

OFFERING CIRCULAR dated 29 March 2007

CHAPEL 2007 B.V.

(incorporated with limited liability in the Netherlands)

€ 321,000,000 Senior Class A1 Asset-Backed Notes 2007 due 2066, issue price 100 per cent.
€ 300,000,000 Senior Class A2 Asset-Backed Notes 2007 due 2066, issue price 100 per cent.
€ 13,800,000 Senior Class B Asset-Backed Notes 2007 due 2066, issue price 100 per cent.
€ 23,500,000 Mezzanine Class C Asset-Backed Notes 2007 due 2066, issue price 100 per cent.
€ 17,900,000 Mezzanine Class D Asset-Backed Notes 2007 due 2066, issue price 100 per cent.
€ 13,800,000 Junior Class E Asset-Backed Notes 2007 due 2066, issue price 100 per cent.
€ 13,800,000 Subordinated Class F Notes 2007 due 2066, issue price 100 per cent.
€ 6,900,000 Subordinated Class G Notes 2007 due 2066, issue price 100 per cent.

DSB Bank N.V. and DSB Financieringen B.V. as Sellers

Application has been made to list the € 321,000,000 Senior Class A1 Asset-Backed Notes 2007 due 2066 (the "**Senior Class A1 Notes**"), the € 300,000,000 Senior Class A2 Asset-Backed Notes 2007 due 2066 (the "**Senior Class A2 Notes**") and together with the Senior Class A1 Notes, the "**Senior Class A Notes**"), the € 13,800,000 Senior Class B Asset-Backed Notes 2007 due 2066 (the "**Senior Class B Notes**"), the € 23,500,000 Mezzanine Class C Asset-Backed Notes 2007 due 2066 (the "**Mezzanine Class C Notes**"), the € 17,900,000 Mezzanine Class D Asset-Backed Notes 2007 due 2066 (the "**Mezzanine Class D Notes**"), the € 13,800,000 Junior Class E Asset-Backed Notes 2007 due 2066 (the "**Junior Class E Notes**"), the € 13,800,000 Subordinated Class F Notes 2007 due 2066 (the "**Subordinated Class F Notes**") and the € 6,900,000 Subordinated Class G Notes 2007 due 2066 (the "**Subordinated Class G Notes**") and together with the Subordinated Class F Notes the "**Subordinated Notes**" and together with the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes, the "**Notes**") on Euronext by Euronext Amsterdam N.V. ("**Euronext Amsterdam**"). The Notes are expected to be issued on 3 April 2007. This Offering Circular constitutes a prospectus for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**").

The Notes will carry floating rates of interest, payable quarterly in arrear on each Quarterly Payment Date (as defined herein). Except for the first Quarterly Interest Period in which the interest rate will be referenced to the linear interpolation of three-months and four-months Euribor, the rate of interest will be equal to three-months Euribor (as defined in the terms and conditions of the Notes, the "**Conditions**") plus a margin per annum which will be 0.15 per cent. for the Senior Class A1 Notes, 0.18 per cent. for the Senior Class A2 Notes, 0.22 per cent. for the Senior Class B Notes, 0.35 per cent. for the Mezzanine Class C Notes, 0.44 per cent. for the Mezzanine class D Notes, 0.82 per cent. for the Junior Class E Notes, 6.00 per cent. for the Subordinated Class F Notes and 8.50 per cent. for the Subordinated Class G Notes. If on the Quarterly Payment Date falling in July 2012 (the "**First Optional Redemption Date**") the Notes of any Class have not been redeemed in full, the margin for the Notes (other than the Subordinated Notes) will increase and the interest applicable to such Notes will then be equal to three-months Euribor plus a margin per annum which will be for the Senior Class A1 Notes 0.30 per cent., for the Senior Class A2 Notes 0.36 per cent., for the Senior Class B Notes 0.44 per cent., for the Mezzanine Class C Notes 0.70 per cent., for the Mezzanine Class D Notes 0.88 per cent. and for the Junior Class E Notes 1.82 per cent. For the Subordinated Class F Notes and the Subordinated Class G Notes, such margin will remain at 6.00 per cent and 8.50 per cent, respectively.

Payments of principal on the Notes (other than the Subordinated Notes) will be made quarterly in arrear on each Quarterly Payment Date in the circumstances set out in, and subject to and in accordance with the Conditions through application of the Notes Redemption Available Amount. Payments of principal on the Subordinated Notes will not be made until the earlier of (i) the Quarterly Payment Date on which all amounts of interest and principal on the Notes (other than the Subordinated Notes) will have been paid and (ii) the First Optional Redemption Date or, in respect of the Subordinated Class G Notes, following a Subordinated Class G Notes Amortisation Trigger. On such Quarterly Payment Date or First Optional Redemption Date and on each Quarterly Payment Date thereafter payment of principal on the Subordinated Notes will be made subject to and in accordance with the Conditions to the extent part of the Notes Interest Available Amount is available for such purpose in accordance with the Interest Priority of Payments. The Notes will mature on the Quarterly Payment Date falling in July 2066. On the First Optional Redemption Date and each Quarterly Payment Date thereafter (each an "**Optional Redemption Date**") the Issuer will have the option to redeem all of the Notes (other than the Subordinated Notes), in whole but not in part, at their Principal Amount Outstanding, subject to and in accordance with the Conditions.

It is a condition precedent to issuance that, on issue, the Senior Class A1 Notes be assigned an 'Aaa' rating by Moody's Investors Service Limited ("**Moody's**") and an 'AAA' rating by Standard & Poor's Rating Group ("**S&P**"), the Senior Class A2 Notes be assigned an 'Aaa' rating by Moody's and an 'AAA' rating by S&P, the Senior Class B Notes be assigned an Aa2 rating by Moody's and an AAA rating by S&P, the Mezzanine Class C Notes be assigned an A1 rating by Moody's and an AA rating by S&P, the Mezzanine Class D Notes be assigned an A3 rating by Moody's and an A rating by S&P, the Junior Class E Notes be assigned a Baa3 rating by Moody's and a BBB+ rating by S&P and the Subordinated Class F Notes be assigned a B3 rating by Moody's and a B- rating by S&P. The Subordinated Class G Notes, on issue, will not be assigned a rating. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. For a discussion of some of the risks associated with an investment in the Notes, see section *Risk Factors* herein.

The holders of the Notes (the "**Noteholders**") and the other Security Beneficiaries (as defined in *Description of Security*) will benefit from the security provided to the Security Trustee in the form of a pledge over the Loan Receivables and the Beneficiary Rights (both as defined herein) and a pledge over substantially all of the other assets of the Issuer in the manner more fully described herein under *Description of Security*. The right to payment of interest and principal on the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine class D Notes, the Junior Class E Notes, the Subordinated Class F Notes and the Subordinated Class G Notes will be subordinated to the Senior Class A Notes and may be limited as more fully described herein under *Terms and Conditions of the Notes*.

The Notes of each Class will be initially represented by a temporary global note in bearer form (each a "**Temporary Global Note**"), without coupons, which will be deposited with a common safekeeper for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), on or about the issue date of the Notes. Interests in each Temporary Global Note will be exchangeable for interests in a permanent global note of the relevant Class (each a "**Permanent Global Note**"), without coupons attached (the expression "**Global Notes**" means the Temporary Global Note of each Class and the Permanent Global Note of each Class and the expression "**Global Note**" means each Temporary Global Note or each Permanent Global Note, as the context may require), not earlier than forty (40) days after the Closing Date (as defined herein) upon certification as to non-U.S. beneficial ownership. Interests in each Permanent Global Note will, in certain limited circumstances, be exchangeable for Definitive Notes in bearer form as described in the Conditions.

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, acting in whatever capacity, including, without limitation, the Sellers, the Manager, the Servicer, the Issuer Administrator, the Floating Rate GIC Provider, the Liquidity Facility Provider, the Swap Counterparty, the Paying Agent, the Reference Agent or the Directors (each as defined herein), except for certain limited obligations of the Security Trustee under the Trust Deed (as defined herein) to - *inter alia* - the Noteholders. Furthermore, none of the Sellers, the Manager, the Servicer, the Issuer Administrator, the Floating Rate GIC Provider, the Liquidity Facility Provider, the Swap Counterparty, the Paying Agent, the Reference Agent, the Directors or any other person, acting in whatever capacity, other than the Security Trustee in respect of limited obligations under the Trust Deed, will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. None of the Sellers, the Manager, the Servicer, the Issuer Administrator, the Floating Rate GIC Provider, the Liquidity Facility Provider, the Swap Counterparty, the Paying Agent, the Reference Agent, the Directors or the Security Trustee will be under any obligation whatsoever to provide additional funds to the Issuer (other than the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement).

Arranger and Manager
Merrill Lynch International

IMPORTANT INFORMATION

Only the Issuer is responsible for the information contained in this Offering Circular. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer accepts responsibility accordingly.

For the information contained in the following sections of this Offering Circular: *Overview of the Dutch Mortgage and Consumer Loan Market, DSB Bank, Description of the Loans, Loan Origination, and Underwriting and Servicing* hereto, the Issuer has relied on information from the Sellers. The information in these sections and any other information from third-parties contained and specified as such in this Offering Circular has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Offering Circular is to be read in conjunction with the articles of association dated 1 March 2007 of the Issuer which are deemed to be incorporated herein by reference (see section *General Information* below). This Offering Circular shall be read and construed on the basis that such document is incorporated in, and forms part of, this Offering Circular.

No person has been authorised to give any information or to make any representation which is not contained in or consistent with this Offering Circular or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Manager.

This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this document and the offering of the Notes in certain jurisdictions may be restricted by law.

Persons into whose possession this Offering Circular (or any part thereof) comes are required to inform themselves about, and to observe, any such restrictions. A fuller description of the restrictions on offers, sales and deliveries of the Notes and on the distribution of this Offering Circular is set out in *Subscription and Sale* below. No one is authorised to give any information or to make any representation concerning the issue of the Notes other than those contained in this Offering Circular in accordance with applicable laws and regulations.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Neither the delivery of this Offering Circular at any time nor any sale made in connection with the offering of the Notes shall imply that the information contained herein is correct at any time subsequent to the date of this Offering Circular. The Issuer does not have the obligation to update this Offering Circular, except when required by the listing and issuing rules of Euronext Amsterdam or any other regulation.

The Manager and the Sellers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and are subject to United States tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to United States persons (see *Subscription and Sale* below).

In connection with the issue of the Notes, Merrill Lynch International, or any duly appointed person acting for Merrill Lynch International, may over-allot or effect transactions that stabilise or maintain the market price of the Notes at a level that might not otherwise prevail. However, there is no obligation on Merrill Lynch International to undertake these actions. Any stabilisation action may be discontinued at any time but will, in accordance with the rules of Euronext Amsterdam, in any event be discontinued thirty (30) days after the issue date of the Notes and 60 days after the date of allotment of the Notes.

Stabilisation transactions will be conducted in compliance with all applicable laws and regulations, as amended from time to time.

All references in this Offering Circular to "€", "EUR" and "euro" refer to the single currency which was introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community (as amended by the Treaty on European Union).

Capitalised terms used in this Offering Circular, unless otherwise indicated, have the meanings as set out in this Offering Circular.

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TRANSACTION SUMMARY

The following is a summary of the principal features of the transaction described in this Offering Circular including the issue of the Notes. The information in this section does not purport to be complete. This summary should be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole, including any amendment and supplement thereto and the documents incorporated by reference. Where a claim relating to the information contained in this Offering Circular is brought before a court, the plaintiff investor might, under the national legislation of the Member State, have to bear the costs of translating this Offering Circular before the legal proceedings are initiated. Civil liability attaches to the Issuer, being the entity which has prepared the summary, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read with other parts of the Offering Circular.

Capitalised terms used, but not defined, in this section can be found elsewhere in this Offering Circular via the Index of Terms unless otherwise stated.

Risk Factors

There are certain risk factors which the prospective Noteholders should take into account. These risk factors relate to, *inter alia*, the Notes, such as (but not limited to) the fact that the liabilities of the Issuer under the Notes are limited recourse obligations whereby the ability of the Issuer to meet such obligations will be dependent on the receipt by it of funds under the Loan Receivables, the proceeds of the sale of any Loan Receivable and the receipt by it of other funds. Despite certain facilities, there remains a credit risk, liquidity risk, prepayment risk, maturity risk and interest rate risk relating to the Notes. Moreover, there are certain structural and legal risks relating to the Loan Receivables (see under *Risk Factors* below)

Transaction

On the Closing Date, the Issuer will (i) issue the Notes and (ii) apply the net proceeds of the Notes (other than the Subordinated Notes) towards payment of the Initial Purchase Price on the Closing Date for the Loan Receivables, consisting of any and all rights and claims of the Sellers against certain borrowers under or in connection with certain selected loans. The Loan Receivables consist for 31.36 per cent. (by value of the Outstanding Principal Amount) of Loan Receivables which are secured by a second-ranking mortgage right (*hypotheekrecht*). The proceeds of the issue of the Subordinated Notes will be used to fund the Reserve Account.

The Issuer will use receipts of principal and interest in respect of the Loan Receivables together with amounts it receives under the Liquidity Facility Agreement, Floating Rate GIC and Swap Agreement to make payments of, *inter alia*, principal and interest due in respect of the Notes, provided that up to but excluding the Portfolio Purchase Date immediately preceding the First Optional Redemption Date the

Issuer will use (part of) the principal received by it in respect of the Loan Receivables to purchase Substitute Loan Receivables and Further Advance Receivables, to the extent offered by the Sellers.

It is of note that the obligations of the Issuer in respect of the Notes will rank behind the obligations of the Issuer in respect of certain items set forth in the applicable priority of payments (see under *Credit Structure* below) and that the right to payment of principal and interest on the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes, the Subordinated Class F Notes and the Subordinated Class G Notes will be subordinated to the right to payment of principal and interest on the Senior Class A Notes and may be limited as more fully described herein under *Terms and Conditions of the Notes*.

Pursuant to the Liquidity Facility Agreement the Issuer will be entitled to make drawings if there are, following application of the amounts standing to the credit of the Reserve Account, insufficient funds available to the Issuer as a result of a shortfall in the Notes Interest Available Amount (see under *Credit Structure* below).

Pursuant to the Floating Rate GIC the Floating Rate GIC Provider will agree to pay a guaranteed rate of interest on the balance standing from time to time to the credit of the GIC Accounts (see under *Credit Structure* below).

To hedge the risk between the rate of interest to be received by the Issuer on the Loan Receivables and the rate of interest payable by the Issuer on the Notes, the Issuer will enter into the Swap Agreement (see under *Credit Structure* below).

The Issuer

Chapel 2007 B.V. is incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under number BV 1383501, having its corporate seat in Amsterdam, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 34268554. The entire issued share capital of the Issuer is held by Stichting Administratiekantoor Chapel. The Issuer is established to issue the Notes.

Security Structure

The Noteholders will benefit from the security granted in favour of the Security Trustee, whereas the Notes will be secured indirectly, through the Security Trustee, by (i) a first ranking undisclosed pledge granted by the Issuer to the Security Trustee over the Loan Receivables, including all rights ancillary thereto and the Beneficiary Rights, and (ii) a first ranking disclosed pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Loan Receivables Purchase Agreement, the Swap Agreement, the Servicing Agreement, the Floating Rate GIC, the Liquidity Facility Agreement, the Beneficiary Waiver Agreement, and in respect of the GIC Accounts.

In order to ensure the valid creation of the security rights under Dutch law in favour of the Security Trustee, the Issuer has undertaken in the Trust Deed to pay to the Security Trustee, by way of a parallel debt, under the same terms and conditions, an amount equal to the aggregate of all its undertakings, liabilities and obligations to the Security Beneficiaries pursuant to the relevant Transaction Documents.

The Trust Deed sets out the priority of the claims of the Security Beneficiaries. See for a more detailed description *Description of Security* below.

Redemption of the Notes

Unless previously redeemed, the Issuer will, subject to Condition 9(b), redeem any remaining Notes outstanding at their respective Principal Amount Outstanding on the Quarterly Payment Date falling in July 2066.

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer shall on each Quarterly Payment Date apply the Notes Redemption Available Amount towards redemption, at their Principal Amount Outstanding, of the Notes (other than the Subordinated Notes). Payments of principal on the Subordinated Notes will be made out of the Notes Interest Available Amounts on each Quarterly Payment Date upon the earlier of (i) the Quarterly Payment Date on which all amounts of interest and principal on the Notes (other than the Subordinated Notes) will have been paid and (ii) the First Optional Redemption Date in accordance with the Interest Priority of Payments or, in respect of the Subordinated Class G Notes, following a Subordinated Class G Notes Amortisation Trigger.

Subject to and in accordance with the Conditions, the Issuer has, provided that no Enforcement Notice has been served in accordance with Condition 10, the option to redeem all of the Notes (other than the Subordinated Notes), in whole but not in part, on any Optional Redemption Date. In addition, the Issuer has the option to redeem the Notes (other than the Subordinated Notes) in the event of certain tax changes affecting the Notes.

Finally, the Sellers, acting jointly, may upon the occurrence of certain events exercise the Sellers Clean-up Call Option or Regulatory Call Option and repurchase and accept re-assignment of all (but not only part of) the Loan Receivables. The Issuer has undertaken to apply the proceeds of any such sale towards redemption of the Notes (other than the Subordinated Notes).

If on any Notes Calculation Date all amounts of interest and principal due in respect of the Notes, except for principal in respect of the Subordinated Notes, have been paid on the Quarterly Payment Date immediately preceding such Notes Calculation Date or will be available for payment on the

Quarterly Payment Date immediately following such Notes Calculation Date, the Reserve Account Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will then be available to redeem or partially redeem the Subordinated Class F Notes until fully redeemed and subsequently to redeem or partially redeem the Subordinated Class G Notes until fully redeemed and thereafter, towards satisfaction of the Deferred Purchase Price to the Sellers.

RISK FACTORS

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

Factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, 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 statements below regarding the risks of holding any Notes are exhaustive. Additional risks or uncertainties not presently known to the Issuer or that the Issuer currently may consider immaterial may also have an adverse effect on the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes. Prospective Noteholders are informed to read the information contained herein in conjunction with the detailed information set out elsewhere in this Offering Circular and should reach their own views prior to making any investment decision.

Capitalised terms used, but not defined, in this section can be found elsewhere in this Offering Circular, via the Index of Terms, unless otherwise stated.

Liabilities under the Notes and limited recourse

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, acting in whatever capacity, including, without limitation, the Sellers, the Servicer, the Issuer Administrator, the Manager, the Floating Rate GIC Provider, the Liquidity Facility Provider, the Swap Counterparty, the Paying Agent, the Reference Agent or the Directors or, except for certain limited obligations under the Trust Deed as more fully described in *Description of Security*, the Security Trustee. Furthermore, none of the Sellers, the Servicer, the Issuer Administrator, the Manager, the Floating Rate GIC Provider, the Liquidity Facility Provider, the Swap Counterparty, the Paying Agent, the Reference Agent or the Directors or any other person, acting in whatever capacity, other than the Security Trustee in respect of limited obligations under the Trust Deed, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes.

The obligations of the Issuer under the Notes are limited recourse obligations and the ability of the Issuer to meet its obligations to pay the principal of and interest on the Notes will be dependent on the receipt by it of funds under the Loan Receivables, the proceeds of the sale of any Loan Receivables, payments under the Swap Agreement and interest in respect of the balances standing to the credit of

the GIC Accounts and the availability of the Reserve Account, the Excess Spread Margin and the amounts to be drawn under the Liquidity Facility. See further under *Credit Structure* below.

Payment of principal and interest on the Notes will be secured indirectly by the security granted by the Issuer to the Security Trustee pursuant to the Security Documents. If the security granted pursuant to the Security Documents is enforced and the proceeds of such enforcement, after payment of all other claims ranking in priority to amounts due under the Notes, are insufficient to repay in full all principal and to pay all interest and other amounts due in respect of the Notes, then, as the Issuer has no other assets, it may be unable to satisfy claims in respect of any such unpaid amounts. As enforcement of the security by the Security Trustee pursuant to the terms of the Trust Deed, the Pledge Agreements and the Notes is the only remedy available to Noteholders for the purpose of recovering amounts owed in respect of the Notes, the Noteholders shall following application of the foreclosure proceeds subject to and in accordance with the Post-Enforcement Priority of Payments have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

Risks inherent to the Notes

By acquiring the Notes, the Noteholders shall be deemed to have knowledge of, accept and be bound by the Conditions. Neither the Issuer nor the Paying Agent will have any responsibility for the proper performance by the Clearing Institutions or their participants of their obligations under their respective rules, operating procedures and calculation methods.

(i) Credit Risk

There is a risk of non-payment of principal and interest on the Notes due to non-payment of principal and interest on the Loan Receivables, despite of the following:

- in the case of the Senior Class A Notes, the subordinated ranking of the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes;
- in the case of the Senior Class A Notes and the Senior Class B Notes, the subordinated ranking of the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes;
- in the case of the Senior Class A Notes, the Senior Class B Notes and the Mezzanine Class C Notes, the subordinated ranking of the Mezzanine Class D Notes and the Junior Class E Notes;
- in the case of the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes and the Mezzanine Class D Notes, the subordinated ranking of the Junior Class E Notes;
- the Reserve Account; and
- the Excess Spread Margin.

The proceeds of the Subordinated Notes will be credited to the Reserve Account. Principal on the Subordinated Notes will be paid out of the Notes Interest Available Amounts in accordance with the Interest Priority of Payments.

(ii) Liquidity Risk

There is a risk that interest on the underlying Loan Receivables is not received on time thus causing temporary liquidity problems to the Issuer, despite of (i) the Excess Spread Margin, (ii) the Reserve Account, (iii) the Interest Shortfall Amount and (iv) in certain circumstances, the Liquidity Facility provided by the Liquidity Facility Provider.

(iii) Prepayment Risk

As long as the Sellers on each Portfolio Purchase Date offer additional Loan Receivables (i.e. Substitute Loan Receivables) in an amount equal to the Substitution Available Amount, the Notes will not be redeemed until the Quarterly Payment Date falling in July 2010. However, if the Substitution Criteria are not met or the Sellers do not offer sufficient Substitute Loan Receivables, the Notes Principal Available Amount after deduction of (i) up to and including the Quarterly Payment Date immediately preceding the First Optional Redemption Date, the amounts applied towards payment of the Initial Purchase Price for any Further Advance Receivables and (ii) the Interest Shortfall Amount, will be used to redeem the Notes (other than the Subordinated Notes). The level of prepayments by the Borrowers can vary and therefore result, if no substitution takes place, in an average life of the Notes which is shorter or longer than may be anticipated. The average lives of the Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that any estimates and assumptions will prove in any way to be realistic.

(iv) Maturity Risk

There is a risk that the Issuer will not have received sufficient funds to fully redeem the Notes at maturity. The Final Maturity Date for the Notes is the Quarterly Payment Date falling in July 2066. The Issuer has the right to sell and assign all (but not only part of) the Loan Receivables to any party on any Optional Redemption Date. The Issuer shall be required to apply the proceeds of such sale, to the extent relating to principal, to redeem the Notes (other than the Subordinated Notes) in accordance with Condition 6. If the Issuer does not exercise this option on the First Optional Redemption Date, the interest rate for the Notes will be a floating rate based on three-months Euribor plus the margin set out below under *Interest Step-up*. No guarantee can be given that the Issuer will exercise its option or that there will be a third party purchaser and therefore that the Notes will be redeemed on such First Optional Redemption Date or any Quarterly Payment Date thereafter.

The ability of the Issuer to redeem the Notes (other than the Subordinated Notes) in full on an Optional Redemption Date or, as the case may be, on the Final Maturity Date and to pay all amounts due to the Noteholders on such date may depend on whether the value of the Loan Receivables is sufficient to redeem such Notes in full.

(v) *Interest Rate Risk*

There is a risk that, due to interest rate movements, the interest received on the Loan Receivables and the GIC Accounts is not sufficient to pay the floating interest on the Notes. In this respect a Swap Agreement has been entered into (see *Swap Agreement* below).

Rating of the Notes

The ratings to be assigned to the Notes by the Rating Agencies are based on the value and cash flow-generating ability of the Loan Receivables and other relevant structural features of the transaction, including, *inter alia*, the short-term and long-term unsecured and unsubordinated debt rating of the other parties involved in the transaction, such as the providers and guarantors of ancillary facilities (i.e. Floating Rate GIC Provider, Swap Counterparty and Liquidity Facility Provider) and reflect only the view of each of the Rating Agencies.

There is no assurance that any such rating will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies as a result of changes in or unavailability of information or if, in the Rating Agencies' judgement, circumstances so warrant. Future events also, including events affecting the Swap Counterparty and/or circumstances relating to the Loan Receivables and/or the Dutch residential mortgage and consumer loan market, in general could have an adverse effect on the ratings of the Notes.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.

Value of the Notes and Liquidity

Prior to this offering, there has been no public secondary market for the Notes and there can be no assurance that the issue price of the Notes will correspond to the price at which the Notes will be traded after the initial offering of the Notes. Furthermore, there can be no assurance that active trading in the Notes will commence or continue after the offering. A lack of trading in the Notes could adversely affect the price of the Notes, as well as the Noteholders' ability to sell the Notes.

Trust Deed

The Noteholders will benefit from the security granted in favour of the Security Trustee pursuant to the Security Documents. Under the terms of the Trust Deed, the Issuer will undertake to pay to the Security Trustee, on the same terms and conditions, an amount equal to the aggregate of all amounts from time to time due and payable by the Issuer to the Security Beneficiaries (including, but not limited to, the Noteholders) in accordance with the terms and conditions of the relevant Transaction Documents (as defined in the Conditions) (such a payment undertaking and the obligations and liabilities resulting from it being referred to as the "**Parallel Debt**"). The Parallel Debt represents an independent claim of the Security Trustee to receive payment thereof from the Issuer, provided that (i)

the aggregate amount that may become due under the Parallel Debt will never exceed the aggregate amount that may become due under all of the Issuer's obligations to the Security Beneficiaries, including the Noteholders, pursuant to the Transaction Documents, and (ii) every payment in respect of such Transaction Documents for the account of or made to the Security Beneficiaries directly in respect of such undertaking shall operate in satisfaction pro tanto of the corresponding covenant in favour of the Security Trustee. The Parallel Debt is secured by the Pledge Agreements.

It is generally assumed that under Dutch law a right of pledge cannot be validly created in favour of a person who is not the creditor of the claim that the right of pledge purports to secure. The Parallel Debt is included in the Trust Deed to address this issue. It is noted that there is no statutory law or case law available on the validity or enforceability of a parallel covenant such as the Parallel Debt or the security provided for such debts. However, the Issuer has been advised that there are no reasons why a parallel covenant such as the Parallel Debt will not create a claim of the pledgee (the Security Trustee) thereunder which can be validly secured by a right of pledge such as the rights of pledge created pursuant to the Pledge Agreements.

Transfer of Legal Title to Loan Receivables

Under Dutch law a transfer of title by way of assignment of a receivable can be effected either by means of (i) a deed of assignment executed between the assignee and the assignor and a notification of the assignment to the relevant debtor or (ii) a notarial deed or a registered deed of assignment, without notification of the assignment to the relevant debtor being required (the so-called *stille cessie*). In the latter case notification to the debtor, however, will still be required to prevent that such debtor validly discharges its obligations (*bevrijdend betalen*) under the receivable by making a payment to the relevant assignor. The legal ownership of the Loan Receivables will be transferred by the Sellers to the Issuer on the relevant date of purchase and assignment through a registered deed of assignment. The Loan Receivables Purchase Agreement provides that such transfer of legal title to the Loan Receivables by the Sellers to the Issuer will not be notified to the Borrowers unless certain events (referred to as Assignment Notification Events) occur. For a description of these notification events reference is made to the *Loan Receivables Purchase Agreement* below.

Until notification of the transfer of legal title has been made to the Borrowers, the Borrowers can only validly discharge their obligations (*bevrijdend betalen*) under the relevant Portfolio Loan by making a payment to the relevant Seller. Each of the Sellers has undertaken in the Loan Receivables Purchase Agreement to pay (or procure that the Servicer shall pay on its behalf) on the first, second and third Business Day of each calendar month all amounts received by it in respect of the Portfolio Loans with respect to the immediately preceding Portfolio Calculation Period. However, receipt of such amounts by the Issuer is subject to the Sellers actually making such payments.

Payments made by the Borrowers to any of the Sellers prior to notification but after bankruptcy,

suspension of payments or, as the case may be, emergency regulations in respect of such Seller having been declared, will be part of such Seller's bankruptcy estate. However, the Issuer has the right to receive such amounts by preference after deduction of the general bankruptcy costs (*algemene faillissementskosten*).

Set-off

Under Dutch law a debtor has a right of set-off if it has a claim which corresponds to its debt to the same counterparty and it is entitled to pay its debt as well as to enforce payment of its claim. Subject to these requirements being met, each Borrower will be entitled to set off amounts due by the relevant Seller to it (if any) with amounts it owes in respect of the Loan Receivable prior to notification of the assignment of the Loan Receivable to the Issuer having been made. Such amounts due by a Seller to a Borrower could, *inter alia*, result from current account balances or deposits made with a Seller. As a result of the set-off of amounts due by a Seller to a Borrower with amounts such Borrower owes in respect of the relevant Loan Receivable, the Loan Receivable will, partially or fully, be extinguished (*gaat teniet*). Set-off by Borrowers could thus lead to losses under the Notes.

The conditions applicable to the Portfolio Loans provide that payments by the Borrowers should be made without set-off. Although this clause is intended as a waiver by the Borrowers of their set-off rights vis-à-vis the relevant Seller, under Dutch law it is uncertain whether such waiver will be valid. Should such waiver be invalid, the Borrowers will have the set-off rights described above in this paragraph.

After assignment of the Loan Receivables to the Issuer and notification thereof to a Borrower, such Borrower will also have set-off rights vis-à-vis the Issuer, provided that the legal requirements for set-off are met (see above), and further provided that (i) the counterclaim of the Borrower results from the same legal relationship as the relevant Loan Receivable, or (ii) the counterclaim of the Borrower has been originated and become due prior to the assignment of the Loan Receivable and notification thereof to the relevant Borrower. The question whether a court will come to the conclusion that the Loan Receivable and the claim of the Borrower against the relevant Seller result from the same legal relationship will depend on all relevant facts and circumstances involved. But even if these would be held to be different legal relationships, set-off will be possible if the counterclaim of the Borrower has been originated (*opgekomen*) and become due (*opeisbaar*) prior to notification of the assignment, and, further, provided that all other requirements for set-off have been met (see above). A balance on a current account is due at any time and, therefore, this requirement will be met. In the case of deposits it will depend on the term of the deposit whether the balance thereof will be due at the moment of notification of the assignment. The Issuer has been informed that in most cases a balance on a deposit account can be withdrawn at any time and, consequently, such balance is due (*opeisbaar*) at any time. If after the moment the Borrower receives notification of the assignment of the Loan Receivable, amounts are debited from or credited to the current account or, as the case may be, the deposit

account, the Borrower will only be able to set-off its claim vis-à-vis the Issuer for the amount of its claim at the moment such notification has been received after deduction of amounts which have been debited from the current account or the deposit account after such moment, notwithstanding that amounts may have been credited.

If notification of the assignment of the Loan Receivables is made after the bankruptcy, suspension of payment, or, as the case may be, emergency regulations in respect of a Seller having become effective, it is defended in legal literature that the Borrower will, irrespective of the notification of the assignment, continue to have the broader set-off rights afforded to it in the Dutch Bankruptcy Code. Under the Dutch Bankruptcy Code a person which is both debtor and creditor of the bankrupt entity can set off its debt with its claim, if each claim (i) came into existence prior to the moment at which the bankruptcy become effective or (ii) resulted from transactions with the bankrupt entity concluded prior to the bankruptcy becoming effective. A similar provision applies in case of suspension of payments and emergency regulations.

The Loan Receivables Purchase Agreement provides that if a Borrower sets off amounts due to it by a Seller against the relevant Loan Receivable and, as a consequence thereof, the Issuer does not receive the amount which it would otherwise have been entitled to receive in respect of such Loan Receivable, the relevant Seller will pay to the Issuer an amount equal to the difference between (i) the amount which the Issuer would have received in respect of the relevant Loan Receivable if no set-off had taken place and (ii) the amount actually received by the Issuer in respect of such Loan Receivable. However, receipt of such amounts by the Issuer is subject to the Sellers actually making such payments.

For specific set-off issues relating to Insurance Loans reference is made to *Insurance Policies* below.

Bank Mortgages

Part of the Loan Receivables sold or to be sold to the Issuer will be secured by second-ranking mortgage rights (see under *Secured Consumer Loans* below) which not only secure the initial loan granted to the Borrower, but also other liabilities and monies that the Borrower, now or in the future, may owe to the relevant Seller (the so-called *bankhypotheek*, hereinafter referred to as "**Bank Mortgages**"). Under Dutch law a mortgage right is an accessory right (*afhankelijk recht*) which follows by operation of law the receivable with which it is connected. Furthermore, a mortgage right is an ancillary right (*nevenrecht*) and the assignee of a receivable secured by an ancillary right will have the benefit of such right, unless the ancillary right by its nature is, or has been construed as, a purely personal right of the assignor or such transfer is prohibited by law. However, Dutch legal commentators have different views on whether, in the event of assignment or pledge of a receivable secured by a Bank Mortgage, the mortgage will follow such receivable. Based upon case law, the prevailing view has been for a long time that a Bank Mortgage will only follow the receivable which it secures if the

relationship between the bank and a borrower has been terminated in such a manner that following the transfer, the bank cannot create or obtain new receivables against the borrower. However, in recent legal literature this view is generally disputed and it is defended, in particular where the mortgage deed indicates that the parties intended this to happen, that the Bank Mortgage will (partially) follow the receivable to the extent that it has been assigned, irrespective of whether the banking relationship between the bank and the borrower has terminated.

The mortgage deeds relating to the Portfolio Loans secured by a second-ranking Bank Mortgage do not contain any explicit provision on the issue whether the mortgage right follows the receivable upon its assignment. In these cases there is no clear indication of the intention of the parties. The Issuer has been advised that in such a case there are strong arguments for the view that the Bank Mortgage (partially) follows the receivable as accessory and ancillary right upon its assignment, but that there is no case law explicitly supporting this advice and that, consequently, it is not certain what the Dutch courts would decide if this matter were to be submitted to them, particularly taking into account the prevailing view of Dutch legal commentators on Bank Mortgages in the past, which view continues to be defended by some legal commentators.

If the Bank Mortgages would (pro rata) have followed the Loan Receivables upon assignment, this would imply that the mortgage rights will be co-held by the relevant Seller and the Issuer in respect of which the rules applicable to co-ownership (*gemeenschap*) apply. The Dutch Civil Code provides for various mandatory rules applying to such co-owned rights. In the Loan Receivables Purchase Agreement the Sellers, the Issuer and the Security Trustee will agree that the Issuer and/or the Security Trustee, as the case may be, will manage and administer such co-held rights. It is uncertain whether the foreclosure of the mortgage rights will be considered as day-to-day management, and, consequently whether, upon a Seller being declared bankrupt or being granted a suspension of payments, the consent of its bankruptcy trustee or administrator may be required for such foreclosure. The Sellers, the Issuer and/or the Security Trustee, as the case may be, will agree that in case of foreclosure the share (*aandeel*) in each co-held mortgage right of the Security Trustee and/or the Issuer will be equal to the Outstanding Principal Amount of the Loan Receivable, increased with interest and costs, if any, and the share of the relevant Seller will be equal to the Net Proceeds less the Outstanding Principal Amount of the Loan Receivable, increased with interest and costs, if any. It is uncertain whether this arrangement will be enforceable. In this respect it will be agreed that in case of a breach by a Seller of its obligations under these arrangements or if any of such agreements are dissolved, void, nullified, or ineffective for any reason in respect of such Seller, it shall compensate the Issuer and/or the Security Trustee, as the case may be, forthwith for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee, as the case may be, incurs as a result thereof. Receipt of such amount by the Issuer and/or the Security Trustee is subject to the ability of the relevant Seller to actually make such payments.

If the Bank Mortgages would not (pro rata) have followed the relevant Loan Receivables upon assignment by the relevant Sellers, this means that it is uncertain, depending on the specific facts and circumstances involved, (i) whether the Issuer and, consequently, the Security Trustee (as pledgee), would have the benefit of a mortgage right securing such Loan Receivables, and (ii) if subsequently a Borrower fails to comply with its obligations under the relevant Portfolio Loan, whether the Issuer or the Security Trustee (as the case may be) would be in a position to foreclose the Bank Mortgage (respectively, as legal owner and as pledgee of the relevant Loan Receivables). If not, the assistance of the relevant Seller's administrator (in the case of suspension of payments or emergency regulations) or bankruptcy trustee (in the case of bankruptcy) would be required to effect a foreclosure which would, in whole or in part, be for the benefit of the Issuer or the Security Trustee, as the case may be. It is uncertain whether such assistance would be forthcoming.

What is stated above in respect of Bank Mortgages applies *mutatis mutandis* in respect of the Borrower Insurance Pledges (as defined under *Insurance Policies* below) and the rights of pledge included in the deed of mortgage.

Insurance Policies

Some of the Portfolio Loans are Insurance Loans which have the benefit of an Insurance Policy. In this paragraph, certain legal issues relating to the effects of the assignment of the Loan Receivables resulting from such Insurance Loans on the Insurance Policies are set out. Investors should be aware that it is possible that (i) the Issuer will not benefit from the Insurance Policies and/or (ii) the Issuer may not be able to recover any amounts from the relevant Borrower if the relevant Insurance Company defaults in its obligations as further described in this paragraph. As a consequence thereof the Issuer may not have a claim for such amounts on the Borrower and the rights of the Security Trustee may be similarly affected.

Pledge

All rights of the Borrowers under the Insurance Policies have been pledged to the relevant Seller (each a "**Borrower Insurance Pledge**"). However, the Issuer has been advised that it is possible that the right to receive payment, including the commutation payment (*afkoopsom*), under the Insurance Policies will be regarded by a Dutch court as a future right. The pledge of a future right is, under Dutch law, not effective if the pledgor is declared bankrupt if granted a suspension of payments prior to the moment such right comes into existence. This means that it is uncertain whether such right of pledge will be effective. Even if the pledge over the rights under the Insurance Policies was effective, it would be uncertain whether such right of pledge would pass to the Issuer or, as the case may be, the Security Trustee upon the assignment or pledge of the Loan Receivables, where such pledge secures not only the amount of the Portfolio Loan originally granted to the Borrower but also any Further Advances to be granted to the Borrower and amounts that may be due under any loans replacing the Portfolio Loans. The observations made above in *Bank Mortgages* apply equally to a right of pledge in

respect of Insurance Policies. This means that it is uncertain whether the Borrower Insurance Pledge will follow the relevant Loan Receivable in case of assignment and/or pledge thereof.

Appointment of Beneficiary

Each of the Sellers has been appointed as beneficiary under the relevant Insurance Policies of the insurance proceeds which become due and payable by the relevant Insurance Companies (the "**Beneficiary Rights**"), except for cases where another beneficiary has been appointed who will rank ahead of such Seller. It is unlikely that the Beneficiary Rights will follow the Loan Receivables upon assignment or pledge thereof to the Issuer or the Security Trustee. The Beneficiary Rights will, to the extent legally possible, be assigned by the Sellers to the Issuer and will be pledged by the Issuer to the Security Trustee (see under *Description of Security* below), but it is uncertain whether this assignment and pledge will be effective.

Because of the uncertainty as to whether the Issuer becomes the beneficiary of the Insurance Policies and whether the pledge of the Beneficiary Rights is effective, the Issuer will enter into a beneficiary waiver agreement at the Signing Date (the "**Beneficiary Waiver Agreement**") with the Sellers, REAAL Levensverzekeringen N.V., Hollands Welvaren Leven N.V. and the Security Trustee. In the Beneficiary Waiver Agreement each of the Sellers, subject to the condition precedent of the occurrence of an Assignment Notification Event, waives its rights as beneficiary under the Insurance Policies and appoints as first beneficiary (i) the Issuer subject to the dissolving condition of the occurrence of a pledge notification event (a "**Pledge Notification Event**") as referred to in Clause 7 of the Loan Receivables Pledge Agreement relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Pledge Notification Event referred to in the Loan Receivables Pledge Agreement relating to the Issuer. It is, however, uncertain whether such waiver and appointment will be effective, mainly because it is unclear whether or not the right to change the appointment can be validly assigned to the Issuer or is included in the rights of a Seller as pledgee or as beneficiary under the Insurance Policies. In view hereof, each of the Sellers, REAAL Levensverzekeringen N.V. and Hollands Welvaren Leven N.V. will undertake to use its best efforts following an Assignment Notification Event to obtain the co-operation of all relevant parties to appoint the Issuer or the Security Trustee, as the case may be, as first beneficiary under the Insurance Policies. It is uncertain whether such co-operation will be forthcoming. If the Issuer or the Security Trustee, as the case may be, has not become beneficiary of the Insurance Policies and the pledge and/or the waiver of the Beneficiary Rights are not effective, any proceeds under the Insurance Policies will be payable to the relevant Seller or to any other beneficiary, instead of the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the relevant Seller, it will be obliged to pay the amount involved to the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the relevant Seller and such Seller does not pay the amount involved to the Issuer or the Security Trustee, as the case may be, e.g. in the case of bankruptcy of such Seller or if the proceeds are paid to another beneficiary instead of the Issuer or the Security Trustee, as the case may be, this may result in the amount paid under the

Insurance Policies not being applied in reduction of the Loan Receivable. This may lead to the Borrower invoking defences against the Issuer or the Security Trustee, as the case may be, for the amounts so received by the relevant Seller as further discussed under *Set-off or defences* below, which may adversely affect payments on the Notes.

Insolvency of the Insurance Companies

If any of the Insurance Companies is no longer able to meet its obligations under the Insurance Policies, e.g. in case it is declared bankrupt or subjected to emergency regulations, this could result in the amounts payable under the Insurance Policies not or only partly being available for application in reduction of the relevant Loan Receivables. This may lead to the Borrowers trying to invoke set-off rights and defences as further discussed under *Set-off or defences* below.

Set-off or defences

If the amounts payable under an Insurance Policy do not serve as a reduction of the Loan Receivable (see *Appointment of Beneficiary* and *Insolvency of Insurance Companies* above), the relevant Borrower may try to invoke a right of set-off of the amount due under the Loan Receivable with amounts payable under or in connection with the relevant Insurance Policy.

As set out under *Set-off* above the Borrowers have waived their set-off rights, but it is uncertain whether such waiver is effective. If the waiver is not effective the Borrowers will, in order to invoke a right of set-off, need to comply with the applicable legal requirements. One of these requirements is that the Borrower should have a claim which corresponds to his debt to the same counterparty. With respect to Insurance Loans the following is relevant. The Insurance Policies are contracts between the Insurance Companies and the Borrowers on the one hand and the Insurance Loans are contracts between the relevant Sellers and the Borrowers on the other hand. Therefore, in order to invoke a right of set-off the Borrowers would have to establish that the relevant Seller and the relevant Insurance Company are to be regarded as one legal entity or that, based upon interpretation of case law, set-off is allowed, even if the relevant Seller and relevant the Insurance Company are not considered as one legal entity, since the Insurance Loans and the Insurance Policies are to be regarded as one interrelated relationship.

Furthermore, the Borrowers should have a counterclaim. If the Insurance Company is declared bankrupt or is subjected to emergency regulations, the Borrower will have the right to unilaterally terminate the Insurance Policy and to receive a commutation payment (*afkoopsom*). These rights are subject to the Borrower Insurance Pledge (see *Pledge* above). However, despite this pledge it may be argued that the relevant Borrower will be entitled to invoke a right of set-off for the commutation payment. Apart from the right to terminate the Insurance Policies, the Borrowers are also likely to have the right to rescind the Insurance Policies and to claim restitution of premiums paid and/or supplementary damages. It is uncertain whether such claim is subject to the Borrower Insurance

Pledge. If not, the Borrower Insurance Pledge would not obstruct a right of set-off with such claim by the Borrowers.

