41%	67.46%	67.57%	67.68%	67.72%	67.80%
2007 Q2	69.19%	69.38%	69.61%	69.77%	69.87%	69.92%	70.08%	70.10%	70.11%	70.12%	70.13%	70.16%	70.34%	70.34%	70.34%	70.34%	70.35%	70.35%	70.35%	70.36%	
2007 Q3	68.77%	69.00%	69.34%	69.52%	69.64%	70.14%	70.26%	70.33%	70.50%	70.60%	70.63%	70.66%	70.72%	70.77%	70.79%	70.81%	70.85%	70.88%	70.88%		
2007 Q4	69.93%	70.09%	70.27%	70.35%	70.68%	70.81%	70.89%	71.14%	71.28%	71.41%	71.52%	71.65%	71.73%	71.81%	71.90%	71.95%	72.00%	72.03%			
2008 Q1	66.33%	66.46%	66.53%	66.93%	67.34%	67.54%	67.62%	67.69%	67.72%	67.93%	67.95%	67.97%	67.98%	67.99%	68.00%	68.07%	68.07%				
2008 Q2	69.14%	69.30%	69.89%	69.93%	69.95%	69.99%	70.04%	70.13%	70.25%	70.38%	70.44%	70.50%	70.54%	70.60%	70.89%	70.96%					
2008 Q3	69.22%	69.63%	69.74%	70.17%	70.38%	70.42%	70.53%	70.58%	70.59%	70.61%	70.63%	70.65%	70.70%	70.77%	70.78%						
2008 Q4	64.82%	64.95%	65.25%	65.40%	65.51%	65.62%	65.73%	65.86%	65.97%	66.06%	66.13%	66.25%	66.34%	66.40%							
2009 Q1	64.41%	64.49%	64.71%	64.89%	64.96%	65.02%	65.04%	65.06%	65.10%	65.11%	65.11%	65.12%	65.15%								
2009 Q2	59.20%	59.59%	59.74%	59.86%	60.06%	60.15%	60.41%	60.48%	60.56%	60.65%	60.73%	60.79%									
2009 Q3	60.67%	60.91%	61.36%	61.61%	61.80%	61.91%	62.02%	62.12%	62.37%	62.55%	62.68%										
2009 Q4	59.27%	59.55%	59.72%	59.90%	60.02%	60.14%	60.38%	60.55%	60.69%	60.92%											
2010 Q1	57.06%	57.28%	57.73%	57.89%	57.95%	58.10%	58.18%	58.32%	58.47%												
2010 Q2	57.33%	57.42%	57.57%	57.62%	57.80%	57.86%	57.99%	58.03%													
2010 Q3	63.61%	63.63%	63.74%	64.25%	64.34%	64.58%	64.63%														

Quarter of default	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Q42	Q43	Q44	Q45	
2010 Q4	61.67%	61.79%	61.91%	61.99%	62.08%	62.15%																
2011 Q1	54.65%	54.71%	54.86%	54.93%	55.04%																	
2011 Q2	57.51%	57.73%	57.97%	58.12%																		
2011 Q3	61.17%	61.34%	61.43%																			
2011 Q4	59.78%	59.93%																				
2012 Q1	58.33%																					

14. Cumulative Quarterly Recoveries – Used Cars

Quarter of default	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24
2007 Q1	15.64%	37.54%	39.63%	40.94%	42.02%	43.24%	44.23%	45.50%	47.07%	48.02%	49.06%	50.05%	50.45%	52.23%	52.84%	53.97%	54.82%	55.13%	55.53%	55.89%	56.22%	56.51%	56.79%	57.30%	57.80%
2007 Q2	29.63%	47.79%	51.63%	53.42%	54.38%	54.89%	55.90%	56.41%	56.98%	57.84%	58.27%	58.73%	59.01%	59.40%	60.11%	60.89%	61.27%	61.57%	61.74%	62.01%	62.15%	62.32%	62.43%	62.57%	62.95%
2007 Q3	24.92%	44.29%	47.89%	51.66%	52.83%	54.12%	55.33%	56.39%	56.90%	57.59%	58.21%	59.34%	59.73%	60.00%	60.30%	60.60%	60.93%	61.08%	61.29%	61.61%	62.12%	62.30%	62.89%	63.11%	63.27%
2007 Q4	27.93%	46.72%	49.54%	51.10%	53.56%	53.97%	54.14%	55.00%	56.00%	57.14%	57.49%	58.36%	58.60%	58.86%	60.05%	60.54%	61.21%	61.60%	62.15%	62.64%	64.76%	64.92%	64.96%	65.00%	
2008 Q1	22.93%	48.73%	51.01%	53.84%	55.57%	57.36%	58.91%	60.67%	63.17%	64.01%	64.73%	65.62%	66.23%	66.91%	67.80%	68.43%	68.77%	68.97%	69.38%	69.73%	69.96%	70.16%	70.63%	70.84%	71.55%
2008 Q2	22.30%	41.60%	44.08%	47.44%	50.02%	51.40%	52.85%	53.99%	55.14%	56.34%	57.51%	58.25%	59.01%	59.86%	60.64%	61.27%	62.25%	62.64%	63.36%	63.61%	63.88%	64.83%	66.17%	66.23%	66.60%
2008 Q3	28.96%	44.65%	48.07%	48.84%	51.79%	52.46%	53.32%	54.31%	54.57%	55.50%	56.37%	56.50%	56.60%	56.81%	56.90%	57.03%	57.38%	57.71%	58.00%	58.21%	58.43%	58.52%	58.58%	58.67%	58.88%
2008 Q4	22.72%	42.82%	44.76%	47.22%	48.33%	50.26%	51.27%	52.26%	53.71%	55.22%	56.28%	57.18%	57.82%	59.36%	59.81%	60.24%	60.92%	61.61%	61.94%	62.46%	62.78%	63.19%	63.49%	63.79%	63.94%
2009 Q1	16.89%	36.67%	38.87%	40.26%	41.23%	42.34%	43.77%	45.11%	46.33%	47.97%	48.68%	49.14%	49.52%	49.98%	50.41%	50.71%	50.97%	51.15%	51.44%	51.66%	51.89%	52.07%	52.44%	52.74%	53.33%
2009 Q2	17.45%	32.26%	36.58%	38.71%	39.89%	41.63%	43.11%	45.11%	46.36%	47.76%	48.79%	50.00%	50.71%	51.28%	51.94%	52.69%	53.07%	53.38%	53.60%	53.75%	54.09%	54.85%	55.05%	55.43%	55.49%
2009 Q3	19.85%	34.86%	37.18%	39.53%	42.46%	43.76%	45.19%	46.13%	48.69%	49.98%	51.76%	52.77%	54.42%	55.08%	55.44%	55.84%	56.14%	57.18%	57.75%	58.47%	58.83%	59.57%	59.86%	60.15%	60.44%
2009 Q4	18.95%	32.64%	37.61%	39.83%	41.43%	42.53%	43.38%	44.37%	45.39%	46.43%	47.24%	47.74%	48.97%	49.27%	49.61%	49.82%	50.17%	50.38%	50.53%	51.45%	51.93%	53.00%	53.45%	53.74%	53.97%
2010 Q1	21.06%	34.67%	36.42%	38.27%	41.78%	42.61%	43.37%	44.49%	45.99%	46.84%	47.91%	48.70%	49.38%	49.96%	50.43%	50.64%	50.92%	51.66%	51.86%	52.07%	52.24%	52.67%	54.11%	54.58%	54.75%
2010 Q2	21.62%	38.27%	39.93%	40.67%	42.12%	43.35%	44.29%	44.96%	45.73%	46.41%	47.20%	48.23%	49.08%	49.75%	50.59%	51.29%	51.61%	52.14%	52.69%	52.95%	53.29%	53.56%	53.87%	54.44%	54.67%
2010 Q3	20.66%	33.86%	35.22%	37.81%	39.81%	42.48%	43.53%	44.91%	45.63%	46.49%	47.36%	48.27%	49.18%	50.14%	51.34%	51.83%	52.26%	52.64%	53.12%	53.46%	53.72%	54.13%	54.70%	54.93%	55.12%
2010 Q4	30.21%	41.00%	42.85%	44.42%	46.07%	47.77%	49.15%	50.27%	51.30%	52.04%	53.08%	53.77%	55.03%	55.71%	55.95%	56.15%	56.38%	56.70%	56.89%	57.23%	57.85%	58.26%	58.56%	58.84%	59.06%
2011 Q1	20.03%	36.74%	41.51%	42.95%	44.00%	45.19%	46.02%	46.98%	47.89%	49.02%	50.12%	51.14%	52.10%	52.48%	52.93%	53.42%	54.12%	54.42%	54.62%	54.95%	55.00%	55.07%	55.25%	55.59%	55.64%
2011 Q2	17.21%	33.02%	34.57%	35.70%	38.12%	39.19%	39.85%	40.41%	42.57%	43.52%	44.40%	45.04%	45.50%	45.97%	46.96%	47.38%	47.65%	47.90%	48.35%	48.82%	49.09%	49.28%	49.55%	49.84%	49.90%
2011 Q3	26.47%	39.11%	40.90%	42.35%	44.17%	45.57%	46.58%	48.38%	49.79%	51.32%	52.29%	53.27%	54.49%	54.77%	55.43%	55.92%	56.25%	56.44%	56.69%	57.11%	57.37%	57.80%	57.89%	58.19%	58.19%
2011 Q4	22.20%	37.33%	38.43%	39.96%	41.34%	42.42%	44.03%	45.28%	46.24%	47.05%	47.97%	49.35%	50.19%	51.26%	51.60%	52.01%	52.60%	53.38%	53.94%	54.93%	55.44%	55.71%	55.92%	56.21%	56.49%
2012 Q1	27.62%	38.25%	42.48%	43.27%	45.60%	46.83%	47.58%	48.33%	48.96%	49.71%	50.11%	50.74%	50.95%	51.31%	51.70%	51.86%	52.17%	52.31%	52.86%	53.08%	53.63%	54.55%	55.39%	55.76%	55.89%
2012 Q2	20.70%	37.76%	39.29%	41.13%	42.72%	44.35%	45.75%	46.71%	47.76%	48.31%	49.94%	50.98%	51.81%	52.48%	53.27%	53.78%	54.07%	54.43%	54.66%	55.24%	55.57%	55.79%	56.23%	56.47%	56.70%
2012 Q3	25.42%	46.08%	47.82%	49.66%	50.57%	51.17%	51.59%	52.09%	52.58%	53.11%	53.29%	53.63%	54.37%	54.80%	55.29%	55.78%	56.12%	56.99%	57.20%	57.56%	57.97%	58.18%	58.39%	58.73%	
2012 Q4	27.59%	38.90%	42.87%	45.27%	47.10%	48.01%	48.84%	50.31%	51.39%	52.01%	52.80%	53.11%	53.29%	53.93%	54.53%	54.86%	55.42%	55.96%	56.19%	56.49%	56.78%	57.34%	57.66%		
2013 Q1	19.56%	37.95%	38.71%	39.41%	40.04%	40.96%	41.84%	42.27%	42.77%	43.17%	43.54%	43.85%	44.39%	44.95%	45.41%	45.67%	45.93%	46.32%	46.54%	46.69%	47.02%	47.46%			
2013 Q2	22.44%	40.05%	43.06%	45.05%	46.10%	47.03%	48.90%	49.82%	50.45%	51.04%	51.71%	52.35%	53.71%	54.00%	54.51%	54.91%	55.50%	55.93%	56.29%	56.62%	57.02%				
2013 Q3	19.20%	33.95%	37.32%	39.55%	41.36%	43.46%	45.28%	47.13%	48.28%	48.84%	49.83%	50.65%	52.09%	52.51%	53.06%	53.45%	53.91%	54.30%	54.87%	55.58%					
2013 Q4	23.25%	40.58%	43.32%	45.21%	46.31%	46.90%	47.39%	49.02%	50.22%	50.95%	51.99%	52.60%	53.01%	53.46%	54.27%	54.63%	55.39%	56.05%	56.29%						
2014 Q1	20.88%	38.73%	41.46%	42.96%	44.30%	45.58%	46.78%	47.74%	48.48%	49.70%	50.16%	50.44%	51.20%	51.37%	51.61%	52.01%	52.37%	53.14%							
2014 Q2	19.88%	36.45%	39.14%	41.56%	42.91%	44.57%	45.66%	46.44%	47.34%	48.40%	49.13%	49.69%	50.17%	50.84%	51.18%	51.70%	52.04%								

Quarter of default	Q0	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19	Q20	Q21	Q22	Q23	Q24	
2014 Q3	22.49%	40.10%	41.79%	43.15%	44.76%	46.55%	47.20%	47.84%	49.52%	50.08%	50.47%	50.84%	51.55%	51.83%	52.49%	53.04%										
2014 Q4	22.61%	33.62%	35.45%	36.86%	37.98%	39.92%	41.05%	42.76%	46.94%	47.32%	48.06%	48.58%	48.87%	48.97%	49.29%											
2015 Q1	18.17%	36.08%	37.10%	39.90%	41.13%	42.00%	44.14%	45.57%	45.97%	46.94%	47.71%	48.00%	49.20%	49.40%												
2015 Q2	22.43%	36.27%	40.03%	42.59%	44.56%	47.83%	48.66%	49.76%	50.44%	51.16%	51.63%	53.07%	53.69%													
2015 Q3	27.46%	43.50%	46.65%	48.25%	50.72%	51.48%	52.19%	53.40%	54.21%	54.85%	55.32%	56.28%														
2015 Q4	27.51%	39.05%	41.62%	43.22%	44.17%	45.23%	45.80%	46.70%	47.15%	47.92%	48.28%															
2016 Q1	32.59%	48.13%	48.91%	50.09%	50.66%	51.35%	52.16%	53.10%	53.95%	54.36%																
2016 Q2	21.09%	37.92%	40.56%	41.44%	42.20%	43.57%	44.38%	44.87%	45.34%																	
2016 Q3	22.05%	49.62%	52.16%	56.30%	58.28%	59.23%	59.92%	60.54%																		
2016 Q4	26.06%	42.74%	45.72%	48.15%	49.07%	49.48%	50.92%																			
2017 Q1	29.91%	49.93%	50.97%	51.81%	54.88%	55.45%																				
2017 Q2	19.31%	38.36%	41.18%	43.05%	43.74%																					
2017 Q3	32.71%	47.64%	49.39%	50.16%																						
2017 Q4	20.27%	42.18%	43.62%																							
2018 Q1	23.76%	42.44%																								
2018 Q2	25.67%																									

