

SHIELD 1 B.V.

(incorporated with limited liability in The Netherlands and having its statutory seat in Amsterdam)

EUR 3,000,000,000 Class A Credit Linked Notes due 2014

EUR 363,000,000 Class B Credit Linked Notes due 2014

EUR 284,000,000 Class C Credit Linked Notes due 2014

EUR 150,000,000 Class D Credit Linked Notes due 2014

EUR 159,000,000 Class E Credit Linked Notes due 2014

EUR 60,000,000 Class F Credit Linked Notes due 2014

Class	Initial Principal Amount in millions	Reference Interest Rate	Margin	Quarterly Note Payment Date	Issue Price	Expected Ratings (Fitch, Moody's and S&P)	Scheduled Redemption Date	Legal Final Redemption Date
A	EUR 3,000	3 month EURIBOR	0.17% per	20 th day	100%	AAA/Aaa/AAA	January 2012	January 2014
B	EUR 363	3 month EURIBOR	0.27% per	20 th day	100%	AA/Aa2/AA	January 2012	January 2014
C	EUR 284	3 month EURIBOR	0.59% per	20 th day	100%	A/A2/A	January 2012	January 2014
D	EUR 150	3 month EURIBOR	0.68% per	20 th day	100%	BBB+/Baa1/BBB+	January 2012	January 2014
E	EUR 159	3 month EURIBOR	2.50% per	20 th day	100%	BB/Ba2/BB	January 2012	January 2014
F	EUR 60	3 month EURIBOR	7.00% per	20 th day	100%	B/B2/B	January 2012	January 2014

The Notes

On 15 December 2005 (or such other date as Shield 1 B.V. (the "Issuer") and the Lead Manager agree (the "Closing Date")), the Issuer will issue the EUR 3,000,000,000 Class A Credit Linked Notes due 2014 (the "Class A Notes"), the EUR 363,000,000 Class B Credit Linked Notes due 2014 (the "Class B Notes"), the EUR 284,000,000 Class C Credit Linked Notes due 2014 (the "Class C Notes"), the EUR 150,000,000 Class D Credit Linked Notes due 2014 (the "Class D Notes"), the EUR 159,000,000 Class E Credit Linked Notes due 2014 (the "Class E Notes") and the EUR 60,000,000 Class F Credit Linked Notes due 2014 (the "Class F Notes") and, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D and the Class E Notes, the "Notes".

Application to the Irish Financial Services Regulatory Authority and the Irish Stock Exchange

Application has been made to the Irish Financial Services Regulatory Authority (the "Irish Financial Services Regulatory Authority" or "IFSRA"), in its capacity as competent authority under Directive 2003/71/EC (the "Prospectus Directive"), for this Prospectus to be approved. This Prospectus constitutes a "prospectus" for the purposes of the Prospectus (Directive 2003/71/EC) Regulations (the "Prospectus Regulations") (which implement the Prospectus Directive in Ireland). Application has been made to the Irish Stock Exchange Limited (the "Irish Stock Exchange") for the Notes to be admitted to the official list of the Irish Stock Exchange (the "Official List") and trading on its regulated market.

Obligations of Issuer Only

The Notes will be obligations of the Issuer only and will not be obligations or responsibilities of, or guaranteed by, any of the other parties to the transactions described in this Prospectus and any suggestion otherwise, express or implied, is expressly excluded.

Ratings

The Class A Notes are expected upon issue to be rated AAA by Fitch Ratings Limited ("Fitch"), Aaa by Moody's Investors Service Limited ("Moody's") and AAA by Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. ("S&P") and, together with Fitch and Moody's, the "Rating Agencies"). The Class B Notes are expected upon issue to be rated AA by Fitch, Aa2 by Moody's and AA by S&P. The Class C Notes are expected upon issue to be rated A by Fitch, A2 by Moody's and A by S&P. The Class D Notes are expected upon issue to be rated BBB+ by Fitch, Baa1 by Moody's and BBB+ by S&P. The Class E Notes are expected upon issue to be rated BB by Fitch, Ba2 by Moody's and BB by S&P. The Class F Notes are expected upon issue to be rated B by Fitch, B2 by Moody's and B by S&P.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any one or more of the Rating Agencies. Each credit rating should be evaluated independently of any other credit rating.