Even if the Borrowers cannot invoke a right of set-off, they may invoke other defences against the relevant Sellers, the Issuer and/or the Security Trustee. The Borrowers could, *inter alia*, argue that it was the intention of the parties involved - at least that they could rightfully interpret the loan documentation and the promotional materials in such manner, that the Insurance Loan and the relevant Insurance Policy are to be regarded as one interrelated legal relationship, and could on this basis claim a right of annulment or rescission of the Insurance Loan or that the Loan Receivable would be (fully or partially) repaid by means of the proceeds of the Insurance Policy and that, failing such proceeds, the Borrower is not obliged to repay the (corresponding) part of the Loan Receivable. On the basis of similar reasoning, Borrowers could also argue that the Insurance Loans and the Insurance Policies were entered into as a result of 'error' (*dwaling*) or that it would be contrary to principles of reasonableness and fairness (*redelijkheid en billijkheid*) for a Borrower to be obliged to repay the Loan Receivable to the extent that he has failed to receive the proceeds of the Insurance Policy.

Insurance Loans

In respect of Insurance Loans with an Insurance Policy originally taken out by the Borrower with DSB Leven N.V. (and thereafter transferred to Hollands Welvaren Leven N.V., see below) or taken out with Hollands Welvaren Leven N.V. directly, the Issuer has been advised that there is a considerable risk (*een aanmerkelijk risico*) that such set-off or defences would be successful in view of the preceding paragraphs and the factual circumstances involved, *inter alia*, that, both the relevant Seller and the Insurance Company belong to the same group of companies and, in respect of Insurance Policies originally taken out with DSB Leven N.V., both the relevant Seller and DSB Leven N.V. carried DSB in their legal and promotional names upon entering into the Insurance Policy, notwithstanding the representation of the relevant Seller besides that an insurance policy is a condition precedent for granting an Insurance Loan (i) there is no connection, whether from a legal or a commercial point of view, between the relevant Insurance Loan and any Insurance Policy, other than the right of pledge securing the Loan Receivable and the Beneficiary Rights, (ii) the Insurance Loan and the relevant Insurance Policy were not marketed as one product and (iii) the Borrower was free to choose the relevant Insurance Company.

In respect of the Insurance Loans with an Insurance Policy between any of the other Insurance Companies and a Borrower, the Issuer has been advised that taking into account the factual circumstances and as set out above, although the possibility cannot be disregarded (*kan niet worden uitgesloten*), the risk that a court would honour such set-off or other defences of the Borrowers seems to be remote.

With a view to the above, in respect of any Insurance Policies originally entered into by DSB Leven

N.V. an arrangement has been set up including that such Insurance Policies together with the accompanying securities hedging the obligations under such Insurance Policies have been transferred to a single purpose insurance company Hollands Welvaren Leven N.V., which is fully licensed under the Act on the Financial Supervision and supervised by the Dutch Central Bank. In the articles of association, the objects of Hollands Welvaren Leven N.V. are limited to exercising the life insurance business as referred to in the Act on the Financial Supervision as far as it relates to such Insurance Policies entered into by Hollands Welvaren Leven N.V. or by DSB Leven N.V, and transferred to Hollands Welvaren Leven N.V., as far as these Insurance Policies are entered into in connection with a Insurance Loan. Furthermore, Hollands Welvaren Leven N.V. is permitted to acquire, to hold, to control, to alienate and to encumber securities as far as such activities result from and in connection with the performance of obligations arising out of the life insurance policies "Hollands Welvaren". The mitigation set out above applies equally to Insurance Policies entered into with Hollands Welvaren Leven N.V. directly.

Besides this, it is noted that any decision to change the objects contained in the articles of association of Hollands Welvaren Leven N.V. may be blocked by Stichting Security Trustee Chapel 2003-I as it holds all priority shares in Hollands Welvaren Leven N.V. Necessary steps have been initiated to issue priority shares in Hollands Welvaren Leven N.V. to Stichting Security Trustee 2007. After such issuance Stichting Security Trustee 2003 and Stichting Security Trustee 2007 will jointly have the authority to block any decision to change the objects contained in the articles of association of Hollands Welvaren Leven N.V.

Reduced Value of Investments and misleading Marketing Materials

If the development of the value of the investments made under the Insurance Policies is disappointing in the opinion of a Borrower or if the promotional material provided by the relevant Insurance Company to the Borrower was not complete and was misleading in some respects (i.e. in respect of transparency of costs), such Borrower may try to invoke set-off or other defences against the Sellers and/or the Issuer by arguing that he has not been properly informed of the risks involved in the investments. The merits of any such claim will, to a large extent, depend on the manner in which the Insurance Policies have been marketed by the Sellers and/or their intermediaries and the promotional material provided to the Borrower.

Secured Consumer Loans

The mortgage rights securing the Secured Consumer Loans rank after the first ranking mortgage right vested on the Mortgaged Assets and in case of foreclosure of the mortgage rights the claim of the first ranking mortgagee should be paid before the second ranking mortgagee will be entitled to any foreclosure proceeds. Consequently, it is uncertain whether any foreclosure proceeds will be available for redemption of the relevant Loan Receivable. The credit enhancement for each Class of the Notes is sized taking the above into account.

Enforcement of Dutch Security Rights

The Notes will be secured indirectly, through the Security Trustee, by (i) a first ranking undisclosed right of pledge granted by the Issuer to the Security Trustee over the Loan Receivables, including all rights ancillary thereto in respect of the Portfolio Loans and the Beneficiary Rights, and (ii) a first ranking disclosed pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Loan Receivables Purchase Agreement, the Swap Agreement, the Servicing Agreement, the Floating Rate GIC, the Liquidity Facility Agreement, the Beneficiary Waiver Agreement, and in respect of the GIC Accounts. Notification of the undisclosed right of pledge in favour of the Security Trustee can be validly made after bankruptcy or the granting of a suspension of payments in respect of the Issuer. Under Dutch law the Security Trustee can, in the event of bankruptcy or suspension of payments of the Issuer, exercise the rights afforded by law to pledgees as if there were no bankruptcy or suspension of payments. However, bankruptcy or suspension of payments involving the Issuer would affect the position of the Security Trustee as pledgee in some respects, the most important of which are: (i) payments made by the Borrowers to the any of the Sellers or, after notification of the assignment, to the Issuer, prior to notification of the right of pledge over the Loan Receivables but after bankruptcy or (preliminary) suspension of payments or emergency regulations of such Seller or, as the case may be, the Issuer, will form part of the bankruptcy estate of the relevant Seller or the Issuer, although the pledgee has the right to receive such amounts as a preferential creditor after deduction of certain bankruptcy-related costs, (ii) a mandatory freezing-period of up to four (4) months may apply in the case of bankruptcy or suspension of payments, which, if applicable, would delay the exercise of the right of pledge on the Loan Receivables and (iii) the pledgee may be obliged to enforce its right of pledge within a reasonable period as determined by the judge-commissioner (*rechter-commissaris*) appointed by the court in the case of bankruptcy of such Seller or the Issuer, as the case may be.

Interest Rate Reset Rights

The Issuer has been advised that a good argument can be made that the right to reset the interest rate after the termination of the fixed interest period, the Portfolio Loans should be considered as an ancillary right and follows the Loan Receivables upon their assignment to the Issuer and the pledge to the Security Trustee, but that in the absence of case law or legal literature this is not certain. To the extent the interest rate reset right passes upon the assignment of the Loan Receivables to the Issuer or upon the pledge of the Loan Receivables to the Security Trustee, such assignee or pledgee will be bound by the contractual provisions relating to the reset of interest rates. If the interest reset right remains with the Sellers, the co-operation of the bankruptcy trustee (in bankruptcy) or administrator (in suspension of payments or emergency regulations) would be required to reset the interest rates. It is uncertain whether or when such co-operation will be forthcoming.

Warranties

Neither the Issuer nor the Security Trustee has undertaken or will undertake any investigations, searches or other actions in respect of the Portfolio Loans and each will rely instead on (i) the warranties given by the Sellers in the Loan Receivables Purchase Agreement (the "**Warranties**") and (ii) the results of the review of the Provisional Pool. The sole remedy (save as described below) of the Issuer in respect of a breach of warranty which could have a material adverse affect on the relevant Portfolio Loan shall be the requirement that the relevant Seller shall repurchase or procure the repurchase of, or shall substitute or procure the substitution of a similar loan in replacement for, any Portfolio Loan which is the subject of any breach (see *Loan Receivables Purchase Agreement* below), provided that this shall not limit any other remedies available to the Issuer and/or the Security Trustee if such Seller fails to repurchase or procure the repurchase of a Portfolio Loan when obliged to do so which remedies include the enforcement of the right of pledge on the Loan Receivables granted to the Issuer. There can be no assurance that the relevant Seller will have the financial resources to honour its obligation to repurchase any Portfolio Loan in respect of which such a breach of warranty arises. Upon completion of any such repurchase the relevant Portfolio Loan will be transferred to the relevant Seller.

Long Leases

The mortgage rights securing the Secured Consumer Loans may be vested on a long lease (*erfpacht*), as further described under *Description of the Loans* below.

A long lease will, *inter alia*, end as a result of expiration of the long lease term (in the case of a fixed period), or termination of the long lease by the leaseholder or the landowner. The landowner can terminate the long lease in the event the leaseholder has not paid the remuneration due for a period exceeding two (2) consecutive years or commits a material breach of other obligations under the long lease. If the long lease ends, the landowner will have the obligation to compensate the leaseholder. In such event the mortgage right will, by operation of law, be replaced by a right of pledge on the claim of the (former) leaseholder against the landowner for such compensation. The amount of the compensation will, *inter alia*, be determined by the conditions of the long lease and may be less than the market value of the long lease.

Risks of Losses associated with declining property values

The security for the Notes created under the Loan Receivables Pledge Agreement may be affected by, among other things, a decline in the value of those properties subject to the Bank Mortgages and investments under the Insurance Policies. No assurance can be given that values of those properties have remained or will remain at the level at which they were on the date of origination of the related Portfolio Loans. A decline in value may result in losses to the Noteholders if such security is required to be enforced.

Subordination of the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes, the Subordinated Class F Notes and the Subordinated Class G Notes

To the extent set forth in Conditions 4, 6 and 9 (a) the Senior Class B Notes are subordinated in right of payment to the Senior Class A Notes, (b) the Mezzanine Class C Notes are subordinated in right of payment to the Senior Class A Notes and the Senior Class B Notes, (c) the Mezzanine Class D Notes are subordinated in right of payment to the Senior Class A Notes, the Senior Class B Notes and the Mezzanine Class C Notes, (d) the Junior Class E Notes are subordinated in right of payment to the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes and the Mezzanine Class D Notes, (e) the Subordinated Class F Notes are subordinated in right of payment to the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes and (f) the Subordinated Class G Notes are subordinated in right of payment to the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes. With respect to any Class of Notes, such subordination is designed to provide credit enhancement to any Class of Notes with a higher payment priority than such Class of Notes.

If, upon default by the Borrowers, the Issuer does not receive the full amount due from such Borrowers, Noteholders may receive by way of principal repayment on the Notes an amount less than the face amount of their Notes and the Issuer may be unable to pay in full interest due on the Notes, to the extent set forth in Condition 9. On any Quarterly Payment Date, any such losses on the Portfolio Loans will be allocated as described in *Credit Structure* below.

Act on the Consumer Credit

The sale and assignment (or, as the case may be, pledges) by the Sellers of the Loan Receivables will be without prejudice to the rights and the protection afforded by the Act on the Consumer Credit (*Wet op het Consumentenkrediet*, "Wck") to the Borrowers. Consequently, upon notification of the assignment or pledge the Issuer or, as the case may be, the Security Trustee will be bound by the restrictions and limitations imposed by the Wck in relation to the Loan Receivables. In addition, the following two provisions of the Wck should be mentioned.

Pursuant to section 33 of the Wck a consumer credit contract is, *inter alia*, null and void if the borrower has an obligation to enter into another agreement except, *inter alia*, if such borrower is free, *inter alia*, to choose its counterparty to such agreement. It should be noted that in respect of the Insurance Loans each of the Sellers has represented and warranted that the Borrowers were free to choose the Insurance Company.

Section 40(1) of the Wck provides that a lender is allowed to create a non-possessory (*bezittloos*) right of pledge on a good (*zaak*) as security for repayment of a credit only, if such good is purchased by the

borrower with the borrowed funds. Furthermore, section 40 (1) of the Wck provides that this rule applies equally to the creation of a right of pledge on a receivable held by the borrower. The Sellers have informed the Issuer that the supervisory authority has indicated informally that the Borrower Insurance Pledge is not in violation of section 40(1) of the Wck. If section 40(1) of the Wck is breached, the right of pledge created by the Borrower Insurance Pledge is invalid (*nietig*) on the basis of section 33 of the Wck. In the legal literature it is argued that the wording of section 33 of the Wck implies that only the relevant provision, i.e. the right of pledge, is invalid and not the entire credit agreement. However, it is conceivable, but unlikely, that Insurance Loans may be entirely invalid in case of a breach of section 40 (1) of the Wck if the pledge would be regarded as being inextricably related to the Insurance Loan as a whole.

Act on the Financial Supervision

Under the Act on the Financial Supervision (*Wet op het financieel toezicht*), which entered into force on 1 January 2007, a special purpose vehicle which services (*beheert*) and administers (*uitvoert*) loans granted to consumers, such as the Issuer, must have a license under that act. An exemption from the license requirement is available, if the special purpose vehicle outsources the servicing of the loans and the administration thereof to an entity holding a license under the Act on the Financial Supervision. The Issuer has outsourced the servicing and administration of the Portfolio Loans to DSB Bank N.V. which holds a license under the Act on the Financial Supervision and the Issuer will thus benefit from the exemption. However, if the Servicing Agreement is terminated, the Issuer will need to outsource the servicing and administration of the Portfolio Loans to another licensed entity or it needs to apply for and hold a license itself. In the latter case, the Issuer will have to comply with the applicable requirements under the Act on the Financial Supervision. If the Servicing Agreement is terminated and the Issuer has not outsourced the servicing and administration of the Portfolio Loans to a licensed entity and, in such case, it will not hold a license itself, the Issuer will have to terminate its activities and settle (*afwickelen*) its existing agreements. There are a number of licensed entities in the Netherlands to which the Issuer could outsource the servicing and administration activities. It remains, however, uncertain whether any of these entities will be willing to perform these activities on behalf of the Issuer.

EU Council Directive on taxation of savings income

Under the EU Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories have adopted similar measures (a withholding system in the case of Switzerland) with effect from the same date. Pursuant to Condition 5(b)(iv), the Issuer undertakes that

it will ensure that it maintains a paying agent in an EU Member State that will not be obliged to withhold or deduct any tax pursuant to the EU Council Directive 2003/48/EC. Despite this provision there remains a risk that under certain circumstances the interest payment under the Notes become subject to withholding tax.

Swap Agreement

The Swap Counterparty will be obliged to make payments under the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. The Swap Agreement will provide, however, that if due to (i) an action taken by a relevant taxing authority or brought in a court of competent jurisdiction, or (ii) any change in tax law, in both cases after the date of the Swap Agreement, the Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay to the Issuer additional amounts for or on account of tax (a "**Tax Event**"), the Swap Counterparty may (with the consent of the Issuer) transfer its rights and obligations to another of its offices, branches or affiliates or any other person that meets the criteria for a swap counterparty as set forth in the Swap Agreement to avoid the relevant Tax Event.

The Swap Agreement will be terminable by one party if - *inter alia* - (i) an event of default occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Swap Agreement or (iii) an Enforcement Notice is served. Events of default in relation to the Issuer will be limited to non-payment under the Swap Agreement and insolvency events. Upon such termination the relevant party will quantify, in accordance with accepted market practice, any loss or gain which would be suffered by or accrued to it by closing out its position and a settlement payment will be made. Any such termination payment could, if interest rates have changed significantly, be substantial. As a result, unless a replacement swap is entered into, the Issuer may have insufficient funds to make payments under the Notes. If not previously terminated, the Swap Agreement will terminate on the earlier of the Final Maturity Date and the date on which the Notes (other than the Subordinated Notes) have been redeemed in full in accordance with the Conditions.

The Swap Agreement provides that, in the event that any payment by the Issuer to the Swap Counterparty is less than the amount which the Issuer would be required to pay to the Swap Counterparty, the corresponding payment obligation of the Swap Counterparty to the Issuer shall be reduced by an amount equal to such shortfall. See further under *Credit Structure* below.

Changes to Basel Capital Accord (Basel II)

In June 2004, the Basel Committee on Banking Supervision (the "**Committee**") published the new capital adequacy framework on the Bank of International Settlements' web-site: the International

Convergence of Capital Measurement and Capital Standards: a Revised Framework (Basel II). Basel II will replace the 1988 Capital Accord and contains a new set of standards for determining the minimum requirements for banking organizations and places enhanced emphasis on market discipline and sensitivity to risk. For the most part, the new framework is available for implementation by member jurisdictions. However, for more advanced approaches to risk measurement, implementation will not occur until the end of 2007. In addition a capital floor may be imposed on some banks until 2009. In order for the new framework to be put into effect for credit and financial institutions in Europe it will need to be implemented via the EU Capital Adequacy Directive, 2006/49/EG. In the Netherlands this directive has been implemented in the Act on the Financial Supervision. Basel II may, amongst other things, affect the risk-weighting of the Notes in respect of certain investors if those investors are regulated in a manner which will be affected by the new framework. Consequently, prospective purchasers should consult their own advisers as to the consequences of and the effect on them of, the implementation of Basel II.

Reliance on third parties

Counterparties to the Issuer may not perform their obligations under the Transaction Documents, which may result in the Issuer not being able to meet its obligations. It should be noted that there is a risk that, *inter alia*, either (a) DSB Bank N.V. and DSB Financieringen B.V. in their capacity as Sellers, (b) DSB Bank N.V. in its capacity as Servicer, (c) ABN AMRO, London in its capacity as Swap Counterparty, (d) ABN AMRO in its capacity as Liquidity Facility Provider, (e) ING Bank N.V. in its capacity as Floating Rate GIC Provider and (f) ABN AMRO in its capacity as Paying Agent, will not perform its obligations vis-à-vis the Issuer.

Change of law

The structure of the issue of the Notes and the rating which is to be assigned to the Notes are based on Dutch law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible change in Dutch law or administrative practice in the Netherlands after the date of this Offering Circular.

KEY PARTIES AND SUMMARY OF PRINCIPAL FEATURES

The following is an overview of the key parties involved in the transaction and a summary of the principal features of the issue of the Notes. This section should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented elsewhere in this Offering Circular.

KEY PARTIES:

Issuer: Chapel 2007 B.V., incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its corporate seat in Amsterdam, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 34268554 (the "**Issuer**"). The entire issued share capital of the Issuer is held by Stichting Administratiekantoor Chapel.

Sellers: DSB Bank N.V., incorporated under the laws of the Netherlands as a public company with limited liability (*naamloze vennootschap*), having its corporate seat in Wognum, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for Noordwest-Holland under number 37088128 and DSB Financieringen B.V., incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its corporate seat in Wognum, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for Noordwest-Holland under number 35012729 (each a "**Seller**" and collectively, the "**Sellers**").

The entire issued share capital of DSB Bank N.V. is held by DSB Ficoholding N.V. The entire issued share capital of DSB Financieringen B.V. is held by DSB Bank N.V.

Issuer

Administrator: ATC Financial Services B.V., incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its corporate seat in Amsterdam, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 33210270 (the "**Issuer Administrator**"). The shares in the Issuer Administrator are held by Amsterdam Trust Corporation B.V., which entity is also the sole shareholder of

each of the Directors.

Servicer: DSB Bank N.V. (the "**Servicer**").

Back-Up Servicers: (i) in respect of the Consumer Loans (as defined below), DEFAM Select B.V., incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its corporate seat in Bunnik, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for Utrecht en Omstreken under number 06070815 and (ii) in respect of the Secured Consumer Loans (as defined below), Stater Nederland B.V., incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its corporate seat in Amersfoort, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for Gooi- en Eemland under number 08716725 (each a "**Back-Up Servicer**" and collectively, the "**Back-Up Servicers**").

Security

Trustee: Stichting Security Trustee Chapel 2007, established under the laws of the Netherlands as a foundation (*stichting*), having its seat in Amsterdam, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 34268559 (the "**Security Trustee**").

Stichting

Administratiekantoor

Chapel: Stichting Administratiekantoor Chapel, established under the laws of the Netherlands as a foundation (*stichting*), having its seat in Amsterdam, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 34235941.

Directors: ATC Management B.V., being the sole director of each of the Issuer and Stichting Administratiekantoor Chapel and Amsterdamsch Trustee's Kantoor B.V., being the sole director of the Security Trustee (each a "**Director**" and, collectively, the "**Directors**"). The Directors and the Issuer Administrator belong to the same group of companies.

Floating Rate

GIC Provider: ING Bank N.V., incorporated under the laws of the Netherlands as a public company with limited liability (*naamloze vennootschap*) having its seat in

Amsterdam, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for Amsterdam, under number 33031431 (the "**Floating Rate GIC Provider**").

Liquidity Facility

Provider: ABN AMRO Bank N.V., incorporated under the laws of the Netherlands as a public company with limited liability (*naamloze vennootschap*), having its seat in Amsterdam and registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 33002587 ("**ABN AMRO**") (the "**Liquidity Facility Provider**").

Swap

Counterparty: ABN AMRO Bank N.V., incorporated under the laws of the Netherlands as a public company with limited liability (*naamloze vennootschap*), having its seat in Amsterdam and registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 33002587, acting through its London Branch ("**ABN AMRO, London**") (the "**Swap Counterparty**").

Paying Agent: ABN AMRO (the "**Paying Agent**").

Reference

Agent: ABN AMRO (the "**Reference Agent**").

Arranger: Merrill Lynch International, incorporated under the laws of laws of England and Wales, having its registered office in London, United Kingdom (the "**Arranger**").

Manager: Merrill Lynch International (the "**Manager**").

Clearing Institutions: Euroclear and Clearstream, Luxembourg (the "**Clearing Institutions**").

Common Safekeeper: Euroclear Bank CSK, a company incorporated in Belgium having its principal place of business at Avenue de Schiphol 6, B- 1140 Brussels, Belgium (the "**Common Safekeeper**").

Common Service

Provider: Société Générale Bank & Trust, a company incorporated in Luxembourg having its principal place of business at 11 Avenue Emile Reuter, L-2420 Luxembourg (the "**Common Service Provider**").

Listing

Agent: ABN AMRO (the "**Listing Agent**").

Rating Agencies: Moody's Investors Service Limited ("**Moody's**") and Standard & Poor's Rating Services, a division of The McGraw-Hill Group of Companies, Inc. ("**S&P**") (each a "**Rating Agency**" and collectively, the "**Rating Agencies**").

THE NOTES:

Notes: The € 321,000,000 Senior Class A1 Asset-Backed Notes 2007 due 2066 (the "**Senior Class A1 Notes**"), the € 300,000,000 Senior Class A2 Asset-Backed Notes 2007 due 2066 (the "**Senior Class A2 Notes**" and together with the Senior Class A1 Notes the "**Senior Class A Notes**"), the € 13,800,000 Senior Class B Asset-Backed Notes 2007 due 2066 (the "**Senior Class B Notes**"), the € 23,500,000 Mezzanine Class C Asset-Backed Notes 2007 due 2066 (the "**Mezzanine Class C Notes**"), the € 17,900,000 Mezzanine Class D Asset-Backed Notes 2007 due 2066 (the "**Mezzanine Class D Notes**"), the € 13,800,000 Junior Class E Asset-Backed Notes 2007 due 2066 (the "**Junior Class E Notes**"), the € 13,800,000 Subordinated Class F Notes 2007 due 2066 (the "**Subordinated Class F Notes**") and the € 6,900,000 Subordinated Class G Notes 2007 due 2066 (the "**Subordinated Class G Notes**" and, together with the Subordinated Class F Notes the "**Subordinated Notes**" and together with the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes, the "**Notes**") will be issued by the Issuer on 3 April 2007 (or such later date as may be agreed between the Issuer and the Manager) (the "**Closing Date**").

Issue Price: The issue price of each Class of Notes will be 100 per cent.

Denomination: The Notes will be issued in denominations of € 100,000.

Status and

Ranking:

The Notes of each Class (as defined in the Conditions) rank *pari passu* without any preference or priority among Notes of the same Class. In accordance with the Conditions and the Trust Deed (as defined below): (i) payments of principal and interest on the Senior Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, (ii) payments of principal and interest on the Mezzanine Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes and the Senior Class B Notes, (iii) payments of principal and interest on the Mezzanine Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Senior Class B Notes and the Mezzanine Class C Notes, (iv) payments of principal and interest on the Junior Class E Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes and the Mezzanine Class D Notes, (v) payments of principal and interest on the Subordinated Class F Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes, (vi) payments of principal and interest on the Subordinated Class G Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes. See further *Terms and Conditions of the Notes* below. The obligations of the Issuer in respect of the Notes will rank behind the obligations of the Issuer in respect of certain items set forth in the applicable priority of payments. See further *Credit Structure* below.

Interest:

Interest on the Notes will accrue from (and including) the Closing Date by reference to successive interest periods (each a "**Quarterly Interest Period**") and will be payable quarterly in arrear in euro in respect of the Principal Amount Outstanding (as defined in the Conditions) on the 17th day of July, October, January and April of each year or, if such day is not a Business Day (as defined below), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 17th day is the relevant Business Day (each

such day being a "**Quarterly Payment Date**"). A "**Business Day**" means a day on which banks are open for business in Amsterdam and London, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System ("**TARGET System**") or any successor thereto is operating credit or transfer instructions in respect of payments in euro. Each successive Quarterly Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Quarterly Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date in July 2007. The interest will be calculated on the basis of the actual number of days elapsed in a Quarterly Interest Period divided by 360 days.

Interest on the Notes for the first Quarterly Interest Period will accrue from (and include) the Closing Date at an annual rate equal to the linear interpolation between the Euro Interbank Offered Rate ("**Euribor**") for three-months deposits in Euros and the Euribor for four-months deposits in Euros (determined in accordance with Condition 4) plus a margin per annum which will be 0.15 per cent. for the Senior Class A1 Notes, 0.18 per cent. for the Senior Class A2 Notes, 0.22 per cent. for the Senior Class B Notes, 0.35 per cent. for the Mezzanine Class C Notes, 0.44 per cent. for the Mezzanine Class D Notes, 0.82 per cent. for the Junior Class E Notes, 6.00 per cent. for the Subordinated Class F Notes and 8.50 per cent. for the Subordinated Class G Notes.

Interest on the Notes for each successive Quarterly Interest Period up to (but excluding) the Quarterly Payment Date falling in July 2012 (the "**First Optional Redemption Date**") will accrue from (and include) the first Quarterly Payment Date at an annual rate equal to Euribor for three-months deposits in euro (determined in accordance with Condition 4) plus a margin per annum which will be 0.15 per cent. for the Senior Class A1 Notes, 0.18 per cent. for the Senior Class A2 Notes, 0.22 per cent. for the Senior Class B Notes, 0.35 per cent. for the Mezzanine Class C Notes, 0.44 per cent. for the Mezzanine Class D Notes, 0.82 per cent. for the Junior Class E Notes, 6.00 per cent. for the Subordinated Class F Notes and 8.50 per cent. for the Subordinated Class G Notes.

Interest Step-up:

If on the First Optional Redemption Date the Notes of any Class have not been redeemed in full, the margin for each Class of Notes (other than the

Subordinated Notes) will increase and the interest applicable to each Class of Notes will then be equal to Euribor for three-months deposits in euro, payable by reference to Quarterly Interest Periods on each Quarterly Payment Date, plus a margin per annum which is 0.30 per cent. for the Senior Class A1 Notes, 0.36 per cent. for the Senior Class A2 Notes 0.44 per cent. for the Senior Class B Notes, 0.70 per cent. for the Mezzanine Class C Notes, 0.88 per cent. for the Mezzanine Class D Notes and 1.82 per cent. for the Junior Class E Notes. For the Subordinated Class F Notes such margin will remain at 6.00 per cent and for the Subordinated Class G Notes such margin will remain at 8.50 per cent.

Final Maturity

Date:

Unless previously redeemed as provided below, the Issuer will redeem any remaining Notes outstanding on the Quarterly Payment Date falling in July 2066 at their respective Principal Amount Outstanding on such date, subject to and in accordance with the Conditions.

**Payment of
Principal on
the Notes:**

Prior to the delivery of an Enforcement Notice (as defined below), the Issuer shall on each Quarterly Payment Date apply the Notes Redemption Available Amount (as defined below), subject to and in accordance with the Conditions and the Principal Priority of Payments (as defined below), towards redemption, at their respective Principal Amount Outstanding, of: (i) *firstly*, the Senior Class A1 Notes, until fully redeemed, (ii) *secondly*, the Senior Class A2 Notes, until fully redeemed, (iii) *thirdly*, the Senior Class B Notes, until fully redeemed, (iv) *fourthly*, the Mezzanine Class C Notes, until fully redeemed (v) *fifthly*, the Mezzanine Class D Notes, until fully redeemed and, (vi) *sixthly*, the Junior Class E Notes, until fully redeemed.

Unless an Enforcement Notice is delivered, payment of principal on the Subordinated Notes will not be made until the earlier of (i) the Quarterly Payment Date on which all amounts of interest and principal on the Notes (other than the Subordinated Notes) will have been paid and (ii) the First Optional Redemption Date or, in respect of the Subordinated Class G Notes, following a Subordinated Class G Notes Amortisation Trigger. On such Quarterly Payment Date or First Optional Redemption Date and on each Quarterly Payment Date thereafter payment of principal on the Subordinated Notes will be made, subject to and in accordance with the Conditions and the

Interest Priority of Payments (as defined below).

**Optional
Redemption
of the Notes:**

The Issuer will have the option to redeem, subject to Condition 9(b), all (but not only part of) the Notes (other than the Subordinated Notes) on the First Optional Redemption Date and on each Quarterly Payment Date thereafter (each an "**Optional Redemption Date**") at their Principal Amount Outstanding (as defined in Condition 6) plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to such Notes.

**Redemption
following
clean-up call:**

In addition, on each Quarterly Payment Date following the exercise by the Sellers, acting jointly, of the Sellers Clean-up Call Option (as defined below), the Issuer shall redeem, subject to Condition 9(b), all (but not only part of) the Notes (other than the Subordinated Notes) at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to the Notes.

**Redemption
following
regulatory call:**

On the Quarterly Payment Date following the exercise by the Sellers, acting jointly, of the Regulatory Call Option (as defined below), the Issuer shall redeem all (but not only part of) the Notes (other than the Subordinated Notes) at their Principal Amount Outstanding, subject to and in accordance with the Conditions and after payment of the amounts to be paid in priority to such Notes.

**Redemption
for tax
reasons:**

The Issuer may (but is not obliged to) redeem all (but not only part of) the Notes (other than the Subordinated Notes) at their Principal Amount Outstanding plus accrued but unpaid interest thereon up to and including the date of redemption, subject to and in accordance with the Conditions, including, without limitation, Condition 9(b), if (a) the Issuer or the Paying Agent has become or would become obligated to make any withholding or deduction from payments in respect of any of the Notes (although the Issuer will not have any obligation to pay additional amounts in respect of any such

withholding or deduction) and/or (b) the Issuer has become or would become subject to any limitation of the deductibility of interest on any of the Notes, as a result of (i) a change in any laws, rules or regulations or in the interpretation or administration thereof, or (ii) any act taken by any taxing authority on or after the issue date of the Notes. No redemption pursuant to sub-clause (ii) may be made unless the Issuer receives an opinion of independent counsel that there is a probability that the act taken by the taxing authority leads to one of events mentioned at (a) or (b).

Method of payment:

For so long as the Notes are represented by a Global Note, payments of principal and interest will be made in euro to a common service provider for Euroclear and Clearstream, Luxembourg, for the credit of the respective accounts of the Noteholders.

Withholding tax:

All payments of, or in respect of, principal of and interest on the Notes will be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein unless the withholding or deduction of such taxes, duties, assessments or charges are required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to such Noteholders.

Use of proceeds:

The Issuer will apply the net proceeds from the issue of the Notes (other than the Subordinated Notes) towards payment of the Initial Purchase Price for the Loan Receivables (both as described below) purchased by the Issuer on the Closing Date pursuant to the provisions of an agreement (the "**Loan Receivables Purchase Agreement**") to be entered into on 29 March 2007 (the "**Signing Date**") and made between the Sellers, the Issuer and the Security Trustee. See further *Loan Receivables Purchase Agreement* below.

The proceeds from the issue of the Subordinated Notes will be used to fund the Reserve Account (as defined below).

Security for the Notes:

The Noteholders will benefit from the security created by the Issuer in favour

of the Security Trustee pursuant to the trust deed entered into on the Signing Date between the Issuer, the Security Trustee and Stichting Administratiekantoor Chapel (the "**Trust Deed**") and the Pledge Agreements (as defined in *Description of Security* below) (together with the Trust Deed, the "**Security Documents**").

Under the Trust Deed, the Issuer will undertake to pay to the Security Trustee, under the same terms and conditions, an amount equal to the aggregate of all its undertakings, liabilities and obligations to the Manager as initial Noteholder, the Directors, the Servicer, the Issuer Administrator, the Paying Agent, the Reference Agent, the Liquidity Facility Provider, the Swap Counterparty, the Noteholders and the Sellers (the "**Security Beneficiaries**") pursuant to the relevant Transaction Documents, provided that every payment in respect of such Transaction Documents for the account of or made to the Security Beneficiaries directly shall operate in satisfaction pro tanto of the corresponding covenant in favour of the Security Trustee (such a payment undertaking and the obligations and liabilities resulting from it being referred to as the "**Parallel Debt**").

The Notes will be secured indirectly, through the Security Trustee, by (i) a first ranking undisclosed pledge granted by the Issuer to the Security Trustee over the Loan Receivables, including all rights ancillary thereto in respect of the Portfolio Loans and the Beneficiary Rights (as defined below), and (ii) a first ranking disclosed pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Loan Receivables Purchase Agreement, the Swap Agreement, the Servicing Agreement, the Floating Rate GIC, the Liquidity Facility Agreement, the Beneficiary Waiver Agreement, and in respect of the GIC Accounts (as defined below).

The amounts payable by the Security Trustee to the Security Beneficiaries under the Trust Deed will be limited to the net amounts available for such purpose to the Security Trustee which, for the greater part, will consist of amounts recovered by the Security Trustee from the Loan Receivables. Payments to the Security Beneficiaries will be made in accordance with the Post-Enforcement Priority of Payments (as defined in *Credit Structure* below). See for a more detailed description *Description of Security* below.

LOAN RECEIVABLES AND PRINCIPAL CONTRACTS

Loan

Receivables: Under the Loan Receivables Purchase Agreement, the Issuer will, on the Closing Date and, as the case may be, on any subsequent Portfolio Purchase Date (as defined below) up to but excluding the Portfolio Purchase Date immediately preceding the First Optional Redemption Date, purchase and accept the assignment of any and all rights and claims (the "**Loan Receivables**", which will include any Further Advance Receivables and any Substitute Loan Receivables (both as defined below)) of the Sellers against certain borrowers (the "**Borrowers**") under or in connection with certain selected Portfolio Loans (as defined below).

Further Advances: Under all of the Portfolio Loans (other than annuity loans (*persoonlijke leningen*)), the Borrower may, subject to the terms and conditions of the relevant Portfolio Loans (the "**Loan Conditions**"), request a further advance (each a "**Further Advance**"). The Loan Receivables Purchase Agreement provides that on the 12th Business Day of each calendar month (each a "**Portfolio Purchase Date**") up to and including the Portfolio Purchase Date immediately preceding the First Optional Redemption Date, the Issuer will purchase and accept assignment of the Loan Receivables resulting from any Further Advances (the "**Further Advance Receivables**") which have been granted to the Borrowers by the Sellers during the immediately preceding Portfolio Calculation Period (as defined in the Conditions), provided, however, that the Further Advance Criteria (as described under *Loan Receivables Purchase Agreement* below) are met and the Issuer has sufficient funds available for payment of the Initial Purchase Price (as defined below) for such Further Advance Receivables.

When a Further Advance is granted to the relevant Borrower and the Issuer purchases and accepts assignment of the relevant Further Advance Receivable and any Beneficiary Rights relating thereto, the Issuer will at the same time create a first right of pledge on such Further Advance Receivable and relating Beneficiary Rights in favour of the Security Trustee.

If, *inter alia*, (i) the Further Advance Receivables do not meet the Further Advance Criteria or (ii) the Issuer does not have sufficient funds available for payment of the Initial Purchase Price for the Further Advance Receivables, the relevant Seller shall repurchase and accept the re-assignment of the Loan Receivables resulting from the Portfolio Loan in respect of which a Further Advance is granted.

Substitution:

The Loan Receivables Purchase Agreement provides that the Issuer will be entitled to apply (a) on each Portfolio Purchase Date up to and including the Portfolio Purchase Date falling in July 2010, the amounts received by the Issuer since the immediately preceding Quarterly Payment Date which will form part of Notes Principal Available Amount to be calculated on the immediately succeeding Notes Calculation Date (excluding item (ii) and (v) thereof) less the amounts to be applied towards payment on such Portfolio Purchase Date of the Initial Purchase Price for the Further Advance Receivables (if any), and (b) on each Portfolio Purchase Date from and including the Portfolio Purchase Date falling in July 2010 up to and including the Portfolio Purchase Date immediately preceding the First Optional Redemption Date, the proceeds received as a result of a repurchase obligation by any of the Sellers of Loan Receivables (the amount referred under (a) and (b) referred to as the "**Substitution Available Amount**") to purchase additional loan receivables from the Sellers ("**Substitute Loan Receivables**") subject to the fulfilment of the Substitution Criteria (as described under *Loan Receivables Purchase Agreement* below) which include, *inter alia*, the requirement that any Portfolio Loan to which the Substitute Loan Receivables relate should meet the Loan Criteria (as defined below).

When the Issuer purchases and accepts assignment of a Substitute Loan Receivable and any Beneficiary Rights relating thereto, the Issuer will at the same time create a first right of pledge on such Substitute Loan Receivable and relating Beneficiary Rights in favour of the Security Trustee.

On each Quarterly Payment Date up to and including the Quarterly Payment Date falling in April 2010, the Issuer shall retain any Notes Principal Available Amount remaining after deduction of (i) the amounts applied towards payment of the Initial Purchase Price for Further Advance Receivables and Substitute Loan Receivables purchased during the Notes Calculation Period immediately preceding such Quarterly Payment Date and (ii) the Interest Shortfall Amount (as defined below), up to a maximum of two (2) per cent. of the aggregate Principal Amount Outstanding of the Notes (other than the Subordinated Notes) on the last day of the Quarterly Interest Period ending on such Quarterly Payment Date, which amount shall be credited to a ledger known as the "**Reserved Amount Ledger**", provided that on such Quarterly Payment Date the Substitution Criteria (except for (a), (d), (f) and (l)) are met. The

amount so retained shall be applied towards the payment of the Initial Purchase Price for Substitute Loan Receivables during the immediately succeeding Notes Calculation Period. See further under *Loan Receivables Purchase Agreement* below. Any Notes Principal Available Amount remaining will form part of the Notes Redemption Available Amount and as such will be available for redemption of the Notes (other than the Subordinated Notes). See *Credit Structure* below.

Portfolio Loans:

The Loan Receivables to be sold by the Sellers pursuant to the Loan Receivables Purchase Agreement will result from consumer loans entered into by the Sellers with the Borrowers which meet the criteria set forth in the Loan Receivables Purchase Agreement (the "**Portfolio Loans**").

The pool of Portfolio Loans to be sold by the Sellers to the Issuer on the Closing Date will be selected from a provisional pool (the "**Provisional Pool**") selected on 31 January 2007 (the "**Portfolio Cut-Off Date**") and which consists for 31.36 per cent. (by value of the Outstanding Principal Amount (as defined below)) of Portfolio Loans secured by a second-ranking mortgage right (*hypotheekrecht*) (the "**Secured Consumer Loans**") over (i) a real property (*onroerende zaak*), (ii) an apartment right (*appartementsrecht*), or (iii) a long lease (*recht van erfpacht*) (collectively, the "**Mortgaged Assets**") situated in the Netherlands.

68.64 per cent. (by value of the Outstanding Principal Amount) of the Portfolio Loans forming part of the Provisional Pool are consumer loans without the benefit of a mortgage right securing the repayment of such Portfolio Loan (the "**Consumer Loans**").

55.73 per cent. (by value of the Outstanding Principal Amount) of the Portfolio Loans forming part of the Provisional Pool have the benefit of an insurance policy (each an "**Insurance Policy**") which was entered into by the relevant Borrower and an insurance company established in the Netherlands (each an "**Insurance Company**") (the "**Insurance Loans**"). The capital insurance element of the premium is invested by the relevant Insurance Company in accordance with the terms of the Insurance Policy.

"**Outstanding Principal Amount**" means, in respect of a Portfolio Loan and the Loan Receivable resulting from such Portfolio Loan, (i) on the Closing Date or, as the case may be, the relevant Portfolio Purchase Date, an amount equal

to the aggregate principal sum (*hoofdsom*) due by the relevant Borrower under such Portfolio Loan and (ii) at any time thereafter, the aggregate principal sum (*hoofdsom*) due by the relevant Borrower under such Portfolio Loan at that time *less* the amount of the Anticipated Losses (as defined below) (other than the Anticipated Losses referred to under (iii) of the definition thereof) calculated in respect of such Portfolio Loan.

See further *Risk Factors* and *Description of the Loans* below.

**Mandatory
Repurchase of**

Loan Receivables:

In the Loan Receivables Purchase Agreement each of the Sellers has undertaken to repurchase and accept re-assignment of a Loan Receivable sold by it to the Issuer:

- (i) within fourteen (14) days immediately following the expiration of the relevant remedy period (if any), if any of the representations and warranties given by such Seller in respect of a Portfolio Loan and/or a Loan Receivable, including the representation and warranty that the Portfolio Loan or, as the case may be, the Loan Receivable meets certain loan criteria, are untrue or incorrect in any material respect;
- (ii) within fourteen (14) days immediately following the date on which an amendment of the terms of the Portfolio Loan becomes effective as a result of which such Portfolio Loan no longer meets certain criteria set forth in the Loan Receivables Purchase Agreement and/or the Servicing Agreement, unless such amendment is made as part of the enforcement procedures to be complied with upon a default by the Borrower under the relevant Portfolio Loan, including, without limitation, a restructuring or renegotiation of the relevant Portfolio Loan due to a deterioration of the credit quality of the Borrower of such Portfolio Loan; and

- (iii) on the Portfolio Purchase Date immediately following the date on which a Seller agrees with a Borrower to grant a Further Advance under the relevant Portfolio Loan, *inter alia*, if and to the extent that the Further Advance Receivables do not meet the Further Advance Criteria or the Issuer does not have sufficient funds to purchase the Loan Receivables resulting from such Further Advance.

The purchase price for the Loan Receivable due and payable by the relevant Seller will be equal to the aggregate principal sum (*hoofdsom*) due by the relevant Borrower under such Portfolio Loan together with due and overdue interest accrued up to (but excluding) the date of repurchase and re-assignment of the Loan Receivable and reasonable costs, if any (including any costs incurred by the Issuer in effecting and completing such repurchase and re-assignment). See further *Loan Receivables Purchase Agreement* below.

Sellers Clean-up

Call Option:

The Sellers, acting jointly, may (without the obligation to do so) repurchase and accept re-assignment of all (but not only part of) the Loan Receivables on any Quarterly Payment Date on which the Outstanding Principal Amount of the Loan Receivables is less than 10 per cent. of the aggregate Outstanding Principal Amount of the Loan Receivables on the Closing Date (the "**Sellers Clean-up Call Option**").

The Issuer has undertaken in the Loan Receivables Purchase Agreement to sell and assign the Loan Receivables to any of the Sellers, or any third party appointed by the Sellers at their sole discretion, in case the Sellers exercise the Sellers Clean-up Call Option. The purchase price will be equal to the aggregate principal sum (*hoofdsom*) due by the Borrower in respect of the Loan Receivables together with accrued interest due but unpaid and any other amount due under the relevant Portfolio Loan. The proceeds of such sale shall be applied by the Issuer towards redemption of the Notes (other than the Subordinated Notes), subject to and in accordance with the Conditions.

Regulatory Call

Option:

The Sellers, acting jointly, have the option to repurchase and accept re-assignment of all (but not only part of) the Loan Receivables on any Quarterly Payment Date following the occurrence of a Regulatory Change (as defined in Condition 6(h)) by giving not less than thirty (30) days nor more than sixty (60) days prior written notice thereof to the Noteholders and the Security Trustee

(the "**Regulatory Call Option**").