Quarter of default	Q25	Q26	Q27	Q28	Q29	Q30	Q31	Q32	Q33	Q34	Q35	Q36	Q37	Q38	Q39	Q40	Q41	Q42	Q43	Q44	Q45
2007 Q1	58.27%	58.72%	59.18%	59.60%	59.96%	60.32%	61.04%	61.61%	61.96%	62.35%	62.61%	62.85%	63.05%	63.24%	63.44%	63.55%	64.16%	64.28%	64.41%	64.69%	64.84%
2007 Q2	63.17%	63.65%	63.81%	63.90%	64.20%	64.65%	66.16%	66.30%	66.40%	66.56%	66.67%	66.74%	67.10%	67.18%	67.25%	67.32%	67.38%	67.48%	67.56%	67.64%	
2007 Q3	63.48%	63.62%	63.81%	64.01%	64.29%	64.56%	64.70%	64.87%	64.98%	65.04%	65.10%	65.24%	65.34%	65.39%	65.43%	65.47%	65.51%	65.54%	65.58%		
2007 Q4	65.03%	65.09%	65.14%	65.14%	65.41%	65.41%	65.41%	65.41%	65.41%	65.42%	65.42%	65.42%	65.42%	65.43%	65.43%	65.44%	65.44%	65.44%	65.44%		
2008 Q1	71.68%	71.77%	71.81%	71.81%	71.81%	71.81%	71.84%	71.84%	71.84%	71.85%	71.85%	71.86%	72.65%	73.09%	73.90%	74.05%	74.07%				
2008 Q2	66.82%	67.12%	67.34%	67.37%	67.38%	67.51%	67.51%	67.51%	67.53%	67.54%	67.54%	67.54%	67.57%	67.67%	67.68%	67.68%					
2008 Q3	59.05%	59.68%	59.83%	59.84%	59.85%	59.86%	60.09%	60.11%	60.12%	60.13%	60.34%	60.35%	60.38%	60.39%	60.42%						
2008 Q4	64.45%	64.72%	64.90%	64.99%	65.09%	65.19%	65.23%	65.28%	65.37%	65.40%	65.41%	65.44%	65.47%	65.53%							
2009 Q1	53.45%	53.93%	54.07%	54.35%	54.47%	54.55%	55.08%	55.16%	55.18%	55.20%	55.20%	55.25%	55.25%								
2009 Q2	55.64%	57.34%	57.72%	57.79%	57.90%	57.98%	58.17%	58.26%	58.37%	59.20%	59.36%	59.42%									
2009 Q3	60.62%	60.73%	60.83%	60.91%	60.98%	61.08%	61.23%	61.29%	61.44%	61.54%	61.66%										
2009 Q4	54.16%	54.27%	54.80%	54.82%	54.82%	55.08%	55.11%	55.12%	55.15%	55.16%											
2010 Q1	55.17%	55.78%	56.11%	56.61%	56.86%	57.50%	57.66%	57.79%	58.06%												
2010 Q2	54.84%	55.44%	55.49%	55.54%	55.66%	55.66%	55.75%	55.78%													
2010 Q3	55.37%	55.66%	55.96%	56.22%	56.41%	56.67%	56.78%														
2010 Q4	59.57%	59.70%	59.76%	60.19%	60.25%	60.34%															
2011 Q1	56.03%	56.22%	56.80%	56.94%	56.94%																
2011 Q2	50.08%	50.16%	50.26%	50.41%																	
2011 Q3	58.51%	58.98%	59.44%																		
2011 Q4	56.75%	56.98%																			
2012 Q1	56.02%																				

15. Delinquencies

The following dynamic data indicates, for the whole loan portfolio, and for a given month the outstanding balance of the receivables which are at least one (1) day but less than 150 days in arrears, expressed as a percentage of the total outstanding balance of the whole loan portfolio at the beginning of such period

15.1 Delinquencies – Total Portfolio

End of Quarter	[1-30] days	[31-60] days	[61-90] days	[91-120] days	[121-149] days	>= 150 days
Q1 2007	1.28%	0.57%	0.19%	0.06%	0.03%	0.88%
Q2 2007	1.38%	0.49%	0.22%	0.07%	0.04%	1.00%
Q3 2007	1.42%	0.48%	0.20%	0.09%	0.04%	1.06%
Q4 2007	0.79%	0.60%	0.22%	0.09%	0.04%	1.11%
Q1 2008	1.22%	0.64%	0.19%	0.06%	0.05%	1.24%
Q2 2008	1.30%	0.59%	0.22%	0.07%	0.05%	1.34%
Q3 2008	1.34%	0.60%	0.25%	0.10%	0.04%	1.32%
Q4 2008	1.04%	0.72%	0.24%	0.10%	0.06%	1.35%
Q1 2009	1.26%	0.84%	0.25%	0.09%	0.07%	1.40%
Q2 2009	1.38%	0.76%	0.29%	0.13%	0.08%	1.53%
Q3 2009	1.59%	0.69%	0.27%	0.13%	0.07%	1.59%
Q4 2009	1.25%	0.76%	0.28%	0.15%	0.08%	1.49%
Q1 2010	1.56%	0.83%	0.27%	0.10%	0.06%	1.69%
Q2 2010	1.34%	0.64%	0.24%	0.09%	0.09%	1.79%
Q3 2010	1.39%	0.52%	0.21%	0.11%	0.06%	1.57%
Q4 2010	1.33%	0.67%	0.22%	0.08%	0.05%	1.49%
Q1 2011	1.33%	0.68%	0.22%	0.11%	0.06%	1.65%
Q2 2011	1.36%	0.83%	0.27%	0.11%	0.07%	1.71%
Q3 2011	1.58%	0.61%	0.24%	0.12%	0.07%	1.64%
Q4 2011	1.17%	0.60%	0.21%	0.10%	0.06%	1.59%
Q1 2012	1.37%	0.70%	0.20%	0.11%	0.04%	1.66%
Q2 2012	1.46%	0.59%	0.26%	0.12%	0.08%	1.64%
Q3 2012	1.32%	0.58%	0.25%	0.13%	0.07%	1.65%
Q4 2012	0.68%	0.62%	0.21%	0.10%	0.07%	1.67%
Q1 2013	1.17%	0.68%	0.22%	0.09%	0.07%	1.74%
Q2 2013	1.27%	0.56%	0.27%	0.12%	0.09%	1.82%
Q3 2013	1.21%	0.54%	0.24%	0.13%	0.11%	1.99%
Q4 2013	0.73%	0.77%	0.26%	0.13%	0.08%	1.86%
Q1 2014	1.17%	0.81%	0.23%	0.12%	0.07%	2.08%
Q2 2014	1.26%	0.67%	0.26%	0.12%	0.07%	2.11%
Q3 2014	1.16%	0.59%	0.20%	0.14%	0.09%	2.09%
Q4 2014	0.78%	0.60%	0.21%	0.10%	0.04%	1.58%
Q1 2015	1.07%	0.72%	0.20%	0.09%	0.06%	1.64%
Q2 2015	1.16%	0.58%	0.20%	0.09%	0.09%	1.56%
Q3 2015	1.12%	0.53%	0.17%	0.10%	0.05%	1.65%
Q4 2015	0.77%	0.49%	0.16%	0.09%	0.04%	1.53%
Q1 2016	0.93%	0.50%	0.15%	0.09%	0.06%	1.54%
Q2 2016	1.04%	0.38%	0.17%	0.08%	0.05%	1.38%
Q3 2016	1.01%	0.39%	0.14%	0.09%	0.04%	1.28%
Q4 2016	0.74%	0.40%	0.13%	0.08%	0.05%	1.12%
Q1 2017	0.95%	0.36%	0.14%	0.05%	0.05%	1.11%
Q2 2017	0.92%	0.28%	0.12%	0.06%	0.04%	1.10%
Q3 2017	0.77%	0.34%	0.12%	0.07%	0.04%	1.02%
Q4 2017	0.48%	0.29%	0.07%	0.06%	0.04%	0.90%
Q1 2018	0.63%	0.33%	0.12%	0.05%	0.03%	0.94%
Q2 2018	0.68%	0.31%	0.12%	0.06%	0.06%	0.92%

15.2 Delinquencies – Commercial Standard

End of Quarter	[1-30] days	[31-60] days	[61-90] days	[91-120] days	[121-149] days	>= 150 days
Q1 2007	1.55%	0.93%	0.26%	0.11%	0.08%	1.21%
Q2 2007	1.79%	0.63%	0.36%	0.11%	0.09%	1.26%
Q3 2007	1.65%	0.54%	0.26%	0.20%	0.09%	1.38%
Q4 2007	1.07%	0.78%	0.25%	0.13%	0.09%	1.34%
Q1 2008	1.63%	0.86%	0.36%	0.10%	0.08%	1.47%
Q2 2008	1.60%	0.84%	0.39%	0.08%	0.08%	1.46%
Q3 2008	1.64%	0.82%	0.34%	0.18%	0.06%	1.36%
Q4 2008	1.30%	1.01%	0.36%	0.16%	0.10%	1.33%
Q1 2009	1.55%	1.48%	0.35%	0.21%	0.14%	1.49%
Q2 2009	1.60%	1.24%	0.55%	0.20%	0.17%	1.67%
Q3 2009	2.03%	1.13%	0.50%	0.19%	0.13%	1.68%
Q4 2009	1.55%	1.03%	0.52%	0.35%	0.12%	1.73%
Q1 2010	2.04%	1.25%	0.38%	0.21%	0.10%	1.87%
Q2 2010	1.71%	0.93%	0.30%	0.16%	0.21%	1.98%
Q3 2010	1.56%	0.80%	0.33%	0.16%	0.10%	1.80%
Q4 2010	1.61%	0.94%	0.33%	0.11%	0.09%	1.72%
Q1 2011	1.56%	0.90%	0.43%	0.22%	0.10%	1.77%
Q2 2011	1.58%	1.07%	0.41%	0.20%	0.13%	1.81%
Q3 2011	1.89%	0.87%	0.40%	0.13%	0.11%	1.94%
Q4 2011	1.38%	0.77%	0.27%	0.16%	0.13%	1.83%
Q1 2012	1.61%	0.88%	0.37%	0.19%	0.07%	1.98%
Q2 2012	1.81%	0.78%	0.39%	0.26%	0.16%	1.94%
Q3 2012	1.52%	0.85%	0.36%	0.20%	0.15%	2.04%
Q4 2012	0.91%	0.85%	0.30%	0.18%	0.13%	2.16%
Q1 2013	1.50%	0.86%	0.41%	0.12%	0.15%	2.42%
Q2 2013	1.51%	0.89%	0.38%	0.23%	0.14%	2.33%
Q3 2013	1.43%	0.82%	0.40%	0.19%	0.15%	2.55%
Q4 2013	0.88%	0.95%	0.42%	0.18%	0.12%	2.43%
Q1 2014	1.42%	1.33%	0.31%	0.16%	0.13%	2.78%
Q2 2014	1.61%	0.87%	0.42%	0.19%	0.16%	2.83%
Q3 2014	1.38%	0.92%	0.30%	0.22%	0.14%	2.84%
Q4 2014	0.90%	0.94%	0.34%	0.13%	0.07%	2.27%
Q1 2015	1.45%	1.06%	0.36%	0.16%	0.11%	2.39%
Q2 2015	1.53%	0.84%	0.32%	0.20%	0.16%	2.34%
Q3 2015	1.23%	0.73%	0.23%	0.22%	0.12%	2.56%
Q4 2015	0.85%	0.67%	0.28%	0.17%	0.06%	2.29%
Q1 2016	1.05%	0.68%	0.28%	0.12%	0.08%	2.37%
Q2 2016	1.30%	0.62%	0.29%	0.14%	0.09%	2.39%
Q3 2016	1.41%	0.52%	0.24%	0.19%	0.06%	2.39%
Q4 2016	1.05%	0.54%	0.26%	0.15%	0.10%	2.18%
Q1 2017	1.19%	0.71%	0.32%	0.09%	0.08%	2.05%
Q2 2017	1.31%	0.61%	0.27%	0.09%	0.10%	2.06%
Q3 2017	0.82%	0.61%	0.18%	0.18%	0.13%	1.86%
Q4 2017	0.87%	0.44%	0.13%	0.13%	0.07%	1.65%
Q1 2018	0.89%	0.61%	0.29%	0.06%	0.04%	1.39%
Q2 2018	0.83%	0.43%	0.19%	0.08%	0.19%	1.39%

15.3 Delinquencies – Commercial Balloon

End of Quarter	[1-30] days	[31-60] days	[61-90] days	[91-120] days	[121-149] days	>= 150 days
Q1 2007	2.05%	0.97%	0.40%	0.16%	0.03%	1.46%
Q2 2007	2.05%	0.90%	0.32%	0.16%	0.09%	1.61%
Q3 2007	2.19%	0.81%	0.39%	0.19%	0.11%	1.60%
Q4 2007	1.11%	1.12%	0.41%	0.22%	0.07%	1.77%
Q1 2008	1.87%	1.23%	0.39%	0.10%	0.08%	1.84%
Q2 2008	2.20%	1.11%	0.43%	0.18%	0.14%	1.83%
Q3 2008	2.03%	0.98%	0.53%	0.21%	0.17%	1.72%
Q4 2008	2.04%	1.18%	0.43%	0.23%	0.16%	1.88%
Q1 2009	2.24%	1.57%	0.58%	0.20%	0.19%	2.14%
Q2 2009	2.51%	1.59%	0.43%	0.38%	0.25%	2.55%
Q3 2009	2.43%	1.34%	0.64%	0.32%	0.20%	2.62%
Q4 2009	2.29%	1.30%	0.67%	0.40%	0.20%	2.67%
Q1 2010	2.55%	1.67%	0.63%	0.23%	0.21%	2.90%
Q2 2010	2.30%	1.19%	0.51%	0.13%	0.24%	3.33%
Q3 2010	2.47%	0.86%	0.46%	0.29%	0.18%	2.98%
Q4 2010	2.35%	1.25%	0.60%	0.21%	0.09%	2.95%
Q1 2011	2.02%	1.23%	0.50%	0.30%	0.22%	3.03%
Q2 2011	1.97%	1.36%	0.63%	0.31%	0.11%	3.26%
Q3 2011	2.20%	1.07%	0.46%	0.36%	0.20%	3.04%
Q4 2011	1.99%	1.13%	0.59%	0.29%	0.11%	2.93%
Q1 2012	1.88%	1.52%	0.39%	0.34%	0.17%	3.24%
Q2 2012	1.89%	0.90%	0.54%	0.28%	0.29%	3.35%
Q3 2012	1.73%	1.09%	0.50%	0.38%	0.13%	3.22%
Q4 2012	0.97%	1.08%	0.42%	0.19%	0.19%	3.32%
Q1 2013	1.72%	1.31%	0.47%	0.31%	0.21%	2.99%
Q2 2013	1.71%	1.01%	0.50%	0.23%	0.20%	3.23%
Q3 2013	1.63%	0.83%	0.45%	0.23%	0.35%	3.62%
Q4 2013	1.09%	1.34%	0.47%	0.20%	0.19%	3.46%
Q1 2014	1.97%	1.11%	0.49%	0.25%	0.17%	3.47%
Q2 2014	1.71%	1.13%	0.38%	0.29%	0.08%	3.40%
Q3 2014	1.71%	0.84%	0.29%	0.22%	0.25%	3.34%
Q4 2014	1.15%	0.73%	0.40%	0.17%	0.07%	2.59%
Q1 2015	1.54%	0.89%	0.36%	0.21%	0.11%	2.65%
Q2 2015	1.54%	0.79%	0.17%	0.15%	0.17%	2.44%
Q3 2015	1.46%	0.85%	0.41%	0.13%	0.07%	2.35%
Q4 2015	1.04%	0.72%	0.25%	0.12%	0.05%	2.33%
Q1 2016	1.44%	0.85%	0.35%	0.16%	0.13%	2.45%
Q2 2016	1.80%	0.63%	0.28%	0.15%	0.13%	2.12%
Q3 2016	1.73%	0.70%	0.25%	0.23%	0.13%	1.95%
Q4 2016	1.43%	0.77%	0.25%	0.14%	0.06%	1.74%
Q1 2017	1.56%	0.65%	0.32%	0.13%	0.11%	1.84%
Q2 2017	1.49%	0.44%	0.23%	0.14%	0.10%	1.86%
Q3 2017	1.18%	0.49%	0.26%	0.16%	0.05%	1.64%
Q4 2017	0.65%	0.51%	0.16%	0.12%	0.05%	1.55%
Q1 2018	0.90%	0.47%	0.24%	0.13%	0.12%	1.57%
Q2 2018	0.84%	0.58%	0.23%	0.18%	0.12%	1.60%