Form of Notes

The Notes of each Class will each initially be represented on issue by a temporary global note in bearer form (each, a "Temporary Global Note") without interest coupons attached which will be deposited on or about the Closing Date with the Common Depository for Clearstream Banking, société anonyme ("Clearstream, Luxembourg") and Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"). Each Temporary Global Note will be exchangeable for interests in a permanent global note in bearer form (each, a "Permanent Global Note") representing the same Class of Notes, without interest coupons attached, not earlier than 40 days after the Closing Date (provided that certificates as to non-U.S. beneficial ownership have been received). Ownership interests in the Temporary Global Notes and the Permanent Global Notes will be shown on, and transfers thereof will only be effected through, records maintained by Clearstream, Luxembourg and Euroclear and their respective participants. Interests in the Permanent Global Notes will be exchangeable for Definitive Notes in bearer form only in certain limited circumstances as set forth therein.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and include Notes in bearer form that are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered, directly or indirectly, in the United States or to any U.S. persons except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered for sale outside the United States in accordance with Regulation S ("Regulation S") under the Securities Act. See "Subscription and Sale".

Risk Factors

Each person contemplating making an investment in the Notes must make its own investigation and analysis of the creditworthiness of the Issuer and the Reference Obligors and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment. A prospective investor who is in any doubt whatsoever as to the risks involved in investing in the Notes should consult its own independent professional advisors.

A discussion of certain factors, which should be considered by prospective Noteholders in connection with an investment in the Notes, is set out in the section entitled "Risk Factors".

Arranger and Lead Manager



Managers

ING Wholesale Banking

Fortis Bank

NIBC Capital Bank

The date of this Prospectus is 12 December 2005

Responsibility Statements

Except as described below, the Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information relating to:

- (a) the Reference Portfolio, which is set out in "*Summary of the Transaction*", "*Risk Factors*", "*The Reference Portfolio*", "*Overview of the Dutch Residential Mortgage Market*" and "*Mortgage Loan Underwriting and Servicing*" sections of this Prospectus; and
- (b) the ABN AMRO Group, which is set out in "*Mortgage Loan Underwriting and Servicing*" and "*ABN AMRO Group*" sections of this Prospectus,

has been accurately reproduced from information made available by ABN AMRO Bank N.V. So far as the Issuer is aware and is able to ascertain from information published by ABN AMRO Bank N.V., no facts have been omitted which would render the reproduced information misleading.

Representations about the Notes

No person is or has been authorised in connection with the issue and sale of the Notes to make any representation or provide any information other than as contained in this Prospectus and, if given or made, such representation or information should not be relied upon as having been authorised by or on behalf of the Issuer, the Arranger, the Lead Manager, the other managers as set out in the Subscription Agreement (together with the Lead Manager, the "**Managers**"), the Trustee, the Holding, the Paying Agents, the Agent Bank, the Swap Counterparty, the Repo Counterparty, the Custodian, the Cash Deposit Bank, the Issuer Account Bank, the Cash Administrator, the Calculation Agent, the Issuer's Director, the Loan Originator or the Trustee's Director (the "**Other Parties**") (each as described in this Prospectus) or any person affiliated with them.

None of the Other Parties or any person affiliated with them have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Other Parties or any person affiliated with them as to the accuracy or completeness of the information contained in this Prospectus or any other information supplied in connection with the Notes, their distribution or the future performance and adequacy of the Notes. Each person receiving this Prospectus acknowledges that such person has not relied on the Other Parties or any other person affiliated with them in connection with any investigation of the accuracy of the information on its investment decision.

Financial condition of the Issuer

Neither the delivery of this Prospectus nor the offer, sale, allocation, solicitation or delivery of any Note shall, in any circumstances, create any implication or constitute a representation that

there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or in any other information contained herein since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to the date of this Prospectus.

Selling Restrictions

Other than the approval of the Irish Financial Services Regulatory Authority of this Prospectus as a prospectus in accordance with the Prospectus Directive no action has been or will be taken to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part thereof) comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions.

Neither this Prospectus nor any part hereof constitutes an offer of, or an invitation by, or on behalf of, the Issuer or the Managers to subscribe for or purchase any of the Notes. Neither this Prospectus, nor any part hereof, may be used for or in connection with an offer to, or solicitation by, any person in any jurisdiction or in any circumstance in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any part hereof nor any other prospectus, form of application, advertisement, other offering material or other information may be issued, distributed or published in any country or jurisdiction (including The Netherlands), except in circumstances that will result in compliance with all applicable laws, orders, rules and regulations.

None of the Issuer, the Managers or any of their representatives is making any representation to any offeree or purchaser of the Notes offered by this Prospectus regarding the legality of an investment by such an offeree or purchaser under appropriate legal, investment or similar laws. Prospective purchasers should consult with their advisers as to the legal, tax, business, financial and related aspects of a purchase of the Notes.

For a further description of certain restrictions on offers and sales of the Notes and distribution of this Prospectus, see "*Subscription and Sale*" below.

Any individual intending to invest in any instrument described in this Prospectus should consult his or her professional adviser and ensure that he or she fully understands all the risks associated with making such an investment and has sufficient financial resources to sustain any loss that may arise from it.