The Issuer has undertaken in the Loan Receivables Purchase Agreement to sell and assign the Loan Receivables to any of the Sellers, or any third party appointed by the Sellers at their sole discretion, in the event that the Sellers exercise the Regulatory Call Option. The purchase price will be equal to the Outstanding Principal Amount of the Loan Receivables together with accrued interest due but unpaid and any other amount due under the relevant Portfolio Loan. If the Sellers exercise the Regulatory Call Option, then the Issuer shall redeem the Notes (other than the Subordinated Notes) by applying the proceeds of such sale towards redemption of the Notes, subject to and in accordance with the Conditions.

**Sale of Loan
Receivables on
Optional**

Redemption Date:

On any Optional Redemption Date the Issuer has the right to sell and assign all (but not only part of) the Loan Receivables to any party. The purchase price will at least be equal to the Outstanding Principal Amount of the Loan Receivables together with accrued interest due but unpaid and any other amount due under the relevant Portfolio Loan. The Issuer shall redeem the Notes (other than the Subordinated Notes) by applying the proceeds of such sale towards redemption of the Notes, subject to and in accordance with the Conditions.

**Servicing
Agreement:**

Under a servicing agreement to be entered into on the Signing Date between the Issuer, the Servicer and the Security Trustee (the "**Servicing Agreement**"), the Servicer will agree to provide administration and management services in relation to the Portfolio Loans on a day-to-day basis, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the Portfolio Loans and the implementation of arrears procedures including, if applicable, the enforcement of mortgages (see further *Loan Origination, Underwriting and Servicing and Servicing Agreement and Issuer Administration Agreement* below).

**Back-Up Servicing
Agreements:**

In the Back-Up Servicing Agreements entered into on the Signing Date between DEFAM Select B.V. and Stater Nederland B.V, the Issuer, the

Servicer and the Security Trustee, DEFAM Select B.V. and Stater Nederland B.V. will be appointed as Back-Up Servicer in respect of, respectively, the Consumer Loans and the Secured Consumer Loans. The Back-Up Servicers will undertake to replace the Servicer, provided that certain conditions are fulfilled, in case a Termination Event (as defined in the Servicing Agreement) has occurred in respect of the Servicer under the Servicing Agreement.

**Issuer
Administration
Agreement:**

Under an administration agreement to be entered into on the Signing Date between the Issuer, the Issuer Administrator and the Security Trustee (the "**Issuer Administration Agreement**"), the Issuer Administrator will agree to provide certain administration, calculation and cash management services for the Issuer on a day-to-day basis, including without limitation, all calculations to be made in respect of the Notes pursuant to the Conditions (see further *Servicing Agreement and Issuer Administration Agreement* below).

**Management
Agreements:**

The Issuer, Stichting Administratiekantoor Chapel and the Security Trustee will each enter into a management agreement (together the "**Management Agreements**") with the relevant Director in which the relevant Director will undertake to act as a director of the Issuer, Stichting Administratiekantoor Chapel and the Security Trustee, respectively, and to perform certain services in connection therewith.

**Security Beneficiaries
Agreement:**

Under a security beneficiaries agreement to be entered into on the Signing Date between the Issuer and each Security Beneficiary (excluding the Noteholders) (the "**Security Beneficiaries Agreement**") each Security Beneficiary agrees and confirms that the security provided pursuant to the provisions of the Security Documents shall, indirectly, through the Security Trustee, be for the exclusive benefit of the Security Beneficiaries (including for the avoidance of doubt, the Noteholders). Under the Security Beneficiaries Agreement each Security Beneficiary moreover agrees to be bound by the relevant terms and provisions of the Trust Deed including, but not limited, the limited recourse and non-petition provisions contained therein.

CASH FLOW STRUCTURE:

Transaction**Account:**

The Issuer shall maintain with the Floating Rate GIC Provider an account (the "**Transaction Account**") to which, *inter alia*, all amounts of interest, prepayment penalties and principal received under the Loan Receivables will be transferred by the Seller (or the Servicer on its behalf) in accordance with the Servicing Agreement.

Reserve**Account:**

The Issuer shall maintain with the Floating Rate GIC Provider an account (the "**Reserve Account**") to which the proceeds of the Subordinated Notes will be credited on the Closing Date. The purpose of the Reserve Account will be to enable the Issuer to meet the Issuer's payment obligations under items (a) up to and including (p) of the Interest Priority of Payments (as defined in *Credit Structure* below) in the event of a shortfall of the Notes Interest Available Amount (as defined in *Credit Structure* below) on any Quarterly Payment Date. If and to the extent that the Notes Interest Available Amount (excluding items (vi) and (vii)) calculated on any Notes Calculation Date (as defined below) exceeds the amount required to meet items (a) up to and including (p) of the Interest Priority of Payments, such excess amount will be used to deposit on the Reserve Account or, as the case may be, to replenish the Reserve Account by crediting such amount to the Reserve Account up to the required level (the "**Reserve Account Target Level**") on the immediately succeeding Quarterly Payment Date. The Reserve Account Target Level will on any Notes Calculation Date be equal to 3.0 per cent of the Principal Amount Outstanding of the Notes (excluding the Subordinated Notes) on the Closing Date.

Deposit Reserve**Account:**

The Issuer shall maintain with the Floating Rate GIC Provider an account (the "**Deposit Reserve Account**") to which the Issuer on the Closing Date will deposit an amount of € 1,416,492 which amount is made available to the Issuer by DSB Bank N.V. as a drawing under a subordinated credit facility entered into between the Issuer, DSB Bank N.V. and the Security Trustee (the "**Subordinated Credit Facility**"). The purpose of the Deposit Reserve Account will be to cover any losses incurred by the Issuer in relation to the Portfolio Loans in the situation where the Sellers do not or are no longer able to comply with their undertaking set forth in Clause 6.1(j) of the Loan Receivables Purchase Agreement (see further below under *Deposit Reserve Account* in section *Credit Structure*), provided that such losses are due to the

fact that a Borrower has invoked a right of set-off of amounts due to it by any of the Sellers in relation to funds deposited by such Borrower in a savings account (each a "**Savings Deposit**") with the relevant Loan Receivable as a consequence whereof the Issuer does not receive the full amount due in respect of such Loan Receivable. If and to the extent that the Notes Interest Available Amount calculated on any Notes Calculation Date (as defined below) exceeds the amount required to meet items (a) up to and including (w) of the Interest Priority of Payments, such excess amount will be used to deposit on the Deposit Reserve Account or, as the case may be, to replenish the Deposit Reserve Account by crediting such amount to the Deposit Reserve Account up to the required level (the "**Deposit Reserve Account Target Level**") on the immediately succeeding Quarterly Payment Date, provided that if such excess is not sufficient in order to have a balance on the Deposit Reserve Account which equals the such Deposit Reserve Account Target Level, the Issuer shall make a drawing under the Subordinated Credit Facility. The Deposit Reserve Account Target Level will on any Notes Calculation Date be equal to the aggregate amount of Savings Deposits deposited with any of the Sellers on such Notes Calculation Date.

Liquidity Facility

Agreement:

On the Signing Date, the Issuer will enter into a 364-day term liquidity facility agreement with the Liquidity Facility Provider (the "**Liquidity Facility Agreement**") under which the Issuer will be entitled to make drawings on any Quarterly Payment Date in order to meet certain shortfalls in the Notes Interest Available Amount. See under *Credit Structure* below.

Floating Rate

GIC:

The Issuer, the Floating Rate GIC Provider and the Security Trustee will enter into a guaranteed investment contract (the "**Floating Rate GIC**"), under which the Floating Rate GIC Provider will agree to pay a guaranteed rate of interest determined by reference to three-months Euribor on the balance standing from time to time to the credit of the Transaction Account, the Reserve Account and the Deposit Reserve Account (such accounts being collectively referred to as the "**GIC Accounts**").

Swap

Agreement:

On the Signing Date, the Issuer, the Security Trustee and the Swap Counterparty will enter into a swap agreement with the Swap Counterparty (the "**Swap Agreement**") to hedge the risk between the rate of interest to be

received by the Issuer on the Loan Receivables and the rate of interest payable by the Issuer on the Notes. See further under *Credit Structure* below.

OTHER:

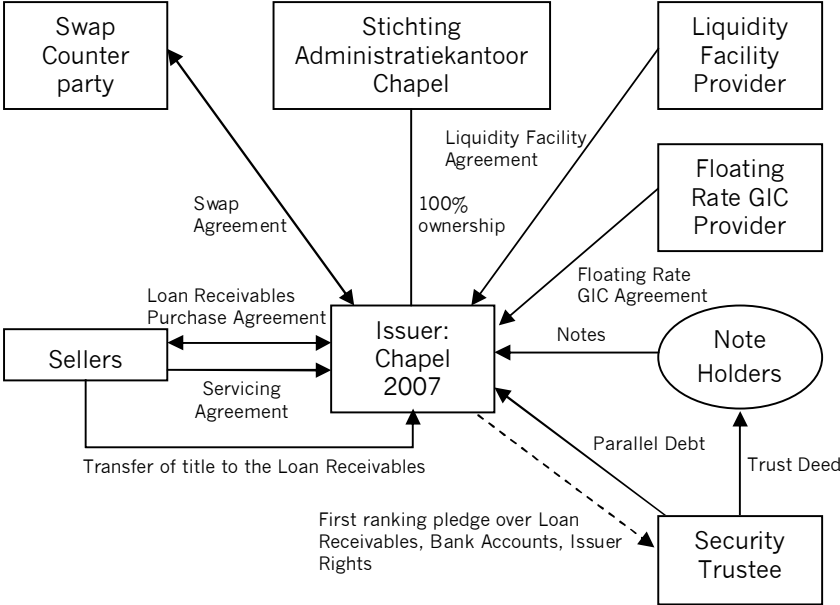
Listing: Application has been made to list the Notes on Eurolist by Euronext Amsterdam. Listing is expected to take place on or about 3 April 2007.

Rating: It is a condition precedent to issuance that, on issue, the Senior Class A1 Notes be assigned an 'Aaa' rating by Moody's and an 'AAA' rating by S&P, the Senior Class A2 Notes be assigned an 'Aaa' rating by Moody's and an 'AAA' rating by S&P, the Senior Class B Notes be assigned an Aa2 rating by Moody's and an AAA rating by S&P, the Mezzanine Class C Notes be assigned an A1 rating by Moody's and an AA rating by S&P, the Mezzanine Class D Notes be assigned an A3 rating by Moody's and an A rating by S&P, the Junior Class E Notes be assigned a Baa3 rating by Moody's and a BBB+ rating by S&P and the Subordinated Class F Notes be assigned a B3 rating by Moody's and a B- rating by S&P. The Subordinated Class G Notes, on issue, will not be assigned a rating.

Governing

Law: The Notes will be governed by and construed in accordance with the laws of the Netherlands.

Structure Diagram: The transaction set out in this Offering Circular can be depicted as follows:



CREDIT STRUCTURE

The structure of the credit arrangements for the proposed issue of the Notes may be summarised as follows.

Use of Proceeds

The Issuer will use the net proceeds from the issue of the Notes (other than the Subordinated Notes) to pay the Initial Purchase Price for the Loan Receivables purchased by the Issuer on the Closing Date. The proceeds from the issue of the Subordinated Notes will be used to fund the Reserve Account.

Loan Interest Rates

The Portfolio Loans pay interest on a floating rate basis or fixed rate basis, subject to a reset from time to time. On the Portfolio Cut-Off Date, the weighted average interest rate of the Portfolio Loans amounted to 6.25 per cent. Interest rates vary among individual Portfolio Loans. The range of interest rates is described further in *Description of the Loans* below.

Cash Collection Arrangements

Payments by the Borrowers of interest and scheduled principal under the Portfolio Loans are due on the first Business Day of each calendar month, interest being payable in arrear. All payments made by Borrowers with respect to the Portfolio Loans after the relevant purchase date will be paid into a newly created bank account maintained by DSB Bank N.V. (the "**Collection Account**"), which account will only be used for the collection of monies paid in respect of the Portfolio Loans. With respect to this Collection Account a first-ranking right of pledge will be created in favour of the Issuer.

On the first, second and third Business Day of each calendar month, the Servicer shall transfer on behalf of the Sellers to the Transaction Account all amounts of principal, interest, interest penalties and prepayment penalties received in respect of the Portfolio Loans and paid to the Collection Account on or prior to such third Business Day, netted of any amounts which have been revoked by the relevant Borrower. Thereafter and until the last Business Day of the relevant calendar month the Servicer shall transfer to the Transaction Account on behalf of the Sellers all amounts of principal, interest, interest penalties and prepayment penalties received in respect of the Portfolio Loans and paid to the Collection Account on the Business Day on which the balance standing to the credit of such Collection Account exceeds € 100,000.

Following an Assignment Notification Event as described under *Loan Receivables Purchase Agreement* below, the Borrowers will be required to pay all amounts due by them under the relevant Portfolio Loans directly to the Transaction Account.

GIC Accounts

Transaction Account

The Issuer will maintain with the Floating Rate GIC Provider the Transaction Account to which all amounts received (i) in respect of the Portfolio Loans and (ii) from the other parties to the Transaction Documents will be paid. The Issuer Administrator will identify all amounts paid into the Transaction Account. Payments received by the Issuer in respect of the Portfolio Loans will be identified as principal, interest or other revenue receipts.

Payments may be made from the Transaction Account other than on a Quarterly Payment Date only to satisfy (i) amounts due to third parties (other than pursuant to the Transaction Documents) and payable in connection with the Issuer's business and (ii) the Initial Purchase Price for the Further Advance Receivables and Substitute Loan Receivables, to the extent that the funds available on the Transaction Account are sufficient to make such payment.

Furthermore, out of the balance standing to the credit of the Transaction Account, a remuneration of € 15,000 per calendar year for the engagement of the Issuer in the transaction contemplated by this Offering Circular will be reserved (pro rata) for the benefit of the Issuer in advance on each Quarterly Payment Date falling in July of each year, except for the period as from the Closing Date up to (but excluding) July 2007, which will be reserved in arrear on the Quarterly Payment Date falling in July 2007 (the "**Issuer Income Entitlement**") from which amount any corporate income tax payable by the Issuer in respect of such Issuer Income Entitlement will be paid.

Reserve Account

The Issuer will maintain with the Floating Rate GIC Provider the Reserve Account. The proceeds of the Subordinated Notes will be credited to the Reserve Account on the Closing Date.

Amounts credited to the Reserve Account will be available for drawing on any Quarterly Payment Date to meet items (a) up to and including (p) of the Interest Priority of Payments (see under *Priority of Payments in respect of interest (prior to Enforcement Notice)* below), in the event the Notes Interest Available Amount (excluding items (vi) and (vii)) is insufficient to meet such items in full on such Quarterly Payment Date.

If and to the extent that the Notes Interest Available Amount (excluding items (vi) and (vii)) calculated on any Notes Calculation Date (as defined below) exceeds the amounts required to meet items (a) up to and including (p) in the Interest Priority of Payments, the excess amount will be deposited into the Reserve Account or, as the case may be, applied to replenish the Reserve Account, to the extent required until the balance standing to the credit of the Reserve Account equals the Reserve Account Target Level.

The Reserve Account Target Level will on any Notes Calculation Date be equal to 3.0 per cent. of the aggregate Principal Amount Outstanding of the Notes (excluding the Subordinated Notes) at the Closing Date.

To the extent that the balance standing to the credit of the Reserve Account on any Notes Calculation Date exceeds the Reserve Account Target Level, such excess will be drawn from the Reserve Account on the immediately succeeding Quarterly Payment Date and be deposited in the Transaction Account to form part of the Notes Interest Available Amount on such Quarterly Payment Date and be applied in accordance with the Interest Priority of Payments.

If on any Notes Calculation Date all amounts of interest and principal due in respect of the Notes, except for principal in respect of the Subordinated Notes, have been paid on the Quarterly Payment Date immediately preceding such Notes Calculation Date or will be available for payment on the Quarterly Payment Date immediately following such Notes Calculation Date, the Reserve Account Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will thereafter form part of the Notes Interest Available Amount and will be available to redeem or partially redeem the Subordinated Class F Notes until fully redeemed and subsequently to redeem or partially redeem the Subordinated Class G Notes until fully redeemed and thereafter towards satisfaction of the Deferred Purchase Price (as defined in *Loan Receivables Purchase Agreement* below) to the Sellers.

Deposit Reserve Account

The Issuer shall maintain with the Floating Rate GIC Provider the Deposit Reserve Account to which the Issuer on the Closing Date will deposit an amount of € 1,416,492 which amount is made available to the Issuer by DSB Bank N.V. under the Subordinated Credit Facility.

Amounts credited to the Deposit Reserve Account will be available for drawing on any Quarterly Payment Date only to meet any losses incurred by the Issuer in relation to the Portfolio Loans in the situation where the Sellers have not or are no longer able to comply with their undertaking set forth in Clause 6.1(j) of the Loan Receivables Purchase Agreement, provided that such losses are due to the fact that a Borrower has invoked a right of set-off of any Savings Deposits due by any of the Sellers to it with the relevant Loan Receivable as a consequence whereof the Issuer does not receive the full amount due in respect of such Loan Receivable. Pursuant to Clause 6.1(j) of the Loan Receivables Purchase Agreement each of the Sellers has undertaken that if a Borrower invokes a right of set-off of amounts due by any of the Sellers to it with the relevant Loan Receivable and as a consequence thereof the Issuer does not receive the full amount due in respect of such Loan Receivable, it shall pay on the immediately succeeding Portfolio Payment Date to the Issuer an amount equal to the difference between the amount which the Issuer would have received in respect of the relevant Loan Receivable if no set-off had taken place and the amount actually received by the Issuer in respect of such Loan Receivable.

If and to the extent that the Notes Interest Available Amount calculated on any Notes Calculation Date (as defined below) exceeds the amount required to meet items (a) up to and including (w) of the Interest Priority of Payments, such excess amount will be used on the immediately succeeding Quarterly Payment Date to deposit into the Deposit Reserve Account or, as the case may be, to replenish the Deposit Reserve Account by crediting such amount to the Deposit Reserve Account until the balance standing to the credit of the Deposit Reserve Account equals the Deposit Reserve Account Target Level as calculated at such Notes Calculation Date, provided that if such excess is not sufficient in order to have a balance on the Deposit Reserve Account which equals such Deposit Reserve Account Target Level, the Issuer shall be required to make a drawing under the Subordinated Credit Facility on the immediately succeeding Quarterly Payment Date in an amount equal to the positive difference between the relevant Deposit Reserve Account Target Level and the balance of the Deposit Reserve Account after deposit of the excess amount as calculated on the relevant Notes Calculation Date as to be deposited into the Deposit Reserve Account.

The Deposit Reserve Account Target Level will on any Notes Calculation Date be equal to the aggregate amount of Savings Deposits deposited with any of the Sellers on such Notes Calculation Date.

If on any Quarterly Payment Date the balance standing to the credit of the Deposit Reserve Account exceeds the relevant Deposit Reserve Account Target Level and/or the Notes Interest Available Amount calculated on the immediately preceding Notes Calculation Date exceeds the amount required to meet items (a) up to and including (w) of the Interest Priority of Payments, then the Issuer shall, respectively, (i) make a drawing from the Deposit Reserve Account in an amount equal to the positive difference between the amount standing to the credit of the Deposit Reserve Account on such Quarterly Payment Date and the relevant Deposit Reserve Account Target Level, which amount shall be applied by the Issuer (outside of the Interest Priority of Payments) towards repayment of the principal amount outstanding under the Subordinated Credit Facility or (ii) apply such excess amount (outside of the Interest Priority of Payments) towards repayment of the principal amount outstanding under the Subordinated Credit Facility.

If on any Notes Calculation Date all amounts of interest and principal due in respect of the Notes, except for principal in respect of the Subordinated Notes, have been paid on the Quarterly Payment Date immediately preceding such Notes Calculation Date or will be available for payment on the Quarterly Payment Date immediately following such Notes Calculation Date, the Deposit Reserve Account Target Level will be reduced to zero and any amount standing to the credit of the Deposit Reserve Account will be available to repay (outside of the Interest Priority of Payments) the principal amount outstanding under the Subordinated Credit Facility.

The interest due and payable by the Issuer to DSB Bank N.V. in respect of the principal amount outstanding under the Subordinated Credit Facility shall be equal to the interest received by the Issuer on the balance standing to the credit of the Deposit Reserve Account and shall be payable to DSB Bank N.V. (outside of the Interest Priority of Payments) on each Quarterly Payment Date.

Rating of the Floating Rate GIC Provider

If at any time the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Floating Rate GIC Provider are assigned a rating of less than Prime-1 by Moody's or A-1+ by S&P, or if such rating is withdrawn, the Issuer and/or the Issuer Administrator on its behalf will be required within thirty (30) days of any such event at the cost of the Floating Rate GIC Provider (i) to transfer the balance on all such GIC Accounts to an alternative bank with the required minimum ratings, or (ii) to procure that a third party, having at least the required ratings, irrevocably and unconditionally guarantees the obligations of the Floating Rate GIC Provider, provided the guarantee is in acceptable form and substance to S&P, or (iii) find another solution acceptable to the Rating Agencies in order to maintain the then current ratings assigned to the Notes.

Priority of Payments in respect of interest (prior to Enforcement Notice)

The "**Notes Interest Available Amount**" will consist of the sum of the following amounts, calculated as at each Notes Calculation Date as being received during the Notes Calculation Period (as defined in the Conditions) immediately preceding such Notes Calculation Date:

- (i) interest on the Loan Receivables;
- (ii) interest credited to the Transaction Account and the Reserve Account;
- (iii) prepayment penalties and penalty interest (*boeterente*) in respect of the Loan Receivables;
- (iv) amounts to be drawn from the Deposit Reserve Account on the immediately succeeding Quarterly Payment Date, to the extent such amounts do not relate to principal;
- (v) Net Proceeds (as defined in the Conditions) in respect of any Loan Receivables, to the extent such proceeds do not relate to principal;
- (vi) amounts to be drawn under the Liquidity Facility (other than a Liquidity Facility Stand-by Drawing)(as defined below) on the immediately succeeding Quarterly Payment Date;
- (vii) amounts to be drawn from the Reserve Account on the immediately succeeding Quarterly Payment Date;

- (viii) amounts to be received from the Swap Counterparty under the Swap Agreement on the immediately succeeding Quarterly Payment Date, excluding, for the avoidance of doubt, any collateral transferred pursuant to the Swap Agreement;
- (ix) amounts received in connection with a repurchase or sale of Loan Receivables pursuant to the Loan Receivables Purchase Agreement or the Trust Deed, as the case may be, or any other amounts received pursuant to the Loan Receivables Purchase Agreement to the extent such amounts do not relate to principal;
- (x) amounts received as Post-Anticipated Loss Proceeds in respect of any Loan Receivables;
- (xi) any (remaining) amounts standing to the credit of the Transaction Account to the extent they relate to interest or penalties;
- (xii) amounts received as Interest Shortfall Amount (as defined below); and
- (xiii) after all amounts of interest and principal due in respect of the Notes, other than the principal on the Subordinated Notes, have been paid on the Quarterly Payment Date immediately preceding the relevant Notes Calculation Date or will be available for payment on the immediately succeeding Quarterly Payment Date, any amount standing to the credit of the Reserve Account,

Prior to the delivery of an Enforcement Notice by the Security Trustee, the Notes Interest Available Amount, calculated as at a Notes Calculation Date, will, pursuant to the terms of the Trust Deed, be applied by the Issuer on the immediately succeeding Quarterly Payment Date as follows (in each case only if and to the extent that payments of a higher order of priority have been made in full) (the "**Interest Priority of Payments**"):

- (a) *First*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) the amount to be reserved by the Issuer as Issuer Income Entitlement, (ii) the fees or other remuneration due and payable to the Directors in connection with the Management Agreements and of the fees or other remuneration and indemnity payments (if any) due and payable to the Security Trustee and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with the relevant Transaction Documents, and (iii) the amounts due and payable (but not yet paid prior to the relevant Quarterly Payment Date) to third parties under obligations incurred in the Issuer's business (other than under the relevant Transaction Documents), including, without limitation, in or towards satisfaction of amounts or provisions for any payment of the Issuer's liability, if any, to tax (other than Dutch corporate income tax in relation to the Issuer Income Entitlement);

- (b) *Second*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) the fees and expenses due and payable to the Issuer Administrator under the Issuer Administration Agreement and (ii) the fees and expenses due and payable to the Servicer under the Servicing Agreement;
- (c) *Third*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) the fees and expenses due and payable to the Paying Agent, the Reference Agent, the Common Safekeeper and any other agent designated under any of the relevant Transaction Documents, (ii) the amounts due and payable to the Rating Agencies and (iii) the fees and expenses due and payable to any legal advisors, accountants and auditors appointed by the Issuer or the Security Trustee;
- (d) *Fourth*, in or towards satisfaction of any amounts due and payable to the Liquidity Facility Provider under the Liquidity Facility Agreement or, following a Liquidity Facility Stand-by Drawing, in or towards satisfaction of sums to be credited to the Liquidity Facility Stand-by Drawing Account, less, in the event a Liquidity Facility Stand-by Drawing is made, (i) an amount equal to the positive difference between (x) the interest due and payable to the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement over that part of the balance standing to the credit of the Liquidity Facility Stand-by Ledger and (y) the interest received from the Floating Rate GIC Provider over the balance standing to the credit of the Transaction Account which equals the balance standing to the credit of the Liquidity Facility Stand-by Ledger and (ii) any gross-up amounts or additional amounts due under the Liquidity Facility and payable under (w) below (the amounts under (i) and (ii) referred to as the "**Subordinated Liquidity Facility Amount**");
- (e) *Fifth*, in or towards satisfaction of amounts, if any, due and payable under the Swap Agreement, including a Settlement Amount (as defined therein), except for any termination payment due or payable as a result of the occurrence of an Event of Default (as defined therein) where the Swap Counterparty is the Defaulting Party or an Additional Termination Event (each as defined therein) relating to the credit rating of the Swap Counterparty (each a "**Swap Counterparty Default Payment**"), payable under (v) below;
- (f) *Sixth*, in or towards satisfaction, of fees and expenses due and payable to the Back-Up Servicers under the Back-Up Servicing Agreements;
- (g) *Seventh*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of the amounts of interest due or accrued due but unpaid in respect of the Senior Class A1 Notes and the Senior Class A2 Notes;

- (h) *Eighth*, in or towards making good, pro rata, according to the respective amounts thereof, any shortfall reflected in the Class A1 Principal Deficiency Ledger and the Class A2 Principal Deficiency Ledger (both as defined below) until the debit balance, if any, on the Class A1 Principal Deficiency Ledger and the Class A2 Principal Deficiency Ledger is reduced to zero;
- (i) *Ninth*, in or towards satisfaction of the amounts of interest due or accrued due but unpaid in respect of the Senior Class B Notes;
- (j) *Tenth*, in or towards making good, any shortfall reflected in the Class B Principal Deficiency Ledger (as defined below) until the debit balance, if any, on the Class B Principal Deficiency Ledger is reduced to zero;
- (k) *Eleventh*, in or towards satisfaction of the amounts of interest due or accrued due but unpaid in respect of the Mezzanine Class C Notes;
- (l) *Twelfth*, in or towards making good, any shortfall reflected in the Class C Principal Deficiency Ledger (as defined below) until the debit balance, if any, on the Class C Principal Deficiency Ledger is reduced to zero;
- (m) *Thirteenth*, in or towards satisfaction of the amounts of interest due or accrued due but unpaid in respect of the Mezzanine Class D Notes;
- (n) *Fourteenth*, in or towards making good, any shortfall reflected in the Class D Principal Deficiency Ledger (as defined below) until the debit balance, if any, on the Class D Principal Deficiency Ledger is reduced to zero;
- (o) *Fifteenth*, in or towards satisfaction of the amounts of interest due or accrued due but unpaid in respect of the Junior Class E Notes;
- (p) *Sixteenth*, in or towards making good, any shortfall reflected in the Class E Principal Deficiency Ledger (as defined below) until the debit balance, if any, on the Class E Principal Deficiency Ledger is reduced to zero;
- (q) *Seventeenth*, in or towards satisfaction of any sums required to deposit on the Reserve Account or, as the case may be, to replenish the Reserve Account up to the Reserve Account Target Level;
- (r) *Eigteenth*, in or towards satisfaction of the amounts of interest due or accrued due but unpaid in respect of the Subordinated Class F Notes;

- (s) *Nineteenth*, as from the earlier of (i) the Quarterly Payment Date on which all amounts of interest and principal on the Notes (other than the Subordinated Notes) have been paid and (ii) the First Optional Redemption Date, in or towards satisfaction of principal amounts due on the Subordinated Class F notes;
- (t) *Twentieth*, in or towards satisfaction of the amounts of interest due or accrued due but unpaid in respect of the Subordinated Class G Notes;
- (u) *Twenty first*, as from the earlier of (i) the Quarterly Payment Date on which all amounts of interest and principal on the Notes (other than the Subordinated Notes) have been paid and (ii) the First Optional Redemption Date, in or towards satisfaction of principal amounts due on the Subordinated Class G notes;
- (v) *Twenty second*, in or towards satisfaction of the Swap Counterparty Default Payment to the Swap Counterparty under the terms of the Swap Agreement;
- (w) *Twenty third*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of any Subordinated Liquidity Facility Amount and gross-up amounts or additional amounts, if any, due under the Issuer Administration Agreement and/or the Servicing Agreement;
- (x) *Twenty fourth*, in or towards satisfaction of any sums required to deposit on the Deposit Reserve Account or, as the case may be, to replenish the Deposit Reserve Account up to the Deposit Reserve Account Target Level;
- (y) *Twenty fifth*, on any Quarterly Payment Date following the occurrence of a Subordinated Class G Notes Amortisation Trigger, in or towards satisfaction of principal amounts due on the Subordinated Class G Notes; and
- (z) *Twenty sixth*, in or towards satisfaction of the Deferred Purchase Price to the Sellers pursuant to the Loan Receivables Purchase Agreement.

For these purposes:

a "**Subordinated Class G Notes Amortisation Trigger**" occurs if:

- (i) the Outstanding Principal Amounts of the Portfolio Loans that are four months or more in arrears are higher than 1.60 per cent. of the aggregate Outstanding Principal Amounts of the Portfolio Loans and Dutch Unemployment is lower than 7.0 per cent.; or

- (ii) the Outstanding Principal Amounts of the Portfolio Loans that are four months or more in arrears are higher than 1.95 per cent. of the aggregate Outstanding Principal Amount of the Portfolio Loans and Dutch Unemployment is equal to or greater than 7.0 per cent.

"Dutch Unemployment" means the unweighted average of the six most recent levels of Dutch unemployment figures (*werkeloosheidspercentage*) as reported monthly by Statistics Netherlands (*Centraal Bureau voor de Statistiek*) and as referenced on Bloomberg Service, page "NEUETOTR NE UNEMPLOYMENT <INDEX>".

Priority of Payments in respect of principal (prior to Enforcement Notice)

The **"Notes Principal Available Amount"** will consist of the sum of the following amounts, calculated as at each Notes Calculation Date as being received or held during the Notes Calculation Period immediately preceding such Notes Calculation Date:

- (i) repayment and prepayment in full of principal under the Loan Receivables, from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding prepayment penalties, if any;
- (ii) amounts to be drawn from the Deposit Reserve Account on the immediately succeeding Quarterly Payment Date, to the extent such amounts relate to principal;
- (iii) Net Proceeds in respect of any Loan Receivables, to the extent such proceeds relate to principal;
- (iv) amounts received in connection with a repurchase or sale of Loan Receivables pursuant to the Loan Receivables Purchase Agreement or the Trust Deed, as the case may be, or any other amounts received pursuant to the Loan Receivables Purchase Agreement to the extent such amounts relate to principal;
- (v) amounts to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date in accordance with the Issuer Administration Agreement; and
- (vi) the Reserved Amount and any part of the Notes Principal Available Amount calculated on the immediately preceding Notes Calculation Date which has not been applied towards satisfaction of the items set forth in the Principal Priority of Payments on the immediately preceding Quarterly Payment Date.

The **"Notes Redemption Available Amount"** calculated as at each Notes Calculation Date with

respect to the Notes Calculation Period immediately preceding such Notes Calculation Date will be equal to the Notes Principal Available Amount calculated with respect to such Notes Calculation Period less the sum of:

- (i) the amount of the Notes Principal Available Amount applied during the relevant Notes Calculation Period towards payment of the Initial Purchase Price for any Further Advance Receivables and Substitute Loan Receivables;
- (ii) an amount equal to the positive difference, if any, between (A) the sum of all amounts payable by the Issuer as set forth in the Interest Priority of Payments under items (a) up to and including (o) (other than items (h), (j), (l) and (n) and in respect of item (i) only to the extent there is no debit balance remaining on the Class A1 Principal Deficiency Ledger and the Class A2 Principal Deficiency Ledger and in respect of item (k) only to the extent there is no debit balance remaining on the Class B Principal Deficiency Ledger and in respect of item (m) only to the extent there is no debit balance remaining on the Class C Principal Deficiency Ledger and in respect of item (o) only to the extent there is no debit balance remaining on the Class D Principal Deficiency Ledger, and (B) the relevant Notes Interest Available Amount excluding item (vi) and (xii) thereof, to the extent such amount is available as Notes Principal Available Amount after deducting the amount applied towards payment of the Initial Purchase Price for any Further Advance Receivables and Substitute Loan Receivables (the "**Interest Shortfall Amount**"); and
- (iii) up to and including the Quarterly Payment Date falling in April 2010, the Notes Principal Available Amount excluding items (ii) and (v) standing to the credit of the Transaction Account up to a maximum of two (2) per cent. of the aggregate Principal Amount Outstanding of the Notes on the last day of the Quarterly Interest Period ending on such Quarterly Payment Date, provided that on such Quarterly Payment Date all Substitution Criteria (other than (a), (d), (f) and (k)) are met, which amount shall be credited to the Reserved Amount Ledger to be applied towards payment of the Initial Purchase Price of Substitute Loan Receivables during the immediately succeeding Notes Calculation Period (the "**Reserved Amount**").

Prior to the delivery of an Enforcement Notice by the Security Trustee, the Notes Redemption Available Amount, calculated as at a Notes Calculation Date, will, pursuant to the terms of the Trust Deed, be applied by the Issuer on the next succeeding Quarterly Payment Date as follows (and in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the "**Principal Priority of Payments**"):

- (a) *First*, in or towards satisfaction of principal amounts due on the Senior Class A1 Notes, until fully redeemed in accordance with the Conditions;

- (b) *Second*, in or towards satisfaction of principal amounts due on the Senior Class A2 Notes, until fully redeemed in accordance with the Conditions
- (c) *Third*, in or towards satisfaction of principal amounts due on the Senior Class B Notes, until fully redeemed in accordance with the Conditions;
- (d) *Fourth*, in or towards satisfaction of principal amounts due on the Mezzanine Class C Notes, until fully redeemed in accordance with the Conditions;
- (e) *Fifth*, in or towards satisfaction of principal amounts due on the Mezzanine Class D Notes, until fully redeemed in accordance with the Conditions; and
- (f) *Sixth*, in or towards satisfaction of principal amounts due on the Junior Class E Notes, until fully redeemed in accordance with the Conditions.

Priority of Payments upon Enforcement

Following delivery of an Enforcement Notice any amounts to be distributed by the Security Trustee under the Trust Deed will be paid to the Security Beneficiaries in the following order of priority (and in each case only if and to the extent payments of a higher priority have been made in full) (the "**Post-Enforcement Priority of Payments**"):

- (a) *First*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) the fees or other remuneration due and payable to the Directors in connection with the Management Agreements, (ii) the fees or other remuneration and indemnity payments (if any) due and payable to the Security Trustee and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with the relevant Transaction Documents (including the fees and expenses due and payable to any legal advisors, accountants and auditors appointed by the Security Trustee), (iii) the amount to be reserved by the Issuer as Issuer Income Entitlement, (iv) the amounts due and payable to the Rating Agencies and (v) the fees and expenses due and payable to the Paying Agent and the Reference Agent under the Paying Agency Agreement;
- (b) *Second*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) the fees and expenses due and payable to the Issuer Administrator under the Issuer Administration Agreement, (ii) the fees and expenses due and payable to the Servicer under the Servicing Agreement and (iii) the fees and expenses due and payable to the Back-Up Servicers under the Back-Up Servicing Agreements;

- (c) *Third*, in or towards satisfaction of any amounts (other than the Subordinated Liquidity Facility Amount, if any) due and payable to the Liquidity Facility Provider under the Liquidity Facility Agreement;
- (d) *Fourth*, in or towards satisfaction pro rata, according to the respective amounts thereof, of (i) all amounts of interest due or accrued but unpaid in respect of the Senior Class A1 Notes and the Senior Class A2 Notes and (ii) amounts, if any, due and payable to the Swap Counterparty under the Swap Agreement including a Settlement Amount (as defined therein), but excluding any Swap Counterparty Default Payment payable under (r) below;
- (e) *Fifth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of all amounts of principal and other amounts due but unpaid in respect of the Senior Class A1 Notes and the Senior Class A2 Notes;
- (f) *Sixth*, in or towards satisfaction of all amounts of interest due or accrued but unpaid in respect of the Senior Class B Notes;
- (g) *Seventh*, in or towards satisfaction of all amounts of principal and other amounts due but unpaid in respect of the Senior Class B Notes;
- (h) *Eighth*, in or towards satisfaction of all amounts of interest due or accrued but unpaid in respect of the Mezzanine Class C Notes;
- (i) *Ninth*, in or towards satisfaction of all amounts of principal and other amounts due but unpaid in respect of the Mezzanine Class C Notes;
- (j) *Tenth*, in or towards satisfaction of all amounts of interest due or accrued but unpaid in respect of the Mezzanine Class D Notes;
- (k) *Eleventh*, in or towards satisfaction of all amounts of principal and other amounts due but unpaid in respect of the Mezzanine Class D Notes;
- (l) *Twelfth*, in or towards satisfaction of all amounts of interest due or accrued but unpaid in respect of the Junior Class E Notes;
- (m) *Thirteenth*, in or towards satisfaction of all amounts of principal and other amounts due but unpaid in respect of the Junior Class E Notes;
- (n) *Fourteenth*, in or towards satisfaction of all amounts of interest due or accrued but unpaid in

respect of the Subordinated Class F Notes;

- (o) *Fifteenth*, in or towards satisfaction of all amounts of principal and other amounts due but unpaid in respect of the Subordinated Class F Notes;
- (p) *Sixteenth*, in or towards satisfaction of all amounts of interest due or accrued but unpaid in respect of the Subordinated Class G Notes;
- (q) *Seventeenth*, in or towards satisfaction of all amounts of principal and other amounts due but unpaid in respect of the Subordinated Class G Notes;
- (r) *Eighteenth*, in or towards satisfaction of the Swap Counterparty Default Payment to the Swap Counterparty under the terms of the Swap Agreement;
- (s) *Nineteenth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of any Subordinated Liquidity Facility Amount and gross-up amounts or additional amounts, if any, due under the Issuer Administration Agreement and/or the Servicing Agreement;
- (t) *Twentieth*, all amounts of interest due or accrued but unpaid in respect of the Subordinated Credit Facility;
- (u) *Twenty first*, in or towards satisfaction of all amounts of principal and other amounts due but unpaid in respect of the Subordinated Credit Facility; and
- (v) *Twenty second*, in or towards satisfaction of the Deferred Purchase Price to the Seller pursuant to the Loan Receivables Purchase Agreement.

Liquidity Facility

On the Signing Date, the Issuer will enter into the Liquidity Facility Agreement with the Liquidity Facility Provider. On any Quarterly Payment Date (other than an Optional Redemption Date if and to the extent that on such date the Notes (other than the Subordinated Notes) are redeemed in full) the Issuer will be entitled to make drawings under the Liquidity Facility (as defined in the Master Definitions Agreement) up to the Liquidity Facility Maximum Amount (as defined below). The Liquidity Facility Agreement is for a term of 364 days. Payments to the Liquidity Facility Provider (other than the Subordinated Liquidity Facility Amount) will rank in priority higher than payments under the Notes. The commitment of the Liquidity Facility Provider is extendable at its discretion.

Any drawing under the Liquidity Facility by the Issuer shall only be made on a Quarterly Payment Date if and to the extent that, after the application of (i) any Notes Interest Available Amount (excluding

items (vi) and (vii) thereof) and (ii) the amounts available in the Reserve Account and before any drawing under the Liquidity Facility (each a "**Liquidity Facility Drawing**"), there is a shortfall in the Notes Interest Available Amount to meet items (a) up to and including (o) of the Interest Priority of Payments in full on that Quarterly Payment Date, provided that no drawings may be made to meet items (h), (j), (l) and (n) of the Interest Priority of Payments, and provided further that no drawing may be made to meet item (i) to the extent that, after application of the Notes Interest Available Amount, a debit balance would remain on the Class B Principal Deficiency Ledger which is equal to or higher than 50 per cent. of the Class B Principal Deficiency Limit and no drawing may be made to meet item (k) to the extent that, after application of the Notes Interest Available Amount, a debit balance would remain on the Class C Principal Deficiency Ledger which is equal to or higher than 50 per cent. of the Class C Principal Deficiency Limit and no drawing may be made to meet item (m) to the extent that, after application of the Notes Interest Available Amount, a debit balance would remain on the Class D Principal Deficiency Ledger which is equal to or higher than 50 per cent. of the Class D Principal Deficiency Limit and no drawing may be made to meet item (o) to the extent that, after application of the Notes Interest Available Amount, a debit balance would remain on the Class E Principal Deficiency Ledger which is equal to or higher than 50 per cent. of the Class E Principal Deficiency Limit.

For these purposes "**Liquidity Facility Maximum Amount**" means, on each Notes Calculation Date, an amount equal to (a) € 20,700,000 on the Closing Date and (b) thereafter, the higher of (i) an amount equal to 3.0 per cent. of the aggregate Principal Amount Outstanding of the Notes (other than the Subordinated Notes) on such Notes Calculation Date and (ii) 1.50 per cent. of the Principal Amount Outstanding of the Notes on the Closing Date.

If, at any time, the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider are (i) assigned a credit rating of less than Prime-1 by Moody's and/or A-1+ by S&P and/or such rating is withdrawn and (ii) within thirty (30) days of such downgrading or withdrawal, at the cost of the Liquidity Facility Provider, the Liquidity Facility Provider is not replaced by the Issuer with a suitable alternative liquidity facility provider, or a third party having the required ratings has not guaranteed the obligations of the Liquidity Facility Provider pursuant to a guarantee which is in form and substance acceptable to the Rating Agencies, or another solution acceptable to the Rating Agencies is not found, the Issuer will, unless the Rating Agencies have confirmed that the rating of the Notes will not be adversely affected, be required forthwith to draw down the entire undrawn portion of the Liquidity Facility (a "**Liquidity Facility Stand-by Drawing**") and deposit such amount into the Transaction Account with a corresponding credit to a ledger to be known as the "**Liquidity Facility Stand-by Ledger**". Amounts so deposited into the Transaction Account may be utilised by the Issuer in the same manner as a drawing under the Liquidity Facility. A Liquidity Facility Stand-by Drawing shall also be made if the Liquidity Facility is not renewed prior to the commitment termination date.

Allocation of Losses and Principal Deficiency Ledger

A ledger known as the "**Principal Deficiency Ledger**" comprising six sub-ledgers known as the "**Class A1 Principal Deficiency Ledger**", the "**Class A2 Principal Deficiency Ledger**", the "**Class B Principal Deficiency Ledger**", the "**Class C Principal Deficiency Ledger**", the "**Class D Principal Deficiency Ledger**" and the "**Class E Principal Deficiency Ledger**", respectively, will be established by or on behalf of the Issuer in order to record any Anticipated Losses (as defined below) on the Loan Receivables, including Anticipated Losses on the sale of Loan Receivables and any Interest Shortfall Amounts (each respectively the "**Class A1 Principal Deficiency**", the "**Class A2 Principal Deficiency**" the "**Class B Principal Deficiency**", the "**Class C Principal Deficiency**", the "**Class D Principal Deficiency**", and the "**Class E Principal Deficiency**" and together the "**Principal Deficiency**"). Any Anticipated Losses and any Interest Shortfall Amounts will, on the relevant Notes Calculation Date be debited to the Class E Principal Deficiency Ledger (such debit items being re-credited at item (o) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is not greater than the Principal Amount Outstanding of the Junior Class E Notes, and thereafter to the Class D Principal Deficiency Ledger (such debit items being re-credited at item (n) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is not greater than the Principal Amount Outstanding of the Mezzanine Class D Notes, and thereafter to the Class C Principal Deficiency Ledger (such debit items being re-credited at item (l) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is not greater than the Principal Amount Outstanding of the Mezzanine Class C Notes, and thereafter to the Class B Principal Deficiency Ledger (such debit items being re-credited at item (j) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is not greater than the Principal Amount Outstanding of the Senior Class B Notes, and thereafter pro rata, according to the respective amounts thereof, such amounts shall be debited to the Class A1 Principal Deficiency Ledger and the Class A2 Principal Deficiency Ledger (such debit item being re-credited at item (h) of the Interest Priority of Payments).