15.4 Delinquencies – Consumer Standard

End of Quarter	[1-30] days	[31-60] days	[61-90] days	[91-120] days	[121-149] days	>= 150 days
Q1 2007	1.20%	0.53%	0.18%	0.04%	0.03%	0.89%
Q2 2007	1.31%	0.50%	0.21%	0.07%	0.04%	1.07%
Q3 2007	1.32%	0.47%	0.19%	0.09%	0.03%	1.08%
Q4 2007	0.74%	0.54%	0.19%	0.06%	0.03%	1.12%
Q1 2008	1.07%	0.55%	0.16%	0.05%	0.03%	1.24%
Q2 2008	1.18%	0.49%	0.20%	0.06%	0.02%	1.32%
Q3 2008	1.27%	0.53%	0.20%	0.07%	0.02%	1.29%
Q4 2008	0.83%	0.65%	0.20%	0.08%	0.04%	1.28%
Q1 2009	1.13%	0.75%	0.20%	0.06%	0.05%	1.32%
Q2 2009	1.27%	0.65%	0.23%	0.09%	0.05%	1.41%
Q3 2009	1.57%	0.64%	0.19%	0.09%	0.04%	1.51%
Q4 2009	1.23%	0.75%	0.23%	0.09%	0.05%	1.31%
Q1 2010	1.53%	0.76%	0.23%	0.09%	0.04%	1.53%
Q2 2010	1.36%	0.61%	0.22%	0.09%	0.06%	1.68%
Q3 2010	1.49%	0.52%	0.17%	0.10%	0.05%	1.38%
Q4 2010	1.36%	0.67%	0.21%	0.06%	0.04%	1.31%
Q1 2011	1.40%	0.64%	0.20%	0.08%	0.04%	1.53%
Q2 2011	1.46%	0.85%	0.22%	0.09%	0.05%	1.56%
Q3 2011	1.66%	0.63%	0.21%	0.10%	0.05%	1.53%
Q4 2011	1.21%	0.58%	0.20%	0.07%	0.04%	1.46%
Q1 2012	1.47%	0.67%	0.16%	0.08%	0.03%	1.45%
Q2 2012	1.50%	0.59%	0.24%	0.08%	0.04%	1.37%
Q3 2012	1.39%	0.56%	0.22%	0.11%	0.04%	1.44%
Q4 2012	0.70%	0.62%	0.19%	0.09%	0.05%	1.45%
Q1 2013	1.26%	0.67%	0.14%	0.05%	0.04%	1.64%
Q2 2013	1.39%	0.54%	0.24%	0.08%	0.07%	1.75%
Q3 2013	1.40%	0.49%	0.19%	0.12%	0.05%	1.89%
Q4 2013	0.84%	0.83%	0.22%	0.10%	0.04%	1.73%
Q1 2014	1.18%	0.91%	0.18%	0.08%	0.05%	2.00%
Q2 2014	1.44%	0.79%	0.27%	0.09%	0.07%	2.14%
Q3 2014	1.29%	0.61%	0.20%	0.13%	0.06%	2.24%
Q4 2014	0.90%	0.82%	0.19%	0.12%	0.03%	1.64%
Q1 2015	1.21%	0.95%	0.20%	0.04%	0.03%	1.81%
Q2 2015	1.57%	0.75%	0.26%	0.08%	0.10%	1.85%
Q3 2015	1.66%	0.75%	0.17%	0.11%	0.06%	1.90%
Q4 2015	1.11%	0.75%	0.20%	0.07%	0.05%	1.77%
Q1 2016	1.22%	0.80%	0.11%	0.10%	0.06%	1.84%
Q2 2016	1.40%	0.49%	0.23%	0.08%	0.04%	1.73%
Q3 2016	1.33%	0.62%	0.24%	0.08%	0.02%	1.75%
Q4 2016	0.97%	0.50%	0.18%	0.11%	0.05%	1.66%
Q1 2017	1.35%	0.42%	0.10%	0.06%	0.05%	1.59%
Q2 2017	1.30%	0.37%	0.15%	0.05%	0.02%	1.50%
Q3 2017	1.19%	0.56%	0.12%	0.07%	0.02%	1.38%
Q4 2017	0.66%	0.54%	0.11%	0.11%	0.05%	1.28%
Q1 2018	0.76%	0.56%	0.09%	0.08%	0.01%	1.26%
Q2 2018	0.92%	0.43%	0.13%	0.04%	0.05%	1.30%

15.5 Delinquencies – Consumer Balloon

End of Quarter	[1-30] days	[31-60] days	[61-90] days	[91-120] days	[121-149] days	>= 150 days
Q1 2007	1.15%	0.48%	0.14%	0.05%	0.02%	0.72%
Q2 2007	1.23%	0.38%	0.17%	0.04%	0.03%	0.81%
Q3 2007	1.30%	0.40%	0.16%	0.06%	0.04%	0.89%
Q4 2007	0.71%	0.51%	0.19%	0.07%	0.03%	0.94%
Q1 2008	1.10%	0.54%	0.14%	0.06%	0.05%	1.07%
Q2 2008	1.13%	0.48%	0.15%	0.06%	0.03%	1.23%
Q3 2008	1.18%	0.51%	0.20%	0.06%	0.02%	1.24%
Q4 2008	0.90%	0.58%	0.18%	0.07%	0.05%	1.28%
Q1 2009	1.05%	0.57%	0.19%	0.06%	0.05%	1.27%
Q2 2009	1.17%	0.54%	0.23%	0.08%	0.03%	1.35%
Q3 2009	1.30%	0.46%	0.19%	0.11%	0.06%	1.40%
Q4 2009	0.95%	0.58%	0.18%	0.09%	0.06%	1.31%
Q1 2010	1.22%	0.58%	0.19%	0.05%	0.04%	1.51%
Q2 2010	1.00%	0.45%	0.17%	0.07%	0.04%	1.49%
Q3 2010	1.03%	0.36%	0.16%	0.06%	0.03%	1.35%
Q4 2010	0.98%	0.45%	0.12%	0.06%	0.03%	1.25%
Q1 2011	1.02%	0.51%	0.11%	0.06%	0.02%	1.42%
Q2 2011	1.06%	0.59%	0.19%	0.06%	0.04%	1.45%
Q3 2011	1.24%	0.37%	0.16%	0.07%	0.04%	1.32%
Q4 2011	0.84%	0.41%	0.11%	0.06%	0.03%	1.30%
Q1 2012	1.03%	0.44%	0.11%	0.05%	0.01%	1.33%
Q2 2012	1.15%	0.41%	0.15%	0.04%	0.04%	1.33%
Q3 2012	1.05%	0.34%	0.17%	0.07%	0.05%	1.25%
Q4 2012	0.49%	0.38%	0.14%	0.05%	0.03%	1.19%
Q1 2013	0.80%	0.42%	0.13%	0.05%	0.03%	1.17%
Q2 2013	0.94%	0.30%	0.17%	0.08%	0.05%	1.24%
Q3 2013	0.84%	0.35%	0.13%	0.07%	0.06%	1.31%
Q4 2013	0.45%	0.47%	0.16%	0.10%	0.04%	1.17%
Q1 2014	0.78%	0.40%	0.14%	0.08%	0.04%	1.35%
Q2 2014	0.83%	0.33%	0.14%	0.06%	0.03%	1.30%
Q3 2014	0.78%	0.34%	0.11%	0.07%	0.02%	1.23%
Q4 2014	0.52%	0.29%	0.10%	0.05%	0.03%	0.89%
Q1 2015	0.66%	0.40%	0.08%	0.04%	0.03%	0.85%
Q2 2015	0.66%	0.31%	0.13%	0.03%	0.03%	0.78%
Q3 2015	0.71%	0.23%	0.06%	0.04%	0.02%	0.90%
Q4 2015	0.49%	0.21%	0.06%	0.05%	0.02%	0.79%
Q1 2016	0.57%	0.20%	0.05%	0.04%	0.02%	0.76%
Q2 2016	0.60%	0.18%	0.07%	0.04%	0.02%	0.71%
Q3 2016	0.60%	0.19%	0.04%	0.02%	0.01%	0.63%
Q4 2016	0.39%	0.22%	0.05%	0.03%	0.03%	0.52%
Q1 2017	0.61%	0.18%	0.05%	0.01%	0.02%	0.53%
Q2 2017	0.55%	0.13%	0.05%	0.03%	0.02%	0.54%
Q3 2017	0.53%	0.17%	0.05%	0.01%	0.02%	0.54%
Q4 2017	0.29%	0.13%	0.02%	0.01%	0.02%	0.42%
Q1 2018	0.43%	0.16%	0.04%	0.01%	0.01%	0.54%
Q2 2018	0.52%	0.16%	0.07%	0.01%	0.01%	0.46%

15.6 Delinquencies – New Cars

End of Quarter	[1-30] days	[31-60] days	[61-90] days	[91-120] days	[121-149] days	>= 150 days
Q1 2007	1.15%	0.50%	0.15%	0.05%	0.02%	0.76%
Q2 2007	1.24%	0.43%	0.18%	0.05%	0.04%	0.88%
Q3 2007	1.30%	0.42%	0.18%	0.08%	0.04%	0.93%
Q4 2007	0.72%	0.54%	0.20%	0.08%	0.04%	0.99%
Q1 2008	1.13%	0.58%	0.17%	0.06%	0.05%	1.11%
Q2 2008	1.19%	0.53%	0.19%	0.07%	0.05%	1.23%
Q3 2008	1.21%	0.53%	0.24%	0.09%	0.05%	1.19%
Q4 2008	0.99%	0.63%	0.22%	0.10%	0.06%	1.23%
Q1 2009	1.17%	0.73%	0.23%	0.09%	0.07%	1.28%
Q2 2009	1.24%	0.71%	0.26%	0.13%	0.07%	1.41%
Q3 2009	1.41%	0.63%	0.25%	0.13%	0.08%	1.43%
Q4 2009	1.11%	0.66%	0.26%	0.15%	0.08%	1.38%
Q1 2010	1.39%	0.72%	0.24%	0.09%	0.07%	1.57%
Q2 2010	1.16%	0.56%	0.20%	0.08%	0.08%	1.68%
Q3 2010	1.20%	0.43%	0.20%	0.10%	0.06%	1.48%
Q4 2010	1.16%	0.57%	0.20%	0.08%	0.04%	1.39%
Q1 2011	1.13%	0.61%	0.19%	0.10%	0.06%	1.56%
Q2 2011	1.16%	0.73%	0.26%	0.10%	0.05%	1.63%
Q3 2011	1.37%	0.52%	0.21%	0.11%	0.07%	1.55%
Q4 2011	1.03%	0.55%	0.19%	0.09%	0.05%	1.54%
Q1 2012	1.19%	0.65%	0.18%	0.10%	0.04%	1.62%
Q2 2012	1.30%	0.53%	0.25%	0.11%	0.09%	1.62%
Q3 2012	1.15%	0.55%	0.24%	0.14%	0.07%	1.65%
Q4 2012	0.61%	0.55%	0.20%	0.08%	0.08%	1.67%
Q1 2013	1.02%	0.59%	0.22%	0.10%	0.08%	1.68%
Q2 2013	1.10%	0.49%	0.26%	0.13%	0.10%	1.74%
Q3 2013	1.03%	0.45%	0.23%	0.13%	0.12%	1.91%
Q4 2013	0.61%	0.67%	0.26%	0.12%	0.07%	1.77%
Q1 2014	1.05%	0.65%	0.22%	0.11%	0.07%	1.96%
Q2 2014	1.09%	0.57%	0.23%	0.12%	0.05%	1.89%
Q3 2014	1.00%	0.50%	0.17%	0.12%	0.09%	1.84%
Q4 2014	0.65%	0.47%	0.19%	0.09%	0.04%	1.39%
Q1 2015	0.89%	0.58%	0.17%	0.09%	0.05%	1.39%
Q2 2015	0.97%	0.47%	0.17%	0.09%	0.08%	1.28%
Q3 2015	0.95%	0.40%	0.15%	0.09%	0.05%	1.37%
Q4 2015	0.63%	0.38%	0.14%	0.08%	0.02%	1.28%
Q1 2016	0.79%	0.37%	0.15%	0.08%	0.05%	1.30%
Q2 2016	0.90%	0.31%	0.14%	0.08%	0.03%	1.15%
Q3 2016	0.86%	0.31%	0.11%	0.08%	0.04%	1.06%
Q4 2016	0.66%	0.33%	0.12%	0.07%	0.04%	0.91%
Q1 2017	0.83%	0.32%	0.13%	0.05%	0.04%	0.93%
Q2 2017	0.81%	0.23%	0.11%	0.06%	0.05%	0.95%
Q3 2017	0.66%	0.27%	0.11%	0.07%	0.04%	0.87%
Q4 2017	0.41%	0.21%	0.06%	0.05%	0.03%	0.78%
Q1 2018	0.55%	0.27%	0.11%	0.05%	0.04%	0.81%
Q2 2018	0.58%	0.28%	0.11%	0.06%	0.06%	0.79%

