

## LocalTapiola Finance securitisation arrangement - Q&A Consumers

### Impact on agreements and practices

Q: Do I have to do something due to the securitisation?

A: Yes, you will have to pay the monthly invoices going forward LT Autohallinto IV DAC according to the upcoming invoices. If you want to receive e-Invoices to your online bank, make an e-Invoice authorisation according to the instructions of your online bank. Your personal identity code serves as identification information for e-Invoice. If you do not make a new e-invoice authorization for LT Autohallinto IV DAC, the invoices will be sent after the transfer through our online service, which you can access through the link <https://verkkopalvelu.lahitapiolarahoitus.fi>.

Q: Should I change the Payee and the account number to open unpaid LocalTapiola Finance invoices which I have received earlier?

A: No, the change is affecting only invoices sent with LT Autohallinto IV DAC as the payee. Unpaid invoices with LocalTapiola Finance as payee and with the account number of LocalTapiola Finance, should not be changed. Always pay the invoices according to the payment information on the invoice. Recurring payments or payment templates in your online bank should be updated so that the payee is LT Autohallinto IV DAC and the account number the account of LT Autohallinto IV DAC.

Q: I have an open unpaid e-Invoice with LocalTapiola Finance as payee in my online bank. Should I discard the e-Invoice and wait for a new one?

A: No, open unpaid LocalTapiola Finance e-Invoices, should be paid normally to LocalTapiola Finance according to the payment instruction on the invoice. If you want to receive the LT Autohallinto IV DAC invoices as e-Invoices to your online bank, make an e-Invoice authorisation according to the instructions of your online bank. Your personal identity code serves as identification information for e-Invoice and the organisation number of LT Autohallinto IV DAC is 3288174-6. If you have not made an e-Invoice authorisation to LT Autohallinto IV DAC we will send the LT Autohallinto IV DAC invoices as e-invoices to our online service (<https://verkkopalvelu.lahitapiolarahoitus.fi/login>). Please note that it takes some days for the e-Invoice authorisation to be updated to your customer profile and that all invoices sent during this period will be directed to the onlineservice.

Q: I accidentally paid the invoice to the old account, how should I proceed?

A: Payments must be made to the LT Autohallinto IV DAC account indicated on the invoice in order for the payments to be allocated correctly. The instalment you paid to the wrong account will be manually redirected to the correct account, so you do not need to report it separately. In the future, always pay invoices to the account indicated on the invoice and make the necessary changes to your online bank if you are using recurring payment or a payment template.

Q: Will the invoice reference number change?

A: The invoice reference number will remain unchanged.

Q: Can I change the invoicing method?

A: : You can change the invoicing method to e-invoicing in the online service (<https://verkkopalvelu.lahitapiolarahoitus.fi/login>).

If you want to receive e-Invoices to your online bank, make an eInvoice authorisation according to the instructions of your online bank. Your personal identity code serves as identification information for e-Invoice. You can also direct invoices to the electronic OmaPosti service, according to OmaPosti instructions. If you want to switch from e-invoicing, you can do so by calling our customer service, tel. +358 9 4784 4501.

Q: Where can I get an export authorisation?

A: You can order an export authorisation in the online service (<https://verkkopalvelu.lahitapiolarahoitus.fi>). If you have an authorisation issued by LocalTapiola Finance Ltd, you must request a new authorisation from LT Autohallinto IV DAC before your next trip.

Q: Will the pricing of my agreement change as a result of the securitisation?

A: No. The change will also not affect the service price list, which will continue to be found on our website at [www.lahitapiolarahoitus.fi](http://www.lahitapiolarahoitus.fi).

Q: Will the arrangement affect car insurance policies?

A: No, car insurance policies will remain unchanged.

Q: I need a payment-free period or want to change my payment plan, how should I proceed?

A: Send a request in the online service (<https://verkkopalvelu.lahitapiolarahoitus.fi/login>), and customer service will process your request and give you a decision.

Q: Will my car's emission compensation end now that the registered owner changes?

A: The arrangement does not affect the emission compensation, i.e. it will remain in force. More information on emission compensation, can be found at [www.lahitapiolarahoitus.fi](http://www.lahitapiolarahoitus.fi).

Q: Will I need a new technical part of the register certificate as a result of the change of registered owner of my vehicle?

A: Please note that you are not required to keep the technical part of the register certificate in your vehicle when driving in Continental Finland. You only need the technical part in case you are planning to drive your vehicle in Åland or abroad. A new technical part of the **registration certificate can be ordered electronically from Traficom's online service or from a vehicle inspection station authorised to carry out vehicle registrations.**:

## Impact on customers

Q: How will securitisation affect the customer relationship?