"Anticipated Losses" means, on any Notes Calculation Date, in respect of a Portfolio Loan and the Loan Receivable resulting from such Portfolio Loan, (i) 100 per cent. of the Outstanding Principal Amount of such Loan Receivable in the event that (a) foreclosure proceedings in respect of the Loan Receivable have commenced, (b) the relevant Borrower has been declared bankrupt or has been granted (provisional) suspension of payments or has entered into debt restructuring measures for private individuals (*schuldsaneringsregeling natuurlijke personen*), or (c) an amount equal to the monthly instalment multiplied by twelve (12) is due but unpaid, and (ii) 50 per cent. of the Outstanding Principal Amount of such Loan Receivable in the event that the events under (i) have not occurred, but an amount equal to or higher than the monthly instalment multiplied by four (4) is due but unpaid; and (iii) with respect to Loan Receivables sold by the Issuer, the amount of the difference, if any, between (a) the purchase price received by the Issuer in respect of such Loan Receivables and (b) the Outstanding Principal Amount of such Loan Receivables.

"Post-Anticipated Loss Proceeds" means, on any Notes Calculation Date, in respect of a Portfolio

Loan and the Loan Receivable resulting from such Portfolio Loan, (a) any amounts received, recovered or collected from a Borrower in respect of such Loan Receivable including the proceeds of a foreclosure on the mortgage right, if any, (b) the proceeds of foreclosure on any other collateral securing the Loan Receivable, (c) the proceeds, if any, of collection of any insurance policies in connection with the Loan Receivable, including but not limited to any fire insurance policy and the Insurance Policies, (d) the proceeds of any guarantees or sureties, and (e) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs, to the extent such amounts and/or proceeds exceed the Outstanding Principal Amount of such Loan Receivable.

Interest Rate Hedging

The Loan Criteria (as defined under *Loan Receivables Purchase Agreement* below) require that all Portfolio Loans bear a floating rate of interest or fixed rate of interest, subject to a reset from time to time. The interest rate payable by the Issuer with respect to the Notes is calculated as a margin over Euribor, which margin (other than for the Subordinated Notes) will increase after the First Optional Redemption Date. The Issuer will hedge this interest rate exposure by entering into the Swap Agreement with the Swap Counterparty and the Security Trustee. Under the Swap Agreement, the Issuer will agree to pay amounts equal to the interest scheduled to be received on the Loan Receivables (excluding, for the avoidance of doubt, Loan Receivables which have been paid or written-off) during the relevant Notes Calculation Period, less (b) 2.50 per cent. per annum multiplied by the aggregate Principal Outstanding Amount of the Notes (other than the Subordinated Notes) on the first day of the relevant Quarterly Interest Period ending on such Quarterly Payment Date (the "**Notional Amount**") (the "**Excess Spread Margin**"). In return, the Swap Counterparty will agree to pay amounts equal to Euribor for the relevant Quarterly Interest Period applied to the aggregate Principal Amount Outstanding of the Notes (other than the Subordinated Notes) on the first day of the relevant Quarterly Interest Period. The Notional Amount under the Swap Agreement, however, will be reduced to the extent there is a debit balance on any of the sub-ledgers of the Principal Deficiency Ledger.

The Swap Agreement provides that, in the event that any payment by the Issuer to the Swap Counterparty is less than the amount which the Issuer would be required to pay to the Swap Counterparty, the corresponding payment obligation of the Swap Counterparty to the Issuer shall be reduced by an amount equal to such shortfall.

Pursuant to the Swap Agreement, if, at any time, (i) the long-term, unsecured and unsubordinated debt obligations of the Swap Counterparty (or its successor) cease to be rated at least as high as A2 (or its equivalent) by Moody's or (ii) the short-term, unsecured and unsubordinated debt obligations of the Swap Counterparty (or its successor) cease to be rated at least as high as Prime-1 (or its equivalent) by Moody's (such ratings together the "**Moody's Required Ratings I**"), then the Swap Counterparty will, within thirty (30) days of the occurrence of such downgrade, on a reasonable efforts basis and at its own cost attempt to:

- (a) transfer all of its rights and obligations with respect to the Swap Agreement to either (x) a replacement third party with a rating of at least as high as the Moody's Required Ratings I domiciled in the same legal jurisdiction as the Swap Counterparty or the Issuer or (y) a replacement third party agreed by Moody's; or
- (b) procure another person to become a guarantor in respect of the obligations of the Swap Counterparty under the Swap Agreement. Such guarantor may be either (x) a person with a rating of at least as high as the Moody's Required Ratings I domiciled in the same legal jurisdiction as the Swap Counterparty or the Issuer, or (y) a person agreed by Moody's; or
- (c) provide collateral pursuant to the credit support annex entered into between the Swap Counterparty, the Issuer and the Security Trustee in relation to the Swap Agreement (the "**Credit support Annex**").

If any of (a) or (b) above are satisfied at any time, all collateral (or the equivalent thereof, as appropriate) transferred by the Swap Counterparty pursuant to (c) above will be retransferred (outside of the Interest Priority of Payments) to the Swap Counterparty and the Swap Counterparty will not be required to transfer any additional collateral.

Pursuant to the Swap Agreement, if, at any time, (i) the long-term, unsecured and unsubordinated debt obligations of the Swap Counterparty (or its successor) cease to be rated at least as high as A3 (or its equivalent) by Moody's or (ii) the short-term, unsecured and unsubordinated debt obligations of the Swap Counterparty (or its successor) cease to be rated at least as high as Prime-2 (or its equivalent) by Moody's (such ratings together the "**Moody's Required Ratings II**") then the Swap Counterparty will, within thirty (30) days of the occurrence of such downgrade, on a reasonable efforts basis and at its own cost attempt to take the action described under (a), (b), and (c) above, save that:

- (i) in the event that the Swap Counterparty is unable to comply with (a) or (b) above within such thirty (30) day period it will continue, on a best efforts basis, to comply with the same; and
- (ii) the action described under (c) above must be taken within thirty (30) days of the occurrence of such downgrade.

If the Swap Counterparty ceases to be rated at least as high as the Moody's Required Ratings II the criteria for the Collateral Amount will be stricter than if it ceases to be rated at least as high as the Moody's Required Ratings I.

The Swap Counterparty can transfer its obligations under the Swap Agreement to an Affiliate (as

defined in the Swap Agreement) of equivalent rating whether as a result of a tax event or otherwise, subject to, amongst other things, the confirmation that this will not adversely affect the then current ratings of the Notes. The costs (including the costs of the Issuer) of any such transfer are for the account of the Swap Counterparty.

Pursuant to the Swap Agreement, if, at any time, and only for so long as, (i) the short-term unsecured, and unsubordinated debt obligations of the Swap Counterparty are assigned a rating of less than A-1 by S&P (the "**S&P Required Rating**") or (ii) any such rating is withdrawn by S&P, then the Swap Counterparty shall at its own cost, with thirty (30) days of such reduction or withdrawal, either:

- (a) enter into an agreement with a third party with a rating at least as high as the S&P Required Rating, which party will guarantee (or agree to become co-obligor in respect of) the obligations of the Swap Counterparty under the Swap Agreement and the outstanding Transactions, provided the guarantee is in acceptable form and substance to the Rating Agencies; or
- (b) transfer and assign the rights and obligations of the Swap Counterparty under the Swap Agreement and the outstanding Transactions to a third party with a rating at least as high as the S&P Required Rating; or
- (c) find any other solution acceptable to S&P to maintain the then current rating of the Notes.

The Swap Counterparty shall use reasonable efforts to satisfy (a), (b) or (c) above and shall continue to perform its obligations under the Swap Agreement until such solution is in place. The cost to find a substitute swap counterparty or guarantor will be borne by the Swap Counterparty. If after thirty (30) days following the relevant downgrade or withdrawal of any such rating, the Swap Counterparty still does not comply with (a), (b) or (c), and until such solution is in place, the Swap Counterparty shall, at its own cost, provide cash collateral in accordance with the published S&P criteria.

Any capitalised term used in this section *Interest Rate Hedging* but not defined herein shall have the meaning given to it in the Swap Agreement.

OVERVIEW OF THE DUTCH MORTGAGE AND CONSUMER LOAN MARKET

*The information contained in the sections below entitled *The Dutch Consumer Credit Market* and *The Dutch Residential Mortgage Market*, has been derived from publicly available information on the respective markets.*

Introduction

The Provisional Pool is a mixed pool of Secured Consumer Loans having the benefit of a second-ranking mortgage right and unsecured Consumer Loans which do not have the benefit of such mortgage right. The proportion of Secured Consumer Loans is 31.36 per cent. on the Cut-Off Date.

In this section we provide an overview of the consumer credit market and the mortgage market. Both are relevant to the dynamics of the Portfolio Loans underlying the Transaction. For the avoidance of doubt, the portfolio of loans does not contain any first lien mortgage loans, but only Secured Consumer Loans.

The Dutch Consumer Credit Market

Following growth in the Dutch consumer credit market of 9.4% per annum from 1997 to 2000, the market expanded at a slower rate of 4.1% per annum from 2001 to 2004¹. Savings patterns of Dutch households have seen the exact inverse trend, with growth of 4.6% in the first period and 10.4% in the most recent period.

Similar to the Dutch mortgage market, growth in the Dutch consumer credit market is underpinned by low interest rates and product innovation. Flexible consumer credits, allowing the borrower to redraw and prepay, and credit cards with revolving credit facilities are driving the growth of this market. The remainder of products ranges from overdrafts to traditional secured or unsecured consumer loans. Amortising consumer loans continue to lose market share in favour of revolving credits and credit card debt.

The borrowing capacity of households

Dutch commercial banks determine the maximum borrowing capacity of a household by analysing the percentage of the monthly disposable household income (after certain costs of living) that has to be paid towards principal and interest. For consumer loans this percentage is equal to 2% of the loan amount or the maximum loan limit for revolving credits.

¹ Source: CBS

Gross lending volumes grow steadily

The Dutch consumer credit market has grown steadily over the past two decades, albeit a slower rate over the most recent years. From January 2006 to October 2006, approximately € 8.1 billion of consumer credit was originated.

Supply of Consumer Debt in the Netherlands, per Loan Type

Mln euro	2000	2001	2002	2003	2004	2005 Oct	2006 Oct
Supply of consumer credit							
Amortising loans	1,406	1,252	1,034	1,155	968	853	892
Revolving credits	6,528	6,295	6,593	6,579	6,325	4,994	4,466
Savings loan	646	364	205	317	217	48	30
Creditcard credit	2,056	2,324	2,486	2,619	2,894	2,632	2,724
Total	10,635	10,235	10,319	10,670	10,403	8,525	8,108

Source: CBS, Netherlands

Revolving loans are the most popular credit product

Total outstanding consumer credit in 2006 (to October) fell by half a billion Euro to € 17.0 billion. On top of that, Dutch households had a further € 7.4 billion of overdrafts outstanding at the end of the first half of 2006.

Over the last decade, growth in the Dutch consumer credit market was driven by revolving loans (*doorlopend krediet*), which account for 55% of new loans issued in 2006 (up to October). Revolving loans are appealing to borrowers because of their repayment and redraw flexibility. On average in the Netherlands, such loans have an effective maturity of approximately 23 months, compared with 34 months for savings loans, 23 months for amortising loans and four months for credit cards. Dutch consumers are increasingly using the credit facilities attached to credit cards, rather than paying the balance off at the end of each month, driving credit cards' share of consumer credit supply up.

Outstanding Consumer Debt in the Netherlands, per Loan Type

Euro mln	Amortising loans	Revolving credits	Savings loans	Credit cards	Overdraft
1992	3,796	5,298	-	-	1,151
1993	3,392	5,920	-	-	1,356
1994	3,517	6,187	-	-	2,071
1995	3,337	6,792	-	-	2,408
1996	3,266	7,372	-	-	2,845
1997	3,226	8,301	-	-	3,490
1998	3,148	8,271	1,050	194	4,239
1999	3,120	9,101	1,405	304	4,739

2000	3,064	10,063	1,631	486	5,482
2001	2,883	10,842	1,526	688	5,337
2002	2,530	11,661	1,426	820	6,132
2003	2,427	12,189	1,447	991	6,440
2004	2,384	13,134	1,243	1,114	6,898
2005 Aug	2,276	13,027	1,103	1,124	7,207
2006 Aug	2,165	12,685	923	1,283	7,640

Source: CBS, Netherlands

The market is dominated by banks and finance companies

Distribution of consumer credit lending by type of lender remained little changed from 2005 to 2006. Banks and credit card companies, accounted for 66% of the consumer credit supply in 2006 (up to October) in line with the same period in 2005. Consumer credit supply by finance companies accounted for 29%. The remainder of consumer credit lending is provided by regional savings banks (*gemeentelijke spaarbanken*) and mail order companies.

Banks and finance companies that provide consumers loans are subject to the supervision of the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*, "AFM") and /or the Dutch Central Bank (*De Nederlandsche Bank*), as the case may be, under the Act on the Financial Supervision.

The Dutch Residential Mortgage Market

Owner-Occupancy Rates

The Dutch housing market exhibited a relatively low owner-occupancy rate of 54 per cent. in 2005², whereas the average owner-occupancy rate in the EU as a whole was 61 per cent.. However, the owner-occupancy rate in the Netherlands has been gradually increasing: in 1982, 42 per cent. of the total housing stock was owner-occupied.

House prices have been increasing in recent years

General price increases on the Dutch housing market occurred in the 1995-2000 period, due to the combined effects of favourable economic conditions and institutional changes. Income growth, declining mortgage interest rates and a reduction of unemployment increased demand for owner-occupied housing. Furthermore, a decrease in the number of newly built homes and an increase in the number of households provided structural support for these price rises. Another cause of the price increases in the late 1990's is a change in how some mortgage lenders calculate the borrowing capacity of households. In general, lenders formerly calculated the borrowing capacity of households based on the primary household salary only. Since the mid-1990's, some lenders also evaluated a

² Source: RICS

second household salary. For double-income households this resulted in a surge of their borrowing capacity, which could be used to bid up prices of the relatively scarce owner-occupied property. In addition the number of double-income households has been increasing over the past decade. It is not certain whether, and how many, lenders will continue to underwrite mortgage loans in this way, and according to this, increased capacity may not be generally sustained.

The Dutch market is characterised by relatively high Loan-to-Value ratios (LTV)

Compared to other European countries the Dutch market shows a relatively high degree of mortgage indebtedness. This can to a large extent be explained by the Dutch tax system which gives an incentive to homeowners to maximise their mortgage loan. The maximum Loan-To-Foreclosure-Value available to borrowers in the Netherlands for existing property is generally 130 per cent. For new construction, financial institutions are prepared to finance up to 110 per cent. of total costs of the house. Foreclosure value is typically around 85 per cent. of the market value. In the third quarter of 2006 the average house price in the Netherlands was € 241,000³.

There is a strong disincentive for prepayment on mortgages

Lending terms in the Netherlands generally allow a borrower to prepay up to 15 per cent. a year of the original amount that has been borrowed without being penalised. Full prepayment without penalty is only possible in cases where the borrower has died or when the borrower moves house. However, mortgagors are also allowed to prepay fixed rate loans on an interest-reset date without a penalty.

Defaults and losses have always been low

Since the National Credit Register (*Bureau voor Kredietregistratie, BKR*) registers all loans (except mortgage loans that are not more than 3 months in arrears) as well as their status, financial institutions use the historical information of the BKR to determine borrowers' indebtedness and potential borrowers' creditworthiness. A payment irregularity (i.e. default, arrears) will inevitably lead to limited access to loans for the borrower for a number of years as records of irregularities are typically held on file for 5 years.

Furthermore, under Dutch law the lender is able to seize a portion of the borrower's earnings directly from his employer in case the borrower is in arrears.

Available data on first lien mortgage loans indicates that losses peaked in the early 1980's to about 30 basis points of the outstanding amount, due to a combined effect of declining house prices, an increase in unemployment levels and an increase in mortgage rates up to approximately 13%. In the event of foreclosure in that period, recoveries were generally less than fair market value. Since then, losses declined substantially, reaching levels of below 1 basis point of the outstanding principal in the 1990's.

³ Source: NVM

Government policy and restrictions

Interest payments for the loans used for the prime residence are tax deductible

The Dutch tax system allows full deduction of all interest payments on loans that are used for the acquisition or the improvement of the borrower's primary residence from taxable income. The interest deduction is limited to thirty years of interest payments. The Dutch government also levies a property tax, the so-called *Eigenwoningforfait*, on home owners.

The fiscal advantage of the interest deduction is maximised in the Netherlands through the availability of interest-only mortgages whereby full redemption takes place upon maturity but not during the term of the loan. In addition, a proportion of loans has the benefit of a life insurance policy or a savings insurance policy, with the most common term of insurance being 30 years. The government encourages this method of redemption by exempting from tax the capital sum received under the policy, up to a certain amount (in 2006: Euro 140.000 for an individual and Euro 281.000 for couples).

Mortgage interest payments on loans for residences that are not the primary residence of the borrower, are not tax deductible. Instead, both the fair market value of the property and the corresponding loan are taken into account for the calculation of the borrower's "tax basis" when determining borrower's income on savings and investments. On an annual basis the borrower will be taxed at a rate of 30 per cent. on deemed income, which consists of 4 per cent. of the average tax basis of the borrower, insofar as the average tax basis exceeds a certain threshold.

Dutch Credit Bureau: Stichting Bureau Krediet Registratie (BKR)

The Act on the Consumer Credit and the Act on the Financial Supervision

Consumer lending in the Netherlands is regulated by the Act on the Consumer Credit and the Act on the Financial Supervision. Providers of consumer credit must have a license under the Act on the financial Supervision, granted by the AFM.

Under the Act on the Financial Supervision consumer lenders are obliged to participate in a Central Credit Information System (*Flexibel Krediet Informatiesysteem, "FKI"*). They must report all positive (e.g. new credits) and negative (e.g. arrears, defaults) events on consumer credits and are also obliged to verify the FKI before granting a new loan.

The BKR – How it operates

The Stichting Bureau Krediet Registratie was founded in 1965 in order to reduce the risks associated with the business of consumer lending and to prevent consumer overindebtedness. All entries in the

FKI remain on record for five years after termination of the loan contract. In 2005, the BKR had nearly 10 million consumers and over 20 million credits registered on its FKI.

Mortgage loans, are only registered in the FKI if they are in arrears for 3 months. However, new mortgage loans are registered with the *Kadaster*, which is the national land registry, containing information on all Dutch mortgage loans, mortgaged assets, properties and their ownership.

The FKI contains very detailed information on all consumer credits to natural persons (*natuurlijke personen*) with a maturity of at least 3 months and an amount between Euro 250 and Euro 125,000:

- Loan amount or maximum loan amount;
- Date of origination;
- Agreed maturity month;
- Actual month when the credit ended;
- Type of credit;
- Negative credit events during the life of the credit, if any;
- Description and timing of credit events;
- Description and timing of the cure of credit events.

The FKI also contains detailed information on the borrower:

- Last name;
- Initial(s);
- Date of birth;
- Address;
- Postcode and city of residence.

When a borrower is in arrears, the lender must first warn him before entering the delinquent credit in the FKI. Registration of delinquencies must take place when the loan is between 3 and 5 months in arrears. A delinquent loan is tagged with the code "A" (*Achterstandsmelding*). The code "H" (*Herstel*) indicates that the loan was previously in arrears but has now been cured. Further codes, which are entered into the FKI without prior warning point to debt rescheduling, write-offs, the loan becoming due and payable or the borrower not being contactable.

DSB BANK

DSB Bank N.V. ("**DSB**") is a major niche player in the Dutch consumer credit markets for flexible and attractive borrowing, saving and insurance products. DSB's operations have their roots in the Buro Frisia company, which was founded in 1975 by Mr D. Scheringa, the current chairman of the board of directors. The current activities of DSB involve originating consumer credit, mortgages and brokering of related insurance products. Also, DSB offers straight forward savings products for retail clients and is constantly searching for developing simple products. In the first quarter of 2007, DSB will introduce E-banking, a current account for retail clients. DSB has developed well-known national and regional branches with strong brand names, including Frisia Financieringen, Postkrediet, Becam and Lenen.nl. The branch network currently comprises 21 branches in the Netherlands and provides very effective national coverage. Since 2001 DSB has a small broker operation (7 offices) in Belgium and in 2003 DSB incorporated a small office in Dusseldorf, Germany.

Over the course of 2004 and 2005, the Dutch Central Bank has assessed the organisation and systems of DSB and the outcome of their analysis was positive. As a consequence DSB received a banking license for the entire DSB organisation at 23 December 2005. The result from the banking license and approval of the Dutch Central Bank was that most of the DSB Bank and DSB Groep companies and organisations legally merged into one company and organisation with a banking license. With one central organisation DSB expects to be more efficient and effective in the production, handling, registration and monitoring of loans and other activities. After the merger, the company will be reorganised in such a way that the actual effectiveness of the checks and balances between the sales and the acceptance are maintained. DSB believes that it will benefit from using the DSB Bank label more actively in its marketing efforts.

In 2005, DSB generated revenues of € 216,2 million and reported a profit after tax of € 45,3 million. Up until November 2006, DSB reported a net operational profit of € 30,5 million, compared with an operational profit of € 43,4 million in the same period in the previous year.

DSB has a strong market position and is one of the larger service providers in the field of consumer loans (including 2nd lien mortgages) in the Netherlands with a market share of approximately 15%. DSB is also active, albeit on a modest scale, in Belgium and Germany.

Board of Directors and Management

Board of Directors DSB Bank N.V.

Mr D. Scheringa	CEO
Mr J.J. van Dijk	CFO
Mr H.P.A.J. van Goor	COO
Mrs. R. De Jong	CIO

Loan Origination History

DSB began brokering consumer loans for third-party lending institutions in 1981 through its independent intermediary network. Capitalising on the knowledge developed during this phase, in 1991 DSB began offering consumer loans financed by DSB itself. In the mid nineties, DSB started brokering first and second lien mortgages, from 1999 onwards for its own account.

Financial Overview

The table below provides an overview of certain historic financial figures for DSB Groep N.V. from 2002 up until 2004 and for DSB Bank N.V. (previously DSB Groep N.V.) for 2005 up until November 2006:

(E mm)	December 2002	December 2003	December 2004	December 2005	November 2006(1)
Net operational profit	62.4	62,6	33,2	45,3	30,5
Risk weighted assets	1.440.615	1.019.867	934.080	1.261.006	1.427.847
Total Assets	1.702.629	4.303.793	5.012.624	5.098.539	5.624.692
Core Capital (tier 1 plus tier 2)	163,6	198,9	168,7	192,8	213,1
Solvency (BIS) ratio	9,0%	13,0%	12,0%	13,5%	12,5%

(1) unaudited

Strategy

The strategy of DSB remains focused on further growth in the Netherlands, Germany and Belgium as an independent niche player in the field of consumer credit and mortgage lending, while retaining a high level of flexibility within the organisation. With respect to insurance products this strategy is aimed at the intermediation of life insurance, income protection insurance (in particular, disability and unemployment) and investment insurance for external insurers (including DSB Leven N.V., DSB Schade N.V., and only in the event of increases of existing policies HW Leven N.V.).

With regards to financing, DSB intends to increase its reliance on longer-term funding and reduce the share of savings deposits as a percentage of total funding.

The sole shareholder of DSB Bank N.V., Dirk Scheringa, as part of his ongoing strategic review of his shareholding in DSB Bank N.V. and the business conducted by DSB Bank N.V., is continuously exploring a number of options, including but not limited to a sale to, joint venture or merger with or participation by a third party. However, it is uncertain whether any of these options will actually take place.

DESCRIPTION OF THE LOANS

The Provisional Pool consists of consumer loans (*consumptief krediet*) and Secured Consumer Loans (*tweede hypotheek*), governed by Dutch law. The main distinction between the two loan products is that Secured Consumer Loans are offered only to homeowners and benefit from an extra security in the form of a second lien mortgage right on the borrower's residence. The fact that the borrower's residence is at risk in case of failure to pay on the loan increases the willingness to pay.

The Secured Consumer Loans are loans secured by a second-ranking mortgage right, evidenced by notarial mortgage deeds (*notariële akten van hypotheekstelling*) entered into by the Sellers and the relevant Borrowers.

Consumer and Secured Consumer Loans can be divided in four categories according to their scheduled amortisation profile:

1. Annuity Loans with a fixed amortisation schedule (*Persoonlijke Lening*, "PL", "**Annuity Loans**");
2. Flexible Loans (*(Hypotheclair) Opnamekrediet*, "(H)OK" and *(Hypotheclair) Doorlopend krediet*, "(H)DK", "**Flexible Loans**");
3. Interest-Only Loans (*(Hypotheclair) Rentekrediet*, "(H)RK");
4. Insurance Loans (*(Hypotheclair) Premiekrediet*, "(H)PK") combining an interest only loan with an insurance/investment policy to help repay the loan.

Except for the Annuity Loans, all Loans have the following characteristics:

- Loan Limit: Following DSB's credit assessment and affordability tests, a borrower is allocated a loan limit, which is the maximum loan amount that can be drawn during the life of the loan;
- Loan Balance: The actual amount of the loan outstanding at a specific time during the Life of the loan. The loan balance is always lower or equal to the loan limit;
- Monthly Instalments: Monthly instalments can cover interest only, interest and principal or interest, depending on the type of revolving loan;
- Redraws / Further Advances: When the loan balance is lower than the loan limit, the borrower can make further draws on the loan provided that:
 - (a) The loan is not in arrears;
 - (b) The outstanding loan balance remains lower than the loan limit; and
 - (c) The borrower is less than 65 years old.
- Prepayments: Prepayments are allowed without penalties on the floating rate consumer loans. Some loans initially carry a fixed rate during several years, before switching to floating rate. If the borrower prepays during the fixed rate period, a penalty of 3% - 5% of the outstanding amount is payable. Also for the floating rate second lien mortgages loans produced as from of June 2005 onwards, a fixed penalty of 5% of the outstanding amount is payable;

- Theoretical Maturity: Each loan has a theoretical maturity, generally between 5 and 30 years, based on its specific amortisation schedule and assuming no redraws or early repayments;
- Actual Maturity: Prepayments can result in a loan's actual maturity being shorter than its theoretical maturity, while redraws can extend the maturity of loans beyond their theoretical maturity;
- Maximum Maturity: The option for the borrower to redraw or obtain further advances, renders it possible that the loan maturity extends beyond the loan's original Theoretical Maturity. DSB's loan contracts stipulate that, when the borrower reaches the age of 65, the loan must start amortising to be fully repaid before the borrower reaches the age of 72 (in case the borrower does not own residential property) or 75 (in case the borrower does own residential property) and redraws or further advances are no longer allowed.

Insurance Loan ((*Hypothecair*) *Premiekrediet*, "(H)PK")

Insurance Loans consist of an interest only consumer loan entered into by any of the Sellers and the Borrower, and which has the benefit of an insurance policy taken out by the Borrower with an Insurance Company. In most cases Secured Consumer Loans are also tied to an insurance policy. Under an Insurance Loan, the borrower pays no principal but only monthly interest and an insurance premium under the insurance contract which is aimed at generating the amount to redeem the loan upon maturity. The Borrower is required to enter into two separate contracts, one with the lender and the other with an Insurance Company. The selection of the Insurance Company is at the sole discretion of the Borrower.

Interest-Only Loan ((*Hypothecair*) *Rentekrediet*, "(H)RK")

For the first 60 months, Interest-Only Loans are interest only and the borrower pays monthly interest and no principal. After five years, the loan amortises. The Borrower can repay the loan in one lump sum or amortise it over time by paying monthly interest and principal. In any case the loan must be repaid at the latest by the time the borrower reaches the age of 72 (in case the borrower does not own residential property) or 75 (in case the borrower does own residential property).

Flexibile DK Loan ((*Hypothecair*) *Doorlopendkrediet*, "(H)DK")

Under a DK loan, the borrower's monthly instalments are expressed as a percentage of his Loan Limit, even if this is higher than his outstanding Loan Balance. The monthly instalment goes first to pay interest on the loan and then to amortise the loan. Based on the difference between the monthly instalment and the monthly interest due, a theoretical maturity is calculated for the loan. Further redraws during the life of the loan, can extend the loan beyond its theoretical maturity. Once the borrower reaches the age of 65, the monthly instalments are recalculated to ensure that the loan is fully repaid by the time the borrower reaches the age of 72 (in case the borrower does not own residential property) or 75 (in case the borrower does own residential property).

Flexible OK Loan ((*Hypothecair*) *Opnamekrediet*, "(H)OK")

Flexible OK Loans have the same characteristics as Flexible Loans, but the monthly instalments are based on the outstanding Loan Balance instead of the Loan Limit. Flexible OK Loans are no longer offered by DSB and only constitute a small portion of the portfolio.

Annuity Loan (*Persoonlijke Lening*, "PL")

Annuity Loans are fixed rate consumer loans that are fully drawn at issue and repaid in fixed monthly instalments over a fixed maturity. Early repayments in full or in part are allowed, but subject to prepayment penalties. Prepayment penalties are proportional to the amount prepaid and the time of prepayment:

Prepayment penalty = (Amount Prepaid / Amount Outstanding at time of Prepayment) x P, where P is:

- 5% if the prepayment takes place before one fifth of the loan term has expired
- 3% if the prepayment takes place between one and two fifths of the loan term has expired
- 2% if the prepayment takes place between two and three fifths of the loan term has expired
- 0% if the prepayment takes place after three fifths of the loan term has expired

Exceptions to this rule can be obtained for Secured Consumer Loans with a loan-to-foreclosure-value lower than 90%. Note that such Secured Consumer Loans extended on these terms will not form part of the securitisation transaction.

Teaser Rate

DSB Bank uses teaser rates as a marketing tool. First and second lien mortgage loan clients can receive a reduced interest rate for a maximum period of 1 year. The teaser rate is lower than the normal loan rates (reference is made to table 4, all interest rates below 3% might qualify as teaser rates). The client pays a commission at the start of his loan and is subject to a fixed prepayment penalty of 5% in case of a 2nd lien mortgage (first 10% prepayment on a yearly basis is free of prepayment fee).

A client can opt at the start of its loan for a fixed interest period of for example 5 years. The first year the client will be charged with a teaser rate and from the start of the 2nd year the client will be charged for 4 years with the 5 year rate that was determined at the start of the loan.

If the client opts at the start for a fixed rate period that is longer than 1 year, the interest percentage that will be charged after the teaser rate period is already known at the start of the loan. If the original fixed interest period is 1 year or floating than the interest percentage that will be charged after the teaser rate is not known at start of the loan. It will be set at the end of the teaser rate period.

Key Characteristics of the Loans

A summary of the key characteristics of the Loans as selected on the Portfolio Cut-Off Date (i.e. 31 January 2007) is presented in table 1 up to and including table 32 . These characteristics demonstrate the capacity to, subject to the risk factors referred to under *Risk Factors* above, produce funds to pay interest and principal on the Notes, provided that each such payment shall be subject to the relevant priority of payments as further described under *Credit Structure* above.

TABLE 1: KEY CHARACTERISTICS OF THE LOANS AS OF THE PORTFOLIO CUT-OFF DATE

Total Outstanding Principal Balance		
– Consumer Loans	€ 479,658,140	68.64%
– Secured Consumer Loans	€ 219,131,641	31.36%
– TOTAL PORTFOLIO	€ 698,789,781	
Number of Loans		
– Consumer Loans	36,201	86.14%
– Secured Consumer Loans	5,823	13.86%
– TOTAL PORTFOLIO	42,024	
Average Loan Size:		
– Consumer Loans	€ 13,250	
– Secured Consumer Loans	€ 37,632	
– TOTAL PORTFOLIO	€ 16,628	
Largest Loan Size:		
– Consumer Loans	€ 74,928	
– Secured Consumer Loans	€ 74,954	
– TOTAL PORTFOLIO	€ 74,954	
Weighted Average Seasoning:		
– Consumer Loans	31.30	months
– Secured Consumer Loans	16.41	months
– TOTAL PORTFOLIO	26.63	months
Weighted Average Remaining Term		
– Unsecured Consumer Loans	125.22	months
– Secured Consumer Loans	252.41	months
– TOTAL PORTFOLIO	165.10	months
Weighted Average Interest Rate:		
– Unsecured Consumer Loans	7.63	
– Secured Consumer Loans	3.23	
– TOTAL PORTFOLIO	6.25	

TABLE 2: CURRENT BALANCE- PORTFOLIO

Current Balance (Euro)		Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
>	≤				
0	5,000	27,473,339	3.93%	7,978	18.98%
5,000	10,000	76,366,656	10.93%	10,177	24.22%
10,000	15,000	84,515,145	12.09%	6,757	16.08%
15,000	20,000	77,975,013	11.16%	4,471	10.64%
20,000	25,000	77,657,531	11.11%	3,447	8.20%
25,000	30,000	75,676,581	10.83%	2,759	6.57%
30,000	35,000	62,591,471	8.96%	1,933	4.60%
35,000	40,000	53,337,324	7.63%	1,428	3.40%
40,000	45,000	35,969,196	5.15%	850	2.02%
45,000	50,000	29,491,427	4.22%	622	1.48%
50,000	55,000	23,754,470	3.40%	454	1.08%
55,000	60,000	20,057,977	2.87%	350	0.83%
60,000	65,000	17,370,987	2.49%	278	0.66%
65,000	70,000	17,528,717	2.51%	261	0.62%
70,000	75,000	19,023,946	2.72%	259	0.62%
Total:		698,789,781	100.00%	42,024	100.00%
Maximum Balance (Euro):		74,954			
Minimum Balance (Euro):		508			
Average Balance (Euro):		16,628			

TABLE 3: BALANCE LIMIT - PORTFOLIO

Balance Limit (Euro)		Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
>	≤				
0	5,000	18,473,209	2.64%	5,387	12.82%
5,000	10,000	68,461,852	9.80%	10,389	24.72%
10,000	15,000	80,954,434	11.58%	7,318	17.41%
15,000	20,000	79,978,706	11.45%	5,087	12.10%
20,000	25,000	78,503,761	11.23%	3,755	8.94%
25,000	30,000	77,746,870	11.13%	3,023	7.19%
30,000	35,000	66,995,361	9.59%	2,172	5.17%
35,000	40,000	56,018,319	8.02%	1,560	3.71%
40,000	45,000	37,402,655	5.35%	913	2.17%
45,000	50,000	32,160,396	4.60%	706	1.68%
50,000	55,000	23,360,912	3.34%	460	1.09%
55,000	60,000	21,460,559	3.07%	386	0.92%
60,000	65,000	17,880,279	2.56%	296	0.70%
65,000	70,000	18,546,599	2.65%	282	0.67%
70,000	75,000	20,845,870	2.98%	290	0.69%
Total:		698,789,781	100.00%	42,024	100.00%
Maximum Limit (Euro):		75,000			
Minimum Limit (Euro):		1,000			
Weighted Average Limit (Euro):		29,745			

TABLE 4: INTEREST RATE- PORTFOLIO

Interest Rate (%)		Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
>	≤				
0	1	27,167,592	3.89%	699	1.66%
1	2	87,387,473	12.51%	2,292	5.45%
2	3	10,144,741	1.45%	391	0.93%
3	4	31,291,796	4.48%	855	2.03%
4	5	31,360,519	4.49%	948	2.26%
5	6	52,646,305	7.53%	2,442	5.81%
6	7	137,785,734	19.72%	11,135	26.50%
7	8	113,911,310	16.30%	8,842	21.04%
8	9	133,463,847	19.10%	8,718	20.75%
9	10	55,440,197	7.93%	4,352	10.36%
10	11	17,938,154	2.57%	1,323	3.15%
11	12	64,325	0.01%	16	0.04%
12	13	187,788	0.03%	11	0.03%
Total:		698,789,781	100.00%	42,024	100.00%
Maximum Interest (%):		12.69			
Minimum Interest (%):		0.75			
Weighted Average Interest (%):		6.25			

TABLE 5: AGE-PORTFOLIO

Borrower Age (years)		Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
>	≤				
18	25	11,785,559	1.69%	1,188	2.83%
25	30	44,864,132	6.42%	3,605	8.58%
30	35	81,197,943	11.62%	5,340	12.71%
35	40	109,680,903	15.70%	6,549	15.58%
40	45	124,318,934	17.79%	7,004	16.67%
45	50	123,316,334	17.65%	6,608	15.72%
50	55	98,178,633	14.05%	5,393	12.83%
55	60	74,396,533	10.65%	4,247	10.11%
60	65	27,589,406	3.95%	1,760	4.19%
65	70	3,461,406	0.50%	330	0.79%
70	75	0	0.00%	-	0.00%
Total:		698,789,781	100.00%	42,024	100.00%

TABLE 6: SEASONING – PORTFOLIO

Seasoning (years)		Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
>	≤				
0	1	344,163,879	49.25%	22,089	52.56%
1	2	104,839,757	15.00%	6,400	15.23%
2	3	56,239,385	8.05%	4,029	9.59%
3	4	48,641,182	6.96%	2,794	6.65%
4	5	31,631,818	4.53%	1,557	3.71%
5	6	29,813,221	4.27%	1,371	3.26%
6	7	47,636,030	6.82%	2,051	4.88%
7	8	21,009,011	3.01%	875	2.08%
8	9	8,820,819	1.26%	407	0.97%
9	10	3,670,871	0.53%	234	0.56%
10	11	1,386,298	0.20%	127	0.30%
11	12	567,109	0.08%	49	0.12%
12	13	260,365	0.04%	33	0.08%
13	14	110,036	0.02%	8	0.02%
Total:		698,789,781	100.00%	42,024	100.00%

Maximum Seasoning (years): 13.25
 Minimum Seasoning (years): 0.00
 Weighted Average Seasoning (years): 2.22

TABLE 7: REMAINING TERM ON THE LOANS – PORTFOLIO

Remaining Term (years)		Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
>	≤				
0	2	7,416,729	1.06%	1,708	4.06%
2	4	31,861,767	4.56%	4,677	11.13%
4	6	62,578,680	8.96%	6,749	16.06%
6	8	83,802,160	11.99%	6,816	16.22%
8	10	46,726,113	6.69%	2,501	5.95%
10	12	103,440,934	14.80%	6,456	15.36%
12	14	92,855,653	13.29%	4,543	10.81%
14	16	53,976,285	7.72%	2,321	5.52%
16	18	31,088,099	4.45%	1,149	2.73%
18	20	47,181,157	6.75%	1,617	3.85%
20	25	66,337,333	9.49%	1,687	4.01%
25	30	71,495,792	10.23%	1,799	4.28%
30	35	29,079	0.00%	1	0.00%
Total:		698,789,781	100.00%	42,024	100.00%

Maximum Term (years):	30.58
Minimum Term (years):	0.08
Weighted Average Term (years):	13.76

TABLE 8: LOAN SUB-TYPE – PORTFOLIO

Product	Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
DK – Flexible Loan	272,960,904	39.06%	26,740	63.63%
OK - Revolving Loan	10,282,231	1.47%	723	1.72%
PK - Insurance Loan	389,424,418	55.73%	12,935	30.78%
PL - Fixed Amortising Loan	13,906,716	1.99%	1,162	2.77%
RK - Interest Only Loan	12,215,512	1.75%	464	1.10%
Total:	698,789,781	100.00%	42,024	100.00%

TABLE 9: AMORTISATION TYPE– PORTFOLIO

<u>Amortisation Type</u>	<u>Current Balance (Euro)</u>	<u>Current Balance (%)</u>	<u>Loan Count</u>	<u>Loan Count (%)</u>
Interest only	401,639,930	57.48%	13,399	31.88%
Amortising	297,149,852	42.52%	28,625	68.12%
Total:	698,789,781	100.00%	42,024	100.00%

TABLE 10: ARREARS- PORTFOLIO

<u>Missed payments</u>	<u>Current Balance (Euro)</u>	<u>Current Balance (%)</u>	<u>Loan Count</u>	<u>Loan Count (%)</u>
1	25,486,627	3.65%	1,686	4.01%

TABLE 11: REGION – PORTFOLIO

<u>Region</u>	<u>Current Balance (Euro)</u>	<u>Current Balance (%)</u>	<u>Loan Count</u>	<u>Loan Count (%)</u>
Zuid-Holland	181,122,052	25.92%	10,679	25.41%
Noord-Holland	115,043,558	16.46%	6,903	16.43%
Noord-Brabant	85,860,590	12.29%	5,251	12.50%
Gelderland	71,972,149	10.30%	4,332	10.31%
Limburg	52,723,466	7.54%	3,027	7.20%
Utrecht	46,455,627	6.65%	2,863	6.81%
Overijssel	35,345,682	5.06%	2,290	5.45%
Flevoland	30,683,495	4.39%	1,786	4.25%
Groningen	22,578,915	3.23%	1,390	3.31%
Friesland	18,520,937	2.65%	1,159	2.76%
Drenthe	18,732,313	2.68%	1,140	2.71%
Zeeland	12,140,749	1.74%	745	1.77%
Other	7,610,247	1.09%	459	1.09%
Total:	698,789,781	100.00%	42,024	100.00%

TABLE 12: INSURANCE POLICY PROVIDERS-PORTFOLIO

Insurance Provider	Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
Profijtplan (hw)	18,479,238	2.64%	497	1.18%
Aegon	1,905,242	0.27%	72	0.17%
Delta	4,885,966	0.70%	185	0.44%
DSB Leven N.V.	99,169,649	14.19%	3,458	8.23%
Reaal	9,920,240	1.42%	398	0.95%
Garant Profijtp	148,985,908	21.32%	4,446	10.58%
Hh Hw Extra	36,829,288	5.27%	1,229	2.92%
Hh Hw Garant	13,272,706	1.90%	477	1.14%
Hh Hw Plus	6,032,574	0.86%	137	0.33%
Hh Hw Vastrente	169,497	0.02%	4	0.01%
Hooge Huijs	44,058,436	6.30%	1,817	4.32%
Spaarbeleg	5,715,674	0.82%	215	0.51%
Not Applicable	309,365,363	44.27%	29,089	69.22%
Total:	698,789,781	100.00%	42,024	100.00%

TABLE 13: CURRENT BALANCE – CONSUMER LOANS

Current Balance (Euro)		Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
>	≤				
0	5,000	27,423,923	5.72%	7,955	21.97%
5,000	10,000	75,854,676	15.81%	10,115	27.94%
10,000	15,000	80,071,442	16.69%	6,407	17.70%
15,000	20,000	69,063,258	14.40%	3,963	10.95%
20,000	25,000	64,222,042	13.39%	2,853	7.88%
25,000	30,000	57,330,934	11.95%	2,092	5.78%
30,000	35,000	42,808,566	8.92%	1,323	3.65%
35,000	40,000	30,443,760	6.35%	816	2.25%
40,000	45,000	14,441,870	3.01%	342	0.94%
45,000	50,000	6,437,236	1.34%	137	0.38%
50,000	55,000	4,369,315	0.91%	84	0.23%
55,000	60,000	2,639,077	0.55%	46	0.13%
60,000	65,000	1,826,009	0.38%	29	0.08%
65,000	70,000	1,619,261	0.34%	24	0.07%
70,000	75,000	1,106,770	0.23%	15	0.04%
Total:		479,658,140	100.00%	36,201	100.00%
Maximum Balance (Euro):		74,928			
Minimum Balance (Euro):		508			
Average Balance (Euro):		13,250			

TABLE 14: BALANCE LIMIT – CONSUMER LOANS

Balance Limit (Euro)		Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
>	≤				
0	5,000	18,472,156	3.85%	5,386	14.88%
5,000	10,000	68,151,004	14.21%	10,352	28.60%
10,000	15,000	77,159,619	16.09%	7,006	19.35%
15,000	20,000	71,730,897	14.95%	4,599	12.70%
20,000	25,000	65,836,656	13.73%	3,176	8.77%
25,000	30,000	60,029,021	12.51%	2,359	6.52%
30,000	35,000	47,250,252	9.85%	1,550	4.28%
35,000	40,000	33,429,516	6.97%	942	2.60%
40,000	45,000	16,785,315	3.50%	417	1.15%
45,000	50,000	8,041,578	1.68%	182	0.50%
50,000	55,000	4,595,905	0.96%	92	0.25%
55,000	60,000	2,990,477	0.62%	57	0.16%
60,000	65,000	1,931,113	0.40%	33	0.09%
65,000	70,000	1,908,260	0.40%	30	0.08%
70,000	75,000	1,346,372	0.28%	20	0.06%
Total:		479,658,140	100.00%	36,201	100.00%
Maximum Limit (Euro):		75,000			
Minimum Limit (Euro):		1,000			
Weighted Average Limit (Euro):		22,305			