15.7 Delinquencies – Used Cars

End of Quarter	[1-30] days	[31-60] days	[61-90] days	[91-120] days	[121-149] days	>= 150 days
Q1 2007	1.91%	0.93%	0.36%	0.08%	0.05%	1.44%
Q2 2007	2.05%	0.76%	0.39%	0.12%	0.06%	1.59%
Q3 2007	1.94%	0.71%	0.30%	0.15%	0.06%	1.63%
Q4 2007	1.11%	0.88%	0.31%	0.11%	0.04%	1.66%
Q1 2008	1.58%	0.93%	0.27%	0.08%	0.05%	1.78%
Q2 2008	1.75%	0.80%	0.33%	0.10%	0.04%	1.78%
Q3 2008	1.81%	0.83%	0.28%	0.13%	0.03%	1.78%
Q4 2008	1.24%	1.00%	0.30%	0.12%	0.07%	1.76%
Q1 2009	1.54%	1.19%	0.30%	0.11%	0.07%	1.79%
Q2 2009	1.83%	0.94%	0.37%	0.12%	0.10%	1.87%
Q3 2009	2.15%	0.87%	0.32%	0.15%	0.07%	2.07%
Q4 2009	1.64%	1.07%	0.36%	0.16%	0.08%	1.80%
Q1 2010	2.02%	1.15%	0.34%	0.15%	0.05%	2.04%
Q2 2010	1.85%	0.86%	0.32%	0.13%	0.11%	2.08%
Q3 2010	1.90%	0.76%	0.24%	0.14%	0.07%	1.80%
Q4 2010	1.75%	0.91%	0.29%	0.08%	0.07%	1.74%
Q1 2011	1.78%	0.84%	0.30%	0.12%	0.07%	1.88%
Q2 2011	1.81%	1.05%	0.30%	0.13%	0.09%	1.88%
Q3 2011	2.03%	0.78%	0.31%	0.14%	0.06%	1.84%
Q4 2011	1.45%	0.70%	0.26%	0.13%	0.07%	1.71%
Q1 2012	1.71%	0.79%	0.23%	0.12%	0.04%	1.73%
Q2 2012	1.76%	0.70%	0.29%	0.12%	0.07%	1.68%
Q3 2012	1.63%	0.64%	0.27%	0.13%	0.07%	1.66%
Q4 2012	0.82%	0.75%	0.25%	0.14%	0.06%	1.68%
Q1 2013	1.48%	0.84%	0.22%	0.09%	0.06%	1.86%
Q2 2013	1.61%	0.71%	0.29%	0.12%	0.07%	1.98%
Q3 2013	1.57%	0.70%	0.26%	0.13%	0.07%	2.16%
Q4 2013	0.97%	0.99%	0.26%	0.13%	0.09%	2.03%
Q1 2014	1.42%	1.16%	0.25%	0.13%	0.08%	2.35%
Q2 2014	1.66%	0.89%	0.32%	0.12%	0.13%	2.60%
Q3 2014	1.52%	0.79%	0.25%	0.18%	0.09%	2.69%
Q4 2014	1.10%	0.95%	0.27%	0.13%	0.05%	2.06%
Q1 2015	1.56%	1.11%	0.29%	0.09%	0.08%	2.31%
Q2 2015	1.69%	0.90%	0.29%	0.11%	0.12%	2.39%
Q3 2015	1.65%	0.93%	0.24%	0.13%	0.07%	2.50%
Q4 2015	1.22%	0.81%	0.24%	0.11%	0.08%	2.29%
Q1 2016	1.38%	0.95%	0.16%	0.12%	0.06%	2.30%
Q2 2016	1.53%	0.61%	0.26%	0.09%	0.10%	2.17%
Q3 2016	1.58%	0.68%	0.24%	0.11%	0.05%	2.05%
Q4 2016	1.02%	0.65%	0.20%	0.10%	0.07%	1.89%
Q1 2017	1.42%	0.53%	0.17%	0.06%	0.07%	1.79%
Q2 2017	1.32%	0.48%	0.17%	0.07%	0.04%	1.65%
Q3 2017	1.22%	0.59%	0.15%	0.09%	0.04%	1.63%
Q4 2017	0.78%	0.60%	0.13%	0.12%	0.06%	1.39%
Q1 2018	0.92%	0.56%	0.17%	0.05%	0.03%	1.47%
Q2 2018	1.08%	0.45%	0.17%	0.07%	0.07%	1.42%

16. Prepayments

The data displayed is in dynamic format and show for each portfolio of loans and for a given quarter the prepayment rate calculated as $1-(1-r)^4$, r being the ratio of the outstanding balance as at the beginning of that quarter of the loans that have prepaid during that quarter to (ii) the outstanding balance of that portfolio as at the beginning of that quarter.

End of Quarter	Commercial Standard	Commercial Balloon	Consumer Standard	Consumer Balloon	New Cars	Used Cars	Total
Q1 2007	7.1%	5.7%	10.0%	6.7%	7.0%	11.7%	7.7%
Q2 2007	8.9%	7.5%	12.1%	8.8%	8.9%	13.8%	9.8%
Q3 2007	7.6%	8.4%	12.1%	10.0%	9.7%	13.3%	10.4%
Q4 2007	7.4%	8.7%	11.4%	10.2%	9.6%	12.9%	10.2%
Q1 2008	8.1%	9.3%	13.0%	11.2%	10.6%	14.3%	11.3%
Q2 2008	8.4%	10.4%	14.1%	14.4%	12.8%	15.0%	13.3%
Q3 2008	8.7%	9.4%	13.1%	13.1%	11.9%	13.7%	12.3%
Q4 2008	7.6%	9.7%	12.7%	13.2%	11.7%	13.1%	12.0%
Q1 2009	6.7%	8.2%	11.9%	11.0%	9.9%	12.7%	10.5%
Q2 2009	6.5%	6.9%	11.3%	10.3%	9.3%	11.8%	9.9%
Q3 2009	6.6%	7.3%	11.6%	10.4%	9.3%	12.5%	10.1%
Q4 2009	6.0%	7.4%	10.3%	10.0%	8.8%	11.2%	9.4%
Q1 2010	7.2%	9.0%	12.4%	11.3%	10.3%	12.9%	10.9%
Q2 2010	6.3%	10.3%	12.6%	12.6%	11.1%	13.0%	11.6%
Q3 2010	5.9%	9.1%	12.7%	11.0%	10.0%	12.7%	10.7%
Q4 2010	6.6%	8.8%	11.7%	10.5%	9.6%	11.6%	10.2%
Q1 2011	6.8%	9.2%	11.9%	10.3%	9.7%	11.6%	10.2%
Q2 2011	6.3%	9.7%	13.1%	11.3%	10.1%	13.0%	11.0%
Q3 2011	6.8%	7.9%	12.8%	10.0%	9.0%	13.0%	10.3%
Q4 2011	6.2%	8.2%	11.9%	8.8%	8.3%	11.7%	9.4%
Q1 2012	7.2%	9.6%	12.3%	10.4%	9.8%	11.8%	10.4%
Q2 2012	7.3%	7.7%	13.1%	12.2%	10.4%	12.7%	11.2%
Q3 2012	7.0%	8.1%	13.7%	12.4%	10.8%	13.0%	11.5%
Q4 2012	7.5%	8.2%	12.3%	11.8%	10.2%	12.2%	10.9%
Q1 2013	7.2%	8.4%	13.8%	13.0%	11.1%	13.1%	11.7%
Q2 2013	7.3%	7.9%	14.6%	14.4%	12.0%	13.4%	12.5%
Q3 2013	6.5%	8.0%	14.7%	13.1%	11.1%	13.2%	11.8%
Q4 2013	7.6%	6.9%	13.3%	13.2%	11.0%	12.4%	11.5%
Q1 2014	7.2%	8.7%	14.5%	14.2%	11.8%	13.3%	12.3%
Q2 2014	6.6%	8.2%	14.2%	14.6%	11.5%	13.6%	12.2%
Q3 2014	7.1%	8.4%	13.8%	13.8%	11.0%	13.5%	11.8%
Q4 2014	7.4%	8.1%	14.3%	12.1%	10.3%	13.2%	11.2%
Q1 2015	7.1%	8.6%	16.9%	13.0%	10.7%	15.9%	12.1%
Q2 2015	7.0%	7.5%	16.6%	12.7%	10.4%	15.2%	11.7%
Q3 2015	7.4%	7.9%	16.2%	12.9%	10.6%	15.2%	11.7%
Q4 2015	8.2%	9.6%	14.5%	11.9%	10.5%	13.8%	11.3%
Q1 2016	8.3%	8.5%	16.5%	12.4%	10.8%	14.8%	11.7%
Q2 2016	8.0%	8.1%	17.2%	12.5%	10.9%	15.4%	11.9%
Q3 2016	8.3%	7.2%	15.1%	10.9%	9.9%	13.2%	10.6%
Q4 2016	8.1%	8.8%	13.6%	10.6%	9.7%	12.8%	10.4%
Q1 2017	7.7%	8.5%	14.4%	11.2%	10.1%	12.9%	10.7%

End of Quarter	Commercial Standard	Commercial Balloon	Consumer Standard	Consumer Balloon	New Cars	Used Cars	Total
Q2 2017	7.0%	7.3%	15.1%	11.2%	9.7%	13.5%	10.5%
Q3 2017	7.8%	6.8%	14.5%	9.5%	8.7%	12.5%	9.4%
Q4 2017	7.2%	6.7%	12.4%	9.2%	8.2%	11.5%	8.9%
Q1 2018	7.4%	7.3%	14.6%	11.4%	9.8%	13.1%	10.5%
Q2 2018	6.6%	6.3%	13.8%	11.9%	9.8%	12.3%	10.3%
Average last 12 months	7.2%	6.8%	13.8%	10.5%	9.1%	12.4%	9.8%
Average last 24 months	7.5%	7.4%	14.2%	10.7%	9.5%	12.7%	10.2%

CREDIT AND COLLECTION POLICY

The following is a description of the credit and collection principles (such description, the "**Credit and Collection Policy**") currently in effect which must be complied with in respect of origination and servicing of the Purchased Receivables. The Credit and Collection Policy is set out in Appendix D to the Terms and Conditions of the Notes and forms an integral part of the Terms and Conditions of the Notes.

UNDERWRITING AND MANAGEMENT PROCEDURES

General Information

Description of the Seller's Commercial Network

Distribution for all financial products and services offered by the Seller is done through the Peugeot, Citroën and DS Car Dealers and representatives in Germany. As of 30 June 2018 the dealership network was composed of:

Peugeot:

- approximately 158 dealers with the right to sell new cars (of which 9 are PSA brand subsidiaries)
- approximately 476 representatives with right to repair cars and to sell new cars as an agent for a dealer

Citroën and DS:

- approximately 205 dealers with the right to sell new cars (of which 9 are PSA brand subsidiaries)
- approximately 394 representatives with right to repair cars and to sell new cars as an agent for a dealer

Each dealer and representative has a contract with the car distribution company of Peugeot, Citroën or DS in Germany. Nearly 100% of them cooperate with the Seller in the finance and leasing business for cars.

To facilitate the Seller's product distribution a dedicated sales-force unit covers the Peugeot and Citroën dealer network. Their main task is to visit the dealers and to motivate them to sell the full range of financial services and products offered by the Seller.

All the dealers use the Seller's on-line application template to calculate finance, leasing and service offers for their customers, to print the contract for the customer and to transfer all necessary data for the credit approval to the Seller.

In the origination process of loans, the car dealers always act on behalf of the Seller. For each car financed a separate contract is concluded.

Underwriting and validation of the loan application

Application Process

For a credit application the dealer uses the Seller's on line application template. It configures together with the customer the car, selects the finance product and inputs all customer data. A lot of automatic checks are done by the system during this process. If all data is correct, the data of this application is sent to the Seller.

Underwriting process

The credit assessment of loan applications and approvals is done in the underwriting department of the Seller.

The sequence of the different processes of underwriting is the following:

- The application is treated in the department for credit acceptance. For private customers there is an automatic link to the central German customer credit risk database (Schufa). From this database

the Seller gets qualitative information about existing credits, use of credit cards etc. The data coming from Schufa is added to the proposal and then an automatic scoring is done. For the risk analysis of commercial customers, there is an automatic link to a German enterprises credit risk database (Creditreform) and the Seller also gets additional information from inquiry agencies and banks.

- The IT system checks whether the customer is already existing in the Seller's portfolio.
- Based on this information and depending on the results of the scoring system an automatic or manual credit decision is taken for private customers.

An important update took place in November 2012 allowing automatic acceptance for commercial customers too. Manual credit decisions taken by the employees in the acceptance department are always based on written procedures.

When the credit decision is taken, the information is immediately available for the dealer on-line.

The dealer then prints out the contract and the customer signs the contract.

After having registered the car to the customer, the dealer sends the contract including the original car-title to the Seller.

All documents sent to the Seller are checked and the contract is paid out to the dealer.

After validation all data of the contract are transferred to the contract administration system.

Risk assessment

Credit Scoring System

The scoring system has been developed by the Seller together with the risk department of Banque PSA Finance SA. The Seller is using different score cards for private/commercial customers, new/used cars, loans/leasing contracts. The score cards have been developed before 1999 and are continuously improved over the time. The scoring system for private customers is based on many criteria and filters, including certain customer data (profession, date of job beginning, type of housing, income, family status, information of central risk data base (Schufa), period of time since the customer is bank has been a client of the bank, debt ratio and data relating to the financed car (new/used car, car price, downpayment, age of car).

The score cards for private customers have 3 zones: Green, Orange and Red:

Green: If a contract for a private customer is scored "Green", the credit decision is taken automatically by the IT system.

Orange and Red: The credit decision is taken manually by the employees in the department for credit acceptance.

For commercial customers there used to be 4 score zones until November 2012: A, B, C, D (A=Best, D=Worst) and there was no system based automatic credit approval process. Since November 2012 the scoring system for commercial customers has been improved, displaying the same classification like for private customers, Green, Orange and Red, allowing too for automatic acceptance.

The performance of the scoring system is monitored regularly. Eventual changes are based on the results of regular internal risk committees and detailed statistical analysis.

All proposals for modifications are discussed with the expert teams for the scoring systems in Banque PSA Finance SA before final validation.

For the manual credit decision, the level of decision making of the employees in the acceptance department depends on years of experience and their professional skills. All the employees of the department for credit acceptance participate in regular internal and external credit training. Credit demands with a higher risk profile have to be decided by two votes, one from frontoffice (department of credit acceptance) and one from backoffice (department of risk retail).

Loan receivables administration and Collection process

Loan Receivables Administration

The administration of all performing loans until full repayment is performed in the customer service centres.

All contract documents except the original car title are scanned after payout of the contract to the dealer. The original car titles are stored in a separate department.

About 98% of the customers pay their loans by direct debit. The other payments are made by check or bank transfer. Most of the incoming payments are matched automatically. Those which cannot be matched automatically are treated manually the same day.

Early Settlement

A credit contract can be early terminated at any time by paying the full outstanding balance in conformity with European and national regulations according to the following option:

Contracts may be terminated any time without notice period given. The Seller then claims the lesser of a fee and the remaining amount of interest. The fee is either 1% of the outstanding amount, in case the remaining contract period exceeds one year, or 0,5% if it does not.

Subsidies

In order to promote car sales the manufacturer and/or the dealer may subsidise certain auto loans to allow the Seller to offer to the customer an interest rate which is below the Seller's internal interest rate. The payment of the subsidy is always made "up front" to the Seller. If the dealer pays a subsidy, the subsidy amount is deducted from the amount paid out for the loan to the dealer. If the manufacturer pays a subsidy, the subsidy amount is billed by the Seller to the manufacturer at the end of the month in which the contract was paid out. For accounting purposes, the distribution of the subsidies follows the distribution of interest.

Credit Life Insurance

There are no loan receivables in the pool which do finance the insurance premium for a credit life insurance (*Restschuldversicherung*).

Collection Process for Delinquent Accounts and Work-Out

If a contract becomes delinquent by the rejection of direct debit or a non payment of the customer, the contract is treated by the automatic "RAA" process. The customer receives the first reminder letter with the information of the rejection and an automatic second direct debit is made 15 days after the due date. In case of no successes of the 2nd direct debit the process of telephone collection starts. Latest on 61st day unpaid the treatment by the prelitigation team starts and the "official" second reminder is sent. On 75th day unpaid a "pre" termination letter is sent to customer and if no contact possible the case is transfer to the special clerks "field collection" or then to external field collection agencies to find solutions on site with the customer or repossess the car. (latest on 90th day).

If the customer needs a renegotiation of his contract, this is done in the same IT System (EKIP). The decision to make a renegotiation of the contract for unpaid accounts is taken by the employees of the collection department based on the internal procedures and the situation of the customer. Renegotiation can take the form of (i) an extension under the same terms and conditions of the loan (a *payment holiday*) or (ii) a re-write of the loan under different terms and conditions.

In case of repossession of a financed car, the external field collector takes back the car and transfers it to a Peugeot or Citroën car dealer. A report about the condition of the car and its market value is set by an external expert. Then the car is offered to several dealers via an online auction platform to obtain the best price. The minimum price is always the market value estimation of the external expert.

The decision to transfer a contract with a delay of payment less than 150 days according to local German accounting rules principles to the default portfolio is taken by the head of the delinquency department and signed by the responsible managing director. All delinquent contracts with a delay of payment of 150 days or more are transferred to the default portfolio automatically.