Withholding Tax

Payments of interest, principal and premium (if any) in respect of the Notes will be made subject to any applicable withholding taxes and none of the Issuer, the Paying Agents nor any other person will be obliged to pay additional amounts as a consequence thereof. See "*Taxation In The Netherlands*".

Interpretation

References in this Prospectus to "**EUR**" and "**euro**" are to the single currency introduced in the Member States of the European Community at the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

Certain figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Capitalised terms used in this Prospectus, unless otherwise indicated, have the meaning set out in this Prospectus. An index of defined terms appears at the end of this Prospectus.

Any website mentioned herein does not form part of this Prospectus.

Stabilisation

In connection with the issue of the Notes, ABN AMRO (acting through its London Branch and in such capacity the "**Stabilising Manager**") (or any person acting on behalf of the Stabilising Manager) may over-allot Notes (provided that the aggregate principal amount of the Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Class) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made, and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue of the Notes and 60 days after the date of the allotment of the Notes.

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PRINCIPAL CHARACTERISTICS OF THE NOTES

The following is a brief overview of the principal characteristics of the Notes offered under this Prospectus. This information is subject to and is more fully explained in the other sections of this Prospectus.

Notes	Class A Notes	Class B Notes	Class C Notes	Class D Notes	Class E Notes	Class F Notes
Minimum Denomination	EUR 100,000	EUR 100,000	EUR 100,000	EUR 100,000	EUR 100,000	EUR 100,000
Initial Principal Amount in millions	EUR 3,000	EUR 363	EUR 284	EUR 150	EUR 159	EUR 60
Reference Interest Rate	3 month EURIBOR	3 month EURIBOR	3 month EURIBOR	3 month EURIBOR	3 month EURIBOR	3 month EURIBOR
Margin	0.17 % per annum	0.27 % per annum	0.39 % per annum	0.68 % per annum	2.50 % per annum	7.00 % per annum
Scheduled Redemption Date	January 2012	January 2012	January 2012	January 2012	January 2012	January 2012
Legal Final Redemption Date	January 2014	January 2014	January 2014	January 2014	January 2014	January 2014
Note Payment Dates	20 th of January, April, July and October in each year	20 th of January, April, July and October in each year	20 th of January, April, July and October in each year	20 th of January, April, July and October in each year	20 th of January, April, July and October in each year	20 th of January, April, July and October in each year
Interest Accrual Method	Actual/360	Actual/360	Actual/360	Actual/360	Actual/360	Actual/360
Frequency of Redemption	In accordance with Condition 7	In accordance with Condition 7	In accordance with Condition 7	In accordance with Condition 7	In accordance with Condition 7	In accordance with Condition 7
Form of Notes	Bearer	Bearer	Bearer	Bearer	Bearer	Bearer
Clearing Systems	Clearstream, Luxembourg and Euroclear	Clearstream, Luxembourg and Euroclear	Clearstream, Luxembourg and Euroclear	Clearstream, Luxembourg and Euroclear	Clearstream, Luxembourg and Euroclear	Clearstream, Luxembourg and Euroclear
Credit Enhancement (provided by other Classes of Notes subordinated to the relevant Class)	Subordination of Class B Notes, Class C Notes, Class D Notes, Class E Notes, Class F Notes and Synthetic Excess Spread Balance	Subordination of Class C Notes, Class D Notes, Class E Notes, Class F Notes and Synthetic Excess Spread Balance	Subordination of Class D Notes, Class E Notes, Class F Notes and Synthetic Excess Spread Balance	Subordination of Class E Notes, Class F Notes and Synthetic Excess Spread Balance	Subordination of Class F Notes and Synthetic Excess Spread Balance	Synthetic Excess Spread Balance
Listing	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange	Irish Stock Exchange
ISIN	XS0238072895	XS0238073273	XS0238073356	XS0238073513	XS0238073604	XS0238073786
Common Code	23807289	23807327	23807335	23807351	23807360	23807378
Expected Rating – Fitch	AAA	AA	A	BBB+	BB	B
Expected Rating – Moody's	Aaa	Aa2	A2	Baa1	Ba2	B2
Expected Rating – S&P	AAA	AA	A	BBB+	BB	B

SUMMARY OF THE TRANSACTION

The following is an overview of the transaction. This overview does not purport to be complete and should be read in conjunction with, and is qualified in its entirety by reference to, the more detailed information which appears elsewhere in this Prospectus and the Transaction Documents. Prospective purchasers of the Notes are advised to read carefully, and to rely solely on, the detailed information appearing elsewhere in this Prospectus in making any decision whether or not to invest in any Notes.