TABLE 15: INTEREST RATE – CONSUMER LOANS

Interest Rate (%)		Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
>	≤				
0	1	2,992,941	0.62%	78	0.22%
1	2	2,622,953	0.55%	64	0.18%
2	3	3,590,090	0.75%	218	0.60%
3	4	5,134,527	1.07%	149	0.41%
4	5	6,957,288	1.45%	302	0.83%
5	6	17,764,515	3.70%	1,496	4.13%
6	7	121,943,233	25.42%	10,705	29.57%
7	8	112,524,435	23.46%	8,805	24.32%
8	9	132,634,877	27.65%	8,692	24.01%
9	10	55,440,197	11.56%	4,352	12.02%
10	11	17,800,970	3.71%	1,313	3.63%
11	12	64,325	0.01%	16	0.04%
12	13	187,788	0.04%	11	0.03%
Total:		479,658,140	100.00%	36,201	100.00%
Maximum Interest (%):		12.69			
Minimum Interest (%):		0.75			
Weighted Average Interest (%):		7.63			

TABLE 16: AGE – CONSUMER LOANS

Borrower Age (years)		Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
>	≤				
18	25	9,707,142	2.02%	1,117	3.09%
25	30	32,932,300	6.87%	3,240	8.95%
30	35	51,357,596	10.71%	4,500	12.43%
35	40	67,066,611	13.98%	5,433	15.01%
40	45	79,985,234	16.68%	5,865	16.20%
45	50	82,288,912	17.16%	5,569	15.38%
50	55	72,356,392	15.08%	4,746	13.11%
55	60	57,859,969	12.06%	3,798	10.49%
60	65	22,824,955	4.76%	1,613	4.46%
65	70	3,279,029	0.68%	320	0.88%
70	75	0	0.00%	-	0.00%
Total:		479,658,140	100.00%	36,201	100.00%

TABLE 17: SEASONING – CONSUMER LOANS

Seasoning (years)		Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
>	≤				
0	1	204,717,301	42.68%	18,397	50.82%
1	2	52,574,603	10.96%	5,037	13.91%
2	3	51,759,488	10.79%	3,911	10.80%
3	4	44,959,466	9.37%	2,677	7.39%
4	5	26,898,985	5.61%	1,415	3.91%
5	6	22,184,524	4.63%	1,158	3.20%
6	7	42,257,555	8.81%	1,919	5.30%
7	8	19,705,218	4.11%	839	2.32%
8	9	8,686,802	1.81%	402	1.11%
9	10	3,641,836	0.76%	231	0.64%
10	11	1,334,851	0.28%	125	0.35%
11	12	567,109	0.12%	49	0.14%
12	13	260,365	0.05%	33	0.09%
13	14	110,036	0.02%	8	0.02%
Total:		479,658,140	100.00%	36,201	100.00%
Maximum Seasoning (years):			13.25		
Minimum Seasoning (years):			0.00		
Weighted Average Seasoning (years):			2.61		

TABLE 18: REMAINING TERM – CONSUMER LOANS

Remaining Term (years)		Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
>	≤				
0	2	5,683,126	1.18%	1,647	4.55%
2	4	30,539,776	6.37%	4,630	12.79%
4	6	59,536,555	12.41%	6,659	18.39%
6	8	82,670,545	17.24%	6,774	18.71%
8	10	37,727,353	7.87%	2,168	5.99%
10	12	98,104,064	20.45%	6,299	17.40%
12	14	78,865,636	16.44%	4,139	11.43%
14	16	35,559,485	7.41%	1,797	4.96%
16	18	20,855,872	4.35%	906	2.50%
18	20	16,305,546	3.40%	763	2.11%
20	25	6,572,449	1.37%	200	0.55%
25	30	7,208,655	1.50%	218	0.60%
30	35	29,079	0.01%	1	0.00%
Total:		479,658,140	100.00%	36,201	100.00%

Maximum Term (years):	30.58
Minimum Term (years):	0.08
Weighted Average Term (years):	10.43

TABLE 19: LOAN SUB-TYPE – CONSUMER LOANS

Product	Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
DK- Flexible Loan	272,472,847	56.81%	26,709	73.78%
PK - Insurance Loan	176,956,317	36.89%	7,336	20.26%
OK - Revolving Loan	9,299,279	1.94%	679	1.88%
PL - Fixed Amortising Loan	13,906,716	2.90%	1,162	3.21%
RK - Interest Only Loan	7,022,980	1.46%	315	0.87%
Total:	479,658,140	100.00%	36,201	100.00%

TABLE 20: AMORTISATION TYPE – CONSUMER LOANS

<u>Amortisation Type</u>	<u>Current Balance (Euro)</u>	<u>Current Balance (%)</u>	<u>Loan Count</u>	<u>Loan Count (%)</u>
Interest only	183,979,297	38.36%	7,651	21.13%
Amortising	295,678,843	61.64%	28,550	78.87%
Total:	479,658,140	100.00%	36,201	100.00%

TABLE 21: ARREARS– CONSUMER LOANS

<u>Missed payments</u>	<u>Current Balance (Euro)</u>	<u>Current Balance (%)</u>	<u>Loan Count</u>	<u>Loan Count (%)</u>
1	21,377,075	4.46%	1,580	4.36%

TABLE 22: REGION – CONSUMER LOANS

<u>Region</u>	<u>Current Balance (Euro)</u>	<u>Current Balance (%)</u>	<u>Loan Count</u>	<u>Loan Count (%)</u>
Zuid-Holland	130,025,755	27.11%	9,353	25.84%
Noord-Holland	84,166,370	17.55%	6,077	16.79%
Noord-Brabant	59,155,028	12.33%	4,540	12.54%
Gelderland	50,455,018	10.52%	3,759	10.38%
Limburg	33,809,850	7.05%	2,531	6.99%
Utrecht	33,575,461	7.00%	2,526	6.98%
Overijssel	23,417,309	4.88%	1,962	5.42%
Flevoland	17,088,308	3.56%	1,427	3.94%
Groningen	14,124,536	2.94%	1,151	3.18%
Friesland	10,864,177	2.26%	946	2.61%
Drenthe	11,183,239	2.33%	941	2.60%
Zeeland	7,525,486	1.57%	617	1.70%
Other	4,267,602	0.89%	371	1.02%
Total:	479,658,140	100.00%	36,201	100.00%

TABLE 23: CURRENT BALANCE – SECURED CONSUMER LOANS

Current Balance (Euro)		Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
>	≤				
0	5,000	49,415	0.02%	23	0.39%
5,000	10,000	511,980	0.23%	62	1.06%
10,000	15,000	4,443,704	2.03%	350	6.01%
15,000	20,000	8,911,755	4.07%	508	8.72%
20,000	25,000	13,435,489	6.13%	594	10.20%
25,000	30,000	18,345,647	8.37%	667	11.45%
30,000	35,000	19,782,904	9.03%	610	10.48%
35,000	40,000	22,893,565	10.45%	612	10.51%
40,000	45,000	21,527,326	9.82%	508	8.72%
45,000	50,000	23,054,191	10.52%	485	8.33%
50,000	55,000	19,385,155	8.85%	370	6.35%
55,000	60,000	17,418,900	7.95%	304	5.22%
60,000	65,000	15,544,979	7.09%	249	4.28%
65,000	70,000	15,909,456	7.26%	237	4.07%
70,000	75,000	17,917,176	8.18%	244	4.19%
Total:		219,131,641	100.00%	5,823	100.00%
Maximum Balance (Euro):		74,954			
Minimum Balance (Euro):		565			
Average Balance (Euro):		37,632			

TABLE 24: BALANCE LIMIT – SECURED CONSUMER LOANS

Balance Limit (Euro)		Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
>	≤				
0	5,000	1,054	0.00%	1	0.02%
5,000	10,000	310,848	0.14%	37	0.64%
10,000	15,000	3,794,815	1.73%	312	5.36%
15,000	20,000	8,247,808	3.76%	488	8.38%
20,000	25,000	12,667,105	5.78%	579	9.94%
25,000	30,000	17,717,849	8.09%	664	11.40%
30,000	35,000	19,745,109	9.01%	622	10.68%
35,000	40,000	22,588,803	10.31%	618	10.61%
40,000	45,000	20,617,340	9.41%	496	8.52%
45,000	50,000	24,118,818	11.01%	524	9.00%
50,000	55,000	18,765,007	8.56%	368	6.32%
55,000	60,000	18,470,082	8.43%	329	5.65%
60,000	65,000	15,949,165	7.28%	263	4.52%
65,000	70,000	16,638,339	7.59%	252	4.33%
70,000	75,000	19,499,498	8.90%	270	4.64%
Total:		219,131,641	100.00%	5,823	100.00%
Maximum Limit (Euro):		75,000			
Minimum Limit : (Euro)		2,800			
Weighted Average Limit (Euro):		46,031			

TABLE 25: INTEREST RATE – SECURED CONSUMER LOANS

Interest Rate (%)		Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
>	≤				
0	1	24,174,651	11.03%	621	10.66%
1	2	84,764,520	38.68%	2,228	38.26%
2	3	6,554,651	2.99%	173	2.97%
3	4	26,157,269	11.94%	706	12.12%
4	5	24,403,231	11.14%	646	11.09%
5	6	34,881,789	15.92%	946	16.25%
6	7	15,842,501	7.23%	430	7.38%
7	8	1,386,875	0.63%	37	0.64%
8	9	828,970	0.38%	26	0.45%
9	10	0	0.00%	-	0.00%
10	11	137,185	0.06%	10	0.17%
Total:		219,131,641	100.00%	5,823	100.00%

Maximum Interest (%):	10.16
Minimum Interest (%):	0.75
Weighted Average Interest (%):	3.23

TABLE 26: AGE – SECURED CONSUMER LOANS

Borrower Age (years)		Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
>	≤				
18	25	2,078,416	0.95%	71	1.22%
25	30	11,931,832	5.45%	365	6.27%
30	35	29,840,347	13.62%	840	14.43%
35	40	42,614,291	19.45%	1,116	19.17%
40	45	44,333,700	20.23%	1,139	19.56%
45	50	41,027,422	18.72%	1,039	17.84%
50	55	25,822,241	11.78%	647	11.11%
55	60	16,536,563	7.55%	449	7.71%
60	65	4,764,451	2.17%	147	2.52%
65	70	182,377	0.08%	10	0.17%
Totals		219,131,641	100.00%	5,823	100.00%

TABLE 27: SEASONING – SECURED CONSUMER LOANS

Seasoning (years)		Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
>	≤				
0	1	139,446,578	63.64%	3,692	63.40%
1	2	52,265,154	23.85%	1,363	23.41%
2	3	4,479,898	2.04%	118	2.03%
3	4	3,681,716	1.68%	117	2.01%
4	5	4,732,833	2.16%	142	2.44%
5	6	7,628,697	3.48%	213	3.66%
6	7	5,378,475	2.45%	132	2.27%
7	8	1,303,792	0.59%	36	0.62%
8	9	134,017	0.06%	5	0.09%
9	10	29,034	0.01%	3	0.05%
10	11	51,447	0.02%	2	0.03%
Total:		219,131,641	100.00%	5,823	100.00%

Maximum Seasoning (years): 10.67
 Minimum Seasoning (years): 0.00
 Weighted Average Seasoning (years): 1.37

TABLE 28: REMAINING TERM – SECURED CONSUMER LOANS

Remaining Term (years)		Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
>	≤				
0	2	1,733,603	0.79%	61	1.05%
2	4	1,321,990	0.60%	47	0.81%
4	6	3,042,126	1.39%	90	1.55%
6	8	1,131,615	0.52%	42	0.72%
8	10	8,998,760	4.11%	333	5.72%
10	12	5,336,870	2.44%	157	2.70%
12	14	13,990,017	6.38%	404	6.94%
14	16	18,416,801	8.40%	524	9.00%
16	18	10,232,227	4.67%	243	4.17%
18	20	30,875,612	14.09%	854	14.67%
20	25	59,764,885	27.27%	1,487	25.54%
25	30	64,287,137	29.34%	1,581	27.15%
Total:		219,131,641	100.00%	5,823	100.00%

Maximum Term (years):	29.92
Minimum Term (years):	0.08
Weighted Average Term (years):	21.03

TABLE 29: LOAN SUB-TYPE – SECURED CONSUMER LOANS

Product	Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
PK - Insurance Loan	212,468,101	96.96%	5,599	96.15%
RK - Interest Only Loan	5,192,531	2.37%	149	2.56%
DK- Flexible Loan	488,057	0.22%	31	0.53%
OK - Revolving Loan	982,952	0.45%	44	0.76%
PL - Fixed Amortising Loan	0	0.00%	-	0.00%
Total:	219,131,641	100.00%	5,823	100.00%

TABLE 30: AMORTISATION TYPE – SECURED CONSUMER LOANS

<u>Amortisation Type</u>	<u>Current Balance (Euro)</u>	<u>Current Balance (%)</u>	<u>Loan Count</u>	<u>Loan Count (%)</u>
Interest only	217,660,632	99.33%	5748	98.71%
Amortising	1,471,009	0.67%	75	1.29%
Total:	219,131,641	100.00%	5,823	100.00%

TABLE 31: ARREARS– SECURED CONSUMER LOANS

<u>Missed payments</u>	<u>Current Balance (Euro)</u>	<u>Current Balance (%)</u>	<u>Loan Count</u>	<u>Loan Count (%)</u>
1	4,109,552	1.88%	106	1.82%

TABLE 32: REGION – SECURED CONSUMER LOANS

Region	Current Balance (Euro)	Current Balance (%)	Loan Count	Loan Count (%)
Zuid-Holland	51,096,297	23.32%	1,326	22.77%
Noord-Holland	30,877,187	14.09%	826	14.19%
Noord-Brabant	26,705,562	12.19%	711	12.21%
Gelderland	21,517,131	9.82%	573	9.84%
Limburg	18,913,617	8.63%	496	8.52%
Utrecht	12,880,165	5.88%	337	5.79%
Overijssel	11,928,373	5.44%	328	5.63%
Flevoland	13,595,187	6.20%	359	6.17%
Groningen	8,454,379	3.86%	239	4.10%
Friesland	7,656,760	3.49%	213	3.66%
Drenthe	7,549,074	3.44%	199	3.42%
Zeeland	4,615,263	2.11%	128	2.20%
Other	3,342,645	1.53%	88	1.51%
Total:	219,131,641	100.00%	5,823	100.00%

LOAN ORIGINATION, UNDERWRITING AND SERVICING

Origination

Most of the Portfolio Loans have been originated by any of DSB Bank N.V. ("**DSB Bank**") and DSB Financieringen B.V. ("**DSB Financieringen**"). All Loans that are approved by DSB Bank's branches are first sent to the Central Acceptance department for further review to ensure the Loans are consistent with the underwriting guidelines and to check whether the files are complete. On the basis of a mandate given by management, the Central Acceptance department can give DSB Bank and DSB Financieringen the instruction to pay out the loan before the final review at the banking level. The final review is a sample check of 1 out of 5 loans at DSB Bank's headquarters. All loans intermediated through third party brokers are first reviewed at the banking level before being paid out.

A small part of the loans forming part of the Provisional Pool have been acquired through DSB Voorschotbank from Vola Financieringen B.V. ("**Vola**"), a subsidiary of ING Groep N.V. This acquired loan portfolio consists mainly of PK, RK, OK and DK unsecured consumer loans. The total amount outstanding of the acquired portfolio was approximately € 65 million at the date of acquisition (10 December 2004). The outstanding amount of the Vola portfolio that is eligible for inclusion in the Provisional Pool is approximately € 30 million. All these loans were brokered for Vola by *Spaarkredietcentrale*, before the latter was acquired by DSB in 1999. The *Spaarkredietcentrale* had an arrangement with Vola to bear the credit risk of the brokered loans in exchange for a higher ongoing intermediary commission. The arrears management was outsourced by Vola to Fiditon (part of ING Groep). DSB took over the portfolio because it believes that Fiditon was not sufficiently incentivised to service the portfolio, and that DSB Bank can improve the servicing and performance of that portfolio substantially.

Underwriting

DSB takes credit decisions based on fixed underwriting criteria, together with an assessment of the 'entire picture' of a borrower's situation. DSB currently employs nine sets of underwriting criteria with regard to unsecured consumer loans referred to as EK (specific criteria for homeowners) and DSB 0 to DSB 7. Exceptions on applying these criteria are rare and subject to approval of the senior management of DSB. Only Portfolio Loans originated from the first four sets of underwriting criteria and EK will be eligible for inclusion in this transaction.

The underwriting criteria of EK, DSB 0, DSB 1, DSB 2, DSB 3 or DSB 4 include:

- Borrower can not have an active arrear code registered with the BKR;
- Borrower must be in permanent employment ("weak" professions or foreign employers are not accepted);
- Borrower may not be self-employed or self-certify his income;

- Original pay-slips, bank account statements and identity documents must be presented for review;
- Minimum borrower age is 21 years;
- The borrower must not be older than 75 at maturity of the loan;
- Borrower must have the Dutch nationality or must be living in the Netherlands (in the latter case a resident permit is required for non-EU citizens);
- The property value for second lien mortgages is subject to minima:
 - Apartment foreclosure value not less than Euro 100,000;
 - House foreclosure value not less than Euro 80,000.

DSB Bank's loan origination process focuses on affordability calculations based on the borrower's disposable income. The disposable income is defined as the difference between (a) the borrower's net monthly salary and (b) the sum of the borrower's housing costs, cost of living, servicing cost of other debts and other recurring expenses (e.g. alimony).

The maximum amount that the borrower can obtain under a loan is then determined as monthly disposable income divided by 1.5% for the second lien mortgages or 2.0% for the consumer loans.

Servicing

Introduction

The Portfolio Loans will continue to be serviced by DSB Bank whose servicing role is split into two departments, one dealing with collections for current loans (Servicing and Administration) and the other with delinquent loans (Collection).

DSB has a fully integrated software system that facilitates communications between all aspects of the DSB network including the Servicing and Administration department and the Collection department.

All loan information is stored and operated using the Microsoft Foxpro application. Every night the principal balance on the loans is compared to the previous night's balance by adding the various financial transactions for the day. This provides automated information quality checks. The loan information is duplicated and stored on a CD-ROM externally with Getronics N.V. every night to comply with the disaster recovery plan. DSB's fall back centre is located at Nieuwegein. The CD-ROM is secured transported to this centre via a specialised transportation company.

Collections

In respect of the loans, in general payments of both principal and interest are collected by direct debit for the loans. The payments are collected via direct debit each month on the day agreed upon. Every month, the system automatically calculates the amount of interest and principal due. If the amount

collected is lower than the amount due, then the servicing of the loan will be passed to the Collection department.

Collection of insurance premiums under the insurance policies are also made by direct debit, but made separately by the relevant insurance company.

Arrears management

The Collection department has been managing delinquent Loans since DSB began financing their originations in 1991. The department currently has thirty two (32) full time equivalent employees.

In 2005 and 2006, DSB introduced some changes in the organisation, systems and activities of the Collection department aimed at improving the effectiveness of the arrears management:

- A bonus scheme has been introduced to further incentivise the collection staff; under this scheme, bonuses are paid based on the following three aspects: dotations, write-offs and recoveries. The actual results on these three aspects are compared to the results of the monthly average of the previous year.
- A special department called CPB (*Centraal Portefeuille Beheer* (Central Portfolio Management)) has been founded to increase the focus on telephone contact with borrowers in the first and second months of the arrears-management process.
- Additional measures for collection were recently introduced:
 - Borrower Manager (*Debiteur Beheerder*) This person visits clients with relatively small arrears and those without arrears but who expect to have payment difficulties due to special circumstances. If necessary he can make special payment arrangements with these clients. The clients can pay directly by credit card or debit card.
 - Special Cases Unit (*Speciale Zaken Incasso Team*). This unit investigates clients if it is impossible to get in touch with them or if they are suspected of wrongful conduct. In these cases the team will contact or even visit family, employers and neighbours.
- DSB has invested in new specialised collections software "Osiris Collections" which will further improve the efficiency and effectiveness of the arrears management team and which is expected to go live in March 2007.
- A special Debt Collection Bureau, 'Debt Collection Bureau Inspectrum', will be founded by DSB, centered around DSB's in-house lawyer in order to strengthen the legal approach towards customers who are in arrears. This bureau will have a stricter and stronger image than the previously used 'Administration Office'.

The Collection department is organised into sections according to product type and the severity of the arrears. The first 2 months of arrears are handled by a specialised call center of DSB in Rotterdam. As soon as a Borrower fails his payment obligations, automatically a letter is sent to him including a giro

slip for a manual payment. Next to this letter the call center in Rotterdam will start calling the client. After two months of arrears the file will be transferred from the call center in Rotterdam to the specialised arrears management team at the Headquarters of DSB Bank in Wognum. One section manages mortgages loans that have been delinquent. The second section manages consumer loans, and the third section Administrative Support that executes the administrative tasks of the first two sections. This will ensure that the specialists of the first two sections can devote their time and effort on arrears management. Finally, separate divisions exist for special cases, legal affairs and control.

The arrears process is similar for the unsecured consumer loans and for the second lien mortgages, with the notable exception that DSB can (threaten to) foreclose on the property underlying the second lien mortgage.

The Collection department will call a Borrower at least twice every month if they are in arrears, to try and find an acceptable solution to the arrears for both the Borrower and DSB. The Borrower will continue to receive monthly arrears statements during these procedures.

If a Borrower fails to meet his payment obligations by the due date, then the following procedure applies (note that independent of the number of months a client is in arrears the client will be called by the department twice every month):

- if payment through direct debit is not received, then the day after reception of the bounce of the direct debit a so called stola (letter with attached *giro slip*) is automatically sent out;
- if, 45 days after the due date, payment has not been received, a written reminder is automatically sent out, requesting for immediate payment of the missed direct debits;
- if, 60 days after the due date, payment has not been received, a second written reminder is automatically sent out, warning the Borrower of a potential negative BKR code;
- if, 75 days after the due date, payment has not been received, a third written reminder is automatically sent out. Again warning for a negative BKR-code and giving notion of the violation of the agreed upon term (*ingebrekestelling*);
- if, 90 days after the due date, payment has not been received, a fourth written reminder is automatically sent out. Again warning for a negative BKR-code and giving notion of the violation of the agreed upon term (*ingebrekestelling*) and a summon (*sommatie*) for payment of the non-paid instalments plus warning that the collection of the debt might be outsourced;
- if, 105 days after the due date, payment has not been received a summon is automatically sent out. Plus warning for legal actions giving the client a three day period to repay all arrears. The client has to prove payment by faxing the payment slip to the Arrears Department;
- if, 120 days after the due date, payment has not been received, a full claim is automatically sent out. Urging the client to repay the full loan amount within 5 days. By failing to do so legal action will be started by DSB. DSB will register a negative BKR code in the name of the Borrower; also

a series of risk calculations will be performed to determine DSB's exposure and the optimal path for recoveries. This will be discussed with the head of the Arrears and Collection department and the board of directors of DSB Bank N.V. Following this discussion, the loan will be immediately due and payable.

Foreclosure and recovery process

The recovery procedure for loans is focused on the threat of incurring a negative BKR code, which will preclude the Borrower from obtaining new loans in the future, and the attachment of the Borrower's salary wages, directly from its employer. Emphasis is also put on obtaining a voluntary salary attachment from the Borrower. The argument in favour for this voluntary salary attachment is that DSB can obtain an attachment also through a verdict in court. Obtaining a verdict entails higher costs than in the voluntary process and those costs would be borne by the Borrower. The voluntary attachment is quicker, cheaper and more effective than the attachment through a verdict. If the Borrower fails to comply with the arrangements made with the arrears department, then DSB will obtain a verdict to foreclose on the Borrower's house and attach any other goods that the Borrower owns.

If there is a failure to comply with the agreed payment schemes to cure the arrears, or if it is evident that there is no prospect of the interest and/or principal arrears being paid in the near future, then the loan is declared immediately due and payable.

If necessary, Borrowers under Secured Consumer Loans are advised to sell their Mortgaged Asset voluntarily. This saves them the costs involved in a public sale. If the proceeds of the sale are not sufficient to repay the Secured Consumer Loan fully, DSB will procure a salary attachment for the remainder. This voluntary sale is, in most of the cases, preferred by DSB, as proceeds from a voluntary sale are usually approximately 35-40% higher than proceeds from a public auction.

A public sale of the Mortgaged Asset is arranged only if there is no prospect of any acceptable resolution. Apart from public sale as a result of arrears on the relevant loans, such sale may also result from a third party attaching a security on the property or bankruptcy of the Borrowers. In the case of attachment or bankruptcy, the auction is ordered immediately.

In case of a foreclosure DSB will contact the first lien mortgage holder to invite them to organise the auction. If the first mortgage holder is not interested or sees no reason for a foreclosure, then DSB will organise the public sale. The proceeds of the sale will first go to repay the first lien mortgage and the remaining funds will be applied to repay the Secured Consumer Loan.

DSB will play an active role in the public auction process and may incidentally even acquire properties through this route. In principle, bids are made up to 90% of the foreclosure value of the Mortgaged Asset, with the provision that bids never exceed the amount of the relevant loan.

If a residual debt remains outstanding after the auction or private sale, the Borrower remains liable for it. In principle, a new payment scheme is arranged for the residual debt. If the Borrower does not agree to any payment scheme, DSB's lawyer will start the procedure for a salary attachment through a verdict.

LOAN RECEIVABLES PURCHASE AGREEMENT

Under the Loan Receivables Purchase Agreement the Issuer will purchase and accept from the Sellers the assignment of the Loan Receivables together with any Beneficiary Rights relating thereto. The assignment will be effected by means of a registered deed of assignment as a result of which legal title to the Loan Receivables and the Beneficiary Rights relating thereto is transferred to the Issuer. The assignment of the Loan Receivables and the Beneficiary Rights relating thereto from the Sellers to the Issuer will not be notified to the Borrowers and the relevant Insurance Companies, except in special events as further described hereunder (the "**Assignment Notification Events**"). Until such notification the Borrowers can only validly discharge their obligations (*bevrijdend betalen*) due under such Loan Receivables by making a payment to the relevant Seller. The Issuer will be entitled to all proceeds in respect of the Loan Receivables following the Closing Date and to all amounts of principal in respect of the Portfolio Loans, which were received by the Sellers between the Portfolio Cut-Off Date and the Closing Date.

Purchase Price

The purchase price for the Loan Receivables will consist of an initial purchase price (the "**Initial Purchase Price**"), being in respect of the Loan Receivables to be purchased by the Issuer on the Closing Date, the aggregate Outstanding Principal Amount of the Loan Receivables at the Portfolio Cut-Off Date equal to € 690,000,000 which shall be payable on the Closing Date or, in respect of the Further Advance Receivables or Substitute Loan Receivables, on the relevant Portfolio Purchase Date, and a deferred purchase price (the "**Deferred Purchase Price**"). The Initial Purchase Price payable on the Closing Date will be paid by the Issuer by applying the net proceeds received from the issue of the Notes (other than the Subordinated Notes).

The Deferred Purchase Price for the Loan Receivables purchased by the Issuer pursuant to the Loan Receivables Purchase Agreement will be equal to the sum of all Deferred Purchase Price Instalments and each such instalment (each a "**Deferred Purchase Price Instalment**") on any Quarterly Payment Date will be equal to (i) any amount remaining after all payments as set forth in the Interest Priority of Payments under (a) up to and including (y) and (ii) any amount remaining after all payments as set forth in the Post-Enforcement Priority of Payments under (a) up to and including (u) have been made on such date (see *Credit Structure* above).

The net proceeds of the Notes will be applied by the Issuer to pay the Initial Purchase Price for the Loan Receivables purchased by it on the Closing Date. The sale and purchase of the Loan Receivables is conditional upon, *inter alia*, the issue of the Notes. Hence, the Sellers can be deemed to have an interest in the issue of the Notes.

Representations and warranties

Each of the Sellers will represent and warrant on the Closing Date with respect to the Portfolio Loans and the Loan Receivables resulting from such Portfolio Loans, *inter alia*, that:

- (a) the Loan Receivables are duly and validly existing;
- (b) it has full right and title (*is beschikkingsbevoegd*) to the Loan Receivables, and no restrictions on the sale and transfer of the Loan Receivables are in effect and the Loan Receivables are capable of being transferred;
- (c) it has power to sell and assign the Loan Receivables;
- (d) as from the Closing Date, the Loan Receivables are free and clear of any rights of pledge or other similar rights (*bepaalde rechten*), encumbrances and attachments (*beslagen*) and no option rights have been granted in favour of any third party with regard to the Loan Receivables, other than pursuant to the Transaction Documents;
- (e) each Loan Receivable that is secured by a mortgage right is secured on a Mortgaged Asset used for residential purposes and situated in the Netherlands;
- (f) each Loan Receivable is governed by Dutch law;
- (g) each Loan Receivable, and, if applicable, the mortgage right and the right of pledge securing such Loan Receivable, constitutes legal, valid, binding and enforceable obligations of the relevant Borrower, subject, as to enforceability, to any applicable bankruptcy laws or similar laws affecting the rights of creditors generally;
- (h) each Portfolio Loan was originated by one of the Sellers (or any of its legal predecessors), or, alternatively, originated by Vola and subsequently transferred to a Seller (or its legal predecessor);
- (i) payments under the Loan Receivables are not subject to withholding taxes;
- (j) the records maintained by each of the Sellers in respect of the Portfolio Loans are true and accurate in all material respects and contain all information and documentation that may be necessary or relevant in connection with the exercise by the Issuer of its rights under the Portfolio Loans, the Loan Receivables and the security granted in connection therewith;
- (k) all mortgage rights and rights of pledge granted to secure the Loan Receivables (i) constitute valid mortgage rights (*hypothekrechten*) and rights of pledge (*pandrechten*), respectively, on the assets which are the subject of such mortgage rights and rights of pledge and, to the extent relating to the mortgage rights, have been entered into the appropriate public register and (ii) to the extent relating to the mortgage rights securing the Loan receivables, are entered in the relevant public register (*Dienst van het Kadaster en de Openbare Registers*);
- (l) each of the Portfolio Loans has been granted subject to the Loan Conditions;
- (m) the particulars of each Portfolio Loan as set out in Schedule 3 to the Loan Receivables Purchase Agreement and Schedule 1 to the Deed of Assignment (as defined in the Master Definitions Agreement) are complete, true and accurate in all material respects;
- (n) each of the Portfolio Loans meets the Loan Criteria;

- (o) each of the Loans has been granted (i) in accordance with all applicable legal requirements, including without limitation, the Wck, in particular in respect of Insurance Loans, section 33 of the Wck, and the Act on Data Protection and met in all material respects the relevant Seller's underwriting criteria and procedures prevailing at that time, which do not materially differ from the underwriting criteria and procedures attached to the Loan Receivables Purchase Agreement and (ii) in accordance with the practice of a reasonably prudent lender of Dutch consumer loans and in addition, in respect of Loan Receivables resulting from Secured Consumer Loans, purchased on the Closing Date or any time thereafter, a reasonably prudent lender of Dutch Secured Consumer Loans;
- (p) it has accounted for and distinguished between all interest and principal payments relating to the Portfolio Loans and all payments under the Loan Receivables are made by direct debit, other than certain payments under part of the Loan Receivables acquired by DSB Bank N.V. (or its legal predecessor) from Vola which are made by periodical transfer;
- (q) each of the Insurance Loans has the benefit of an Insurance Policy and either (i) the relevant Seller has been validly appointed as beneficiary (*begunstigde*) under such Insurance Policy, upon the terms of the relevant Insurance Loans and the Insurance Policy, which appointment has been notified to the relevant Insurance Company, or (ii) the relevant Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the relevant Insurance Loan;
- (r) with respect to each Insurance Loan, except that it is a condition precedent for granting an Insurance Loan that an insurance policy is entered into (i) there is no connection, whether from a legal or a commercial point of view, between the relevant Insurance Loan and any Insurance Policy, other than the right of pledge securing the Loan Receivable and the Beneficiary Rights (ii) the Insurance Loan and the relevant Insurance Policy were not marketed as one product and (iii) the Borrower was free to choose the relevant Insurance Company;
- (s) the notarial mortgage deeds (*minuut*) relating to the Portfolio Loans secured by a right of mortgage are held by a civil law notary (*notaris*) in the Netherlands;
- (t) the loan files relating to the Portfolio Loans are kept by the Servicer and/or its sub-contractor (if any) and are accurate and complete and in the case of Loan Receivables secured by a mortgage right, it has at all times access to authentic copies of the notarial mortgage deeds;
- (u) the Borrowers are not in any material breach of any provision of the Portfolio Loans;
- (v) each Loan Receivable secured by the same mortgage right, and/or right of pledge, is sold and assigned to the Issuer pursuant to the Loan Receivables Purchase Agreement;
- (w) each Portfolio Loan constitutes the entire consumer loan granted to the relevant Borrower and not merely one or more loan parts (*leningdelen*);
- (x) the Loan Conditions provide that all payments by the Borrower should be made without any deduction or set-off; and
- (y) any and all prospectuses issued by the Sellers in connection with the Portfolio Loans are true and complete in all material aspects and the auditor of the relevant Seller has never indicated

that any of such prospectus did not comply with all rules and regulations applicable thereto.

Mandatory Repurchase

If at any time after the relevant purchase date of any Loan Receivable any of the representations and warranties relating to the Portfolio Loans and the Loan Receivables proves to have been untrue or incorrect in any material respect, the relevant Seller shall within fourteen (14) days of receipt of written notice thereof from the Issuer remedy the matter giving rise thereto and if such matter is not capable of remedy or is not remedied within the said period of fourteen (14) days, the relevant Seller shall, within fourteen (14) days immediately following the expiration of the relevant remedy period, at the Seller's expense, repurchase and accept assignment of the relevant Loan Receivable for a price equal to the aggregate principal sum (*hoofdsom*) due by the relevant Borrower under such Portfolio Loan together with due and overdue interest accrued up to (but excluding) the date of repurchase and re-assignment of the Loan Receivable and reasonable costs relating thereto (including any costs incurred by the Issuer in effecting and completing such purchase and assignment).

Each of the Sellers shall also undertake to repurchase and accept re-assignment of a Loan Receivable for a price equal to the Outstanding Principal Amount of such Loan Receivable together with interest accrued up to (but excluding) the date of repurchase and re-assignment of the relevant Loan Receivable and reasonable costs relating thereto (including any costs incurred by the Issuer in effecting and completing such purchase and assignment) within fourteen (14) days immediately following the date on which an amendment of the terms of the relevant Portfolio Loan becomes effective, in the event that such amendment is not in accordance with the conditions set out in the Loan Receivables Purchase Agreement and/or the Servicing Agreement, which include the condition that such amendment does not adversely affect the position of the Issuer or the Security Trustee and that after such amendment the relevant Portfolio Loan continues to meet each of the Loan Criteria (as set out below) and the representations and warranties contained in the Loan Receivables Purchase Agreement (as set out above) and does not adversely affect the ratings of the notes. However, the Seller shall not repurchase such Portfolio Loan if the relevant amendment is made as part of the enforcement procedures to be complied with upon a default by the Borrower under the relevant Portfolio Loan, including, without limitation, a restructuring or renegotiation of the relevant Portfolio Loan due to a deterioration of the credit quality of the Borrower of such Portfolio Loan.

Finally, if a Seller agrees with a Borrower to make a Further Advance prior to the occurrence of an Assignment Notification Event, it shall repurchase and accept re-assignment of the Loan Receivable resulting from the Portfolio Loan in respect of which a Further Advance has been granted unless such Further Advance Receivables shall be purchased by and assigned to the Issuer, subject to the terms and conditions set forth below on the immediately succeeding Portfolio Purchase Date (see also paragraph *Further Advances* below).

Sellers Clean-up Call Option

On each Quarterly Payment Date, the Sellers, acting jointly, may, but are not obliged to, repurchase and accept re-assignment of all (but not only part of) the Loan Receivables, if on the Notes Calculation Date immediately preceding such Quarterly Payment Date the aggregate Outstanding Principal Amount due on the Loan Receivables then outstanding is less than 10 per cent. of the Outstanding Principal Amount of the Loan Receivables on the Closing Date (the "**Sellers Clean-up Call Option**").

The Issuer has undertaken in the Loan Receivables Purchase Agreement to sell and assign the Loan Receivables to any of the Sellers, or any third party appointed by the Sellers at their sole discretion, in case the Sellers exercise the Sellers Clean-up Call Option. The purchase price will be equal to the aggregate principal sum (*hoofdsom*) due by the Borrower in respect of the Loan Receivables together with accrued interest due but unpaid and any other amount due under the relevant Portfolio Loan. The proceeds of such sale shall be applied by the Issuer towards redemption of the Notes (other than the Subordinated Notes), subject to and in accordance with the Conditions.

Regulatory Call Option

The Sellers, acting jointly, have the option (the "**Regulatory Call Option**") to repurchase and accept re-assignment of all (but not only part of) the Loan Receivables on each Quarterly Payment Date following the occurrence of a change in the Basle Capital Accord promulgated by the Basle Committee on Banking Supervision (the "**Basle Accord**") or in the international, European or Dutch regulations, rules and instructions (which includes the solvency regulation on securitisation of the Dutch Central Bank) (the "**Bank Regulations**") applicable to DSB Bank N.V. and DSB Financieringen B.V. (including any change in the Bank Regulations enacted for purposes of implementing a change to the Basle Accord) or a change in the manner in which the Basle Accord or such Bank Regulations are interpreted or applied by the Basle Committee on Banking Supervision or by any relevant competent international, European or national body (including any relevant international, European or Dutch Central Bank or other competent regulatory or supervisory authority) which, in the opinion of DSB Bank N.V. and/or DSB Financieringen B.V., has the effect of adversely affecting the rate of return on capital of DSB Bank N.V. and/or DSB Financieringen B.V. or increasing the costs or reducing the benefit to DSB Bank N.V. and/or DSB Financieringen B.V. with respect to the transaction contemplated by the Transaction Documents.

The Issuer has undertaken in the Loan Receivables Purchase Agreement to sell and assign the Loan Receivables to any of the Sellers, or any third party appointed by the Sellers at their sole discretion, in case the Sellers exercise the Regulatory Call Option. The purchase price will be equal to the Outstanding Principal Amount of the Loan Receivables. If the Sellers exercise the Regulatory Call Option, then the Issuer shall redeem the Notes (other than the Subordinated Notes) by applying the proceeds of such sale towards redemption of the Notes.

Loan Criteria

Each of the Portfolio Loans will meet the following criteria (the "**Loan Criteria**"):

- (a) each Portfolio Loan is either:
 - (i) an annuity loan (*persoonlijke lening*, "PL");
 - (ii) a flexible OK loan (*opnamekrediet*, "OK");
 - (iii) an interest-only loan (*rentekrediet*, "RK");
 - (iv) a flexible DK loan (*doorlopend krediet*, "DK");
 - (v) an insurance loan (*premierekrediet*, "PK"), combined with an insurance contract offered by any Insurance Company;
 - (vi) a flexible OK Secured Consumer Loan (*hypothecair opnamekrediet*, "HOK");
 - (vii) an interest-only Secured Consumer Loan (*hypothecair rentekrediet*, "HRK");
 - (viii) an insurance Secured Consumer Loan (*hypothecair premiekrediet*, "HPK"), combined with an insurance contract offered by any Insurance Company;
 - (ix) a flexible DK Secured Consumer Loan (*hypothecair doorlopend krediet*, "HDK");
- (b) the maximum amount a Borrower can draw under each Portfolio Loan (the "**Credit Limit**") does not exceed € 75,000 and the aggregate Credit Limits with respect to a Borrower do not exceed € 150,000;
- (c) the Borrower is a natural person (*natuurlijk persoon*) and was at least 21 years old when the Portfolio Loan was granted and will at maturity of the Portfolio Loan not be older than 75 years;
- (d) the Borrower is a resident of the Netherlands at the time of origination and not an employee of any of the Sellers or any of their group companies;
- (e) each Mortgaged Asset is located in the Netherlands, is not the subject of residential letting and is occupied by the relevant Borrower;
- (f) interest payments are scheduled to be made monthly in arrear and principal payments are scheduled to be made monthly, where applicable;
- (g) the interest rate of each Loan Receivable is (i) floating or (ii) fixed subject to an interest reset from time to time;
- (h) all Loan Receivables are either current, or if in arrears are in arrears for amounts no higher than one monthly payment, except in respect of Substitute Loan Receivables which are not in arrears on the relevant Monthly Calculation Date;
- (i) the aggregate Outstanding Principal Amount of all Loan Receivables resulting from the Portfolio Loans which are in the form of flexible OK Loans or flexible OK Secured Consumer Loans, as a result of substitution, does not exceed 2.00 per cent. of the aggregate Outstanding Principal Amount of all Loan Receivables on the relevant Portfolio Purchase Date as a result of the Issuer purchasing such loan receivables;
- (j) all of the Borrowers have made at least one monthly interest payment;

- (k) on the Closing Date, the Borrower has not been granted financial reconstruction measures pursuant to the Act on Debt Restructuring Private Persons (*Wet schuldsanering natuurlijke personen*); and
- (l) all Portfolio Loans (other than the Portfolio Loans originated by Vola and transferred to DSB Bank N.V. (or any of its legal predecessors)) have been originated in accordance with underwriting criteria EK, DSB 0, DSB 1, DSB 2, DSB 3 or DSB 4.

The same criteria apply to the selection of Further Advance Receivables and Substitute Loan Receivables to be purchased on a Portfolio Purchase Date, unless agreed otherwise with the Rating Agencies.

Assignment Notification Events

If:

- (a) a default is made by any of the Sellers in the payment on the due date of any amount due and payable by it under the Loan Receivables Purchase Agreement or any other Transaction Document to which it is a party and such failure is not remedied within ten (10) business days after having knowledge of such default or notice thereof has been given by the Issuer to the relevant Seller; or
- (b) any of the Sellers fails duly to perform or comply with any of its obligations under the Loan Receivables Purchase Agreement or under any other Transaction Document to which it is a party and, if such failure is capable of being remedied, such failure is not remedied within ten (10) Business Days after having knowledge of such default or notice thereof has been given by the Issuer to the relevant Seller; or
- (c) any representation, warranty or statement made or deemed to be made by any of the Sellers in the Loan Receivables Purchase Agreement or under any of the other Transaction Documents to which such Seller is a party or if any notice or other document, certificate or statement delivered by it pursuant hereto or thereto proves to have been, and continues to be after the expiration of any applicable grace period provided for in any Transaction Document, untrue or incorrect in any material respect; or
- (d) any of the Sellers takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution (*ontbinding*) and liquidation (*vereffening*) or legal demerger (*juridische splitsing*) involving such Seller; or
- (e) any of the Sellers has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for suspension payments or for the bankruptcy or any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (f) at any time it becomes unlawful for any of the Sellers to perform all or a material part of its obligations under the Loan Receivables Purchase Agreement or under any Transaction

Document to which it is a party; or

- (g) any of the Sellers has given materially incorrect information or not given material information of which the Sellers reasonably should have known that it was essential for the Issuer and the Security Trustee in connection with the entering into of the Loan Receivables Purchase Agreement and/or any of the Transaction Documents; or
- (h) DSB Bank N.V., on a consolidated basis, during a period of two consecutive months fails to have a solvency ratio of at least 0.25 per cent. point above the percentage required pursuant to the Decree on Prudential Rules Act on the Financial Supervision (*Besluit prudentiële regels Wft*, the "**Prudential Rules**") for tier 1 capital and 0.5 per cent. point above the percentage required pursuant to the Prudential Rules for tier 1 capital, upper tier 2 capital and lower tier 2 capital together, or pursuant to the Prudential Rules the actual liquidity is not greater or equal to the required liquidity under the broad liquidity test, as defined in such Prudential Rules during a period of any two consecutive months; or
- (i) the Dutch Central Bank has restricted DSB Bank N.V.'s powers in accordance with section 1:75.2 of the Act on the Financial Supervision and within two weeks after such event DSB Bank N.V. has not taken the necessary steps resulting in such measures being withdrawn; or
- (j) DSB Bank N.V. withdraws the declaration ex section 2:403 of the Netherlands Civil Code (*403-verklaring*) in respect of DSB Financieringen B.V.; or
- (k) the aggregate of the issued share capital, subordinated loans, subordinated provisions and reserves of DSB Bank N.V. falls below € 100 million; or
- (l) any change in the business activities of DSB Bank N.V. and/or any of its directly or indirectly owned subsidiaries which has a material adverse affect on the business activities of the group (within the meaning of section 2:24b of the Dutch Civil Code) of which DSB Bank N.V. forms part has occurred and is continuing or DSB Bank N.V. ceases to be the parent company of DSB Financieringen B.V.,

then unless within a period of ten (10) Business Days an appropriate remedy to the satisfaction of the Issuer and the Security Trustee is found and after the Issuer and the Security Trustee having received confirmation from the Rating Agencies that no downgrading of the ratings assigned to the Notes outstanding will occur as a result of not giving notice as described below, except in the occurrence of the events mentioned under (d) and (e), in which case no remedy shall apply, each of the Sellers shall forthwith (i) forthwith, unless the Security Trustee instructs otherwise, terminate (*opzeggen*) or waive (*afstand doen van*), each of the mortgage rights and Borrower Insurance Pledges granted by the Borrowers to the effect that such mortgage right and Borrower Insurance Pledge no longer secures other debts, if any, than the Loan Receivables purchased by the Issuer pursuant to the Loan Receivables Purchase Agreement, (ii) notify the relevant Borrowers, the relevant Insurance Companies and any other relevant parties indicated by the Issuer and/or the Security Trustee of the assignment of the relevant Loan Receivables and the Beneficiary Rights relating thereto and (iii) make the appropriate entries in the relevant mortgage register with regard to the assignment of any Loan

Receivables which are secured by a mortgage right. The Issuer or the Security Trustee, on behalf of the Issuer, shall be entitled to effect such notification and entry itself for which each of the Sellers, to the extent required, grants an irrevocable power of attorney to the Issuer and the Security Trustee in the Loan Receivables Purchase Agreement.