Immediately after the transfer to default, the legal department of the Seller will take all necessary measures to recover the default amount.

If deemed appropriate, the Seller may decide to transfer defaulted contracts to specialised external contractors to recover any outstanding amount.

THE ISSUER

Establishment and Registered Office

The Issuer was incorporated in Germany on 27 June 2018 and registered with the commercial register of the local court (*Amtsgericht*) in Frankfurt am Main under registration number 112606 as an entrepreneurial company with limited liability (*Unternehmergeellschaft (haftungsbeschränkt)*) under the German Act on Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*) under the name of PBD Germany Auto 2018 UG (*haftungsbeschränkt*). The Issuer has been incorporated for an indefinite length of life. The Issuer's registered office and principal place of business is located at c/o Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt am Main, Germany (telephone no. +49 (0)69 2992 5385), the location at which the Issuer's register of shareholders is kept. The founding shareholder of the Issuer was TSI Services GmbH, Mainzer Landstrasse 51, 60329 Frankfurt am Main, Germany which held three (3) fully paid-in shares of EUR 1,500 each.

The Issuer has no subsidiaries.

Corporate Purpose and Business of the Issuer

The Issuer has been established as a special purpose vehicle for the purpose of issuing asset-backed securities. The principal objects of the Issuer are more specifically described in Clause 2 of its articles of association (*Gesellschaftsvertrag*) and include, *inter alia*, the issuance of the Notes and the entry into all financial arrangements in connection therewith. The articles of association of the Issuer may be inspected at the registered office of the Issuer.

Under its articles of association, the Issuer will not perform any active management of the acquired assets from a profit perspective. Under its articles of association, the Issuer will not engage in business requiring a licence under the German Banking Act (*Kreditwesengesetz*).

Notwithstanding the foregoing, the powers of the managing directors are not limited thereby and the Issuer has unrestricted corporate capacity as a matter of law.

The Issuer will covenant to observe certain restrictions on its activities which are set out in the Transaction Security Agreement. See "*THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT*".

Since its incorporation on 27 June 2018, the Issuer has not engaged in any activities other than those incidental to its incorporation under the German Act on Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*), the authorisation and issuance of the Notes and the authorisation and execution of the Transaction Documents and such other documents referred to or contemplated in this Prospectus to which it is or will be a party and the execution of matters which are incidental or ancillary to the foregoing. So long as any of the Transaction Secured Obligations of the Issuer remain outstanding, the Issuer will not, *inter alia*, (a) enter into any business whatsoever, other than acquiring the Purchased Receivables, issuing Notes or creating other Transaction Secured Obligations or entering into a similar limited recourse transaction, entering into related agreements and transactions and performing any act incidental to or in connection with the foregoing, (b) have any subsidiaries, (c) have any employees or (d) dispose of any Purchased Receivables or any interest therein or create any mortgage, charge or security interest or right of recourse in respect thereof in favour of any person (other than contemplated by this Prospectus).

The Issuer has not commenced operations since the date of its incorporation as of the date of this Prospectus.

Managing Directors

In accordance with Clause 8 of the articles of association (*Gesellschaftsvertrag*) of the Issuer, the Issuer is managed by at least two (2) managing directors (*Geschäftsführer*) and no more than three (3) managing directors. The managing directors are appointed by the shareholder's meeting of the Issuer. The Issuer is represented by two managing directors jointly.

The managing directors of the Issuer and their respective business addresses and other principal activities are:

<u>Name</u>	<u>Business Address</u>	<u>Other Principal Activities</u>
Marcus Herkle	c/o Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt, Germany	Managing Director
Werner Niemeyer	c/o Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt, Germany	Managing Director
Elke Roßmeier	c/o Wilmington Trust SP Services (Frankfurt) GmbH, Steinweg 3-5, 60313 Frankfurt, Germany	Managing Director

Management and Principal Activities

The activities of the Issuer will principally be the issue of the Notes, entering into all documents relating to such issue to which the Issuer is expressed to be a party, the acquisition of the Purchased Receivables, the Related Collateral and the exercise of related rights and powers and other activities reasonably incidental thereto.

Capitalisation

The following shows the capitalisation of the Issuer as of 23 October 2018, adjusted for the issue of the Notes:

Share Capital

The registered share capital of the Issuer is EUR 4,500. The founding shareholder of the Issuer was TSI Services GmbH, Mainzer Landstrasse 61, 60329 Frankfurt am Main, Germany, which held three (3) fully paid-in shares (*Geschäftsanteil*) of EUR 1,500 each.

The founding shareholder of the Issuer donated these three fully paid-in shares (*Geschäftsanteile*) of EUR 1,500 each to three charitable foundations (*Stiftungen*) which have been established under the laws of Germany. Each of the following charitable foundations now holds one share (*Geschäftsanteil*) of EUR 1,500 in the Issuer:

- (a) Stiftung Kapitalmarktrecht für den Finanzstandort Deutschland, Frankfurt am Main;
- (b) Stiftung Kapitalmarktforschung für den Finanzstandort Deutschland, Frankfurt am Main; and
- (c) Stiftung Unternehmensfinanzierung und Kapitalmärkte für den Finanzstandort Deutschland, Frankfurt am Main.

Loan Capital

EUR 667,000,000 Notes due March 2031.

EUR 6,000,000 of outstanding advances under the Subordinated Loan.

Employees

The Issuer will have no employees.

Property

The Issuer will not own any real property.

Litigation

The Issuer has not been engaged in any governmental, litigation or arbitration proceedings which may have a significant effect on its financial position since its incorporation, nor, as far as the Issuer is aware, are any such governmental, litigation or arbitration proceedings pending or threatened.

Material Adverse Change

Since its incorporation on 27 June 2018, there has been no material adverse change in the financial or trading position or the prospects of the Issuer.

Fiscal Year

The fiscal year of the Issuer is the calendar year and each calendar year ends on 31 December. The first fiscal year is a short fiscal year, ending on 31 December of the year of incorporation of the Issuer.

Interim Reports

The Issuer does not publish interim reports.

Distribution of Profits

The distribution of profits is governed by Clause 15 of the articles of association and Section 29 of the German Act on Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*) (subject, in particular, to the restrictions pursuant to Section 5a (3) of such Act so long as the registered share capital of the Issuer is lower than EUR 25,000).

Financial Statements

At the beginning of its commercial business and in respect of the end of each fiscal year, the Issuer is obliged to prepare a statement reflecting its assets and its liabilities (opening balance sheet and annual balance sheet). In addition, an analysis of the expenditure and revenues for the end of each fiscal year (profit-and-loss account) is required. The annual balance sheet and the profit-and-loss account, supplemented by the so-called 'appendix', form the annual statement (*Jahresabschluss*) of the Issuer. Furthermore, an annual management report (*Lagebericht*) may be required. The annual statements and, if required, the management report must be prepared in accordance with German GAAP (Generally Accepted Accounting Principles) and IFRS (International Financial Reporting Standards), respectively. The annual statement must be adopted, as well as the appropriation of profits, by the annual shareholders' meeting. German GAAP consists of, *inter alia*, requirements set out in the German Commercial Code (HGB) and the German Act on Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung*).

Since the incorporation of the Issuer on 27 June 2018, the Issuer has not yet commenced operations, therefore no financial statements have been prepared other than the opening balance sheet (which will remain unaudited). The Issuer has not declared or paid any dividends as of the date of this Prospectus. The Issuer's financial year is the calendar year.

Auditors and Auditor's Reports

The auditors of the Issuer for the business year 2018 are PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft ("**PwC**"). PwC, Friedrich-Ebert-Anlage 35-37, 60327 Frankfurt am Main, Germany is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*) and of the Public Company Accounting Oversight Board. Audits occur according to generally accepted auditing standards in Germany.

No auditors' report in respect of the Issuer has been prepared or distributed. In particular, the opening balance sheet of the Issuer has not been audited.

THE SELLER AND THE SERVICER

The Seller results from the cooperation between BPF and SCF in Germany and is established as a limited liability company (*Gesellschaft mit beschränkter Haftung*) organised and existing under the laws of Germany with its registered office at Siemensstraße 10, 63263 Neu-Isenburg, Germany, registered with the commercial register of the local court (*Amtsgericht*) of Offenbach under the identification number HRB 48096 ("**PSA Bank Deutschland**"). Its share capital is equally held by Banque PSA Finance and Santander Consumer Bank Aktiengesellschaft, a stock corporation (*Aktiengesellschaft*) organised and existing under the laws of Germany with its registered office at Santander-Platz 1, 41061 Mönchengladbach, Germany, registered with the commercial register of the local court (*Amtsgericht*) of Mönchengladbach under the identification number HRB 1747 ("**SCB**"), and being a 100% subsidiary of SCF.

The Seller is licensed under the German Banking Act (*Kreditwesengesetz*) to carry out deposit taking business (*Einlagengeschäft*), lending business (*Kreditgeschäft*) and financial leasing (*Finanzierungsleasing*) pursuant to Section 1 paragraph 1 sentence 2 nos. 1 and 2 and Section 1 paragraph 1a sentence 2 no. 10 of the German Banking Act (*Kreditwesengesetz*) as well as own account business (*Eigengeschäft*) under Section 32 paragraph 1a of the German Banking Act (*Kreditwesengesetz*). It qualifies as a credit institution under the CRR. The Seller reports under German GAAP (HGB). PwC is the statutory auditor of the annual accounts. As of 30 June 2018 (based on last financial figures available) PSA Bank Deutschland has around € 2762 million of outstanding customer loans and receivables, including € 2087 million end-user loans and leases and € 675 million of financing loans for Peugeot, Citroen and DS corporate dealers. Net banking revenue for 2017 (for six months) is around € 55 million, operating income around € 32 million and net income around € 23 million.

The Seller's main objective is to provide floorplan financing to its Peugeot, Citroën and DS car dealers in Germany and to offer financing products to promote sales. Retail products marketed include both, traditional loans as well as leasing contracts. The two retail leasing finance products are (i) residual value leasing (product depending on the residual value at the end of the contract) and (ii) mileage leasing (product depending on the car mileage at the end of the contract). For both types of contract, additional services such as extended warranty, maintenance, car insurance, and credit life insurance are distributed.

In establishing the conditions for the finance products the Seller is completely independent from the car distribution companies of Peugeot, Citroën and DS in Germany.

Credit Risk Mitigation

The Seller has internal policies and procedures in relation to the granting of credit, administration of credit-risk bearing portfolios and risk mitigation. The policies and procedures of the Seller in this regard broadly include the following:

- criteria for the granting of credit and the process for approving, amending, renewing and re-financing credits (See "*CREDIT AND COLLECTION POLICIES*" and "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – SERVICING AGREEMENT*");
- systems in place to administer and monitor the various credit-risk bearing portfolios and exposures (and the Portfolio will be serviced in line with the usual servicing procedures of the Seller acting as Servicer (See "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – SERVICING AGREEMENT*");
- diversification of credit portfolios taking into account the Seller's target market and overall credit strategy in relation to the Portfolio (See "*INFORMATION TABLES REGARDING THE PORTFOLIO*");
- policies and procedures in relation to risk mitigation techniques (see "*CREDIT AND COLLECTION POLICIES*" and "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – SERVICING AGREEMENT*").

THE ACCOUNT BANK, THE PAYING AGENT AND THE INTEREST DETERMINATION AGENT

The Account Bank, the Paying Agent, the Interest Determination Agent is HSBC Bank plc.

HSBC Bank plc and its subsidiaries form a group providing a range of banking products and services.

HSBC Bank plc (formerly Midland Bank plc) was formed in England in 1836 and subsequently incorporated as a limited company in 1880. In 1923, the company adopted the name Midland Bank Limited, which it held until 1982 when it re-registered and changed its name to Midland Bank plc. In 1992, Midland Bank plc became a wholly owned subsidiary undertaking of HSBC Holdings plc, whose group head office is at 8 Canada Square, London E14 5HQ. HSBC Bank plc adopted its current name, changing from Midland Bank plc, in 1999.

The HSBC group is one of the world's largest banking and financial services organisations, with around 3,800 offices in 66 countries and territories in Europe, Asia, Middle East and North Africa, North America and Latin America. The HSBC group's total assets at 30 June 2018 were U.S.\$ 2,607 billion. HSBC Bank plc is one of the HSBC group's principal operating subsidiary undertakings in Europe.

The short term senior unsecured and unguaranteed obligations of HSBC Bank plc are, as at the date of this Prospectus, rated P-1 by Moody's and A-1+ by Standard & Poor's and HSBC Bank plc has a short term issuer default rating of F1+ from Fitch. The long term senior unsecured and unguaranteed obligations of HSBC Bank plc are rated Aa3 by Moody's and AA- by Standard & Poor's and HSBC Bank plc has a long term issuer default rating of AA- from Fitch.

HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. HSBC Bank plc's principal place of business in the United Kingdom is 8 Canada Square, London E14 5HQ, United Kingdom.

The foregoing information regarding the Account Bank, the Paying Agent and the Interest Determination Agent under this section "*THE ACCOUNT BANK, THE PAYING AGENT AND THE INTEREST DETERMINATION AGENT*" has been provided by HSBC Bank plc and the Issuer assumes no responsibility therefor, except for the correct reproduction of the provided information.

THE SECURITY TRUSTEE

The Security Trustee is HSBC Corporate Trustee Company (UK) Limited will be the Security Trustee.

HSBC Corporate Trustee Company (UK) Limited was incorporated on 7 December 2007 under the laws of England and Wales and has its registered office at 8 Canada Square, London E14 5HQ, United Kingdom, with a company number 6447555.

The foregoing information regarding the Security Trustee under this section "*THE SECURITY TRUSTEE*" has been provided by HSBC Corporate Trustee Company (UK) Limited, respectively, and the Issuer assumes no responsibility therefor, except for the correct reproduction of the provided information.

THE CALCULATION AGENT, THE REPORTING AGENT AND THE DATA TRUSTEE

The Calculation Agent, the Reporting Agent and the Data Trustee is BNP Paribas Securities Services.

BNP Paribas Securities Services, *a société en commandite par actions* incorporated under the laws of France, whose registered office is at 3, rue d'Antin, 75002 Paris, France, acting through its office located at 3-5-7 rue du Général Compans, 93500 Pantin, France, registered with the Trade and Companies Register of Paris (Registre du Commerce et des Sociétés de Paris) under number 552 108 011, licensed in France as a credit institution by the *Autorité de Contrôle Prudentiel et de Résolution*.

The foregoing information regarding the Calculation Agent, the Reporting Agent and the Data Trustee under this section "*THE CALCULATION AGENT, THE REPORTING AGENT AND THE DATA TRUSTEE*" has been provided by BNP Paribas Securities Services and the Issuer assumes no responsibility therefor, except for the correct reproduction of the provided information.

THE LISTING AGENT

The Listing Agent is BNP Paribas Securities Services, Luxembourg Branch.

BNP Paribas Securities Services, a *société en commandite par actions* (S.C.A.) incorporated under the laws of France, registered with the Registre du Commerce et des Sociétés of Paris under number 552 108 011, whose registered office is at 3, Rue d'Antin – 75002 Paris, France and acting through its Luxembourg Branch whose offices are at 60, avenue J.F. Kennedy, L-1855 Luxembourg, having as postal address L-2085 Luxembourg and registered with the Luxembourg trade and companies register under number B. 86 862.

