

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF BONDHOLDERS

ARM ASSET BACKED SECURITIES SA

(IN LIQUIDATION AND SUBJECT TO A COMPANY VOLUNTARY ARRANGEMENT)

(the Company)

(a Société Anonyme incorporated under the laws of the Grand Duchy of Luxembourg)

NOTICE

to the holders of all bonds presently outstanding as issued by the Company and listed on the Irish Stock Exchange, whether under the Base Prospectus dated 18 September 2009 for a US\$1,000,000,000 asset-backed securitisation bond program or otherwise (the Bondholders and the Bonds, respectively).

Declaration of the First Interim Dividend

The Supervisors are pleased to declare the first interim dividend in the Company Voluntary Arrangement, this dividend totals 11p in the £ and will be paid on agreed claims totalling £182,268,070.

Approximately 89% of this first interim dividend will be paid to the FSCS and represents the assigned claims of the investors who have accepted FSCS compensation. The FSCS has confirmed that any sums paid to it that are due to the compensated investor, under its normal rules, will be paid as soon as reasonably practicable.

A further 11% of this first interim dividend will be paid in respect of direct claims we have received from investors, SIPPs or nominees. We anticipate that all direct claimants will receive a cheque in the course of this week.

Please note there remain approximately 11% of the FSCS' assignments which we are currently unable to reconcile. We are working with the FSCS to resolve this issue and will make a further payment to the FSCS in respect of these claims in due course.

It is the Supervisors intention to declare a second interim dividend in the second quarter of 2018, post receipt of the FCIL receivable. If you have not submitted your claim in time for this first dividend payment you will be entitled to claim in the next process and receive a catch-up dividend payment.

Declaration of the Enhanced Dividend

In addition to the declaration of the first interim dividend the Supervisors will also be making a payment in respect of the Enhanced Dividend. It was originally anticipated that 25 investors would be entitled to the Enhanced Dividend totalling approximately £770,000.

During the course of this adjudication process we have received claims from 19 of the 25 originally identified investors, with one additional claim in respect of an investor who had been rejected by the FSCS for compensation. Please find below a table summarising the final Enhanced Dividend position of the claims against the Enhanced Dividend pot:

Number of claims received:	20
No longer entitled to an Enhanced Dividend:	6
Agreed Enhanced Dividend recipients:	12

Pending Enhanced Dividend claimants:

2

The reason why 6 of the originally identified investors are no longer entitled to an Enhanced Dividend is that they have received additional compensation from the FSCS as the investments were joint investments and therefore double compensation was available.

The 12 agreed investors entitled to the Enhanced Dividend will receive payments via the FSCS totalling £496,574. A further 2 investors have pending claims and are awaiting final determination from the FSCS in respect of their compensation. The Supervisors currently anticipate paying a further £85,634 in respect of these pending claims. On finalisation of these pending claims the remainder of the Enhanced Dividend pot (expected to be £367,792) will be released into the general pool of assets and form part of the next dividend.

The Supervisors will not be accepting any additional claims in respect of the Enhanced Dividend.

Important Information

Nothing in this notice is intended to amount to an invitation or inducement to engage in investment activity and nothing in this notice amounts to the giving of advice. If Bondholders are in any doubt as to the action they should take, they should seek their own financial and legal advice immediately from their stockbroker, solicitor, accountant or other independent financial or legal adviser.

This notice is dated 20 November 2017 and is given by:

ARM ASSET BACKED SECURITIES SA (IN LIQUIDATION AND SUBJECT TO A COMPANY VOLUNTARY ARRANGEMENT)

Acting by its Liquidators/Supervisors as its agents and without personal liability.