Further Advances

The Loan Receivables Purchase Agreement, provides that as from the Closing Date up to and including the Quarterly Payment Date immediately preceding the Quarterly Payment Date falling in July 2012, the Issuer shall on each Portfolio Purchase Date apply (part of) the amounts received by the Issuer since the immediately preceding Quarterly Payment Date which will form part of Notes Principal Available Amount to be calculated on the immediately succeeding Notes Calculation Date (excluding item (v) thereof) to purchase and accept assignment of any Further Advance Receivables granted by a Seller to a Borrower in accordance with the underwriting criteria and procedures prevailing at that time and which may be expected from a reasonably prudent lender in the Netherlands. The Initial Purchase Price payable by the Issuer in respect of the purchase and assignment of any Further Advance Receivables shall be equal to the aggregate Outstanding Principal Amount of such Further Advance Receivables at the date of completion of the sale and purchase thereof on the relevant Portfolio Purchase Date.

The Issuer shall only purchase any Further Advance Receivables if sufficient funds are available for payment of the Initial Purchase Price and the following conditions and criteria (collectively the "**Further Advance Criteria**") are met:

- (a) the relevant Seller will represent and warrant to the Issuer and the Security Trustee the matters set out in the clauses providing for the representations and warranties relating to the Portfolio Loans, the Loan Receivables and the Sellers in the Loan Receivables Purchase Agreement with respect to the Further Advance Receivables sold and relating to such Seller;
- (b) no Assignment Notification Event has occurred and is continuing; and
- (c) the Portfolio Loan (including the Further Advance) meets the Loan Criteria.

If either (i) any of the representations and warranties set out in the Loan Receivables Purchase Agreement in respect of the Portfolio Loan and the Loan Receivables is not true or correct with respect to the Further Advance Receivables, or (ii) the Further Advance Receivables do not meet the above conditions and the Further Advance Criteria, or (iii) the Issuer does not have sufficient funds available for payment of the purchase price for the Further Advance Receivables, or (iv) the Further Advance is granted on or following the First Optional Redemption Date, the relevant Seller shall repurchase and accept the re-assignment of the Loan Receivables resulting from the Portfolio Loan in respect of which a Further Advance is granted.

When a Further Advance is granted to a Borrower and the Issuer purchases and accepts assignment of the relevant Further Advance Receivable and any Beneficiary Rights relating thereto, the Issuer will at the same time create a right of pledge on such Further Advance Receivable and relating Beneficiary Rights (if any) in favour of the Security Trustee.

Substitution

The Loan Receivables Purchase Agreement, provides that as from the Closing Date up to and including the Portfolio Purchase Date immediately preceding the First Optional Redemption Date, the Issuer shall on each Portfolio Purchase Date apply the Substitution Available Amount to purchase any Substitute Loan Receivables from the Sellers if and to the extent offered by them. The "**Substitution Available Amount**" will be equal to (i) up to but excluding the Portfolio Purchase Date in falling in July 2010, the amounts received by the Issuer since the immediately preceding Quarterly Payment Date which will form part of Notes Principal Available Amount to be calculated on the immediately succeeding Notes Calculation Date (excluding item (ii) and (v) thereof) less the amounts to be applied towards payment on such Portfolio Purchase Date of the Initial Purchase Price for the Further Advance Receivables (if any) and (ii) from the Portfolio Purchase Date falling in July 2010 up to and including the Portfolio Purchase Date immediately preceding the First Optional Redemption Date, the amounts received in connection with the repurchase of Loan Receivables during the immediately preceding Portfolio Calculation Period. The Initial Purchase Price payable by the Issuer in respect of the purchase and assignment of any Substitute Loan Receivables shall be equal to the aggregate Outstanding Principal Amount of such Substitute Loan Receivables at the date of completion of the sale and purchase thereof on the relevant Portfolio Purchase Date.

The Issuer shall only purchase any Substitute Loan Receivables if sufficient funds are available for payment of the Initial Purchase Price and the following conditions and criteria (collectively the "**Substitution Criteria**") are met:

- (a) the relevant Seller will represent and warrant to the Issuer and the Security Trustee the matters set out in the clauses providing for the representations and warranties relating to the Portfolio Loans, the Loan Receivables and the Sellers in the Loan Receivables Purchase Agreement with respect to the Substitute Loan Receivables sold and relating to such Seller;
- (b) no Assignment Notification Event has occurred;
- (c) the Servicing Agreement entered into with DSB Bank N.V. has not been terminated;
- (d) the Portfolio Loan meets the Loan Criteria;
- (e) there has been no failure by the relevant Seller to repurchase any relevant Loan Receivable which it is required to repurchase pursuant to the Loan Receivables Purchase Agreement;
- (f) the Substitution Available Amount is sufficient to pay the Initial Purchase Price for the relevant Substitute Loan Receivables;
- (g) the balance standing to the credit of the Reserve Account equals the Reserve Account Target

Level;

- (h) not more than 2.50 per cent. of the aggregate Outstanding Principal Amount of the Loan Receivables is in arrears for a period exceeding sixty (60) days;
- (i) the aggregate Outstanding Principal Amount of all Loan Receivables, including the Substitute Loan Receivables, with the benefit of a mortgage is equal to or higher than 15 per cent. of the aggregate Outstanding Principal Amount of all Loan Receivables, including the Substitute Loan Receivables;
- (j) the Weighted Average Term to Maturity does not exceed 19 years, whereby the "Weighted Average Term to Maturity" is calculated as follows: for each Loan Receivable the Outstanding Principal Amount is multiplied by the period, expressed in years, starting on the immediately preceding Notes Calculation Date up to the date such Loan Receivable is to be repaid in full and the sum of such products of all Loan Receivables is divided by the aggregate Outstanding Principal Amount of all Loan Receivables;
- (k) the relevant Seller has provided a signed certificate stating its solvency ratio to the Security Trustee; and
- (l) the Swap Agreement has not been terminated, or if it has been terminated, a replacement swap agreement has been entered into.

When the Issuer purchases and accepts assignment of the relevant Substitute Loan Receivable and any Beneficiary Rights relating thereto, the Issuer will at the same time create a right of pledge on such Substitute Loan Receivable and relating Beneficiary Rights (if any) in favour of the Security Trustee.

SERVICING AGREEMENT AND ISSUER ADMINISTRATION AGREEMENT

Servicing Agreement

In the Servicing Agreement the Servicer will agree to provide management services to the Issuer on a day-to-day basis in relation to the Portfolio Loans and the Loan Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Loan Receivables, all administrative actions in relation thereto and the implementation of arrears procedures including the enforcement of mortgage rights (see further *Loan Origination, Underwriting and Servicing* above). The Servicer will be obliged to manage the Portfolio Loans and the Loan Receivables with the same level of skill, care and diligence as loans in its own or, as the case may be, the Seller's portfolio.

The Servicing Agreement may be terminated by the Issuer and the Security Trustee, acting jointly, upon the occurrence of certain termination events, including but not limited to, a failure by the Servicer to comply with its obligations (unless remedied within the applicable grace period), dissolution or liquidation of the Servicer or the Servicer being declared bankrupt or becoming subject to emergency regulations or if the Servicer no longer holds a licence under the Act on the Financial Supervision (*Wet op het financieel toezicht*). In addition the Servicing Agreement may be terminated by the Servicer upon the expiry of not less than six (6) months' notice, subject to written approval of the Issuer and the Security Trustee, which approval may not be unreasonably withheld and a confirmation of the Rating Agencies that there will be no adverse impact on the then current rating assigned to the Notes. A termination of the Servicing Agreement by either the Issuer and the Security Trustee or the Servicer will only become effective if a substitute servicer is appointed.

Upon occurrence of a termination event as set forth above, the Security Trustee and the Issuer shall use their best efforts to appoint a substitute servicer (see also below) and such substitute servicer shall enter into an agreement with the Issuer and the Security Trustee substantially on the terms of the Servicing Agreement, provided that such substitute servicer shall have the benefit of a servicing fee at a level to be then determined. Any such substitute servicer must have experience of administering consumer loans and/or (second lien) mortgage loans in the Netherlands and hold a licence under the Act on the Financial Supervision (*Wet op het financieel toezicht*). The Issuer shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Security Trustee on the terms of the Issuer Rights Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

Neither the Servicer nor any substitute servicer has any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. The Notes will be solely the obligations and responsibilities of the Issuer and not of any other entity or person involved in the transaction, including, without limitation, the Servicer, except for certain limited obligations of the Security Trustee under the Trust Deed.

Back-Up Servicers

At the Closing Date each of DEFAM Select B.V. (in respect of the Consumer Loans) and Stater Nederland B.V. (in respect of the Secured Consumer Loans) will pursuant to a back-up servicing agreement entered into by each of them, the Seller and the Security Trustee on the Signing Date (each a "**Back-Up Servicing Agreement**") be appointed as substitute servicer by the Issuer and Stichting Security Trustee Chapel 2007 in order to be its lawful agent to provide services relating to the Portfolio Loans on its behalf if at any time a Termination Event (as defined in the Servicing Agreement) in respect of the Servicer occurs. Each of DEFAM Select B.V. (in respect of the Consumer Loans) and Stater Nederland B.V. (in respect of the Secured Consumer Loans) has accepted this appointment on a "best efforts" basis and, subject to the outcome of a final due diligence investigation to be conducted within two (2) calendar months, has agreed that it shall be capable of performing the services (as set forth in Schedule 1 to the Servicing Agreement) during the life of Portfolio Loans in a manner and on a level as can be expected from a reasonable prudent servicer of, respectively, unsecured consumer loans and consumers loans secured by a second ranking mortgage in the Netherlands.

Under the Act on the Financial Supervision (*Wet op het financieel toezicht*), a special purpose vehicle which services (*beheert*) and administers (*uitvoert*) loans granted to consumers, such as the Issuer when it becomes the legal owner of the Loan Receivables, must have a license under that act. An exemption from the license requirement is available, if the special purpose vehicle outsources the servicing of the loans and the administration thereof to an entity holding a license to intermediate (*bemiddelen*) in credits or to offer credits (*aanbieden*) under the Act on the Financial Supervision. In this respect it is noted that pursuant to the public register of the AFM, DEFAM Select B.V. holds a license to offer consumer credits and Stater Nederland B.V. holds a license to intermediate in mortgage loans.

Issuer Administration Agreement

The Issuer Administrator will in the Issuer Administration Agreement agree to provide certain administration, calculation and cash management services to the Issuer in accordance with the relevant Transaction Documents, including, *inter alia*, (a) the application of amounts received by the Issuer to the GIC Accounts and the production of quarterly reports in relation thereto, (b) procuring that all drawings (if any) to be made by the Issuer from the Reserve Account are made, (c) procuring that all payments to be made by the Issuer under the Swap Agreement are made, (d) procuring that all payments to be made by the Issuer under the Notes are made in accordance with the Paying Agency Agreement and the Conditions, (e) the maintaining of all required ledgers in connection with the above, (f) all administrative actions in relation thereto, and (g) procuring that all calculations to be made pursuant to the Conditions under the Notes are made.

The Issuer Administration Agreement may be terminated by the Issuer and the Security Trustee, acting jointly, upon the occurrence of certain termination events, including but not limited to, a failure by the Issuer Administrator to comply with its obligations (unless remedied within the applicable grace period), dissolution or liquidation of the Issuer Administrator or the Issuer Administrator being declared bankrupt or granted a suspension of payments. In addition the Issuer Administration Agreement may be terminated by the Issuer Administrator upon the expiry of not less than six (6) months' notice, subject to written approval of the Issuer and the Security Trustee, which approval may not be unreasonably withheld and a confirmation of the Rating Agencies that there will be no adverse impact on the then current rating assigned to the Notes. A termination of the Issuer Administration Agreement by either the Issuer and the Security Trustee or the Issuer Administrator will only become effective if a substitute administrator is appointed.

Upon the occurrence of a termination event as set forth above, the Security Trustee and the Issuer shall use their best effort to appoint a substitute issuer administrator and such substitute issuer administrator shall enter into an agreement with the Issuer and the Security Trustee substantially on the terms of the Issuer Administration Agreement, provided that such substitute issuer administrator shall have the benefit of an administration fee at a level to be then determined. The Issuer shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Security Trustee on the terms of the Issuer Rights Pledge Agreement, mutatis mutandis, to the satisfaction of the Security Trustee.

CHAPEL 2007 B.V.

The Issuer was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands on 1 March 2007 under number BV 1383501. The corporate seat (*statutaire zetel*) of the Issuer is in Amsterdam, the Netherlands and its registered office is at Frederik Roeskestraat 123, 1076 EE Amsterdam, the Netherlands and its telephone number is +31 20 5771 177. The Issuer is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34268554.

The objectives of the Issuer are (a) to acquire, purchase, conduct the management of, dispose of and encumber receivables and to exercise any rights connected to such receivables, (b) to take up loans by way of the issue of securities or by entering into loan agreements to acquire the receivables mentioned under (a), (c) to invest and on-lend any funds held by the Issuer, (d) to hedge interest rate risks and other financial risks amongst others by entering into derivative agreements, such as swaps and options, (e) if incidental to the foregoing, (i) to take up loans by issuing securities or by entering into loan agreements amongst others to perform the obligations under the securities mentioned under (b) and (ii) to grant security rights and (f) to perform all activities which are incidental to or which may be conducive to any of the foregoing.

The Issuer was established for the limited purposes of the issue of the Notes, the acquisition of the Loan Receivables and certain related transactions described elsewhere in this Offering Circular. The Issuer operates under Dutch law, provided that it may enter into contracts which are governed by the laws of another jurisdiction than the Netherlands.

The Issuer has an authorised share capital of € 18,000 of which € 18,000 has been issued and is fully paid. All shares of the Issuer are held by Stichting Administratiekantoor Chapel.

Stichting Administratiekantoor Chapel is a foundation (*stichting*) incorporated under the laws of the Netherlands on 2 November 2005. Stichting Administratiekantoor Chapel is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34235941. The objectives of Stichting Administratiekantoor Chapel are to, *inter alia*, acquire and hold shares in the share capital of the Issuer and to exercise all rights attached to such shares, to dispose of and encumber such shares. Pursuant to the articles of association of Stichting Administratiekantoor Chapel an amendment of the articles of Stichting Administratiekantoor Chapel requires the prior written consent of the Stichting Security Trustee Chapel 2007. Moreover, the Director shall only be authorized to dissolve the Stichting Administratiekantoor Chapel, (i) after receiving the prior written consent of the Stichting Security Trustee Chapel 2007 and (ii) after the Issuer has been fully discharged for all its obligations by virtue of the Transaction Documents.

Stichting Administratiekantoor Chapel has issued (non-voting) depository receipts (*certificaten*) for all the 180 shares held by it in the capital of the Issuer. ATC Investments B.V. holds all such depository receipts. The administration conditions (*administratievoorwaarden*) provide that the depository receipts cannot be exchanged for shares in limited conditions (*geroyeerd*) except at the written request of depository receipt holders representing at least ninety-five per cent. of the nominal value of the aggregate number of depository receipts at the request of the holder thereof.

The sole managing director of each of the Issuer and Stichting Administratiekantoor Chapel is ATC Management B.V. ATC Management B.V. has elected domicile at the registered office of the Issuer at Frederik Roeskestraat 123, 1076 EE Amsterdam, telephone number +31 20 5771177. The managing directors of ATC Management B.V. are J.H. Scholts, G.F.X.M. Nieuwenhuizen, J. Lont and A.G.M. Nagelmaker.

The objectives of ATC Management B.V. are (a) advising of and mediation by financial and related transactions, (b) finance company, and (c) management of legal entities.

ATC Management B.V. belongs to the same group of companies as Amsterdamsch Trustee's Kantoor B.V., being the sole Director of the Security Trustee. Therefore, a conflict of interest may arise. In this respect it is of note that in the management agreements entered into by each of the Directors with the entity of which it has been appointed managing director (*statutair directeur*), each of the Directors agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director (*statutair directeur*) should do or should refrain from doing, and (ii) refrain from taking any action detrimental to the obligations under any of the Transaction Documents or the then current rating assigned to the Notes outstanding. In addition each of the Directors agrees in the relevant management agreement that it will not enter into any agreement in relation to Chapel 2007 B.V., and/or Stichting Administratiekantoor Chapel and/or Stichting Security Trustee Chapel 2007 other than the Transaction Documents to which it is a party, without the prior written consent of the Stichting Security Trustee Chapel 2007 and subject to there being no adverse effect on the then current ratings assigned to the Notes.

The Issuer has the corporate power and capacity to issue the Notes, to acquire the Loan Receivables and to enter into and perform the obligations under the Transaction Documents.

Since its incorporation there has been no material adverse change in the financial position or prospects of the Issuer and the Issuer has not (i) commenced operations, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in this Offering Circular, (ii) been involved in any governmental, legal or arbitration proceedings which may have a significant effect on the Issuer's financial position or profitability nor, so far as the Issuer is aware, are any such proceedings pending or threatened against the Issuer and (iii) prepared any financial

statements.

The financial year of the Issuer coincides with the calendar year. The first financial year shall end on 31 December 2007.

Capitalisation

The following table shows the capitalisation of the Issuer as of 3 April 2007 as adjusted to give effect to the issue of the Notes. Copies of the deed of incorporation and the articles of association of the Issuer may be obtained at the specified offices of the Issuer and at the specified offices of the Paying Agent during normal business hours.

Share Capital

Authorised Share Capital	€ 18,000
Issued Share Capital	€ 18,000

Borrowings

Senior Class A1 Notes	€ 321,000,000
Senior Class A2 Notes	€ 300,000,000
Senior Class B Notes	€ 13,800,000
Mezzanine Class C Notes	€ 23,500,000
Mezzanine Class D Notes	€ 17,900,000
Junior Class E Notes	€ 13,800,000
Subordinated Class F Notes	€ 13,800,000
Subordinated Class G Notes	€ 6,900,000

Act on the Financial Supervision

The Issuer is not subject to any licence requirement under Section 2:11 of the Act on the Financial Supervision as amended, due to the fact that the Notes will be offered solely to professional market parties (*professionele marktpartijen*) within the meaning of Section 1.1 of the Act on the Financial Supervision, as amended from time to time and Section 3 of the Decree Definitions Act on the Financial Supervision (*Besluit definitiebepalingen Wet op het financieel toezicht*) (each a "PMP").

The Issuer is not subject to any licence requirement under Section 2:60 of the Act on the Financial Supervision, as the Issuer has outsourced the servicing and administration of the Portfolio Loans to the Servicer. The Servicer holds a license under the Financial Services Act and the Issuer will thus benefit from the exemption.

Auditors' Confirmation

The following is the text of a report received by the board of managing directors of the Issuer from Ernst & Young Accountants, the accountants of which are a member of Royal Dutch Institute for registered accountants (*Koninklijk Nederlands Instituut voor register accountants*) and the auditors to

the Issuer. This information has been accurately reproduced. As far as the Issuer is aware and is able to ascertain from information provided by Ernst & Young Accountants, no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the Director of Chapel 2007 B.V.

Amsterdam, 29 March 2007

Dear Sirs,

Chapel 2007 B.V. (the "**Issuer**") was incorporated on 1 March 2007 under number BV 1383501 with an issued share capital of € 18,000. The Issuer has not yet prepared any financial statements. Since its incorporation, the Issuer has not traded, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in the Offering Circular dated 29 March 2007.

Yours faithfully,
Ernst & Young Accountants

ISSUER ADMINISTRATOR

ATC Financial Services B.V. will be appointed as Issuer Administrator in accordance with and under the terms of the Issuer Administrator Agreement (see further under *Servicing Agreement and Issuer Administration Agreement* above). ATC Financial Services B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands on 4 May 1995. It has its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Frederik Roeskestraat 123, 1076 EE Amsterdam, the Netherlands. The Issuer Administrator is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 33210270.

The objects of the Issuer Administrator are (a) to represent financial, economic and administrative interests in the Netherlands and other countries; (b) to act as trust company, as well as to participate in, manage and administer other enterprises, companies and legal entities, and (c) to perform any and all acts which are related, incidental or which may be conducive to the above.

The managing directors of the Issuer Administrator are J.H. Scholts and G.F.X.M. Nieuwenhuizen. The sole shareholder of the Issuer Administrator is Amsterdam Trust Corporation B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and having its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands. The managing directors of Amsterdam Trust Corporation B.V. are H.P. Sluyser, R.F. Govaerts and J.Lont.

USE OF PROCEEDS

The aggregate proceeds of the Notes to be issued on the Closing Date amount to € 710,700,000. The net proceeds of the issue of the Notes (other than the Subordinated Notes) will be applied on the Closing Date to pay the Initial Purchase Price for the Loan Receivables purchased under the Loan Receivables Purchase Agreement on the Closing Date. The proceeds of the issue of the Subordinated Notes will be used to fund the Reserve Account.

DESCRIPTION OF SECURITY

The Notes will be secured indirectly, through the Security Trustee, by the Trust Deed to be entered into by the Issuer and the Security Trustee, acting as security trustee for (i) the Manager as initial Noteholder, (ii) the Directors, (iii) the Issuer Administrator, (iv) the Servicer, (v) the Paying Agent, (vi) the Reference Agent, (vii) the Liquidity Facility Provider, (viii) the Swap Counterparty, (ix) the Sellers and (x) the Noteholders (together the "**Security Beneficiaries**"). The Issuer will agree in the Trust Deed, to the extent necessary in advance, to pay to the Security Trustee any amounts equal to the aggregate of all its liabilities to all the Security Beneficiaries from time to time due in accordance with the terms and conditions of the relevant Transaction Documents, including, without limitation, the Notes (the "**Principal Obligations**"), which payment undertaking and the obligations and liabilities resulting therefrom is herein referred to as the "**Parallel Debt**".

The Parallel Debt of the Issuer to the Security Trustee will be secured by (i) a first ranking pledge by the Issuer to the Security Trustee over the Loan Receivables pursuant to the Loan Receivables Pledge Agreement, including all rights ancillary thereto in respect of the Portfolio Loans and the rights as beneficiary under the Insurance Policies (the "**Beneficiary Rights**") which have been assigned to the Issuer together with the relevant Loan Receivables and (ii) a first ranking pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Loan Receivables Purchase Agreement, the Swap Agreement, the Servicing Agreement, the Back-Up Servicing Agreement, the Floating Rate GIC, the Liquidity Facility Agreement, the Beneficiary Waiver Agreement and in respect of the GIC Accounts.

The Issuer and the Security Trustee will enter into a pledge agreement (the "**Loan Receivables Pledge Agreement**") pursuant to which a first ranking undisclosed right of pledge (*stil pandrecht eerste in rang*) will be granted by the Issuer to the Security Trustee over the Loan Receivables and the relating Beneficiary Rights (if any) in order to create security for all liabilities of the Issuer to the Security Trustee in connection with the Trust Deed, including the Parallel Debt, and any of the other Transaction Documents. Pursuant to the Loan Receivables Pledge Agreement, the Issuer further undertakes, in respect of any Further Advance Receivables and Substitute Loan Receivables, to grant to the Security Trustee a first ranking undisclosed right of pledge on the relevant Further Advance Receivables (unless the Loan Receivables resulting from a Portfolio Loan in respect of which a Further Advance is granted are being repurchased and reassigned by the relevant Seller) and Substitute Loan Receivables and any associated Beneficiary Rights on the relevant purchase date. In this respect, the Issuer and the Security Trustee acknowledge that (i) the Parallel Debt constitutes undertakings, obligations and liabilities of the Issuer to the Security Trustee which are separate and independent from and without prejudice to the Principal Obligations of the Issuer to any Security Beneficiary and (ii) the Parallel Debt represents the Security Trustee's own claim (*vordering*) to receive payment of the Parallel Debt from the Issuer, provided that the aggregate amount that may become due under the

Parallel Debt will never exceed the aggregate amount that may become due under all of the Principal Obligations to the Security Beneficiaries.

The pledge over the Loan Receivables provided in the Loan Receivables Pledge Agreement will not be notified to the Borrowers except in the case of certain Pledge Notification Events. These Pledge Notification Events will, to a large extent, be similar to the Assignment Notification Events defined in the Loan Receivables Purchase Agreement. Prior to notification of the pledge to the Borrowers, the pledge will be an undisclosed right of pledge (*stil pandrecht*) within the meaning of section 3:239 of the Dutch Civil Code. The pledge of the Beneficiary Rights will also be an undisclosed right of pledge until notification thereof to the relevant Insurance Companies.

In addition, the Issuer will vest a right of pledge on any and all existing and future rights and claims that are owed and will be owed to the Issuer (the "**Issuer Rights**") under (i) the Loan Receivables Purchase Agreement, (ii) the Servicing Agreement, (iii) the Back-Up Servicing Agreement, (iv) the Swap Agreement, (v) the Liquidity Facility Agreement and (vi) the Beneficiary Waiver Agreement (the "**Issuer Rights Pledge Agreement**") in favour of the Security Trustee. This right of pledge secures any and all liabilities of the Issuer to the Security Trustee resulting from or in connection with the Parallel Debt. Furthermore, on the Closing Date, the Issuer will vest, in favour of the Security Trustee, a right of pledge in respect of any and all current and future monetary claims of the Issuer against the Floating Rate GIC Provider, in respect of the Floating Rate GIC and the GIC Accounts (the "**GIC Accounts Pledge Agreement**"). The pledge pursuant to each of the Issuer Rights Pledge Agreement and the GIC Accounts Pledge Agreement will be notified to the relevant obligors and will therefore be a disclosed right of pledge (*openbaar pandrecht*).

Upon enforcement of the pledges created pursuant to the Security Documents (i.e. which is after delivery of an Enforcement Notice), the Security Trustee shall apply the net proceeds received or recovered towards satisfaction of the Parallel Debt. The Security Trustee shall subsequently distribute such net proceeds to the Security Beneficiaries. All amounts to be so distributed by the Security Trustee will be paid in accordance with the Post-Enforcement Priority of Payments (as set forth in *Credit Structure* above).

The security provided pursuant to the provisions of the Trust Deed and the Pledge Agreements shall indirectly, through the Security Trustee, serve as security for the benefit of the Security Beneficiaries, including, without limitation, each of the Senior Class A Noteholders, the Senior Class B Noteholders, the Mezzanine Class C Noteholders, the Mezzanine Class D Noteholders, the Junior Class E Noteholders, the Subordinated Class F Noteholders and the Subordinated Class G Noteholders but amounts owing to the Senior Class B Noteholders will rank junior to Senior Class A Noteholders and amounts owing to the Mezzanine Class C Noteholders will rank junior to the Senior Class A Noteholders and the Senior Class B Noteholders and amounts owing to the Mezzanine Class D

Noteholders will rank junior to the Senior Class A Noteholders, the Senior Class B Noteholders and the Mezzanine Class C Noteholders and amounts owing to the Junior Class E Noteholders will rank junior to the Senior Class A Noteholders, the Senior Class B Noteholders, the Mezzanine Class C Noteholders and the Mezzanine Class D Noteholders and amounts owing to the Subordinated Class F Noteholders will rank junior to the Senior Class A Noteholders, the Senior Class B Noteholders, the Mezzanine Class C Noteholders, the Mezzanine Class D Noteholders and the junior Class E Noteholders and amounts owing to the Subordinated Class G Noteholders will rank junior to the Senior Class A Noteholders, the Senior Class B Noteholders, the Mezzanine Class C Noteholders, the Mezzanine Class D Noteholders, the Junior Class E Noteholders and the Subordinated Class F Noteholders (see *Credit Structure* above).

THE SECURITY TRUSTEE

Stichting Security Trustee Chapel 2007 is a foundation (*stichting*) incorporated under the laws of the Netherlands on 1 March 2007. It has its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Frederik Roeskestraat 123, 1076 EE Amsterdam, the Netherlands. The Security Trustee is registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 34268559.

The objects of the Security Trustee are (a) to act as agent and/or trustee of the Noteholders and certain other creditors of the Issuer; (b) to acquire security rights as agent and/or trustee and/or for itself; (c) to hold, administer and enforce the security rights mentioned under (b) for the benefit of the Noteholders and certain other creditors of the Issuer and to perform acts and legal acts (including the acceptance of a parallel debt obligation from, *inter alia*, the Issuer) which are or may be related, incidental or conducive to the holding of the above security rights and (d) to perform any and all acts which are related, incidental or which may be conducive to the above.

The sole managing director of the Security Trustee is Amsterdamsch Trustee's Kantoor B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and having its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands. The managing directors of Amsterdamsch Trustee's Kantoor B.V. are D.P. Stolp and F.E.M. Kuijpers.

TERMS AND CONDITIONS OF THE NOTES

If Notes are issued in definitive form (each such Note a "Definitive Note"), the terms and conditions will be as set out below. The Conditions will be endorsed on each Definitive Note if they are issued. While the Notes remain in global form, the same terms and conditions will govern the Notes, except to the extent that they are not appropriate for Notes in global form. See under The Global Notes below.

The issue of the € 321,000,000 Senior Class A1 Asset-Backed Notes 2007 due 2066 (the "**Senior Class A1 Notes**"), the € 300,000,000 Senior Class A2 Asset-Backed Notes 2007 due 2066 (the "**Senior Class A2 Notes**", and together with the Senior Class A1 Notes, the "**Senior Class A Notes**"), the € 13,800,000 Senior Class B Asset-Backed Notes 2007 due 2066 (the "**Senior Class B Notes**"), the € 23,500,000 Mezzanine Class C Asset-Backed Notes 2007 due 2066 (the "**Mezzanine Class C Notes**"), the € 17,900,000 Mezzanine Class D Asset-Backed Notes 2007 due 2066 (the "**Mezzanine Class D Notes**"), the € 13,800,000 Junior Class E Asset-Backed Notes 2007 due 2066 (the "**Junior Class E Notes**"), the € 13,800,000 Subordinated Class F Notes 2007 due 2066 (the "**Subordinated Class F Notes**") and the € 6,900,000 Subordinated Class G Notes 2007 due 2066 (the "**Subordinated Class G Notes**" and, together with the Subordinated Class F Notes the "**Subordinated Notes**" and together with the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F notes, the "**Notes**") was authorised by a resolution of the managing director of Chapel 2007 B.V. (the "**Issuer**") passed on 23 March 2007. The Notes will be issued on 3 April 2007 (or such later date as may be agreed between the Manager and the Issuer) (the "**Closing Date**") under a trust deed (the "**Trust Deed**") dated 29 March 2007 (the "**Signing Date**") between the Issuer, Stichting Security Trustee Chapel 2007 (the "**Security Trustee**") and Stichting Administratiekantoor Chapel.

Under a paying agency agreement (the "**Paying Agency Agreement**") dated the Signing Date by and between the Issuer, the Security Trustee and ABN AMRO as paying agent (the "**Paying Agent**") and as reference agent (the "**Reference Agent**" and, together with the Paying Agent, the "**Agents**") provision is made for, among other things, the payment of principal and interest in respect of the Notes.

The statements in these terms and conditions of the Notes (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of (i) the Paying Agency Agreement, (ii) the Trust Deed, which will include the form of the Notes and the interest coupons appertaining to the Notes (the "**Coupons**"), the forms of the Temporary Global Notes and the Permanent Global Notes, (iii) a loan receivables purchase agreement (the "**Loan Receivables Purchase Agreement**") dated the Signing Date between DSB Bank N.V. and DSB Financieringen B.V., as sellers (each a "**Seller**" and together the "**Sellers**"), the Issuer and the Security Trustee, (iv) a servicing agreement (the "**Servicing Agreement**") dated the Signing Date between the Issuer, DSB Bank N.V., as servicer (the "**Servicer**") and the Security Trustee, (iv) an administration agreement (the "**Issuer Administration Agreement**")

dated the Signing Date between Issuer, ATC Financial Services B.V., as administrator (the "**Issuer Administrator**") and the Security Trustee, (v) a loan receivables pledge agreement dated the Signing Date between the Seller, the Issuer and the Security Trustee, (vi) an issuer rights pledge agreement dated the Signing Date between, *inter alia*, the Issuer and the Security Trustee and (vii) a GIC accounts pledge agreement dated the Signing Date between, *inter alia*, the Issuer and the Security Trustee (jointly with the two pledge agreements referred to under (v) and (vi) above, the "**Pledge Agreements**" and the Pledge Agreements together with the Trust Deed, the "**Security Documents**") and together with certain other agreements, including all the aforementioned agreements and the Notes, the "**Transaction Documents**").

Certain words and expressions used below are defined in a master definitions agreement (the "**Master Definitions Agreement**") dated the Signing Date and signed by the Issuer, the Security Trustee, the Seller and certain other parties. Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions. As used herein, "**Class**" means the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes, the Subordinated Class F Notes or the Subordinated Class G Notes as the case may be.

Copies of the Loan Receivables Purchase Agreement, the Trust Deed, the Security Beneficiaries Agreement, the Paying Agency Agreement, the Servicing Agreement, the Pledge Agreements, the Master Definitions Agreement and certain other agreements are available for inspection free of charge by holders of the Notes at the specified office of the Paying Agent and the current office of the Security Trustee, being at the date hereof Fred. Roeskestraat 123, 1076 EE Amsterdam, the Netherlands. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement, the Pledge Agreements and the Master Definitions Agreement.

1. Form, Denomination and Title

(a) Definitive Notes

The Notes will be in bearer form serially numbered with Coupons attached on issue in denominations of € 100,000 each. Under Dutch law, the valid transfer of Notes requires, *inter alia*, delivery (*levering*) thereof. The Issuer, the Security Trustee and the Paying Agent may, to the fullest extent permitted by law, treat the holder of any Note and of the Coupons appertaining thereto as its absolute owner for all purposes (whether or not payment under such Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft thereof) for any purposes, including payment, and no person shall be liable for so treating such holder. The signatures on the Notes will be in facsimile.

(b) *Legend on Definitive Notes*

The Definitive Notes and the Coupons will bear the following legend: "Any United States Person (as defined in the Internal Revenue Code), who holds this obligation will be subject to the limitations under the United States income tax laws, including limitations provided in section 165(j) and 1287(a) of the Internal Revenue Code". The sections referred to in the legend provide that such a United States Person will not, with certain exceptions, be permitted to deduct any loss, and will not be eligible for favourable capital gains treatment with respect to any gain realised on a sale, exchange or redemption of a Definitive Note or Coupon.

(c) *Global Notes*

Each Class of Notes will initially be represented by a Global Note and will only be exchangeable for Definitive Notes in the limited circumstances set forth in the Global Note.

2. Status, Relationship between the Notes and Security

(a) *Status*

The Notes of each Class are direct and unconditional obligations of the Issuer and rank *pari passu* and rateably without any preference or priority among Notes of the same Class.

In accordance with the provisions of Conditions 4, 6 and 9 and the Trust Deed (i) payments of principal and interest on the Senior Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, (ii) payments of principal and interest on the Mezzanine Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes and the Senior Class B Notes, (iii) payments of principal and interest on the Mezzanine Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Senior Class B Notes and the Mezzanine Class C Notes, (iv) payments of principal and interest on the Junior Class E Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes and the Mezzanine Class D Notes, (v) payments of principal and interest on the Subordinated Class F Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes and (vi) payments of principal and interest on the Subordinated Class G Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes.

(b) *Security*

The Security Beneficiaries, including, *inter alia*, the Noteholders, benefit from the security for the

obligations of the Issuer towards the Security Trustee (the "**Security**"), which will be created pursuant to, and on the terms set out in, the Trust Deed and the Pledge Agreements, which will create, *inter alia*, the following security rights:

- (i) a first ranking undisclosed pledge by the Issuer to the Security Trustee over the Loan Receivables and the rights as beneficiary under the Insurance Policies (the "**Beneficiary Rights**") and all ancillary rights;
- (ii) a first ranking disclosed pledge by the Issuer to the Security Trustee over the Issuer's rights (a) against the Sellers under or in connection with the Loan Receivables Purchase Agreement; (b) against the Floating Rate GIC Provider under or in connection with the Floating Rate GIC; (c) against the Servicer under or in connection with the Servicing Agreement; (d) against the Back-Up Servicer under or in connection with the Back-Up Servicing Agreement; (e) against the Swap Counterparty under or in connection with the Swap Agreement; (f) against the Liquidity Facility Provider under or in connection with the Liquidity Facility Agreement and (g) against the Sellers and the relevant Insurance Companies under or in connection with the Beneficiary Waiver Agreement;
- (iii) a first ranking disclosed pledge by the Issuer to the Security Trustee over the Issuer's claims in respect of the GIC Accounts.

The holders of the Notes will benefit from the Security. The Senior Class A Notes will rank in priority to the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes, the Subordinated Class F Notes and the Subordinated Class G Notes, the Senior Class B Notes will rank in priority to the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes, the Subordinated Class F Notes and the Subordinated Class G Notes, the Mezzanine Class C Notes will rank in priority to the Mezzanine Class D Notes, the Junior Class E Notes, the Subordinated Class F Notes and the Subordinated Class G Notes, the Mezzanine Class D Notes will rank in priority to the Junior Class E Notes, the Subordinated Class F Notes and the Subordinated Class G Notes, the Junior Class E Notes will rank in priority to the Subordinated Class F Notes and the Subordinated Class G Notes and the Subordinated Class F Notes will rank in priority to the Subordinated Class G Notes. The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the Senior Class A Noteholders, the Senior Class B Noteholders, the Mezzanine Class C Noteholders, the Mezzanine Class D Noteholders, the Junior Class E Noteholders, the Subordinated Class F Noteholders and the Subordinated Class G Noteholders each as a Class as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise, and the Security Trustee need not to have regard to the

consequences of such exercise for individual Noteholders but is required in any such case to have regard only to the interests of the Senior Class A Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Senior Class A Noteholders on the one hand and the Senior Class B Noteholders, the Mezzanine Class C Noteholders, the Mezzanine Class D Noteholders, the Junior Class E Noteholders, the Subordinated Class F Noteholders or the Subordinated Class G Noteholders on the other hand and, if no Senior Class A Notes are outstanding, to have regard only to the interests of the Senior Class B Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Senior Class B Noteholders on the one hand and the Mezzanine Class C Noteholders, the Mezzanine Class D Noteholders, the Junior Class E Noteholders, the Subordinated Class F Noteholders or the Subordinated Class G Noteholders on the other hand and, if no Senior Class B Notes are outstanding, to have regard only to the interests of the Mezzanine Class C Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Mezzanine Class C Noteholders on the one hand and the Mezzanine Class D Noteholders, the Junior Class E Noteholders, the Subordinated Class F Noteholders or the Subordinated Class G Noteholders on the other hand and, if no Mezzanine Class C Notes are outstanding, to have regard only to the interests of the Mezzanine Class D Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Mezzanine Class D Noteholders on the one hand and the Junior Class E Noteholders, the Subordinated Class F Noteholders or the Subordinated Class G Noteholders on the other hand and, if no Mezzanine Class D Notes are outstanding, to have regard only to the interests of the Junior Class E Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Junior Class E Noteholders on the one hand and the Subordinated Class F Noteholders or the Subordinated Class G Noteholders on the other hand and, if no Junior Class E Notes are outstanding, to have regard only to the interests of the Subordinated Class F Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Subordinated Class F Noteholders on the one hand and the Subordinated Class G Noteholders on the other hand. In addition, the Security Trustee shall have regard to the interests of the other Security Beneficiaries, provided that, in the case of a conflict of interest between the Security Beneficiaries, the priority of payments set forth in the Trust Deed determines which interest of which Security Beneficiary prevails.

3. Covenants of the Issuer

So long as any of the Notes remain outstanding, the Issuer shall carry out its business in accordance with proper and prudent Dutch business practice and in accordance with the requirements of Dutch law and accounting practice and shall not, except to the extent permitted by the Transaction Documents, or with the prior written consent of the Security Trustee:

- (a) carry out any business other than as described in the Offering Circular dated 29 March 2007 relating to the issue of the Notes and as contemplated in the Transaction

Documents;

- (b) incur or permit to subsist any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness, except as contemplated in the Transaction Documents;
- (d) create, promise to create or permit to subsist any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of any part of its assets, except as contemplated in the Transaction Documents;
- (e) consolidate or merge with any other person or convey or transfer its assets substantially or as an entirety to one or more persons;
- (f) permit the validity or effectiveness of the Trust Deed or the Pledge Agreements, and the priority of the security created thereby or pursuant thereto to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations except as contemplated in the Transaction Documents;
- (g) have any employees or premises or have any subsidiary or subsidiary undertaking;
- (h) have an interest in any bank account other than the GIC Accounts and an account into which collateral under the Swap Agreement is transferred, unless all rights in relation to such account (other than the account into which collateral under the Swap Agreement is transferred) will have been pledged to the Security Trustee as provided in Condition 2(b)(iii);
- (i) amend, supplement or otherwise modify its articles of association or other constitutive documents;
- (j) pay any dividend or make any other distribution to its shareholder(s), other than from amounts standing to the credit of the Transaction Account classified as the Issuer Income Entitlement and which have not been applied by the Issuer for the payment of any corporate income tax in respect of such Issuer Income Entitlement, the payment of dividend or distributions in accordance with this provision, the issue of any further shares or otherwise; or
- (k) engage in any activity whatsoever which is not incidental to or necessary in connection

with any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in.

4. Interest

(a) *Period of Accrual*

The Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition 6) from and including the Closing Date. Each Note (or, in the case of the redemption of only part of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgement) at the rate applicable to such Note up to but excluding the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh day after notice is duly given by the Paying Agent to the holder thereof (in accordance with Condition 13) that upon presentation thereof, such payments will be made, provided that upon such presentation payment is in fact made. Whenever it is necessary to compute an amount of interest in respect of any Note for any period, such interest shall be calculated on the basis of the actual number of days elapsed in the Quarterly Interest Period divided by 360 days.

(b) *Interest Periods and Payment Dates*

Interest on the Notes shall be payable by reference to successive interest periods (each a "**Quarterly Interest Period**") and will be payable in arrear in euro in respect of the Principal Amount Outstanding (as defined in Condition 6) of the Notes, respectively, on the 17th day of January, April, July and October of each year, or if such day is not a Business Day (as defined below), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 17th day is the relevant Business Day (each such day being a "**Quarterly Payment Date**"). A "**Business Day**" means a day on which banks are open for business in Amsterdam and London, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (the "**TARGET System**") or any successor thereto is operating credit or transfer instructions in respect of payments in euro. Each successive Quarterly Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Quarterly Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date in July 2007.