The foregoing information regarding the Listing Agent under this section "*THE LISTING AGENT*" has been provided by BNP Paribas Securities Services, Luxembourg Branch and the Issuer assumes no responsibility therefor, except for the correct reproduction of the provided information.

THE INTEREST RATE SWAP COUNTERPARTY

The Interest Rate Swap Counterparty is DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main ("**DZ BANK**").

DZ BANK is registered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Frankfurt am Main under registration number HRB 4565. DZ BANK is organised under German law in the form of a stock corporation (*Aktiengesellschaft*).

DZ BANK is acting as a central bank, corporate bank and parent holding company of the DZ BANK group. The DZ BANK group forms part of the German Volksbanken Raiffeisenbanken cooperative financial network, which comprises about 1,000 cooperative banks and is one of Germany's largest financial services organisations measured in terms of total assets.

DZ BANK is a central institution and is closely geared to the interests of the cooperative banks, which are both its owners and its most important customers. Using a customised product portfolio and customer-focused marketing, DZ BANK aims to ensure that the cooperative banks continually improve their competitiveness on the basis of their brands. In addition, following the merger with WGZ BANK, DZ BANK in its function as central bank for about 1,000 cooperative banks is responsible for liquidity management within the Volksbanken Raiffeisenbanken cooperative financial network.

As a corporate bank DZ BANK serves companies and institutions that need a banking partner that operates at the national level. DZ BANK offers the full range of products and services of an international oriented financial institution with a special focus on Europe. DZ BANK also provides access to the international financial markets for its partner institutions and their customers.

The foregoing information regarding the Swap Counterparty under this section "*THE INTEREST RATE SWAP COUNTERPARTY*" has been provided by DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main and the Issuer assumes no responsibility therefor, except for the correct reproduction of the provided information.

THE CORPORATE ADMINISTRATOR AND THE BACK-UP SERVICER FACILITATOR

The Corporate Administrator and the Back-Up Servicer Facilitator is Wilmington Trust SP Services (Frankfurt) GmbH.

The Corporate Services Provider is Wilmington Trust SP Services (Frankfurt) GmbH, a limited liability company (*Gesellschaft mit beschränkter Haftung*) under the German Act on Companies with Limited Liability (*GmbH-Gesetz*) registered with the commercial register at the local court (*Amtsgericht*) in Frankfurt am Main under registration number 76380 and with its registered office at Steinweg 3-5, 60313 Frankfurt am Main, Germany. 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 seventy (70) German special purpose vehicles, 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 ("MTB") in the United States of America.

The foregoing information regarding the Corporate Administrator and the Back-Up Servicer Facilitator under this section "*THE CORPORATE ADMINISTRATOR AND THE BACK-UP SERVICER FACILITATOR*" has been provided by Wilmington Trust SP Services (Frankfurt) GmbH and the Issuer assumes no responsibility therefor, except for the correct reproduction of the provided information.

THE ACCOUNTS

The Issuer will maintain the General Collection Account in connection with the Transaction Documents for the receipt of amounts relating to the Purchased Receivables and the Related Collateral. The Issuer will maintain, for the making of payments in respect of its payment obligations under the Pre-Enforcement Interest Priority of Payments, the Pre-Enforcement Principal Priority of Payments, the Principal Account and the Interest Account. The Issuer will maintain, in respect of each Interest Rate Swap, a Swap Collateral Account to which cash collateral posted by the relevant Interest Rate Swap Counterparty as well as any Replacement Swap Premium or Swap Tax Credits received by the Issuer will be transferred. The Issuer will maintain the General Reserve Account to which the Subordinated Loan Provider will transfer the General Reserve. The Issuer will maintain the Additional Interest Reserve Account to which the Issuer will transfer on the Closing Date and, thereafter, on any Subsequent Purchase Date, the Additional Interest Reserve Required Amount (together with the General Collection Account, the Principal Account, the Interest Account, the General Reserve Account, the Additional Interest Reserve Account and the Swap Collateral Accounts, the "**Accounts**" and each, an "**Account**").

Each Account will be kept as a current account at the Account Bank, HSBC Bank plc in accordance with the Accounts Agreement, the Corporate Administration Agreement and the English Security Deed, or any other person appointed as Account Bank. If and to the extent that any Interest Rate Swap Counterparty intends to provide collateral in accordance with any Interest Rate Swap in the form of securities, the Issuer may enter into custody arrangements with a counterparty having the Account Bank Required Rating, subject to such custody arrangements being secured in favour of the Security Trustee.

The Calculation Agent will arrange for payments from any Account without having to execute an affidavit or fulfil any formalities other than comply with tax, currency exchange or other regulations of the country where the payment takes place.

All payments and other transfers to be made by or to the Issuer in connection with the Notes and the other Transaction Documents, as well as the processing of proceeds from the Purchased Receivables and the Related Collateral, are undertaken through the General Collection Account, the Principal Account, the Interest Account and, if applicable, any other Account. The balance of no Account may be utilised for any type of investments and all Accounts are solely cash accounts.

Pursuant to the English Security Deed, all claims of the Issuer in respect of the Accounts Agreement and the Accounts, respectively, are assigned for security purposes to the Security Trustee. Under the English Security Deed, the Security Trustee has authorised the Issuer to administer each Account to the extent that all obligations of the Issuer are fulfilled in accordance with the Pre-Enforcement Interest Priority of Payments (Condition 6.6 (*Pre-Enforcement Priority of Payments*)) and the Pre-Enforcement Principal Priority of Payments (Condition 23.2 (*Pre-Enforcement Interest Priority of Payments*)) of the Terms and Conditions of the Notes and the requirements of the Transaction Security Agreement. Under the English Security Deed, the Issuer, the Calculation Agent and the Corporate Administrator shall be permitted to draw amounts from the Accounts (or any of them) for the purpose of arranging for making payments to satisfy payment obligations of the Issuer in accordance with the relevant Pre-Enforcement Priority of Payments or as otherwise permitted under the provisions of the Accounts Agreement and/or of the Agency Agreement.

The Security Trustee may revoke the authority granted to the Issuer and take any necessary action with respect to any Account if, in the opinion of the Security Trustee, this is necessary to protect the collateral rights under the Transaction Security Agreement and the English Security Deed, including funds credited to such Account.

See "*THE MAIN PROVISIONS OF THE TRANSACTION SECURITY AGREEMENT*" and "*OUTLINE OF THE OTHER PRINCIPAL TRANSACTION DOCUMENTS – English Security Deed*".

Accounts Agreement

Pursuant to the Accounts Agreement entered into between the Issuer, the Security Trustee, the Account Bank and the Calculation Agent, each of the Accounts has been opened with the Account Bank on or prior to the Purchase Date. The Account Bank will comply with any written direction of the Calculation Agent (or, upon the occurrence of an Event of Default, the Security Trustee) to effect a payment by debit from any Account if such direction is in writing and complies with the relevant account arrangements between the Issuer and the Account Bank and is permitted under the Accounts Agreement.

Any amounts standing to the credit of the Accounts will bear interest as agreed between the Issuer and the Account Bank from time to time, always in accordance with the applicable provisions (if any) of the relevant account arrangements, such interest to be calculated and credited to the respective Account in accordance with the Account Bank's usual procedure for crediting interest to such accounts. The interest (if any) earned on the amounts credited to Accounts (except interest earned on the Swap Collateral Account) is part of the Available Interest Amount or the Credit, as applicable.

Under the Accounts Agreement, the Account Bank waives any first priority pledge or other lien, including its standard contract terms pledge, it may have with respect to any Account and further waives any right it has or may acquire to combine, consolidate or merge any Account with any other Account or with any other account of the Issuer, or any other person or set-off any liabilities of the Issuer or any other person to the Account Bank and agrees that it shall not set-off or transfer any sum standing to the credit of or to be credited to any Account in or towards satisfaction of any liabilities to the Account Bank of the Issuer, as the case may be, or any other person.

The Issuer will be required to terminate the account relationship with the Account Bank within thirty (45) calendar days but no earlier than thirty-three (33) calendar days after (i) the Account Bank ceases to have the Account Bank Required Rating or (ii) the Account Bank is no longer rated by any of the Rating Agencies.

"Account Bank Required Rating" means, at any time in respect of the Account Bank:

- (A) a short-term deposit rating of at least 'P-1' (or its replacement) by Moody's (or, if it does not have a short-term deposit rating assigned by Moody's, the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are assigned a rating of at least 'A1' (or its replacement) by Moody's);
- (B) a long-term deposit rating (or, if it does not have a long-term deposit rating assigned by Fitch, a long-term unsecured, unsubordinated und unguaranteed debt obligations rating) of at least 'A' (or its replacement) or a short-term deposit rating (or, if it does not have a short-term deposit rating by Fitch, a short-term credit rating) of 'F1') (or its replacement) by Fitch; and
- (C) or such other rating or ratings as may be agreed by the relevant Rating Agency from time to time as would maintain the then current ratings of the Notes;

The Account Bank currently has a short-term senior unsecured and unguaranteed obligations rating of P-1 by Moody's and a short term issuer default rating of F1+ by Fitch. The Account Bank currently has a long-term term senior unsecured and unguaranteed obligations ratings of Aa3 by Moody's and a long-term issuer default rating of AA- by Fitch.

CERTIFICATION BY TRUE SALE INTERNATIONAL GMBH

True Sale International GmbH ("TSI") grants to the Issuer a certificate entitled "*CERTIFIED BY TSI – DEUTSCHER VERBRIEFUNGSSTANDARD*", which the Issuer may use as a quality label for the Notes.

The certification label has been officially registered as a trademark and is usually licensed to the Issuer of Notes, if the Notes meet, *inter alia*, the following conditions:

- (a) creation of a special purpose vehicle in accordance with a certain documentation standard;
- (b) transfer of the shares to non-profit foundations (*Stiftungen*), also in accordance with a certain documentation standard;
- (c) use of the TSI-securitisation platform, *i.e.*, use of a German special purpose vehicle structure for the securitisation;
- (d) the Issuer must agree to the general certification conditions; including the annexes, and must pay a certification fee;
- (e) the Issuer must accept TSI's disclosure and reporting standards, including the publication of the investor reports, prospectus and the originator's or issuer's declaration of undertaking on the True Sale International GmbH website (www.true-sale-international.de);
- (f) the Seller or the Issuer must confirm that the main quality criteria of the "*CERTIFIED BY TSI – DEUTSCHER VERBRIEFUNGSSTANDARD*" label, particularly with regard to lending and servicing standards, are maintained throughout the duration of the transaction.

Certification by True Sale International GmbH (TSI) is not a recommendation to buy, sell or hold any Notes. TSI's certification label is issued on the basis of an assurance given to True Sale International GmbH by the Issuer, as of the date of this Prospectus that, throughout the duration of the transaction, it will comply with:

- (a) the reporting and disclosure requirements of True Sale International GmbH, and
- (b) the main quality criteria of the "*CERTIFIED BY TSI – DEUTSCHER VERBRIEFUNGSSTANDARD*" label, in particular regarding the loan and servicing standards.

True Sale International GmbH has relied on the above-mentioned declaration of undertaking and has not made any investigations or examinations in respect of the declaration of undertaking, any party to the Transaction Documents, or any Notes and disclaims any responsibility for monitoring continuing compliance with these standards by the parties concerned or any other aspect of their activities or operations.

PCS LABEL

Application has been made to Prime Collateralised Securities (UK) Limited for the Class A 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 Notes will receive the PCS Label (either before issuance or at any time thereafter) and if the Class A Notes do receive the PCS Label, there can be no assurance that the PCS Label will not be withdrawn from the Class A 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.

TAXATION IN GERMANY

The following is a general discussion of certain German tax consequences of the acquisition, ownership and disposition of Notes. This discussion does not purport to be a comprehensive description of all tax considerations which may be or will become relevant in the context of the acquisition of Notes. In particular, this discussion does not consider any specific facts or circumstances that may apply to any particular issue. This summary is based on the laws of Germany currently in force and as applied on the date of this Prospectus. These laws might be subject to change, possibly also with retroactive or retrospective effect.

This section should be read in conjunction with "**RISK FACTORS—Taxation in the Federal Republic of Germany**" above.

PROSPECTIVE INVESTORS IN THE NOTES ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES AND THE RECEIPT OF INTEREST THEREON, INCLUDING THE EFFECT OF ANY STATE OR LOCAL TAXES, UNDER THE TAX LAWS OF GERMANY AND EACH COUNTRY OF WHICH THEY ARE RESIDENTS OR CITIZENS.

Income Taxation

Tax

Residents

Payments of interest on the Notes to persons or entities who are tax residents in Germany (i.e., persons or entities whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany) are subject to German personal income tax (*Einkommensteuer*) at the applicable personal income tax rate (plus solidarity surcharge at a rate of 5.5% thereon and church tax, if applicable) or corporate income tax at a tax rate of 15% (plus solidarity surcharge at a rate of 5.5% thereon). Such interest payments may also be subject to trade tax if the Notes form part of the property of a German trade or business. Similarly, if interest claims are disposed of separately (i.e. without the Notes), the proceeds from the disposition are subject to income tax, solidarity surcharge and possibly also trade tax. The same applies to proceeds from the redemption of interest claims if the Note is disposed of separately.

If the Notes are disposed or redeemed, any capital gains arising from the disposition or redemption will also be subject to (corporate) income tax, solidarity surcharge and, **provided that** the Notes form part of a business property, to trade tax. Such capital gains are subject to tax irrespective of any holding period and whether or not the Notes are disposed of (or redeemed) with interest claims.

The taxable interest income and income from a disposition or redemption of interest claims as well as any capital gains from a disposition or redemption of the Notes will qualify as income from private (i.e. non-business) investments and capital gains ("**Private Investment Income**") if the Notes do not form part of a business property. Private Investment Income is generally subject to a flat taxation (*Abgeltungssteuer*) at a rate of 25% plus solidarity surcharge at a rate of 5.5% thereon and church tax, if applicable. The tax basis of such income will be the relevant gross income. Expenses related to Private Investment Income such as financing or administration costs actually incurred in relation with the acquisition or ownership of the Notes will not be deductible. Instead, the total amount of any Private Investment Income of the Noteholder will be decreased by a lump sum deduction (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 for married couples / couples subject to a civil law partnership filing jointly). If the Notes form part of a business property, taxable interest income and income from a disposition or redemption of interest claims as well as any capital gains from a disposition or redemption of the Notes will qualify as business income. Such business income will either be taxed at the applicable income tax rate of the individual taxpayer or at the uniform 15% corporate income tax rate if the Note is held by a corporation, in each case plus solidarity surcharge at a rate of 5.5% thereon and possibly also trade tax. The basis of such taxation will generally be the relevant net income. A lump sum deduction will not be available.

The tax will be levied by way of withholding at a rate of 25% (plus solidarity surcharge) if the Notes are held in a custodial account which the Noteholder maintains with a German branch of a German or non-German bank or financial services institution, a security trading enterprise (*Wertpapierhandelsunternehmen*) or a German security trading bank (*Wertpapierhandelsbank*) (the "**Disbursing Agent**"). If the Notes are kept in a custodial account which the Noteholder maintains with a

Disbursing Agent but have not been kept in such an account since their acquisition and the relevant acquisition data (*Anschaffungsdaten*) has not been evidenced to the satisfaction of the Disbursing Agent, the Disbursing Agent will generally have to withhold tax at the 25% rate (plus solidarity surcharge) on a lump-sum basis of 30% of the proceeds from the disposition, assignment or redemption of the Notes. If the Notes are not held in a custodial account with a Disbursing Agent at the time the interest is received or at the time of the relevant disposition or redemption, no tax will be withheld but the Noteholder will have to include its income on the Notes in its tax return and the tax will be collected by way of assessment (for the applicable tax rates see above).