A: The arrangement will not affect the status of customers, nor their rights or obligations. Only the account number on the invoice and the owner recorded on the register of vehicles will change. Customer service will continue as before at LocalTapiola Finance Ltd, so the customer service telephone numbers and other contact information will remain unchanged.

Q: On what grounds has an agreement been transferred?

A: Under the terms of the Hire Purchase agreement, the agreement is transferable.

Q: Does the customer need to do something when they receive a notification letter about the transfer?

A: With the change, the instalments of the Hire Purchase agreement must be paid to LT Autohallinto IV DAC, which changes the name and account number of the payee in the invoices. For this reason, the customer must start using a new account number and make the payments to the new account.

Q: Will customer service move to Ireland?

A: No. Customer service will continue as before at LocalTapiola Finance Ltd, so the customer service telephone numbers and other contact information will remain unchanged. Transaction channels, such as the online and telephone service, will also remain unchanged, as will the postal address and the transaction addresses in the email service. All customer service practices, including rules for allocating additional payments, instructions for changing payment arrangements and plans, and other operating instructions, will remain unchanged.

## General information on securitisation

Q: What is the LocalTapiola Finance securitisation about?

A: LocalTapiola Finance is expanding its refinancing base through an international securitisation arrangement.

Securitisation is an international financing arrangement in which investors lend funds through a separate company established for the arrangement against LocalTapiola Finance's Hire Purchase agreement portfolio.

Q: Why is LocalTapiola Finance making the securitisation arrangement?

A: So far, most of the company's refinancing has been handled within the group, but some external funding sources have also been used. To secure the company's growth opportunities, we are diversifying our funding base and obtaining more refinancing.

Q: Why cannot the refinancing of LocalTapiola Finance be entirely handled with the group's funds?

A: According to the group's investment policy, investments must be securely diversified, so the share of an individual investment must not become too high a risk concentration. For this reason, in order to secure the growth conditions for LocalTapiola Finance's business, refinancing must also be obtained from outside the group.

Q: Why is the arrangement made with foreign companies?

A: Finland does not yet have a very active securitisation market suitable for Hire Purchase agreements. To date, a dozen similar arrangements have been made and they have all been implemented in the same way as international arrangements. In addition, most investors are international operators that are accustomed to investing in financial instruments formed by international financial institutions.

Q: From which countries are the operators that the arrangement will be implemented with?

A: The financial and management partners are the French BnP Paribas bank and the American US Bank. For the arrangement, LT Autohallinto IV DAC has been established in Ireland as a separate company, to which the agreement portfolio will be transferred.

Q: Why will the agreement portfolio be transferred to an Irish company?

A: Irish company legislation takes particularly well into account the creation and operation of separate companies established for transactions, which is why there are many companies like this in Ireland. Lenders are well acquainted with Irish legislation, and providing guarantees and perfection is easy. In addition, Ireland is an EU country that is politically and legally stable.

Q: How is the arrangement regulated and which authority oversees the arrangement?

A: The arrangement is regulated by the EU's Securitisation Regulation (EU) 2017/2402 and the Commission's regulatory technical standards issued under it, as well as the European Banking Authority's (EBA) interpretative guidelines. The arrangement is supervised by the European Securities and Markets Authority (ESMA) and the Finnish Financial Supervisory Authority as the local competent authority. The arrangement will be formally notified to both authorities. In addition, naturally, for BNPP, the financial supervision of BNPP's home

country and, where applicable, the European Central Bank (ECB) continuously monitor BNPP's activities, including the provision of funding.

Q: Does securitisation seek tax benefits?

A: No. The arrangement will not bring tax benefits to LocalTapiola Finance, but as a result of it, LocalTapiola Finance will have to pay part of its taxes in advance.

Q: Is it money laundering?

A: Securitisation is not connected to money laundering or any other suspicious activities. Securitisation is based on the EU's Securitisation Regulation and is supervised by the European Securities and Markets Authority (ESMA) and the Finnish Financial Supervisory Authority.

Q: Is LocalTapiola Finance in a poor financial situation when it is making such an arrangement?

A: On the contrary, LocalTapiola Finance has grown very rapidly to become the third largest vehicle financier in Finland and its result and operating volume have clearly exceeded the objectives of the business plan. In general, securitisation is an arrangement for which a company must have a strong credit rating. In May, LocalTapiola Finance received a very good rating (BBB-) from Standard & Poor's.