(c) *Interest on the Notes*

Except for the first Quarterly Interest Period whereby interest will accrue from (and including) the

Closing Date until but excluding the first Quarterly Payment Date at an annual rate equal to the linear interpolation between the Euro Interbank Offered Rate ("**Euribor**") for three-months deposits in euros and the Euribor for four-months deposits in euros (determined in accordance with Condition 4) plus the margin as set out below, interest on the Notes for each Quarterly Interest Period will as from the first Quarterly Payment Date up to (but excluding) the First Optional Redemption Date will accrue at an annual rate equal to Euribor for three-months deposits in euro, plus:

- (i) for the Senior Class A1 Notes, a margin of 0.15 per cent. per annum;
- (ii) for the Senior Class A2 Notes, a margin of 0.18 per cent. per annum;
- (iii) for the Senior Class B Notes, a margin of 0.22 per cent. per annum;
- (iv) for the Mezzanine Class C Notes, a margin of 0.35 per cent. per annum;
- (v) for the Mezzanine Class D Notes, a margin of 0.44 per cent. per annum;
- (vi) for the Junior Class E Notes, a margin of 0.82 per cent. per annum;
- (vii) for the Subordinated Class F Notes a margin of 6.00 per cent. per annum; and
- (viii) for the Subordinated Class G Notes a margin of 8.50 per cent. per annum.

(d) *Interest following the First Optional Redemption Date*

If on the First Optional Redemption Date (as defined in Condition 6) the Notes of any Class have not been redeemed in full, the margin on each Class of Notes (other than the Subordinated Notes) will increase and the rate of interest applicable to the relevant Class of Notes will then be equal to the sum of Euribor for three-months deposits in euro, payable by reference to Quarterly Interest Periods on each Quarterly Payment Date, plus:

- (i) for the Senior Class A1 Notes, a margin of 0.30 per cent. per annum;
- (ii) for the Senior Class A2 Notes, a margin of 0.36 per cent. per annum;
- (iii) for the Senior Class B Notes, a margin of 0.44 per cent. per annum;
- (iv) for the Mezzanine Class C Notes, a margin of 0.70 per cent. per annum;
- (v) for the Mezzanine Class D Notes, a margin of 0.88 per cent. per annum;
- (vi) for the Junior Class E Notes, a margin of 1.82 per cent. per annum;
- (vii) for the Subordinated Class F Notes a margin of 6.00 per cent. per annum; and
- (viii) for the Subordinated Class G Notes a margin of 8.50 per cent. per annum.

(e) *Euribor*

For the purposes of Conditions 4(c) and (d) Euribor will be determined as follows:

- (i) The Reference Agent will obtain for each Quarterly Interest Period the rate equal to Euribor for three-months deposits in euro. The Reference Agent shall use the Euribor rate as determined and published jointly by the European Banking Federation and ACI -

The Financial Market Association and which appears for information purposes on the Telerate Page 248 (or, if not available, any other display page on any screen service maintained by any registered information vendor (including, without limitation, the Reuter Monitor Money Rate Service, the Dow Jones Telerate Service and the Bloomberg Service) for the display of the Euribor rate selected by the Reference Agent) at or about 11:00 a.m. (Central European time) on the day that is two (2) Business Days preceding the first day of each Quarterly Interest Period (each an "**Interest Determination Date**").

- (ii) If, on the relevant Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking Association and ACI - The Financial Market Association, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will:
 - (A) request the principal euro-zone office of each of four (4) major banks in the euro-zone interbank market (the "**Reference Banks**") to provide a quotation for the rate at which three-months euro deposits are offered by it in the euro-zone interbank market at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date to prime banks in the euro-zone interbank market in an amount that is representative for a single transaction at that time; and
 - (B) determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotations as are provided; and
- (iii) if fewer than two (2) such quotations are provided as requested, the Reference Agent will determine the arithmetic mean (rounded, if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks, of which there shall be at least two in number, in the euro-zone, selected by the Reference Agent, at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date for three-months deposits to leading euro-zone banks in an amount that is representative for a single transaction in that market at that time,

and Euribor for such Quarterly Interest Period shall be the rate per annum equal to the Euribor for euro deposits as determined in accordance with this paragraph (e), provided that if the Reference Agent is unable to determine Euribor in accordance with the above provisions in relation to any Quarterly Interest Period, Euribor applicable during such Quarterly Interest Period will be Euribor last determined in relation thereto.

- (f) *Determination of Floating Rate of Interest and Calculation of the Floating Interest Amount*
The Reference Agent will, as soon as practicable after 11.00 a.m. (Central European Time) on

each relevant Interest Determination Date, determine the floating rates of interest referred to in paragraphs (c) and (d) above for each relevant Class of Notes (the "**Floating Rate of Interest**") and calculate the amount of interest payable on this Class of Notes for the following Quarterly Interest Period (the "**Floating Interest Amount**") by applying the relevant Floating Rate of Interest to the Principal Amount Outstanding of the relevant Class of Notes. The determination of the relevant Floating Rate of Interest and the Floating Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.

(g) *Notification of the Floating Rate of Interest and the Floating Interest Amount*

The Reference Agent will cause the relevant Floating Rate of Interest and the relevant Floating Interest Amount and the Quarterly Payment Date applicable to each relevant Class of Notes to be notified to the Issuer, the Security Trustee, the Paying Agent, the Issuer Administrator, Euronext Amsterdam N.V. ("**Euronext Amsterdam**") and to the holders of such Class of Notes by an advertisement in the English language in the Daily Official List (*Officiële Prijscourant*) of Euronext Amsterdam. The Floating Interest Amount and Quarterly Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Quarterly Interest Period.

(h) *Determination or Calculation by Security Trustee*

If the Reference Agent at any time for any reason does not determine the relevant Floating Rate of Interest or fails to calculate the relevant Floating Interest Amount in accordance with paragraph (f) above, the Security Trustee shall determine the relevant Floating Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in paragraph (f) above), it shall deem fair and reasonable under the circumstances or, as the case may be, the Security Trustee shall calculate the Floating Interest Amount in accordance with paragraph (f) above, and each such determination or calculation shall be final and binding on all parties.

(i) *Reference Banks and Reference Agent*

The Issuer will procure that, as long as any of the Notes remains outstanding, there will at all times be four Reference Banks and a Reference Agent. The Issuer has, subject to obtaining the prior written consent of the Security Trustee, the right to terminate the appointment of the Reference Agent or of any Reference Bank by giving at least ninety (90) days' notice in writing to that effect. Notice of any such termination will be given to the holders of the relevant Class of Notes in accordance with Condition 13. If any person shall be unable or unwilling to continue to act as a Reference Bank or the Reference Agent (as the case may be) or if the appointment of any Reference Bank or the Reference Agent shall be terminated, the Issuer will, with the prior written consent of the Security Trustee, appoint a successor Reference Bank or Reference

Agent (as the case may be) to act in its place, provided that neither the resignation nor removal of the Reference Agent shall take effect until a successor approved in writing by the Security Trustee has been appointed.

5. Payment

(a) *Global Notes*

For so long as the Notes are represented by a Global Note, payments of principal and interest will be made in euro to Euroclear and Clearstream, Luxembourg, as the case may be, for the credit of the respective accounts of the Noteholders.

(b) *Definitive Notes*

(i) Payment of principal and interest in respect of Definitive Notes will be made upon presentation of the Definitive Note and against surrender of the relevant Coupon appertaining thereto at any specified office of the Paying Agent in cash or by transfer to a euro account maintained by the payee with a bank in the Netherlands, as the holder may specify. All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment.

(ii) On the Final Maturity Date (as defined in Condition 6), or such earlier date on which the Notes become due and payable, the Definitive Notes should be presented for payment together with all unmatured Coupons appertaining thereto, failing which the full amount of any such missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five years following the due date for payment of such principal (whether or not such Coupons would have become unenforceable pursuant to Condition 8).

(iii) If the relevant Quarterly Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note or Coupon ("**Local Business Day**"), the holder thereof shall not be entitled to payment until the next following Local Business Day, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to a euro account as referred to above, the Paying Agent shall not be obliged to credit such account until the Local Business Day immediately following the day on which banks are open for business in the Netherlands and the United Kingdom. The name of the Paying Agent and details of its office are set out below.

- (iv) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents provided that no paying agent located in the United States of America will be appointed and that the Issuer will at all times maintain a paying agent having a specified office in the European Union which, for as long as the Notes are listed on Eurolist by Euronext Amsterdam, shall be located in the Netherlands, and provided further that the Issuer will maintain a paying agent in an EU Member State that will not be obliged to withhold or deduct any tax pursuant to the EU Council Directive 2003/48/EU. Notice of any termination or appointment of a Paying Agent and of any changes in the specified office of the Paying Agent will be given to the Noteholders in accordance with Condition 13.

6. Redemption

(a) Definitions

For the purposes of these Conditions the following terms shall have the following meanings:

The "**Principal Amount Outstanding**" on any Notes Calculation Date of any Note shall be the principal amount of that Note upon issue less the aggregate amount of all Notes Principal Redemption Amounts (as defined in Condition 6(c)) in respect of that Note that have become due and payable prior to such Notes Calculation Date.

"**Notes Principal Available Amount**" shall mean, on any Notes Calculation Date, the sum of the following amounts received by the Issuer during the Notes Calculation Period immediately preceding such Notes Calculation Date:

- (i) repayment and prepayment in full of principal under the Loan Receivables, from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding prepayment penalties, if any;
- (ii) amounts to be drawn from the Deposit Reserve Account on the immediately succeeding Quarterly Payment Date, to the extent such amounts relate to principal;
- (iii) Net Proceeds in respect of any Loan Receivables, to the extent such proceeds relate to principal;
- (iv) amounts received in connection with a repurchase or sale of Loan Receivables pursuant to the Loan Receivables Purchase Agreement or the Trust Deed, as the case may be, or any other amounts received pursuant to the Loan Receivables Purchase Agreement to the extent such amounts relate to principal;

- (v) amounts to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date in accordance with the Issuer Administration Agreement; and
- (vi) the Reserved Amount and any part of the Notes Principal Available Amount calculated on the immediately preceding Notes Calculation Date which has not been applied towards satisfaction of the items set forth in the Principal Priority of Payments on the immediately preceding Quarterly Payment Date.

"Notes Redemption Available Amount" shall mean, on any Notes Calculation Date, the Notes Principal Available Amount calculated with respect to such Notes Calculation Period less the sum of the following amounts:

- (i) the amount of the Notes Principal Available Amount applied during the relevant Notes Calculation Period towards payment of the Initial Purchase Price for any Further Advance Receivables and Substitute Loan Receivables;
- (ii) an amount equal to the positive difference, if any, between (A) the sum of all amounts payable by the Issuer as set forth in the Interest Priority of Payments under items (a) up to and including (o) (other than items (h), (j), (l) and (n) and in respect of item (i) only to the extent there is no debit balance remaining on the Class A1 Principal Deficiency Ledger and the Class A2 Principal Deficiency Ledger and in respect of item (k) only to the extent there is no debit balance remaining on the Class B Principal Deficiency Ledger and in respect of item (m) only to the extent there is no debit balance remaining on the Class C Principal Deficiency Ledger and in respect of item (o) only to the extent there is no debit balance remaining on the Class D Principal Deficiency Ledger and (B) the relevant Notes Interest Available Amount excluding item (vi) and (xii) thereof, to the extent such amount is available as Notes Principal Available Amount after deducting the amount applied towards payment of the Initial Purchase Price for any Further Advance Receivables and Substitute Loan Receivables (the **"Interest Shortfall Amount"**);
- (iii) up to and including the Quarterly Payment Date falling in April 2010, the Notes Principal Available Amount excluding items (ii) and (v) standing to the credit of the Transaction Account up to a maximum of two (2) per cent. of the aggregate Principal Amount Outstanding of the Notes on the last day of the Quarterly Interest Period ending on such Quarterly Payment Date, provided that on such Quarterly Payment Date all Substitution Criteria (other than (a), (d), (f) and (k)) are met, which amount shall be credited to the Reserved Amount Ledger to be applied towards the payment of the Initial Purchase Price for Substitute Loan Receivables during the immediately succeeding Notes Calculation

Period (the "**Reserved Amount**").

"**Net Proceeds**", shall, in relation to a Loan Receivable, mean (i) the amounts received towards redemption of such Loan Receivable, (ii) the proceeds of a foreclosure on the mortgage right, if any, (iii) the proceeds of foreclosure on any other collateral securing the Loan Receivable, (iv) the proceeds, if any, of collection of any insurance policies in connection with the Loan Receivable, including but not limited to any fire insurance policy and the Insurance Policies, (v) the proceeds of any guarantees or sureties and (vi) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs in respect of such Loan Receivable to the extent such principal and/or proceeds do not exceed the Outstanding Principal Amount of such Loan Receivable. The term "foreclosure" shall include any lawful manner of generating proceeds from collateral, whether by public auction, by private sale or otherwise.

"**Notes Calculation Date**" means, in relation to a Quarterly Payment Date, the third Business Day prior to such Quarterly Payment Date.

"**Notes Calculation Period**" means, in relation to a Notes Calculation Date, the three (3) successive Portfolio Calculation Periods immediately preceding such Notes Calculation Date;

"**Portfolio Calculation Period**" means the period commencing on (and including) the first day of each calendar month and ending on (but excluding) the first day of the next succeeding calendar month.

(b) *Final Redemption*

Unless previously redeemed as provided below, the Issuer will, subject to Condition 9(b), redeem any remaining Notes at their Principal Amount Outstanding on the Quarterly Payment Date falling in July 2066 (the "**Final Maturity Date**").

(c) *Redemption prior to delivery of an Enforcement Notice*

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer shall on each Quarterly Payment Date apply the Notes Redemption Available Amount calculated on the immediately preceding Notes Calculation Date, subject to and in accordance with the Conditions and the applicable priority of payments, towards redemption, at their respective Principal Amount Outstanding, of: (i) *firstly*, the Senior Class A1 Notes, until fully redeemed, (ii) *secondly*, the Senior Class A2 Notes, until fully redeemed, (iii) *thirdly*, the Senior Class B Notes, until fully redeemed, (iv) *fourthly*, the Mezzanine Class C Notes, until fully redeemed, (v) *fifthly*, the Mezzanine Class D Notes, until fully redeemed and (vi) *sixthly*, the Junior Class E Notes, until fully redeemed.

The principal amount so redeemable in respect of each Note (each a "**Principal Redemption Amount**") on the relevant Quarterly Payment Date shall be the Notes Redemption Available Amount on the Notes Calculation Date relating to that Quarterly Payment Date divided by the number of Notes of the relevant Class subject to such redemption (rounded down to the nearest euro), provided always that a Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Note of the relevant Class. Following application of the Principal Redemption Amount to redeem a Note, the Principal Amount Outstanding of such Note shall be reduced accordingly.

(d) *Determination of Principal Redemption Amount and Principal Amount Outstanding:*

- (i) On each Notes Calculation Date, the Issuer shall determine (or cause the Issuer Administrator to determine) (a) the Principal Redemption Amount and (b) the Principal Amount Outstanding of the relevant Note on the first day following the relevant Quarterly Payment Date. Each determination by or on behalf of the Issuer of any Principal Redemption Amount or the Principal Amount Outstanding of a Note shall in each case (in the absence of manifest error) be final and binding on all persons.
- (ii) The Issuer will cause each determination of a Principal Redemption Amount and Principal Amount Outstanding of Notes to be notified forthwith to the Security Trustee, the Paying Agent, the Reference Agent, Euroclear, Clearstream, Luxembourg, Euronext Amsterdam and to the holders of Notes by an advertisement in the English language in the Daily Official List (*Officiële Prijscourant*) of Euronext Amsterdam. If no Principal Redemption Amount is due to be made on the Notes on any applicable Quarterly Payment Date a notice to this effect will be given to the Noteholders in accordance with Condition 13.
- (iii) If the Issuer does not at any time for any reason determine (or cause the Issuer Administrator to determine) the Principal Redemption Amount or the Principal Amount Outstanding of a Note, such Principal Redemption Amount or such Principal Amount Outstanding shall be determined by the Security Trustee in accordance with this paragraph (d) and paragraph (c) above (but based upon the information in its possession as to the Notes Principal Available Amount and Notes Redemption Available Amount) each such determination or calculation shall be deemed to have been made by the Issuer.

(e) *Redemption of Subordinated Notes*

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer will be obliged, as from the earlier of (i) the Quarterly Payment Date on which all amounts

of interest and principal on the Notes (other than the Subordinated Notes) have been paid and (ii) the First Optional Redemption Date or, in respect of the Subordinated Class G Notes, following a Subordinated Class G Notes Amortisation Trigger, to apply the Notes Interest Available Amount, if and to the extent that all payments ranking above item (s) in the Interest Priority of Payments as set forth in the Trust Deed have been made in full, to redeem (or partially redeem) on a pro rata basis the Subordinated Class F Notes on each Quarterly Payment Date until fully redeemed and thereafter to redeem (or partially redeem) on a pro rata basis the Subordinated Class G Notes on each Quarterly Payment Date until fully redeemed. Any amount so redeemed will be deemed to be a Principal Redemption Amount for the purpose of calculating the Principal Amount Outstanding of respectively, the Subordinated Class F Notes and the Subordinated Class G Notes in accordance with Condition 6(d). Unless previously redeemed in full, the Issuer will, subject to Condition 9(b), redeem the Subordinated Notes at their Principal Amount Outstanding on the Quarterly Payment Date falling in July 2066.

(f) *Optional redemption*

The Issuer may, at its option, on giving not more than sixty (60) nor less than thirty (30) days written notice to the Security Trustee and the Noteholders in accordance with Condition 13, on the Quarterly Payment Date falling in July 2012 (the "**First Optional Redemption Date**") and on each Quarterly Payment Date thereafter (each an "**Optional Redemption Date**") redeem, subject to Condition 9(b), all (but not only part of) the Notes (other than the Subordinated Notes) at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to such Notes.

(g) *Redemption following clean-up call*

The Sellers, acting jointly, have the option to repurchase and accept re-assignment of all (but not only part of) the Loan Receivables on any Quarterly Payment Date on which the Outstanding Principal Amount due on the Loan Receivables then outstanding is less than 10 per cent. of the Outstanding Principal Amount of the Loan Receivables on the Closing Date (the "**Sellers Clean-up Call Option**"). On the Quarterly Payment Date on which the Sellers exercise the Sellers Clean-up Call Option the Issuer shall redeem, subject to Condition 9(b), all (but not only part of) the Notes (other than the Subordinated Notes) at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to such Notes.

(h) *Redemption following regulatory call*

The Notes (other than the Subordinated Notes) shall be redeemed by the Issuer, in whole, but not in part, at their Principal Amount Outstanding, after payment of the amounts to be paid in priority to such Notes, on any Quarterly Payment Date, by giving not more than sixty (60) nor less than thirty (30) days written notice to the Security Trustee and the Noteholders in

accordance with Condition 13, if the Sellers, acting jointly, exercise their option (the "**Regulatory Call Option**") to repurchase the Loan Receivables upon the occurrence of a change in the Basle Capital Accord promulgated by the Basle Committee on Banking Supervision (the "**Basle Accord**") or in the international, European or Dutch regulations, rules and instructions (which includes the solvency regulation on securitisation of the Dutch Central Bank) (the "**Bank Regulations**") applicable to DSB Bank N.V. and DSB Financieringen B.V. (including any change in the Bank Regulations enacted for purposes of implementing a change to the Basle Accord) or a change in the manner in which the Basle Accord or such Bank Regulations are interpreted or applied by the Basle Committee on Banking Supervision or by any relevant competent international, European or national body (including any relevant international, European or Dutch Central Bank or other competent regulatory or supervisory authority) which, in the opinion of DSB Bank N.V. and/or DSB Financieringen B.V., has the effect of adversely affecting the rate of return on capital of DSB Bank N.V. and/or DSB Financieringen B.V. or increasing the costs or reducing the benefit to DSB Bank N.V. and/or DSB Financieringen B.V. with respect to the transaction contemplated by the Transaction Documents (a "**Regulatory Change**").

(i) *Redemption for tax reasons*

The Issuer may (but is not obliged to) redeem all of the Notes (other than the Subordinated Notes), in whole but not in part, at their Principal Amount Outstanding plus accrued but unpaid interest thereon up to and including the date of redemption, subject to and in accordance with the Conditions, including, without limitation, Condition 9(b), if (a) the Issuer or the Paying Agent has become or would become obligated to make any withholding or deduction from payments in respect of any of the Notes (although the Issuer will not have any obligation to pay additional amounts in respect of any such withholding or deduction) and/or (b) the Issuer has become or would become subject to any limitation of the deductibility of interest on any of the Notes as a result of (i) a change in any laws, rules or regulations or in the interpretation or administration thereof, or (ii) any act taken by any taxing authority on or after the issue date of the Notes. No redemption pursuant to sub-clause (ii) may be made unless the Issuer receives an opinion of independent counsel that there is a probability that the act taken by the taxing authority leads to one of events mentioned at (a) or (b). No Class of Notes may be redeemed under such circumstances unless the other Classes of Notes (or such of them as are then outstanding) are also redeemed at their respective Principal Amount Outstanding at the same time.

7. Taxation

All payments of, or in respect of, principal and interest on the Notes will be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, unless the withholding or deduction of such taxes, duties, assessments or charges is required

by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to such Noteholders.

8. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons shall become prescribed unless made within five (5) years from the date on which such payment first becomes due.

9. Subordination and Principal Deficiency

(a) Interest

Interest on the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes, the Subordinated Class F Notes and the Subordinated Class G Notes shall be payable in accordance with the provisions of Conditions 4 and 5, subject to the terms of this Condition and subject to the provisions of the Trust Deed.

In the event that on any Notes Calculation Date the Issuer has insufficient funds available to it to satisfy in full its obligations in respect of amounts of interest due on the Notes on the next Quarterly Payment Date, the amount available (if any) shall firstly be applied to pay amounts of interest and costs ranking higher in priority in accordance with the applicable priority of payments set forth in the Trust Deed, including the amount of the interest due on such Quarterly Payment Date pro rata, according to the respective amounts thereof, to the holders of the Senior Class A1 Notes and the holders of the Senior Class A2 Notes. Any remaining amounts shall firstly be used to pay the interest due on the applicable Quarterly Payment Date to the holders of the Senior Class B Notes and thereafter to pay the interest due on such date to the holders of the Mezzanine Class C Notes and thereafter be used to pay the interest due on such date to the holders of the Mezzanine Class D Notes and thereafter be used to pay the interest due on such date to the holders of the Junior Class E Notes. Any further remaining amounts shall be used to pay the interest due on such Quarterly Payment Date to the holders of the Subordinated Class F Notes and thereafter to pay the interest due on such date to the holders of the Subordinated Class G Notes.

For the avoidance of doubt, in the event that on any Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Subordinated Class F Notes and/or the Subordinated Class G Notes on the next Payment Date, the amount available (if any) shall be used to pay the amount of interest due on such Payment Date to the holders of the Subordinated Class F Notes and thereafter to pay the amount of interest due on such Payment Date to the holders of the Subordinated Class G Notes. In the

event of a shortfall, the Issuer shall credit the Subordinated Class F Notes Interest Shortfall Ledger and/or the Subordinated Class G Notes Interest Shortfall Ledger (both as defined in the Master Definitions Agreement), with an amount equal to the amount by which the aggregate amount of interest paid on the Subordinated Class F Notes and/or the Subordinated Class G Notes, on any Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on such Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to such Notes for such period, and a pro rata share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Subordinated Class F Notes and/or Subordinated Class G Note on the next succeeding Payment Date.

(b) *Principal*

Until the date on which the Principal Amount Outstanding of all Senior Class A Notes is reduced to zero, the holders of the Senior Class B Notes will not be entitled to any repayment of principal in respect of the Senior Class B Notes. As from that date the Principal Amount Outstanding of the Senior Class B Notes will be redeemed in accordance with the provisions of Condition 6, provided that if, on any Quarterly Payment Date, there is a balance on the Class B Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Senior Class B Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less an amount equal to the balance on the Class B Principal Deficiency Ledger on such Quarterly Payment Date divided by the number of Senior Class B Notes then outstanding. The Senior Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Senior Class B Notes after the earlier of (i) the Final Maturity Date and (ii) the date on which the Issuer no longer holds any Loan Receivables and there are no balances standing to the credit of the GIC Accounts.

Until the date on which the Principal Amount Outstanding of the Senior Class A Notes is reduced to zero and the Principal Amount Outstanding of the Senior Class B Notes is reduced to zero, the Mezzanine Class C Noteholders will not be entitled to any repayment of principal in respect of the Mezzanine Class C Notes. As from that date the Principal Amount Outstanding of the Mezzanine Class C Notes will be redeemed in accordance with the provisions of Condition 6, provided that if, on any Quarterly Payment Date, there is a balance on the Class C Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Mezzanine Class C Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less an amount equal to the balance on the Class C Principal Deficiency Ledger on such Quarterly Payment Date divided by the number of Mezzanine Class C Notes then outstanding. The Mezzanine Class C Noteholders shall have

no further claim against the Issuer for the Principal Amount Outstanding on the Mezzanine Class C Notes after the earlier of (i) the Final Maturity Date and (ii) the date on which the Issuer no longer holds any Loan Receivables and there are no balances standing to the credit of the GIC Accounts.

Until the date on which the Principal Amount Outstanding of the Senior Class A Notes is reduced to zero and the Principal Amount Outstanding of the Senior Class B Notes is reduced to zero and the Principal Amount Outstanding of all Mezzanine Class C Notes is reduced to zero, the Mezzanine Class D Noteholders will not be entitled to any repayment of principal in respect of the Mezzanine Class D Notes. As from that date the Principal Amount Outstanding of the Mezzanine Class D Notes will be redeemed in accordance with the provisions of Condition 6, provided that if, on any Quarterly Payment Date, there is a balance on the Class D Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Mezzanine Class D Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less an amount equal to the balance on the Class D Principal Deficiency Ledger on such Quarterly Payment Date divided by the number of Mezzanine Class D Notes then outstanding. The Mezzanine Class D Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Mezzanine Class D Notes after the earlier of (i) the Final Maturity Date and (ii) the date on which the Issuer no longer holds any Loan Receivables and there are no balances standing to the credit of the GIC Accounts.

Until the date on which the Principal Amount Outstanding of the Senior Class A Notes is reduced to zero and the Principal Amount Outstanding of the Senior Class B Notes is reduced to zero and the Principal Amount Outstanding of all Mezzanine Class C Notes is reduced to zero and the Principal Amount Outstanding of all Mezzanine Class D Notes is reduced to zero, the Junior Class E Noteholders will not be entitled to any repayment of principal in respect of the Junior Class E Notes. As from that date the Principal Amount Outstanding of the Junior Class E Notes will be redeemed in accordance with the provisions of Condition 6, provided that if, on any Quarterly Payment Date, there is a balance on the Class D Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Junior Class E Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less an amount equal to the balance on the Class D Principal Deficiency Ledger on such Quarterly Payment Date divided by the number of Junior Class E Notes then outstanding. The Junior Class E Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Junior Class E Notes after the earlier of (i) the Final Maturity Date and (ii) the date on which the Issuer no longer holds any Loan Receivables and there are no balances standing to the credit of the GIC Accounts.

If on any Notes Calculation Date all amounts of interest and principal due in respect of the Notes, except for principal in respect of the Subordinated Class F Notes and Subordinated Class G Notes, have been paid or will be available for payment on the Quarterly Payment Date immediately following such Notes Calculation Date, the Reserve Account Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will on the Quarterly Payment Date immediately succeeding such Notes Calculation Date form part of the Notes Interest Available Amount and will be available to redeem or partially redeem the Subordinated Class F Notes until fully redeemed and thereafter the Subordinated Class G Notes until fully redeemed. If on the Quarterly Payment Date on which all amounts of interest and principal due in respect of the Notes, except for principal in respect of the Subordinated Class F Notes and Subordinated Class G Notes, have been paid or will be paid (i) no balance is standing to the credit of the Reserve Account in excess of the Reserve Account Target Level, then notwithstanding any other provisions of these Conditions the Subordinated Class F Noteholders and the Subordinated Class G Noteholders will not be entitled to any repayment of principal in respect of the Subordinated Class F Notes or Subordinated Class G Notes, respectively, or (ii) a balance is standing to the credit of the Reserve Account in excess of the Reserve Account Target Level, then notwithstanding any other provisions of these Conditions the principal amount payable on the redemption of each Subordinated Class F Note or each Subordinated Class G Note on such date shall not exceed an amount equal to the balance standing to the credit of the Reserve Account in excess of the Reserve Account Target Level divided by the number of Subordinated Class F Notes or the number of Subordinated Class G Notes then outstanding. The Subordinated Class F Noteholders and the Subordinated Class G Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Subordinated Class F Notes or Subordinated Class G Notes, respectively, after the earlier of (i) the Final Maturity Date and (ii) the date on which the Issuer no longer holds any Loan Receivables and there are no balances standing to the credit of the GIC Accounts.

(c) *General*

In the event that the Security in respect of the Notes and the Coupons appertaining thereto has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under the Trust Deed in priority to the Subordinated Class G Notes or, as the case may be the Subordinated Class F Notes or, as the case may be, the Junior Class E Notes or, as the case may be, the Mezzanine Class D Notes or, as the case may be, the Mezzanine Class C Notes, or as the case the Senior Class B Notes are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Subordinated Class G Notes or, as the case may be the Subordinated Class F Notes or, as the case may be, the Junior Class E Notes or, as the case may be, the Mezzanine Class D Notes or, as the case may be, the Mezzanine Class C Notes, or, as the case may be the Senior Class B Notes the Subordinated Class G Noteholders or, as the case may be the Subordinated Class F Noteholders or, as the

case may be, the Junior Class E Noteholders or, as the case may be, the Mezzanine Class D Noteholders or, as the case may be, the Mezzanine Class C Noteholders or, as the case may be, the Senior Class B Noteholders shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

10. **Events of Default**

The Security Trustee at its discretion may or, if so directed by an Extraordinary Resolution of the Senior Class A Noteholders or if no Senior Class A Notes are outstanding, by an Extraordinary Resolution of the Senior Class B Noteholders or, if no Senior Class A Notes and Senior Class B Notes are outstanding, by an Extraordinary Resolution of the Mezzanine Class C Noteholders or, if no Senior Class A Notes, Senior Class B Notes and Mezzanine Class C Notes are outstanding, by an Extraordinary Resolution of the Mezzanine Class D Noteholders or, if no Senior Class A Notes, Senior Class B Notes, Mezzanine Class C Notes and Mezzanine Class D Notes are outstanding, by an Extraordinary Resolution of the Junior Class E Noteholders or, if no Senior Class A Notes, Senior Class B Notes, Mezzanine Class C Notes Mezzanine Class D Notes and Junior Class E Notes are outstanding, by an Extraordinary Resolution of the Subordinated Class F Noteholders or, if no Senior Class A Notes, Senior Class B Notes, Mezzanine Class C Notes, Mezzanine Class D Notes, Junior Class E Notes and Subordinated Class F Notes are outstanding, by an Extraordinary Resolution of the Subordinated Class G Noteholders (subject, in each case, to being indemnified to its satisfaction) (in each case, the "**Relevant Class**") shall (but in the case of the occurrence of any of the events mentioned in subparagraph (a) up to and including (f) below, only if the Security Trustee shall have certified in writing to the Issuer that such an event is, in its opinion, materially prejudicial to the Noteholders of the Relevant Class) give notice (an "**Enforcement Notice**") to the Issuer that the Notes are, and each Note shall become, immediately due and payable at their or its Principal Amount Outstanding, together with accrued interest, if any of the following shall occur:

- (a) the Issuer is in default for a period of fifteen (15) days or more in the payment on the due date of any amount due in respect of the Notes of the Relevant Class; or
- (b) the Issuer fails to perform any of its other obligations binding on it under the Notes of the Relevant Class, the Trust Deed, the Paying Agency Agreement or the Pledge Agreements and, except where such failure, in the reasonable opinion of the Security Trustee, is incapable of remedy, such default continues for a period of thirty (30) days after written notice by the Security Trustee to the Issuer requiring the same to be remedied; or
- (c) if a conservatory attachment (*conservatoir beslag*) or an executory attachment (*executoriaal beslag*) on any major part of the Issuer's assets is made and not discharged

or released within a period of thirty (30) days; or

- (d) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or winding-up of the Issuer or for the appointment of a liquidator or receiver of the Issuer in respect of all or substantially all of its assets; or
- (e) the Issuer makes an assignment for the benefit of, or enters into any general assignment (*akkoord*) with, its creditors; or
- (f) the Issuer files a petition for a suspension of payments (*surseance van betaling*) or for bankruptcy (*faillissement*) or is declared bankrupt or becomes subject to any other regulation having a similar effect,

provided, however, that, if Senior Class A Notes are outstanding, no Enforcement Notice may or shall be given by the Security Trustee to the Issuer in respect of the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes, the Subordinated Class F Notes or the Subordinated Class G Notes, irrespective of whether an Extraordinary Resolution is passed by the Senior Class B Noteholders, the Mezzanine Class C Noteholders, the Mezzanine Class D Noteholders, the Junior Class E Noteholders, the Subordinated Class F Noteholders or the Subordinated Class G Noteholders, unless an Enforcement Notice in respect of the Senior Class A Notes has been given by the Security Trustee. In exercising its discretion as to whether or not to give an Enforcement Notice to the Issuer in respect of the Senior Class A Notes, the Security Trustee shall not be required to have regard to the interests of the Senior Class B Noteholders or the Mezzanine Class C Noteholders or the Mezzanine Class D Noteholders or the Junior Class E Noteholders or the Subordinated Class F Noteholders or the Subordinated Class G Noteholders

11. Enforcement

(a) Enforcement

At any time after the Notes of any Class become due and payable, the Security Trustee may, at its discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce the Security pursuant to the terms of the Trust Deed and the Pledge Agreements, including the making of a demand for payment thereunder, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the Senior Class A Noteholders or, if all amounts due in respect of the Senior Class A Notes have been fully paid, the Senior Class B Noteholders or, if all amounts due in respect of the Senior Class A Notes and the Senior Class B Notes have been fully paid, the Mezzanine Class C Noteholders or, if all amounts due in respect of the Senior Class A Notes, the Senior Class B

Notes and the Mezzanine Class C Notes have been fully paid, the Mezzanine Class D Noteholders or, if all amounts due in respect of the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes and the Mezzanine Class D Notes have been fully paid, the Junior Class E Noteholders or, if all amounts due in respect of the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes have been fully paid, the Subordinated Class F Noteholders or, if all amounts due in respect of the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes have been fully paid, the Subordinated Class G Noteholders and (ii) it shall have been indemnified to its satisfaction. The Security Trustee will enforce the Security pursuant to the terms of the Trust Deed and the Pledge Agreements for the benefit of all Security Beneficiaries, including, but not limited to, the Noteholders, and will apply the net proceeds received or recovered towards satisfaction of the Parallel Debt. The Security Trustee shall distribute such net proceeds to the Security Beneficiaries in accordance with the Post-Enforcement Priority of Payments set forth in the Trust Deed.

(b) No Action against Issuer by Noteholders

No Noteholder may proceed directly against the Issuer unless the Security Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

(c) Undertaking Noteholders and Security Trustee

The Noteholders and the Security Trustee may not institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one (1) year after the last maturing Note is paid in full.

(d) Limitation of Recourse

The Noteholders accept and agree that the only remedy of the Security Trustee against the Issuer after any of the Notes have become due and payable pursuant to Condition 10 above is to enforce the Security.

12. Indemnification of the Security Trustee

The Trust Deed contains provisions for the indemnification of the Security Trustee and for its relief from responsibility. The Security Trustee is entitled to enter into commercial transactions with the Issuer and/or any other party to the Transactions without accounting for any profit resulting from such transaction.

13. Notices

With the exception of the publications of the Reference Agent in Condition 4 and of the Issuer in Condition 6, all notices to the Noteholders will only be valid if published in at least one daily newspaper of wide circulation in the Netherlands, or, if all such newspapers shall cease to be published or timely publication therein shall not be practicable, in such newspaper as the Security Trustee shall approve having a general circulation in Europe and, as long as the Notes are listed on Eurolist by Euronext Amsterdam, in the English language in the Daily Official List (*Officiële Prijscourant*) of Euronext Amsterdam. Any such notice shall be deemed to have been given on the first date of such publication.

14. Meetings of Noteholders; Modification; Consents; Waiver

(a) *Meeting of Noteholders*

The Trust Deed contains provisions for convening meetings of the Senior Class A Noteholders, the Senior Class B Noteholders, the Mezzanine Class C Noteholders, the Mezzanine Class D Noteholders, the Junior Class E Noteholders, Subordinated Class F Noteholders and Subordinated Class G Noteholders to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of these Conditions or any provisions of the Transaction Documents, provided that no change of certain terms by the Noteholders of any Class including the date of maturity of the Notes of the relevant Class, or a change which would have the effect of postponing any day for payment of interest in respect of such Notes, reducing or cancelling the amount of principal payable in respect of such Notes or altering the majority required to pass an Extraordinary Resolution or any alteration of the date or priority of redemption of such Notes (any such change in respect of any such class of Notes referred to below as a "**Basic Terms Change**") shall be effective except that, if the Security Trustee is of the opinion that such a Basic Terms Change is being proposed by the Issuer as a result of, or in order to avoid, an Event of Default, such Basic Terms Change may be sanctioned by an Extraordinary Resolution of the Noteholders of the relevant Class of Notes as described below.

A meeting as referred to above may be convened by the Issuer or by Noteholders of any Class holding not less than 10 per cent. in Principal Amount Outstanding of the Notes of such Class. The quorum for any meeting convened to consider an Extraordinary Resolution for any Class of Notes will be two-thirds of the Principal Amount Outstanding of the Notes of the relevant Class, as the case may be, and at such a meeting an Extraordinary Resolution shall be adopted with not less than a two-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including the sanctioning of a Basic Terms Change shall be at least 75 per cent. of the amount of the Principal Amount Outstanding of the Notes of the relevant Class and the majority required shall be at least 75 per cent. of the validly cast votes in respect of that Extraordinary Resolution. If at such meeting the aforesaid quorum is not represented, a second

meeting of Noteholders will be held within one month, with due observance of the same formalities for convening the meeting which governed the convening of the first meeting; at such second meeting an Extraordinary Resolution can be adopted with not less than a two-thirds majority of the validly cast votes, except that for an Extraordinary Resolution including a sanctioning of a Basic Terms Change the majority required shall be 75 per cent. of the validly cast votes, regardless of the Principal Amount Outstanding of the Notes of the relevant Class then represented, except if the Extraordinary Resolution relates to the removal and replacement of any or all of the managing directors of the Security Trustee, in which case at least 30 per cent. of the Notes of the relevant Class should be represented at such second meeting.

No Extraordinary Resolution to sanction a change which would have the effect of accelerating or increasing the maturity of the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes the Junior Class E Notes, the Subordinated Class F Notes or the Subordinated Class G Notes, as the case may be, or any date for payment of interest thereon, increasing the amount of principal or the rate of interest payable in respect of the Senior Class A Notes, the Senior Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes, the Subordinated Class F Notes or the Subordinated Class G Notes, as the case may, shall take effect unless it shall have been sanctioned with respect to the Senior Class A Notes by an Extraordinary Resolution of the Senior Class B Noteholders and/or the Mezzanine Class C Noteholders and/or the Mezzanine Class D Noteholders and/or the Junior Class E Noteholders and/or the Subordinated Class F Noteholders and/or the Subordinated Class G Noteholders.

An Extraordinary Resolution of the Senior Class B Noteholders and/or the Mezzanine Class C Noteholders and/or the Mezzanine Class D Noteholders and/or the Junior Class E Noteholders and/or the Subordinated Class F Noteholders and/or the Subordinated Class G Noteholders shall only be effective when the Security Trustee is of the opinion that it will not be materially prejudicial to the interests of the Senior Class A Noteholders and/or, as the case may be, the Senior Class B Noteholders and/or, as the case may be, the Mezzanine Class C Noteholders and/or, as the case may be, the Mezzanine Class D Noteholders and/or, as the case may be, the Junior Class E Noteholders and/or, as the case may be, the Subordinated Class F Noteholders or it is sanctioned by an Extraordinary Resolution of the Senior Class A Noteholders, the Senior Class B Noteholders, the Mezzanine Class C Noteholders or the Mezzanine Class D Noteholders or the Junior Class E Noteholders or the Subordinated Class F Noteholders, as the case may be. The Trust Deed imposes no such limitations on the powers of the Senior Class A Noteholders, the exercise of which will be binding on the Senior Class B Noteholders, the Mezzanine Class C Noteholders, the Mezzanine Class D Noteholders, the Junior Class E Noteholders, the Subordinated Class F Noteholders and the Subordinated Class G Noteholders, irrespective of the effect on their interests.

Any Extraordinary Resolution duly passed shall be binding on all Noteholders of the relevant Class (whether or not they were present at the meeting at which such resolution was passed).

(b) *Modification, authorisation and waiver without consent of Noteholders*

The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Transaction Documents which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except if prohibited in the Transaction Documents), and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Transaction Documents, which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that (i) the Security Trustee has notified the Rating Agencies and (ii) the Rating Agencies have confirmed that the then current rating of the Notes will not be adversely affected by any such modification, authorisation or waiver. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Security Trustee so requires, such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

(c) *Indemnification for individual Noteholders*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Security Trustee shall have regard to the interests of the Senior Class A Noteholders and the Senior Class B Noteholders and the Mezzanine Class C Noteholders and the Mezzanine Class D Noteholders and the Junior Class E Noteholders and the Subordinated Class F Noteholders and the Subordinated Class G Noteholders each as a Class and shall not have regard to the consequences of such exercise for individual Noteholders and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

15. Replacements of Notes and Coupons

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the office of the Paying Agent upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered, in the case of Notes together with all unmatured Coupons appertaining thereto, and in the case of Coupons together with the Note and all unmatured Coupons to which they appertain (*mantel en blad*), before replacements will be issued.

16. Governing Law

The Notes and Coupons are governed by, and will be construed in accordance with, the laws of

the Netherlands. In relation to any legal action or proceedings arising out of or in connection with the Notes and Coupons the Issuer irrevocably submits to the jurisdiction of the Court of first instance (*rechtbank*) in Amsterdam, the Netherlands. This submission is made for the exclusive benefit of the holders of the Notes and the Security Trustee and shall not affect their right to take such action or bring such proceedings in any other courts of competent jurisdiction.

THE GLOBAL NOTES

Each Class of the Notes shall be initially represented by (i) in the case of the Senior Class A1 Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of € 321,000,000 (ii) in the case of the Senior Class A2 Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of € 300,000,000, (iii) in the case of the Senior Class B Notes a Temporary Global Note in bearer form, without coupons attached, in the amount of € 13,800,000, (iv) in the case of the Mezzanine Class C Notes a Temporary Global Note in bearer form, without coupons attached, in the amount of € 23,500,000, (v) in the case of the Mezzanine Class D Notes, a Temporary Global Note in bearer form without coupons attached, in the amount of € 17,900,000, (vi) in the case of the Junior Class E Notes, a Temporary Global Note in bearer form without coupons attached, in the amount of € 13,800,000, (vii) in the case of the Subordinated Class F Notes a Temporary Global Note in bearer form, without coupons attached, in the amount of € 13,800,000 and (viii) in the case of the Subordinated Class G Notes a Temporary Global Note in bearer form, without coupons attached, in the amount of € 6,900,000. Each Temporary Global Note will be deposited with Euroclear Bank CSK as common safekeeper for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") on or about 3 April 2007. Upon deposit of each such Temporary Global Note, Euroclear and Clearstream, Luxembourg will credit each such Temporary Global Note to the account of the Manager (or such account as the Manager may have directed). Interests in each Temporary Global Note will be exchangeable (provided certification of non-U.S. beneficial ownership by the Noteholders has been received) not earlier than forty (40) days after the issue date of the Notes (the "**Exchange Date**") for interests in a permanent global note (each a "**Permanent Global Note**"), in bearer form, without coupons attached, in the amount of the Notes of the relevant Class (the expression "**Global Notes**" meaning the Temporary Global Notes of each Class and the Permanent Global Notes of each Class and the expression "**Global Note**" means any of them, as the context may require). On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant Class, the Permanent Global Note will remain deposited with the common safekeeper.

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This simply means that the Notes are intended upon issue to be deposited with one of the international central securities depositaries as common safekeeper and does not necessarily mean that the 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 nominal amount of Notes represented by the Global Notes shall be the aggregate amount from time to time entered in the records of Clearstream, Luxembourg and/or Euroclear. The records of Clearstream, Luxembourg and/or Euroclear (the records that each of Clearstream, Luxembourg and/or

Euroclear holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the nominal amount of Notes represented by the Global Notes and, for these purposes, a statement issued by Clearstream, Luxembourg an/or Euroclear (which statement shall be made available to the bearer upon request) stating the nominal amount of Notes represented by the Global Notes at any time shall be conclusive evidence of the records of Clearstream, Luxembourg an/or Euroclear at that time.