No withholding tax will in general be levied if the Noteholder is an individual (i) who has filed a withholding exemption certificate (*Freistellungsauftrag*) with the Disbursing Agent and (ii) whose Note neither forms part of the property of a trade or business nor gives rise to income from the letting and leasing of property. However, this is the case only to the extent the interest income derived from the Note together with other Private Investment Income does not exceed the maximum exemption amount shown on the withholding exemption certificate. Similarly, no withholding tax will be deducted if the Noteholder has submitted to the Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office.

Payment of the withholding tax with respect to Private Investment Income (such as interest income from the Notes, income from a separate disposition or redemption of interest claims as well as any capital gains from a disposition or redemption of the Notes) will satisfy the income tax liability of the Noteholder in respect of the relevant income (*Abgeltungssteuer*). However, Noteholders may apply for a tax assessment (in lieu of the flat taxation) if the resulting income tax burden (excluding the solidarity surcharge) is lower than 25%; the non-deductibility of income-related expenses for Private Investment Income is also applicable under the income tax assessment. Where, however, the relevant income qualifies as business income, the withholding tax and the solidarity surcharge thereon are credited as prepayments against the German individual or corporate income tax and the solidarity surcharge liability of the Noteholder determined on the basis of general rules applicable to them. Amounts overwithheld will entitle the Noteholder to a refund, based on an assessment to tax.

For Disbursing Agents, an electronic information system as regards church withholding tax applies with the effect that church tax will be collected by the Disbursing Agent by way of withholding unless the Noteholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*). In case of a blocking notice the Noteholder is obliged to include the Private Investment Income for church tax purposes in its tax return.

Non-Residents

Interest income from the Notes, income from a separate disposition or redemption of interest claims as well as any capital gains from a disposition or redemption of the Notes derived by persons not resident in Germany are not subject to German taxation, unless (i) the Notes form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Noteholder or (ii) the interest income otherwise constitutes German source income (such as income from the letting and leasing of certain German-*situs* property). In the case of (i) the applicable tax regime is similar to the regime explained in the preceding sub-section "— *Tax Residents*" with regard to business income.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Notes are held in a custodial account with a Disbursing Agent, withholding tax is levied as explained above in the preceding sub-section "— *Tax Residents*".

The withholding tax may be refunded based upon an applicable tax treaty.

Potential change in law

Please note that – pursuant to the coalition agreement of CDU, CSU and SPD – the flat tax regime shall be abolished for certain investment income, which might also affect the taxation of income from the Notes. For example, interest income (if, contrary to the expectations of the Issuer, the Notes were recharacterised as profit participating loans or as a silent partnership) might become taxed at the progressive tax rate of up to 45% (excluding solidarity surcharge). Further, the solidarity surcharge shall be abolished **provided that**

certain thresholds are not exceeded. However, there is no draft law available yet, i.e. any details and, in particular, timing remain unclear.

Inheritance and Gift Tax

Inheritance tax (*Erbschaftsteuer*) or gift tax (*Schenkungsteuer*) with respect to the Notes will not arise 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 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 from this rule apply to certain German expatriates, i.e. citizens who maintained a relevant residence in Germany.

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 Notes. Currently, net wealth tax is not levied in Germany.

Common Reporting Standard

The Organisation for Economic Co-operation and Development has developed a new global standard for the annual automatic exchange of financial information between tax authorities (the "CRS"). Germany is a signatory jurisdiction to the CRS and intends to conduct its first exchange of information with tax authorities of other signatory jurisdictions in September 2017, as regards reportable financial information gathered in relation to fiscal year 2016.

The CRS has been implemented into German domestic law via the law dated 21 December 2015 concerning the automatic exchange of information on financial accounts and tax matters and implementing the EU Directive 2014/107/EU.

The regulation may impose obligations on the Issuer and its shareholder / Noteholders, if the Issuer is actually regarded as a reporting financial institution under the CRS, so that the latter could be required to conduct due diligence and obtain (among other things) confirmation of the tax residency (through the issuance of self-certifications forms by the shareholder / Noteholders), tax identification number and CRS classification of the shareholder / Noteholders in order to fulfil its own legal obligations from 1 January 2016.

SUBSCRIPTION AND SALE

Subscription of the Notes

Pursuant to the Subscription Agreement, the Joint Lead Managers have agreed, subject to certain conditions, to subscribe, or to procure subscriptions, for the Class A Notes. Banco Santander, S.A. has agreed, subject to certain conditions, to subscribe for the Class B Notes to be on-sold to the Seller. The Issuer has agreed to pay each Joint Lead Manager a combined management, underwriting and placement commission on the Notes, as agreed between the parties to the Subscription Agreement. The Issuer has further agreed to reimburse each Joint Lead Manager for certain of its expenses in connection with the issue of the Notes.

In the Subscription Agreement, the Issuer has made certain representations and warranties in respect of its legal and financial matters.

The Subscription Agreement entitles the Joint Lead Managers to terminate their obligations thereunder in certain circumstances prior to and/or conditions precedent for payment of the purchase price of the Notes have not been met to the satisfaction of the Joint Lead Managers. The Issuer has agreed to indemnify each Joint Lead Manager against certain liabilities in connection with the offer and sale of the Notes.

The Notes offered and sold by the Issuer may not be purchased by any person except for persons that are not "U.S. persons" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Persons**"). Prospective investors should note that, although the definition of "U.S. person" in the U.S. Risk Retention Rules is very similar to the definition of "U.S. person" in Regulation S, there are substantial differences between the two definitions and that persons who are not "U.S. Persons" under Regulation S may be "U.S. Persons" under the U.S. Risk Retention Rules. Under the U.S. Risk Retention Rules, and subject to limited exceptions, "U.S. person" means any of the following:

- Any natural person resident in the United States;
- Any partnership, corporation, limited liability company, or other organization or entity organized or incorporated under the laws of any State or of the United States;
- Any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
- Any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);
- Any agency or branch of a foreign entity located in the United States;
- Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);
- Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- Any partnership, corporation, limited liability company, or other organization or entity if:
 - 1) Organized or incorporated under the laws of any foreign jurisdiction; and
 - 2) Formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act.

The material difference between the definition of "U.S. person" under the U.S. Risk Retention Rules and the definition of "U.S. person" under Regulation S is that (1) a "U.S. person" under Regulation S includes any partnership or corporation that is organized or incorporated under the laws of any foreign jurisdiction formed by one or more "U.S. persons" (as defined in Regulation S) principally for the purpose of investing in securities that are otherwise offered within the United States pursuant to an applicable exemption under the Securities Act unless it is organized or incorporated and owned by accredited investors (as defined in Rule 501(a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts, while

(2) any organization or entity described in (1) is treated as a "U.S. person" under the U.S. Risk Retention Rules, regardless of whether it is so organized and owned by accredited investors (as defined in Rule 501(a) of Regulation D under the Securities Act) who are not natural persons, estates or trusts.

Each prospective investor in Notes, including beneficial interests therein, will be deemed, and in certain circumstances will be required (including as a condition to accessing or otherwise obtaining a copy of this proposal or any other offering materials relating to the Notes), to have made certain representations and agreements, including that it (1) is not a Risk Retention U.S. Person; (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such Note; and (3) is not acquiring such Note or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. Person, as part of a scheme to evade the 10% Risk Retention U.S. Person limitation in the exemption provided for in Section 20 of the U.S. Risk Retention Rules).

Each prospective investor in Notes will be required to make these representations as a condition to accessing or otherwise obtaining a copy of the Preliminary Prospectus, Prospectus or any other offering materials relating to the Notes and the Joint Lead Managers, the Issuer and the Seller will rely on these representations.

Selling Restrictions

General

All applicable laws and regulations must be observed in any jurisdiction in which the Notes may be offered, sold or delivered, to the best of each Joint Lead Manager's knowledge and belief. Each Joint Lead Manager has agreed that it will not, directly or indirectly offer, sell or deliver any of the Notes or distribute the Prospectus the preliminary Prospectus or any other offering material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof, to the best of such Joint Lead Manager's knowledge and belief and it will not impose any obligations on the Issuer except as set out in the Subscription Agreement.

Notwithstanding the foregoing none of the Joint Lead Managers will have any liability to the Issuer or the Seller for compliance by the Issuer or the Seller or any other person with the U.S. Risk Retention Rules except to the extent that such Joint Lead Manager may be liable to the Issuer or the Seller due to such Joint Lead Manager's failure to comply with the procedures described in the Subscription Agreement.

United States of America and its Territories (the "United States")

- (1) The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act. Each of the Joint Lead Managers has represented and agreed that it has not offered or sold, and will not offer or sell, any Note constituting part of its allotment within the United States except in accordance with Rule 903 under Regulation S under the Securities Act. Accordingly, each Joint Lead Manager has further represented and agreed that neither it, its respective affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Note.

In addition, before forty (40) calendar days after commencement of the offering, an offer or sale of Notes within the United States by a dealer or other person that is not participating in the offering may violate the registration requirements of the Securities Act.

Each Joint Lead Manager has (i) acknowledged that the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act; (ii) represented and agreed that it has not offered, sold or delivered any Notes, and will not offer, sell or deliver any Notes, (x) as part of its distribution at any time or (y) otherwise before forty (40) calendar days after the later of the commencement of the offering and the issue date, except in accordance with Rule 903 under Regulation S under the Securities Act; and accordingly, (iii) further represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Note, and they have complied and will comply with the

offering restrictions requirements of Regulation S under the Securities Act, and (iv) also agreed that, at or prior to confirmation of any sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it 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 by any person referred to in Rule 903 (b)(2) (iii) (x) as part of their distribution at any time or (y) otherwise until forty (40) calendar days after the later of the commencement of the offering and the issue date (the "**Distribution Compliance Period**"), 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 clause have the meanings given to them in Regulation S under the Securities Act.

Notes will be issued in accordance with the provisions of United States Treasury Regulation section 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form as the TEFRA D Rules, as applicable, for purposes of Section 4701 of the U.S. Internal Revenue Code) (the "**TEFRA D Rules**").

- (2) Further, each Joint Lead Manager has represented and agreed that:
- (a) except to the extent permitted under the TEFRA D Rules, (i) it has not offered or sold, and during the restricted period will not offer or sell, directly or indirectly, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) it has not delivered and will not deliver, directly or indirectly, within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
 - (b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;
 - (c) if it is considered a United States person, that it is acquiring the Notes for purposes of resale in connection with their original issuance and agrees that if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation section 1.163-5 (c)(2)(i)(D)(6) (or successor rules in substantially the same form);
 - (d) with respect to each affiliate that acquires from it Notes in bearer form for the purpose of offering or selling such Notes during the restricted period that it will either (i) repeat and confirm the representations and agreements contained in sub-clauses (a), (b) and (c) on such affiliate's behalf; or (ii) agrees that it will obtain from such affiliate for the benefit of the investor in the Notes and Issuer the representations and agreements contained in sub-clauses (a), (b) and (c) above; and
 - (e) it will obtain for the benefit of the Issuer the representations and agreements contained in sub-clauses (a), (b), (c) and (d) above from any person other than its affiliate with whom it enters into a written contract, as defined in United States Treasury Regulation section 1.163-5(c)(2)(i)(D)(4) (or substantially identical successor provisions) for the offer and sale during the restricted period of Notes.

Terms used in this clause (2) have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules.

United Kingdom

Each Joint Lead Manager has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the United Kingdom Financial Services and Markets Act 2000 (the

"FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

As used herein, "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.

No offer to retail investors

Each Joint Lead Manager has represented, warranted and agreed with the Issuer in respect of the Notes that it has not offered or sold and will not offer or sell the notes, directly or indirectly, to retail investors in the European Economic Area and has not distributed or caused to be distributed and will not distribute or cause to be distributed to retail investors in the European Economic Area, the prospectus or any other offering material relating to the Notes.

For these purposes "retail investor" means a person who is one (or more) of the following: (a) a retail client as defined in point (11) of article 4(1) of directive 2014/65/EU (as amended, "**MiFID II**") or (b) a customer within the meaning of directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MIFID II or (c) not a qualified investor as specified in Directive 2003/71/EC (as amended) and the term "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

USE OF PROCEEDS

The aggregate proceeds from the issue of the Class A Notes and the Class B Notes amount to EUR 668,842,000 and will be used by the Issuer to finance the acquisition of the Receivables and Related Collateral from the Seller having a Principal Component Purchase Price of EUR 645,047,073.11 on the Closing Date, to fund the Additional Interest Reserve Account for an amount of EUR 21,652,577.40 and to credit the Interest Account for an amount of EUR 2,142,000 being the difference between the issue price of the Notes and the Aggregate Outstanding Note Principal Amount of the Notes.

The Subordinated Loan will be credited to the General Reserve Account by the Subordinated Loan Provider. The costs of the Issuer in connection with the issue of the Notes, including, without limitation, structuring fees, costs and expenses payable on the Closing Date to the Joint Lead Managers and to the other parties in connection with the offer and sale of the Notes and certain other costs are paid separately by the Seller to the respective recipients.

GENERAL INFORMATION

Subject of this Prospectus

This Prospectus relates to Class A Notes in an aggregate principal amount of EUR 600,000,000 and Class B Notes in an aggregate principal amount of EUR 66,700,000, in each case issued by PBD Germany Auto 2018 UG (*haftungsbeschränkt*), Frankfurt am Main, Germany.

Legal Entity Identifier

The Legal Entity Identifier (LEI) of the Issuer is 5299005SUETUUVVENH54.

Authorisation

The issue of the Notes was authorised by a resolution of the managing directors of the Issuer passed on 15 October 2018.

Litigation

Neither the Issuer is, or has been since its incorporation, nor the Seller is, or has during the last twelve (12) months prior to the date of this Prospectus been, engaged in any governmental, litigation or arbitration proceedings which may have or have had during such period a significant effect on their respective financial position, and, as far as the Issuer and the Seller are aware, no such governmental, litigation or arbitration proceedings are pending or threatened, respectively.

Payment Information

For as long as the Notes are listed on the official list of the Luxembourg Stock Exchange (or any other exchange), the Issuer will inform the Luxembourg Stock Exchange (or such other exchange) of the Interest Amounts, the Interest Periods and the Interest Rates and, if relevant, the payments of principal on each Class of Notes, in each case in the manner described in the Terms and Conditions of the Notes.

Payments and transfers of the Notes will be settled through Clearstream Luxembourg and Euroclear, as described herein. The Notes have been accepted for clearing by Clearstream Luxembourg and Euroclear.

All notices regarding the Notes will be either (i) delivered to Euroclear and Clearstream Luxembourg for communication by it to the Noteholders or (ii) made available for a period of not less than thirty (30) calendar days but in any case only as long as any Notes are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange on the following website: www.bourse.lu.

Material Change

There has been no material adverse change in the financial position or prospects of the Issuer since its incorporation.

Miscellaneous

The Issuer will not publish interim accounts. The fiscal year in respect of the Issuer is the calendar year.