The Global Notes will be transferable by delivery. Each Permanent Global Note will be exchangeable for definitive notes to bearer (the "**Definitive Notes**") only in the circumstances described below. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note will be entitled to receive any payment made in respect of that Note in accordance with the respective rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes, which must be made by the holder of a Global Note, for so long as such Global Note is outstanding. Each person must give a certificate as to non- U.S. beneficial ownership as of the date on which the Issuer is obliged to exchange a Temporary Global Note for a Permanent Global Note, which date shall be no earlier than the Exchange Date, in order to obtain any payment due on the Notes.

For so long as any Notes are represented by a Global Note, such Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate.

For so long as all of the Notes are represented by the Global Notes and such Global Notes are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant accountholders rather than by publication as required by Condition 13 (provided that, in the case of any publication required by a stock exchange, that stock exchange agrees or, as the case may be, any other publication requirement of such stock exchange will be met). Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

For so long as a Class of the Notes are represented by a Global Note, each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of that Class of Notes will be treated by the Issuer and the Security Trustee as a holder of such amount of that Class of Notes and the expression 'Noteholder' shall be construed accordingly, but without prejudice to the entitlement of the bearer of the relevant Global Note to be paid on the principal amount thereof and interest with respect thereto in accordance with and subject to its terms. Any statement in writing issued by Euroclear or Clearstream, Luxembourg as to the persons shown in its records as being entitled to such Notes and the respective principal amount of such Notes held by them shall be conclusive for all purposes.

If after the Exchange Date (i) the Notes become immediately due and payable by reason of accelerated maturity following an Event of Default, or (ii) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Security Trustee is available, or (iii) as a result of any amendment to, or change in the laws or regulations of the Netherlands (or of any political sub-division thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or the Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form, then the Issuer will at its sole cost and expense, issue:

- (i) Senior Class A1 Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Senior Class A1 Notes;
- (ii) Senior Class A2 Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Senior Class A2 Notes;
- (iii) Senior Class B Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Senior Class B Notes;
- (iv) Mezzanine Class C Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Mezzanine Class C Notes;
- (v) Mezzanine Class D Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Mezzanine Class D Notes;
- (vi) Junior Class E Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Junior Class E Notes;
- (vii) Subordinated Class F Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Subordinated Class F Notes; and
- (viii) Subordinated Class G Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Subordinated Class G Notes.

in each case within thirty (30) days of the occurrence of the relevant event, subject in each case to certification as to non-U.S. beneficial ownership.

DUTCH TAXATION

This is a general summary and the tax consequences as described here may not apply to a holder of Notes. Any potential investor should consult his own tax adviser for more information about the tax consequences of acquiring, owning and disposing of Notes in his particular circumstances.

This taxation summary solely addresses the principal Dutch tax consequences of the acquisition, the ownership and disposition of Notes. It does not consider every aspect of taxation that may be relevant to a particular holder of Notes under special circumstances or who is subject to special treatment under applicable law. Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law.

This summary is based on the tax law of the Netherlands (unpublished case law not included) as it currently stands. The law upon which this summary is based is subject to change, perhaps with retroactive effect. A change to such law may invalidate the contents of this summary, which will not be updated to reflect any such change. This summary assumes that each transaction with respect to Notes is at arm's length.

Withholding tax

All payments under the Notes may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes on income and capital gains

The summary set out in this section *Taxes on income and capital gains* only applies to a holder of Notes who is neither resident nor deemed to be resident in the Netherlands for the purposes of Dutch income tax or corporation tax, as the case may be, and, in the case of an individual, has not elected to be treated as a resident of the Netherlands for Dutch income tax purposes (a "**Non-Resident holder of Notes**").

Individuals

A Non-Resident holder of Notes who is an individual will not be subject to any Dutch taxes on income or capital gains in respect of benefits derived or deemed to be derived from Notes, including any payment under Notes and any gain realised on the disposal of Notes, except if

1. he derives profits from an enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of such enterprise, other than as a shareholder, such enterprise either being managed in the Netherlands or carried on, in whole or in part, through a permanent

establishment or a permanent representative in the Netherlands and his Notes are attributable to such enterprise; or

2. he derives benefits or is deemed to derive benefits from Notes that are taxable as benefits from miscellaneous activities in the Netherlands (*resultaat uit overige werkzaamheden in Nederland*).

If a holder of Notes is an individual who does not come under exception 1. above, and if he derives or is deemed to derive benefits from Notes, including any payment thereunder and any gain realised on the disposal thereof, such benefits are taxable as benefits from miscellaneous activities in the Netherlands if he, or an individual who is a connected person in relation to him as meant by article 3.91, paragraph 2, letter b or c, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), has a substantial interest (*aanmerkelijk belang*) in the Issuer.

A person has a substantial interest in the Issuer if such person – either alone or, in the case of an individual, together with his partner (*partner*), if any – owns, directly or indirectly, either a number of shares representing five per cent. or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer, or rights to acquire, directly or indirectly, shares, whether or not already issued, representing five per cent. or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer, or the ownership of profit participating certificates (*winstbewijzen*) relating to five per cent. or more of the annual profit of the Issuer or to five per cent. or more of the liquidation proceeds of the Issuer.

A person who is entitled to the benefits from shares or profit participating certificates (for instance a holder of a right of usufruct) is deemed to be a holder of shares or profit participating certificates, as the case may be, and such person's entitlement to such benefits is considered a share or a profit participating certificate, as the case may be.

Furthermore, a holder of Notes who is an individual and who does not come under exception 1. above may, *inter alia*, derive benefits from Notes that are taxable as benefits from miscellaneous activities in the following circumstances, if such activities are performed or deemed to be performed in the Netherlands:

- a. if his investment activities go beyond the activities of an active portfolio investor, for instance in case of the use of insider knowledge (*voorkennis*) or comparable forms of special knowledge; or
- b. if he makes Notes available or is deemed to make Notes available, legally or in fact, directly or indirectly, to certain parties as meant in articles 3.91 and 3.92 of the Dutch Income Tax Act 2001 under circumstances described there.

Entities

A Non-Resident holder of Notes other than an individual will not be subject to any Dutch taxes on income or capital gains in respect of benefits derived or deemed to be derived from Notes, including any payment under Notes or any gain realised on the disposal of Notes, except if

- (a) such Non-Resident holder of Notes derives profits from an enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, such enterprise either being managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and its Notes are attributable to such enterprise; or
- (b) such Non-Resident holder of Notes has a substantial interest in the Issuer.

A person other than an individual has a substantial interest in the Issuer, (i) if it has a substantial interest in the Issuer (as described above under Individuals) or (ii) if it has a deemed substantial interest in the Issuer. A deemed substantial interest may be present if its shares, profit participating certificates or rights to acquire shares or profit participating certificates in the Issuer have been acquired by such person or are deemed to have been acquired by such person on a non-recognition basis.

General

Subject to the above, a Non-Resident holder of Notes will not be subject to income taxation in the Netherlands by reason only of the execution (*ondertekening*), delivery (*overhandiging*) and/or enforcement of the Transaction Documents or the performance by the Issuer of its obligations thereunder or under the Notes.

Gift and inheritance taxes

A person who acquires Notes as a gift, in form or in substance, or who acquires or is deemed to acquire Notes on the death of an individual, will not be subject to Dutch gift tax or to Dutch inheritance tax, as the case may be, unless:

- (i) the donor is, or the deceased was resident or deemed to be resident in the Netherlands for purposes of gift or inheritance tax, as the case may be; or
- (ii) the Notes are or were attributable to an enterprise or part of an enterprise that the donor or the deceased carried on through a permanent establishment or a permanent representative in the Netherlands at the time of the gift or of the death of the deceased; or

- (iii) the donor made a gift of Notes, then became a resident or deemed resident of the Netherlands, and died as a resident or deemed resident of the Netherlands within 180 days of the date of the gift.

Other taxes and duties

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable by a holder of Notes in the Netherlands in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the issue of Notes or the performance by the Issuer of its obligations thereunder or under the Notes.

SUBSCRIPTION AND SALE

The Manager has, pursuant to a subscription agreement dated 29 March 2007 between the Manager, the Issuer and the Sellers (the "**Subscription Agreement**") agreed with the Issuer, subject to certain conditions, to subscribe for the Notes at their issue price. The Issuer has agreed to indemnify and reimburse the Manager against certain liabilities and expenses in connection with the issue of the Notes.

European Economic Area

In relation to each member state of the European Economic Area (each a "**Member State**") which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant 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 or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State, at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000 and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, 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 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, 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 includes any relevant implementing measure in each Relevant Member State.

The Netherlands

The Manager represents and agrees that (a) it is a PMP and (b) it has offered or sold and will offer or sell, directly or indirectly, as part of the initial distribution or at any time thereafter, the Notes exclusively to PMP's.

United Kingdom

The Manager has represented, warranted and agreed that (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom and (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

United States

The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") or any other applicable securities law. Subject to certain exceptions, the Notes may not be offered, sold, or delivered within the United States or to, or for the account or benefit of, U.S. persons.

The Manager has agreed that it will not offer, sell or deliver the Notes within the United States or to or for the account of U.S. persons except as permitted by applicable law and the Subscription Agreement. In addition, until forty (40) days after the purchase, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the purchase) may violate the registration requirements of the Securities Act. As applicable, terms used in these paragraphs have the meanings given to them by Regulation S under the Securities Act.

Notice to investors

The Notes have not been and will not be registered under the Securities Act or any other applicable securities laws, and may not be offered or sold in the United States except pursuant to an effective registration statement or in accordance with an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and such other laws. Accordingly, the Notes (and any interests therein) are being offered and sold outside the United States to non-US persons in compliance with Regulation S under the Securities Act.

The Notes will be represented upon issuance by a temporary global security which is not exchangeable for definitive securities until the expiration of the 40-day distribution compliance period and, in the case of persons other than distributors, until certification of beneficial ownership of the

Notes by a non-U.S. person or a U.S. person who purchased the Notes in a transaction that does not require registration under the Securities Act.

The Notes will bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE 'SECURITIES ACT'), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE ISSUE DATE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO A US PERSON (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES."

Because of the foregoing restrictions, purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold.

General

The distribution of this Offering Circular and the offering and sale of the Notes in certain jurisdictions may be restricted by law; persons into whose possession this Offering Circular comes are required by the Issuer and the Manager to inform themselves about and to observe any such restrictions. This Offering Circular does not constitute an offer, or an invitation to subscribe for or purchase, any Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

GENERAL INFORMATION

1. The issue of the Notes has been authorised by a resolution of the managing director of the Issuer passed on 23 March 2007.
2. The Senior Class A1 Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through Clearnet S.A. Amsterdam Branch Stock Clearing and will bear common code 028734697, ISIN XS0287346976 and Fondscodex 07925.
3. The Senior Class A2 Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through Clearnet S.A. Amsterdam Branch Stock Clearing and will bear common code, 029127131, ISIN XS0291271319 and Fondscodex 07932.
4. The Senior Class B Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through Clearnet S.A. Amsterdam Branch Stock Clearing and will bear common code 028734956, ISIN XS0287349566 and Fondscodex 07926.
5. The Mezzanine Class C Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through Clearnet S.A. Amsterdam Branch Stock Clearing and will bear common code 028735146, ISIN XS0287351463 and Fondscodex 07927.
6. The Mezzanine Class D Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through Clearnet S.A. Amsterdam Branch Stock Clearing and will bear common code 028735219, ISIN XS0287352198 and Fondscodex 07928.
7. The Junior Class E Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through Clearnet S.A. Amsterdam Branch Stock Clearing and will bear common code 028735251, ISIN XS0287352511 and Fondscodex 07929.
8. The Subordinated Class F Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through Clearnet S.A. Amsterdam Branch Stock Clearing and will bear common code 029051062, ISIN XS0290510626 and Fondscodex 07930.
9. The Subordinated Class G Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through Clearnet S.A. Amsterdam Branch Stock Clearing and will bear common code 029051640, ISIN XS0290516409 and Fondscodex 07931.
10. Ernst & Young Accountants has given and has not withdrawn its written consent to the issue of this offering circular with its report included herein in the form and context in which it appears.

11. Copies of the following documents may be inspected at the specified offices of the Security Trustee and the Paying Agent during normal business hours as long as any Notes are outstanding:
- (i) the Offering Circular;
 - (ii) the deed of incorporation of the Issuer;
 - (iii) the Loan Receivables Purchase Agreement;
 - (iv) the Paying Agency Agreement;
 - (v) the Trust Deed;
 - (vi) the Security Beneficiaries Agreement;
 - (vii) the Loan Receivables Pledge Agreement;
 - (viii) the Issuer Rights Pledge Agreement;
 - (ix) the GIC Accounts Pledge Agreement;
 - (x) Collection Account Pledge Agreement;
 - (xi) the Servicing Agreement;
 - (xii) the Back-up Servicing Agreements;
 - (xiii) the Issuer Administration Agreement;
 - (xiv) Subordinated Credit Facility;
 - (xv) the Floating Rate GIC;
 - (xvi) the Liquidity Facility Agreement;
 - (xvii) the Swap Agreement;
 - (xviii) the Beneficiary Waiver Agreement;
 - (xix) the Master Definitions Agreement;
 - (xx) the Subscription Agreement; and
 - (xxi) the articles of association of the Security Trustee.
12. No statutory or non-statutory accounts in respect of any financial year of the Issuer have been prepared. So long as the Notes are listed on Eurolist by Euronext Amsterdam, the most recently published audited annual accounts of the Issuer from time to time will be available at the specified offices of the Security Trustee.
13. The deed of incorporation which include the articles of association of the Issuer dated 1 March 2007 are incorporated herein by reference. A free copy of the Issuer's articles of association is available at the office of the Issuer.
14. A quarterly report on the performance, including the arrears and the losses, of the transaction, together with current stratification tables can be obtained at: www.assetbacked.nl.

15. This Offering Circular constitutes a prospectus for the purpose of the Prospectus Directive.

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ANNEX I: ESTIMATED WEIGHTED AVERAGE LIVES OF THE NOTES AND ASSUMPTIONS

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in reduction of principal of such security (assuming no losses and no arrears). The weighted average lives of the Notes will be influenced by, among other, the rate at which the principal on the Portfolio Loans is paid which may be in the form of scheduled amortisation, prepayments, or Post Anticipated Loss Proceeds.

The model used in this Offering Circular for the Portfolio Loans represents an assumed constant per annum rate of prepayment ("**CPR**") for each month relative to the then outstanding principal balance of a pool of Portfolio Loans, in addition to the scheduled amortisation. CPR does not purport to be either an historical description of the prepayment experience of any pool of loans or a prediction of the expected rate of prepayment of any loans, including the Portfolio Loans.

The following tables have been prepared on the basis of certain assumptions as described below regarding the characteristics of the Portfolio Loans and the performance thereof. The tables assume, among other things, that:

- (a) As of the Closing Date the Provisional Pool contains 6 hypothetical Flexible DK Loans having the following characteristics:

Flexible DK Loans	Current Balance (Euro)	Loan Limit (Euro)	Interest Rate (%)	Monthly Instalment (% of Loan Limit)
Loan 1	146,039,692	163,473,755	7.70	1.00
Loan 2	79,167,146	93,898,996	7.54	1.50
Loan 3	41,326,873	53,549,447	7.32	2.00
Loan 4	4,065,240	5,325,391	7.08	2.50
Loan 5	2,242,573	3,476,863	7.71	3.00
Loan 6	119,380	232,577	7.74	4.33

- (b) As of the Closing Date the Provisional Pool contains 1 hypothetical Annuity Loan with a maturity of 79.4 months and interest rate of 6.60%.
- (c) As of the Closing Date the Provisional Pool contains 12,935 Insurance Loans, which redeem on a loan-by-loan basis at their maturity date in one lump sum payment.
- (d) As of the Closing Date the Provisional Pool contains 1.75% Interest-Only Loans and 1.47% Flexible OK Loans, which amortise in line with the Insurance Loans and the Flexible DK Loans respectively.
- (e) No delinquencies or losses occur with regards to the Portfolio Loans.
- (f) The Principal Amount Outstanding of the Portfolio Loans is Euro 690,000,000 until July 2010, after which amortisation starts.
- (g) As of July 2010, the Provisional Portfolio has the same characteristics as of the Closing Date.

- (h) No redraws, no further advances, and no limit increases occur on the Portfolio Loans.
- (i) No prepayment penalties or penalty interest are collected .
- (j) No amounts are credited to the PDL.
- (k) 3 month Euribor is equal to 3.50%.
- (l) The SPV receives Euribor + 2.50% per annum on the Outstanding Principal Amount of the Portfolio Loans.
- (m) After the Quarterly Payment Date falling in July 2010, the Notes (excluding the Subordinated Notes) start to amortise sequentially.
- (n) Amounts standing to the Reserve Account are invested in the GIC Account.
- (o) The Subordinated Class F and Subordinated Class G Notes do not amortise until the First Optional Redemption Date.
- (p) The Servicer earns an annual fee of 30bps of the Outstanding Principal Amount of the Portfolio Loans.

The actual characteristics and performance of the Portfolio Loans will differ from the assumptions used in constructing the tables set forth below. The tables are hypothetical in nature and are provided only to give a general sense of how the principal cash flows might behave under varying prepayment scenarios. For example, it is not expected that the Portfolio Loans will prepay at a constant rate until maturity, that all of the Portfolio Loans will prepay at the same rate or that there will be no delinquencies or losses on the Portfolio Loans. Moreover, the diverse remaining terms to maturity of the Portfolio Loans could produce slower or faster principal distributions than indicated in the tables at the various percentages of CPR specified, even if the weighted average remaining term to maturity of the Portfolio Loans is as assumed. Any difference between such assumptions and the actual characteristics and performance of the Portfolio Loans, or actual prepayment or loss experience, will affect the percentages of the initial amount outstanding over time and the weighted average lives of the Notes.

Subject to the foregoing discussion and assumptions, the following tables indicate the weighted average life of each class of Notes and the percentages of the initial Principal Amount Outstanding of each such class of Notes after each year from the Closing Date at the CPRs shown.

**Percentage of Original Principal Amount Outstanding of the
Class A1 Notes at the Specified CPR Percentages
(without Optional Redemption or Clean-up Call Only)**

Date	<u>0.0%</u>	<u>5.0%</u>	<u>10.0%</u>	<u>15.0%</u>	<u>20.0%</u>	<u>25.0%</u>	<u>30.0%</u>	<u>35.0%</u>	<u>40.0%</u>
Closing Date	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-07	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-08	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-09	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-10	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-11	88.98%	78.35%	67.72%	57.11%	46.50%	35.90%	25.31%	14.72%	4.15%
17-Jul-12	77.22%	56.82%	37.52%	19.33%	2.23%	0.00%	0.00%	0.00%	0.00%
17-Jul-13	65.01%	35.77%	9.63%	0.00%	0.00%				
17-Jul-14	53.58%	17.67%	0.00%						
17-Jul-15	44.18%	1.10%							
17-Jul-16	34.62%	0.00%							
17-Jul-17	27.58%								
17-Jul-18	19.80%								
17-Jul-19	9.37%								
17-Jul-20	0.47%								
17-Jul-21	0.00%								
Weighted Average Life (Years)	8.09	5.77	5.00	4.60	4.34	4.17	4.04	3.94	3.87
Principal Payment Window	Oct-10 Oct-20	Oct-10 Oct-15	Oct-10 Jan-14	Oct-10 Apr-13	Oct-10 Oct-12	Oct-10 Apr-12	Oct-10 Jan-12	Oct-10 Oct-11	Oct-10 Oct-11
(with Optional Redemption)									
Weighted Average Life (Years)	5.06	4.88	4.69	4.51	4.34	4.17	4.04	3.94	3.87
Principal Payment Window	Oct-10 Jul-12	Oct-10 Jul-12	Oct-10 Jul-12	Oct-10 Jul-12	Oct-10 Jul-12	Oct-10 Apr-12	Oct-10 Jan-12	Oct-10 Oct-11	Oct-10 Oct-11
(with Clean-up Call Only)									
Weighted Average Life (Years)	8.09	5.77	5.00	4.60	4.34	4.17	4.04	3.94	3.87
Principal Payment Window	Oct-10 Oct-20	Oct-10 Oct-15	Oct-10 Jan-14	Oct-10 Apr-13	Oct-10 Oct-12	Oct-10 Apr-12	Oct-10 Jan-12	Oct-10 Oct-11	Oct-10 Oct-11

**Percentage of Original Principal Amount Outstanding of the
Class A2 Notes at the Specified CPR Percentages
(without Optional Redemption or Clean-up Call Only)**

<u>Date</u>	<u>0.00%</u>	<u>5.00%</u>	<u>10.00%</u>	<u>15.00%</u>	<u>20.00%</u>	<u>25.00%</u>	<u>30.00%</u>	<u>35.00%</u>	<u>40.00%</u>
Closing Date	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-07	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-08	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-09	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-10	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-11	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-12	100.00%	100.00%	100.00%	100.00%	100.00%	85.28%	69.40%	54.70%	41.23%
17-Jul-13	100.00%	100.00%	100.00%	86.26%	65.26%	46.89%	31.14%	18.81%	8.34%
17-Jul-14	100.00%	100.00%	86.43%	59.73%	39.40%	22.72%	9.25%	0.93%	0.00%
17-Jul-15	100.00%	100.00%	67.79%	41.39%	20.86%	8.62%	0.00%	0.00%	
17-Jul-16	100.00%	88.74%	52.21%	26.73%	11.56%	0.47%			
17-Jul-17	100.00%	75.52%	38.72%	18.37%	4.06%	0.00%			
17-Jul-18	100.00%	62.29%	31.14%	11.27%	0.00%				
17-Jul-19	100.00%	52.68%	23.52%	4.81%					
17-Jul-20	100.00%	46.74%	17.61%	0.00%					
17-Jul-21	85.54%	38.37%	10.86%						
17-Jul-22	80.41%	32.88%	6.21%						
17-Jul-23	71.77%	25.65%	1.09%						
17-Jul-24	59.43%	17.20%	0.00%						
17-Jul-25	53.35%	12.37%							
17-Jul-26	47.36%	7.97%							
17-Jul-27	43.47%	4.79%							
17-Jul-28	38.00%	1.23%							
17-Jul-29	30.10%	0.00%							
17-Jul-30	23.25%								
17-Jul-31	21.73%								
17-Jul-32	19.41%								
17-Jul-33	16.60%								
17-Jul-34	9.25%								
17-Jul-35	0.59%								
17-Jul-36	0.00%								
Weighted Average Life (Years)	19.94	13.55	10.25	8.39	7.27	6.53	6.01	5.63	5.33
Principal Payment Window	Oct-20 Jan-36	Oct-15 Jan-29	Jan-14 Oct-23	Apr-13 Jul-20	Oct-12 Apr-18	Apr-12 Oct-16	Jan-12 Jul-15	Oct-11 Oct-14	Oct-11 Jan-14

	<u>0.00%</u>	<u>5.00%</u>	<u>10.00%</u>	<u>15.00%</u>	<u>20.00%</u>	<u>25.00%</u>	<u>30.00%</u>	<u>35.00%</u>	<u>40.00%</u>
(with Optional Redemption)									
Weighted Average Life (Years)	5.25	5.25	5.25	5.25	5.25	5.25	5.20	5.12	5.03
Principal Payment Window	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Apr-12	Jan-12	Oct-11	Oct-11
	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12
(with Clean-up Call Only)									
Weighted Average Life (Years)	19.94	13.55	10.25	8.39	7.27	6.53	6.01	5.63	5.33
Principal Payment Window	Oct-20	Oct-15	Jan-14	Apr-13	Oct-12	Apr-12	Jan-12	Oct-11	Oct-11
	Jan-36	Jan-29	Oct-23	Jul-20	Apr-18	Oct-16	Jul-15	Oct-14	Jan-14

**Percentage of Original Principal Amount Outstanding of the
Class B Notes at the Specified CPR Percentages
(without Optional Redemption or Clean-up Call Only)**

<u>Date</u>	<u>0.00%</u>	<u>5.00%</u>	<u>10.00%</u>	<u>15.00%</u>	<u>20.00%</u>	<u>25.00%</u>	<u>30.00%</u>	<u>35.00%</u>	<u>40.00%</u>
Closing Date	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-07	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-08	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-09	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-10	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-11	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-12	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-13	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-14	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%
17-Jul-15	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	86.87%	0.00%	
17-Jul-16	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%		
17-Jul-17	100.00%	100.00%	100.00%	100.00%	100.00%	0.00%			
17-Jul-18	100.00%	100.00%	100.00%	100.00%	58.73%				
17-Jul-19	100.00%	100.00%	100.00%	100.00%	0.00%				
17-Jul-20	100.00%	100.00%	100.00%	98.50%					
17-Jul-21	100.00%	100.00%	100.00%	0.00%					
17-Jul-22	100.00%	100.00%	100.00%						
17-Jul-23	100.00%	100.00%	100.00%						
17-Jul-24	100.00%	100.00%	9.92%						
17-Jul-25	100.00%	100.00%	0.00%						
17-Jul-26	100.00%	100.00%							
17-Jul-27	100.00%	100.00%							
17-Jul-28	100.00%	100.00%							
17-Jul-29	100.00%	35.63%							
17-Jul-30	100.00%	0.00%							
17-Jul-31	100.00%								
17-Jul-32	100.00%								
17-Jul-33	100.00%								
17-Jul-34	100.00%								
17-Jul-35	100.00%								
17-Jul-36	58.69%								
17-Jul-37	0.60%								
17-Jul-38	0.00%								
Weighted Average Life (Years)	29.64	22.30	17.03	13.84	11.46	9.80	8.60	7.72	7.05
Principal Payment Window	Jan-36 Oct-37	Jan-29 Jan-30	Oct-23 Oct-24	Jul-20 Jul-21	Apr-18 Apr-19	Oct-16 Jul-17	Jul-15 Apr-16	Oct-14 Apr-15	Jan-14 Jul-14

	<u>0.00%</u>	<u>5.00%</u>	<u>10.00%</u>	<u>15.00%</u>	<u>20.00%</u>	<u>25.00%</u>	<u>30.00%</u>	<u>35.00%</u>	<u>40.00%</u>
(with Optional Redemption)									
Weighted Average Life (Years)	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Principal Payment Window	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12
	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12
(with Clean-up Call Only)									
Weighted Average Life (Years)	28.77	21.77	16.51	13.26	11.01	9.51	8.25	7.51	6.76
Principal Payment Window	Jan-36	Jan-29	Oct-23	Jul-20	Apr-18	Oct-16	Jul-15	Oct-14	Jan-14
	Jan-36	Jan-29	Oct-23	Jul-20	Apr-18	Oct-16	Jul-15	Oct-14	Jan-14

**Percentage of Original Principal Amount Outstanding of the
Class C Notes at the Specified CPR Percentages
(without Optional Redemption or Clean-up Call Only)**

<u>Date</u>	<u>0.00%</u>	<u>5.00%</u>	<u>10.00%</u>	<u>15.00%</u>	<u>20.00%</u>	<u>25.00%</u>	<u>30.00%</u>	<u>35.00%</u>	<u>40.00%</u>
Closing Date	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-07	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-08	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-09	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-10	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-11	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-12	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-13	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-14	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	86.88%
17-Jul-15	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	62.47%	0.00%
17-Jul-16	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	63.12%	0.00%	
17-Jul-17	100.00%	100.00%	100.00%	100.00%	100.00%	84.99%	0.77%		
17-Jul-18	100.00%	100.00%	100.00%	100.00%	100.00%	25.85%	0.00%		
17-Jul-19	100.00%	100.00%	100.00%	100.00%	70.86%	0.00%			
17-Jul-20	100.00%	100.00%	100.00%	100.00%	24.76%				
17-Jul-21	100.00%	100.00%	100.00%	95.59%	0.00%				
17-Jul-22	100.00%	100.00%	100.00%	52.89%					
17-Jul-23	100.00%	100.00%	100.00%	11.38%					
17-Jul-24	100.00%	100.00%	100.00%	0.00%					
17-Jul-25	100.00%	100.00%	65.78%						
17-Jul-26	100.00%	100.00%	31.55%						
17-Jul-27	100.00%	100.00%	6.62%						
17-Jul-28	100.00%	100.00%	0.00%						
17-Jul-29	100.00%	100.00%							
17-Jul-30	100.00%	76.76%							
17-Jul-31	100.00%	59.56%							
17-Jul-32	100.00%	40.27%							
17-Jul-33	100.00%	20.50%							
17-Jul-34	100.00%	0.00%							
17-Jul-35	100.00%								
17-Jul-36	100.00%								
17-Jul-37	100.00%								
17-Jul-38	49.00%								
17-Jul-39	0.00%								
Weighted Average Life (Years)	31.44	24.94	18.93	15.46	12.85	10.98	9.60	8.56	7.75
Principal Payment Window	Oct-37 Jul-39	Jan-30 Jul-34	Oct-24 Jan-28	Jul-21 Jan-24	Apr-19 Apr-21	Jul-17 Apr-19	Apr-16 Oct-17	Apr-15 Jul-16	Jul-14 Jul-15

	<u>0.00%</u>	<u>5.00%</u>	<u>10.00%</u>	<u>15.00%</u>	<u>20.00%</u>	<u>25.00%</u>	<u>30.00%</u>	<u>35.00%</u>	<u>40.00%</u>
(with Optional Redemption)									
Weighted Average Life (Years)	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Principal Payment Window	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12
	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12
(with Clean-up Call Only)									
Weighted Average Life (Years)	28.77	21.77	16.51	13.26	11.01	9.51	8.25	7.51	6.76
Principal Payment Window	Jan-36	Jan-29	Oct-23	Jul-20	Apr-18	Oct-16	Jul-15	Oct-14	Jan-14
	Jan-36	Jan-29	Oct-23	Jul-20	Apr-18	Oct-16	Jul-15	Oct-14	Jan-14

**Percentage of Original Principal Amount Outstanding of the
Class D Notes at the Specified CPR Percentages
(without Optional Redemption or Clean-up Call Only)**

<u>Date</u>	<u>0.00%</u>	<u>5.00%</u>	<u>10.00%</u>	<u>15.00%</u>	<u>20.00%</u>	<u>25.00%</u>	<u>30.00%</u>	<u>35.00%</u>	<u>40.00%</u>
Closing Date	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-07	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-08	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-09	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-10	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-11	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-12	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-13	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-14	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-15	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	96.54%
17-Jul-16	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	89.54%	25.99%
17-Jul-17	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	28.92%	0.00%
17-Jul-18	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	44.42%	0.00%	
17-Jul-19	100.00%	100.00%	100.00%	100.00%	100.00%	74.02%	4.12%		
17-Jul-20	100.00%	100.00%	100.00%	100.00%	100.00%	32.84%	0.00%		
17-Jul-21	100.00%	100.00%	100.00%	100.00%	78.23%	0.00%			
17-Jul-22	100.00%	100.00%	100.00%	100.00%	42.01%				
17-Jul-23	100.00%	100.00%	100.00%	100.00%	10.22%				
17-Jul-24	100.00%	100.00%	100.00%	64.88%	0.00%				
17-Jul-25	100.00%	100.00%	100.00%	34.68%					
17-Jul-26	100.00%	100.00%	100.00%	10.47%					
17-Jul-27	100.00%	100.00%	100.00%	0.00%					
17-Jul-28	100.00%	100.00%	76.36%						
17-Jul-29	100.00%	100.00%	43.13%						
17-Jul-30	100.00%	100.00%	17.14%						
17-Jul-31	100.00%	100.00%	4.93%						
17-Jul-32	100.00%	100.00%	0.00%						
17-Jul-33	100.00%	100.00%							
17-Jul-34	100.00%	80.75%							
17-Jul-35	100.00%	32.58%							
17-Jul-36	100.00%	16.09%							
17-Jul-37	100.00%	0.22%							
17-Jul-38	100.00%	0.00%							
17-Jul-39	37.47%								
17-Jul-40	0.00%								
Weighted Average Life (Years)	32.37	28.26	22.34	18.01	15.21	13.00	11.33	10.04	9.04
Principal Payment Window	Jul-39 Oct-39	Jul-34 Oct-37	Jan-28 Jan-32	Jan-24 Apr-27	Apr-21 Jan-24	Apr-19 Jul-21	Oct-17 Oct-19	Jul-16 Apr-18	Jul-15 Apr-17

	<u>0.00%</u>	<u>5.00%</u>	<u>10.00%</u>	<u>15.00%</u>	<u>20.00%</u>	<u>25.00%</u>	<u>30.00%</u>	<u>35.00%</u>	<u>40.00%</u>
(with Optional Redemption)									
Weighted Average Life (Years)	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Principal Payment Window	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12
	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12
(with Clean-up Call Only)									
Weighted Average Life (Years)	28.77	21.77	16.51	13.26	11.01	9.51	8.25	7.51	6.76
Principal Payment Window	Jan-36	Jan-29	Oct-23	Jul-20	Apr-18	Oct-16	Jul-15	Oct-14	Jan-14
	Jan-36	Jan-29	Oct-23	Jul-20	Apr-18	Oct-16	Jul-15	Oct-14	Jan-14

**Percentage of Original Principal Amount Outstanding of the
Class E Notes at the Specified CPR Percentages
(without Optional Redemption or Clean-up Call Only)**

<u>Date</u>	<u>0.00%</u>	<u>5.00%</u>	<u>10.00%</u>	<u>15.00%</u>	<u>20.00%</u>	<u>25.00%</u>	<u>30.00%</u>	<u>35.00%</u>	<u>40.00%</u>
Closing Date	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-07	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-08	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-09	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-10	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-11	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-12	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-13	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-14	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-15	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-16	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-17	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	78.53%
17-Jul-18	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	87.12%	45.92%
17-Jul-19	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	54.07%	26.31%
17-Jul-20	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	71.53%	34.09%	15.31%
17-Jul-21	100.00%	100.00%	100.00%	100.00%	100.00%	99.06%	46.38%	20.52%	8.51%
17-Jul-22	100.00%	100.00%	100.00%	100.00%	100.00%	71.21%	31.12%	12.79%	4.89%
17-Jul-23	100.00%	100.00%	100.00%	100.00%	100.00%	48.95%	19.96%	7.62%	2.69%
17-Jul-24	100.00%	100.00%	100.00%	100.00%	78.81%	31.93%	12.15%	4.31%	1.40%
17-Jul-25	100.00%	100.00%	100.00%	100.00%	58.40%	22.18%	7.88%	2.59%	0.78%
17-Jul-26	100.00%	100.00%	100.00%	100.00%	43.05%	15.33%	5.08%	1.55%	0.43%
17-Jul-27	100.00%	100.00%	100.00%	91.20%	32.54%	10.86%	3.36%	0.95%	0.24%
17-Jul-28	100.00%	100.00%	100.00%	71.14%	23.89%	7.48%	2.16%	0.57%	0.13%
17-Jul-29	100.00%	100.00%	100.00%	52.64%	16.64%	4.88%	1.32%	0.32%	0.07%
17-Jul-30	100.00%	100.00%	100.00%	38.97%	11.59%	3.19%	0.80%	0.18%	0.04%
17-Jul-31	100.00%	100.00%	100.00%	32.03%	8.97%	2.31%	0.54%	0.11%	0.02%
17-Jul-32	100.00%	100.00%	90.79%	25.82%	6.80%	1.64%	0.36%	0.07%	0.01%
17-Jul-33	100.00%	100.00%	76.31%	20.49%	5.08%	1.15%	0.24%	0.04%	0.00%
17-Jul-34	100.00%	100.00%	55.93%	14.19%	3.31%	0.70%	0.13%	0.02%	
17-Jul-35	100.00%	100.00%	36.82%	8.82%	1.94%	0.39%	0.07%	0.01%	
17-Jul-36	100.00%	100.00%	29.64%	6.71%	1.39%	0.26%	0.04%	0.00%	
17-Jul-37	100.00%	100.00%	23.29%	4.98%	0.97%	0.17%	0.03%		
17-Jul-38	100.00%	74.48%	16.39%	3.31%	0.61%	0.10%	0.01%		
17-Jul-39	100.00%	33.57%	7.00%	1.33%	0.23%	0.04%	0.00%		
17-Jul-40	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
Weighted Average Life (Years)	32.90	32.02	28.31	23.64	19.86	17.09	14.91	13.17	11.76
Principal Payment Window	Oct-39 Apr-40	Oct-37 Apr-40	Jan-32 Jan-40	Apr-27 Apr-40	Jan-24 Apr-40	Jul-21 Apr-40	Oct-19 Apr-40	Apr-18 Apr-40	Apr-17 Oct-39

	<u>0.00%</u>	<u>5.00%</u>	<u>10.00%</u>	<u>15.00%</u>	<u>20.00%</u>	<u>25.00%</u>	<u>30.00%</u>	<u>35.00%</u>	<u>40.00%</u>
(with Optional Redemption)									
Weighted Average Life (Years)	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Principal Payment Window	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12
	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12	Jul-12
(with Clean-up Call Only)									
Weighted Average Life (Years)	28.77	21.77	16.51	13.26	11.01	9.51	8.25	7.51	6.76
Principal Payment Window	Jan-36	Jan-29	Oct-23	Jul-20	Apr-18	Oct-16	Jul-15	Oct-14	Jan-14
	Jan-36	Jan-29	Oct-23	Jul-20	Apr-18	Oct-16	Jul-15	Oct-14	Jan-14

**Percentage of Original Principal Amount Outstanding of the
Class F Notes at the Specified CPR Percentages
(without Optional Redemption or Clean-up Call Only)**

<u>Date</u>	<u>0.00%</u>	<u>5.00%</u>	<u>10.00%</u>	<u>15.00%</u>	<u>20.00%</u>	<u>25.00%</u>	<u>30.00%</u>	<u>35.00%</u>	<u>40.00%</u>
Closing Date	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-07	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-08	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-09	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-10	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-11	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-12	79.38%	81.45%	83.44%	85.34%	87.16%	88.88%	90.51%	92.04%	93.48%
17-Jul-13	5.05%	17.71%	29.49%	40.41%	50.39%	59.48%	67.74%	75.19%	81.81%
17-Jul-14	0.00%	0.00%	0.00%	3.49%	23.15%	40.32%	55.29%	68.21%	79.09%
17-Jul-15				0.00%	2.13%	27.50%	48.52%	65.83%	79.07%
17-Jul-16					0.00%	17.76%	44.41%	65.56%	79.07%
17-Jul-17						9.97%	41.99%	65.56%	79.07%
17-Jul-18						3.35%	40.66%	65.56%	79.07%
17-Jul-19						0.00%	39.98%	65.56%	79.07%
17-Jul-20							39.57%	65.56%	79.07%
17-Jul-21							38.88%	65.56%	79.07%
17-Jul-22							37.93%	65.56%	79.07%
17-Jul-23							36.77%	65.56%	79.07%
17-Jul-24							35.39%	65.56%	79.07%
17-Jul-25							33.81%	65.56%	79.07%
17-Jul-26							32.04%	65.56%	79.07%
17-Jul-27							30.07%	65.56%	79.07%
17-Jul-28							27.86%	65.56%	79.07%
17-Jul-29							25.43%	65.56%	79.07%
17-Jul-30							22.74%	65.56%	79.07%
17-Jul-31							19.77%	65.56%	79.07%
17-Jul-32							16.47%	65.56%	79.07%
17-Jul-33							12.84%	65.56%	0.00%
17-Jul-34							8.84%	65.56%	
17-Jul-35							4.42%	65.56%	
17-Jul-36							0.00%	0.00%	
Weighted Average Life (Years)	5.78	5.88	6.01	6.20	6.53	7.36	13.42	21.27	21.97
Principal Payment Window	Jul-12 Oct-13	Jul-12 Jan-14	Jul-12 Apr-14	Jul-12 Oct-14	Jul-12 Oct-15	Jul-12 Apr-19	Jul-12 Jul-36	Jul-12 Jul-36	Jul-12 Jul-33
(with Optional Redemption)									
Weighted Average Life (Years)	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Principal Payment Window	Jul-12 Jul-12	Jul-12 Jul-12	Jul-12 Jul-12	Jul-12 Jul-12	Jul-12 Jul-12	Jul-12 Jul-12	Jul-12 Jul-12	Jul-12 Jul-12	Jul-12 Jul-12

(with Clean-up Call Only)	<u>0.00%</u>	<u>5.00%</u>	<u>10.00%</u>	<u>15.00%</u>	<u>20.00%</u>	<u>25.00%</u>	<u>30.00%</u>	<u>35.00%</u>	<u>40.00%</u>
Weighted Average Life (Years)	5.78	5.88	6.01	6.20	6.53	7.17	7.21	6.99	6.55
Principal Payment Window	Jul-12 Oct-13	Jul-12 Jan-14	Jul-12 Apr-14	Jul-12 Oct-14	Jul-12 Oct-15	Jul-12 Oct-16	Jul-12 Jul-15	Jul-12 Oct-14	Jul-12 Jan-14

**Percentage of Original Principal Amount Outstanding of the
Class G Notes at the Specified CPR Percentages
(without Optional Redemption or Clean-up Call Only)**

<u>Date</u>	<u>0.00%</u>	<u>5.00%</u>	<u>10.00%</u>	<u>15.00%</u>	<u>20.00%</u>	<u>25.00%</u>	<u>30.00%</u>	<u>35.00%</u>	<u>40.00%</u>
Closing Date	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-07	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-08	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-09	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-10	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-11	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-12	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-13	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-14	0.00%	21.31%	68.43%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-15		0.00%	0.00%	56.47%	100.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-16				13.82%	82.33%	100.00%	100.00%	100.00%	100.00%
17-Jul-17				0.00%	64.69%	100.00%	100.00%	100.00%	100.00%
17-Jul-18					50.45%	100.00%	100.00%	100.00%	100.00%
17-Jul-19					38.73%	100.00%	100.00%	100.00%	100.00%
17-Jul-20					28.66%	100.00%	100.00%	100.00%	100.00%
17-Jul-21					19.65%	100.00%	100.00%	100.00%	100.00%
17-Jul-22					11.12%	100.00%	100.00%	100.00%	100.00%
17-Jul-23					2.57%	100.00%	100.00%	100.00%	100.00%
17-Jul-24					0.00%	100.00%	100.00%	100.00%	100.00%
17-Jul-25						100.00%	100.00%	100.00%	100.00%
17-Jul-26						100.00%	100.00%	100.00%	100.00%
17-Jul-27						100.00%	100.00%	100.00%	100.00%
17-Jul-28						100.00%	100.00%	100.00%	100.00%
17-Jul-29						100.00%	100.00%	100.00%	100.00%
17-Jul-30						100.00%	100.00%	100.00%	100.00%
17-Jul-31						100.00%	100.00%	100.00%	100.00%
17-Jul-32						100.00%	100.00%	100.00%	100.00%
17-Jul-33						100.00%	100.00%	100.00%	0.00%
17-Jul-34						100.00%	100.00%	100.00%	
17-Jul-36						100.00%	100.00%	0.00%	
17-Jul-37						100.00%	100.00%		
17-Jul-38						100.00%	100.00%		
17-Jul-39						100.00%	0.00%		
17-Jul-40						0.00%			

	<u>0.00%</u>	<u>5.00%</u>	<u>10.00%</u>	<u>15.00%</u>	<u>20.00%</u>	<u>25.00%</u>	<u>30.00%</u>	<u>35.00%</u>	<u>40.00%</u>
Weighted Average Life (Years)	6.80	7.12	7.62	8.56	11.86	33.02	32.27	29.27	26.27
Principal Payment Window	Oct-13 Jul-14	Jan-14 Oct-14	Apr-14 Jul-15	Oct-14 Jan-17	Oct-15 Jan-24	Apr-40 Apr-40	Jul-39 Jul-39	Jul-36 Jul-36	Jul-33 Jul-33
(with Optional Redemption)									
Weighted Average Life (Years)	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25	5.25
Principal Payment Window	Jul-12 Jul-12	Jul-12 Jul-12	Jul-12 Jul-12	Jul-12 Jul-12	Jul-12 Jul-12	Jul-12 Jul-12	Jul-12 Jul-12	Jul-12 Jul-12	Jul-12 Jul-12
(with Clean-up Call Only)									
Weighted Average Life (Years)	6.80	7.12	7.62	8.56	10.41	9.51	8.25	7.51	6.76
Principal Payment Window	Oct-13 Jul-14	Jan-14 Oct-14	Apr-14 Jul-15	Oct-14 Jan-17	Oct-15 Apr-18	Oct-16 Oct-16	Jul-15 Jul-15	Oct-14 Oct-14	Jan-14 Jan-14

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