Luxembourg Listing

Application has been made for the Notes to be admitted for listing on the Official List of the Luxembourg Stock Exchange and to be traded on the regulated market of the Luxembourg Stock Exchange. The Issuer has appointed BNP Paribas Securities Services, Luxembourg Branch, as the initial listing agent for the Luxembourg Stock Exchange.

Publication of Documents

This Prospectus will be made available to the public by publication in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of True Sale International GmbH (www.true-sale-international.de).

Availability of Documents

Prior to the listing of the Notes on the Luxembourg Stock Exchange, the constitutional documents of the Issuer are available at the specified offices of the Issuer for inspection and copies of these documents may be obtained, free of charge, upon request.

Certain loan level data (on a no-name basis) is available for inspection, free of charge, at the registered office of the Seller at PSA Bank Deutschland, Siemensstraße 10, 63263 Neu-Isenburg, Germany, during customary business hours upon request from the Closing Date until redemption of the Notes in full. Such data may also be obtained, free of charge, upon request from the Seller in electronic form following the due execution of a non-disclosure agreement.

Upon listing of the Notes on the Luxembourg Stock Exchange, copies of the constitutive documents of the Issuer may also be obtained free of charge during customary business hours at the specified offices of the Paying Agent and at the registered office of the Issuer. The following documents will also be available at the offices of the Paying Agent and of the Issuer:

- (a) the articles of association (*Gesellschaftsvertrag*) of the Issuer;
- (b) the resolution of the managing directors of the Issuer approving the issue of the Notes and the transaction envisaged by the Transaction Documents;
- (c) the future annual financial statements of the Issuer (interim financial statements will not be prepared);
- (d) all notices given to the Noteholders pursuant to the Terms and Conditions of the Notes;
- (e) this Prospectus and all Transaction Documents referred to in this Prospectus;
- (f) annual financial statements of the Seller for the years ended 2017;
- (g) any opinions addressed to the Issuer in connection with its substitution by a New Issuer in accordance with the Terms and Conditions of the Notes.

Post-issuance Transaction Information

Following the Closing Date and until redemption of the Notes in full, the Paying Agent will provide the Issuer, the Corporate Administrator, the Security Trustee and, on behalf of the Issuer, by means of notification in accordance with Condition 13 (*Form of Notices*) of the Terms and Conditions of the Notes, the Noteholders, and so long as any of the Notes are listed on the official list of the Luxembourg Stock Exchange, and admitted to trading on the regulated market of the Luxembourg Stock Exchange, with the following information, all in accordance with the Agency Agreement and the Terms and Conditions of the Notes:

- (i) with respect to each Payment Date, the Interest Amount pursuant to Condition 6.1 (*Interest Calculation*) of the Terms and Conditions of the Notes;
- (ii) with respect to each Payment Date, the amount of Interest Arrears pursuant to Condition 6.5 (*Interest Arrears*) of the Terms and Conditions of the Notes, if any;
- (iii) with respect to each Payment Date, the amount of principal on each Class A Note and each Class B Note pursuant to Condition 7 (*Replenishment and Redemption*) of the Terms and Conditions of the Notes to be paid on such Payment Date;
- (iv) with respect to each Payment Date, the Note Principal Amount of each Class A Note and each Class B Note and the Class A Principal Amount and the Class B Principal Amount as from such Payment Date;
- (v) in the event the payments to be made on a Payment Date constitute the final payment with respect to the Notes pursuant to Condition 7.3 (*Final Maturity Date*), Condition 7.4 (*Early Redemption*) or Condition 7.5 (*Optional Redemption for Taxation Reasons*) of the Terms and Conditions of the Notes, of the fact that such is the final payment; and

(vi) the occurrence of a Servicing Report Delivery Failure.

In each case, such notification shall be made by the Paying Agent on the EURIBOR Determination Date preceding the relevant Payment Date.

Clearing Codes

<i>Class A Notes</i>		<i>Class B Notes</i>	
ISIN:	XS1886368296	ISIN:	XS1886368379
Common Code:	188636829	Common Code:	188636837
WKN	A2NBLV		A2NBLW

INDEX OF DEFINED TERMS

€ vi	Basel IV 28
2010 PD Amending Directive xi	Benchmark Regulation..... v
ABS 27	Beneficiary..... 85
Accelerated Amortisation Period..... 82	Brexit Vote..... 33
Accession Agreement..... 129	BRRD 41
Account 82, 230	Business Day..... iii, 66, 86
Account Bank 82	Calculation Agent 62, 72, 86
Account Bank Downgrade 55, 112	Calculation Date 86
Account Bank Required Rating..... 55, 82, 231	Car..... 86
Accounts..... 230	Car Dealer 86
Accounts Agreement 82	Car Manufacturer 86
Additional Interest Reserve Account10, 57, 82, 112	Cars i
Additional Interest Reserve Additional Amount 10, 57, 82	Chairperson 104
Additional Interest Reserve Initial Amount... 10, 57, 82	Class..... i, 61
Additional Interest Reserve Required Amount10, 57, 82	Class A Noteholder 86
Additional Receivable 82	Class A Notes..... 3, 61, 86
Adjusted Available Principal Collections. 13, 83	Class A Notes Amortisation Amount..... 86
Adjusted Outstanding Principal Amount..... 83	Class A Notes Common Safekeeper ii, 61, 86
Administrator v	Class A Notes Interest Amount..... 67, 86
Adverse Claim..... 83	Class A Notes Margin..... 86
Agency Agreement..... 62, 83	Class A Principal Amount 66, 86
Agent 73, 83	Class B Noteholder 86
Aggregate Outstanding Note Principal Amount 83	Class B Notes..... 3, 61, 86
Aggregate Outstanding Principal Amount 83	Class B Notes Amortisation Amount..... 87
AIFMD v	Class B Notes Common Safekeeper ii, 61, 87
AIFMR v	Class B Notes Interest Amount..... 67, 87
AIFMs 29	Class B Principal Amount..... 66, 87
Amortisation Event..... 5, 83	Class Principal Amount 66, 87
Amortisation Period 83	Clearing Obligation..... 32
Ancillary Rights 84	Clearing Systems ii, 18
Appendix A 62	Closing Date i, 61, 87
Appendix B 63	Collateral..... 8, 63, 87, 110
Appendix C 62	Collection Period 87
Appendix D 62, 88	Commercial Debtor..... 87
Arrears Amount..... 84	Commercial Renegotiation 87
Article 50..... 33	Commission's Proposal 39
Article 50 Notice 33	Committee..... 27
Assigned Security..... 108	Common Safekeeper ii, 88
Authorised Person 129	Common Safekeepers ii, 61
Auto Loan Contract 84	Consumer Debtor..... 88
Auto Loan Contracts 8	Corporate Administration Agreement..... 88
Available Collections 12, 84	Corporate Administrator 88
Available Interest Amount 11, 84	CPR 160
Available Interest Collections 13, 85	CRA 30
Available Principal Amount 12, 85	CRA III 30
Available Principal Collections..... 13, 85	CRA III RTS 30
Average Delinquency Ratio 85	CRD IV 27
Average Delinquency Trigger 85	CRD V 27
Back-Up Servicer Facilitator 85, 151	Credit 88, 116
Balloon Amount 85	Credit and Collection Policy 88, 216
Balloon Loan 85	Credit Support Annex 88
	CRR iv, 27, 88
	CRR Amending Regulation 27
	CRR II..... 27
	CRS 236
	Cumulative Default Ratio 88

Cumulative Default Trigger	88	FSMA	xi, 240
Custodian Bank	81	FTT	39
Data Protection Standards	88	General Collection Account.....	91
Data Trust Agreement	89	General Reserve.....	9, 57
Data Trustee	88	General Reserve Account	9, 57, 91, 112
Debtor.....	89	General Reserve Initial Cash Deposit	92
Debtors	8	General Reserve Required Amount	9, 92
Decision.....	41	General Reserve Required Decrease Amount..	9, 57, 92
Decoding Key.....	89	Germany	ii, 2, 61
Deemed Collection	89	GewStDV.....	36
Deemed Collection Interest Component.....	90	Global Note.....	ii, 61
Defaulted Amount	90	Global Notes	ii, 61
Defaulted Receivable	90	HGB.....	35
Delinquency Ratio.....	90	ICSD	93
Delinquent Receivable.....	90	ICSDs.....	18
Deposit	90	IGAs.....	39
Determination Date	90	Information Date.....	92
Disbursing Agent.....	234	Initial Receivables.....	92
Distribution Compliance Period.....	ix, 239	Insolvency Proceedings	92
distributor	vi	Instalment Due Date	92
DZ BANK	228	Instructions.....	129
Early Redemption Date	71	Insurance Mediation Directive.....	v, xi, 240
EC Treaty	68	Interest Account	92, 112
ECB	27	Interest Amount	67, 92
EEA	v	Interest Arrears	68, 92
Effective Interest Rate	90	Interest Component Purchase Price	92
Eligibility Criteria.....	90, 166	Interest Determination Agent.....	62, 72, 92
Eligible Back-up Servicer.....	91	Interest Period	iii, 67, 92
eligible institution.....	120	Interest Rate	67, 93
Eligible Portfolio	90	Interest Rate Swap	18, 93
Eligible Receivable.....	91	Interest Rate Swap Counterparty	2, 93
EMIR.....	31, 127	Interest Rate Swap Counterparty Required	
Encrypted File	91	Ratings	59, 93
Enforcement Instruction	91, 114	Interest Rate Swap Level 1 Required Ratings	
English Security Deed.....	i, 63, 91	.....	153
ESMA.....	v, 25	Interest Rate Swap Level 2 Required Ratings	
EStG.....	36	.....	154
EUR.....	vi	Interest Rate Swap Rate Modification	78
EURIBOR	iii, 67, 91	Interest Rate Swap Rate Modification Certificate	
EURIBOR Determination Date.....	67	.....	78
euro.....	vi	International Central Securities Depositories..	18
Euro	vi	International Central Securities Depository	93
Euroclear	ii	Investor Report	93
Eurosystem eligible collateral	26	Investor Report Date	93
Euro-zone	68	Issuer.....	i, 61
Excess Profit.....	36	Issuer Event of Default	15, 65, 93
Excess Swap Collateral	91	Issuer Expenses.....	93
Exchange Date.....	61	Issuer Expenses Arrears	94
Extinguished.....	64, 131	ITS	32
FATCA.....	39, 91	Joint Arranger	94
Final Maturity Date	iii, 70	Joint Arrangers.....	94
First Determination Date	91	Joint Lead Manager.....	i, 94
First Information Date	91	Joint Lead Managers	i, 94
First Payment Date	91	KStG	36
First Purchase Date.....	91	LCR Delegated Regulation	28
First Selection Date	91	List of Registered CRAs	25
Fitch.....	iii, 97	Loan Instalment	94
Fixed Swap Rate.....	58	Losses	129
FMSA	42	Luxembourg Stock Exchange	94
Framework	27		

market discipline	27	Rating Agencies	iii, 97
Material Payment Obligation	94	RDG.....	50
Maximum Receivables Purchase Amount.....	94	Recast EU Insolvency Regulation.....	97
MiFID II	i, 240	Receivable.....	97
MiFIR	32	Receivables Purchase Agreement	3, 97
Modification Certificate	78	Records	97
Money Laundering Laws.....	94	Recoveries.....	97
Moody's	iii, 97	Reference Banks	68
New Car.....	94	Related Collateral	i, 97
New Corporate Administrator	157	Relevant Implementation Date.....	x
New Issuer.....	74	Relevant Insurance Policy.....	47
New Security Trustee	120	Relevant Member State.....	x
Note Collateral	8, 63, 95, 110	Relevant Time.....	68
Note Principal Amount.....	66, 95	Replacement Beneficiary	129
Noteholder	iv	Replacement Swap Premium	98
Noteholders	iv, 61	Replacement Trigger Remedies	153
Noteholders' Representative	76	Reporting Agent.....	62, 73, 98
Notes	i, 61	Restricted Party.....	98
Notification Event	95	Restructured Receivable	98
Notification Events.....	135	Retail Customer	98
Notional Amount.....	58, 153	Retail Investor.....	xi
Offer	xi	Revolving Period	98
Offer of Notes to the Public.....	xi	Risk Retention U.S. Persons	viii, 31, 237
OTC.....	32	RTS	32
Outstanding Principal Amount.....	95	SAG	41
Participating Member States.....	39	Sanctioned Country.....	98
Paying Agent	62, 72, 95	Sanctions.....	99
Payment Date	iii, 66, 95	Sanctions Authority	99
PCS Label.....	25, 233	Sanctions List.....	99
Performing Receivable	95	SCB.....	223
Permanent Global Note	ii, 61	Scheduled Principal Payment.....	99
Personal Data.....	95	Scheduled Revolving Period End Date	99
Portfolio.....	i, 95	Securities Act.....	ix, 239
Post-Enforcement Priority of Payments16, 63, 95, 116		Securitisation Regulation	30
Posting Trigger Remedies	153	Security Trustee	i, 63, 99
Pre-Enforcement Interest Priority of Payments	95	Security Trustee Claim	107
Pre-Enforcement Principal Priority of Payments	95	Selection Date.....	99
Pre-Enforcement Priority of Payments14, 15, 69, 72, 95		Seller.....	i, 99
PRIPs Regulation	v	Seller Deposits	99
Principal Account.....	96, 112	Seller Event of Default.....	99
Principal Amount	96	Servicer	2, 100
Principal Component Purchase Price	96	Servicer Termination Event	100, 151
Principal Deficiency Amount	96	Services.....	142
Principal Deficiency Ledger.....	96	Servicing Agreement	8, 101
Principal Deficiency Shortfall	96	Servicing Report	101
Private Investment Income	234	Servicing Report Delivery Failure	100
Prospectus.....	96	Solvency II.....	v
Prospectus Directive.....	i, xi	Solvency II Delegated Regulation	v
PSA Bank Deutschland	96, 223	Standard Loan	101
Purchase Date	96	STC Criteria	30
Purchase Price	96	STS Securitisations	30
Purchase Shortfall.....	96	Subordinated Loan	10, 59
Purchased Receivable.....	97	Subordinated Loan Agreement	101
Purchased Receivables	i	Subordinated Loan Provider	10, 101
PwC	222	Subscription Agreement.....	101
qualified majority	75	Subsequent Determination Date.....	101
		Subsequent Information Date.....	101
		Subsequent Purchase Date	101
		Subsequent Selection Date.....	101
		Subsidised Interest Amount	11, 58, 101

Subsidised Interest Arrangement.....	11, 58, 101	Transaction Account	112
Subsidised Interest Balance	11, 58, 102	Transaction Documents	102
Subsidised Interest Instalment Amount10,	58,	Transaction Secured Obligations	110
101		Transaction Security Agreement.....	63, 102
Successor Bank.....	112	Transaction Security Agreement").....	i
supervisory review process.....	27	Transaction Security Documents	102
Swap Collateral	102	TSI	24, 232
Swap Collateral Account.....	102, 112	U.S. Person	102
Swap Tax Credit.....	102	U.S. Risk Retention Rules	viii, 103
TA	32	United Kingdom	240
TARGET Day	102	UNITED KINGDOM	xi
TARGET2	iii, 66, 86, 102	United States	61, 238
Tax Loss Carry-Forward	35	Used Car	103
taxes.....	73	UStAE.....	37
TEFRA D Rules	ix, 239	VAT	37
Temporary Global Note.....	ii, 61	Volcker Rule	vi
Terms and Conditions of the Notes	4, 61, 102	Weighted Average Effective Interest Rate....	103

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