Transaction Summary

The Issuer has been incorporated as a special purpose company for the purpose of issuing the Notes. On or about the Closing Date, the Issuer will issue the Notes.

The Closing Date fees and expenses of the Issuer in connection with the issue of the Notes (the "**Issuer Closing Date Expenses**") will be funded on the Closing Date through a Swap Counterparty Payment.

The transaction involves Noteholders acquiring credit exposure via the Issuer to a portfolio (the "**Reference Portfolio**") of Dutch residential mortgage loans (each, as defined in more detail elsewhere in this Prospectus, a "**Reference Obligation**"). This credit exposure will be created by way of a portfolio credit default swap (the "**Credit Default Swap**") to be entered into on the Closing Date between ABN AMRO (acting through its BU NL head office and in such capacity, the "**Swap Counterparty**") and the Issuer in respect of the Reference Portfolio. See "*The Credit Default Swap*".

The obligors under the Reference Obligations (the "**Reference Obligors**" and each, a "**Reference Obligor**") are individuals resident in The Netherlands at the time of origination of the relevant Reference Obligation and all Properties which are the subject of the Reference Obligations are located in The Netherlands. The composition of the Reference Portfolio is governed by certain eligibility criteria (see "*The Reference Portfolio - Eligible Reference Obligations*" and "*The Reference Portfolio - Description of the Initial Reference Portfolio Criteria*").

In the event of any of: (i) the Bankruptcy of a Reference Obligor or (ii) the Failure to Pay by a Reference Obligor under a Reference Obligation or (iii) Restructuring of a Reference Obligation (each such event being a "**Credit Event**"), the Issuer may be required to make payments to the Swap Counterparty under the Credit Default Swap. A Reference Obligation in respect of which a Credit Event has occurred and to which the Conditions to Credit Protection have been met is referred to as a "**Defaulted Reference Obligation**".

No notice in respect of any Credit Event may be delivered by the Calculation Agent on or after (i) the date falling eight (8) Note Business Days before the Note Payment Date falling in January 2012 (the "**Scheduled Redemption Date**") or (ii) the date on which notice is given by the Issuer of an Early Redemption Date.

After the occurrence of a Credit Event, the delivery of any Credit Event Notice and the Conditions to Credit Protection being met for that Defaulted Reference Obligation, a credit protection amount (the "**Credit Protection Payment Amount**") in respect of the relevant Defaulted Reference Obligation will be calculated on the Credit Protection Calculation Date in

respect of that Defaulted Reference Obligation in accordance with the provisions of the Credit Default Swap. See *"The Credit Default Swap"*.

On each Note Payment Date, the Issuer will be required to pay an amount (the "**Credit Protection Payment**") in respect of the Credit Protection Payment Amounts (if any) calculated to be due on that Note Payment Date.

In return for providing credit protection to the Swap Counterparty, on each Note Payment Date (including during the Extension Period, if any) the Issuer will receive from the Swap Counterparty a payment (each, a "**Swap Counterparty Payment**") which will be calculated (after deducting certain received income amounts, including those received by the Issuer pursuant to the terms of the Cash Deposit Agreement and/or, as the case may be, the Repo Agreement), to enable the Issuer to meet its ongoing costs, including, amongst other things, the Issuer Closing Date Expenses (only in respect of the first Swap Counterparty Payment), interest payments on the Notes and the Issuer Expenses. The Swap Counterparty Payment will be payable in arrear for so long as the Swap Counterparty has the Swap Counterparty Required Rating. If, and for so long as, the Swap Counterparty does not have the Swap Counterparty Required Rating, the Swap Counterparty Payment will be required to be paid in advance. See *"The Credit Default Swap"*.

Subject to compliance with certain conditions, in certain circumstances the Swap Counterparty will have the right to make changes to the composition of the Reference Portfolio by adding a new Reference Obligation and/or by increasing the notional amount of a Reference Obligation which is already in the Reference Portfolio. See *"The Credit Default Swap - Replenishment and Substitution"*, *"The Credit Default Swap - Conditions to Replenishment"* and *"The Credit Default Swap - Conditions to Substitution"*.

On the Closing Date, the Issuer will invest the proceeds of the issue of the Notes in order to enable the Issuer to make Credit Protection Payments (if any) and to repay the Notes. The Issuer may invest the proceeds of the Notes in a Cash Deposit with ABN AMRO (acting through its head office and in such capacity, the "**Cash Deposit Bank**"), provided that the Cash Deposit Bank then has the Cash Deposit Bank Required Rating. If, and for so long as, the Cash Deposit Bank does not have the Cash Deposit Bank Required Rating or suitable guarantee arrangements in respect thereof or if the Cash Deposit Bank is not replaced by a successor Cash Deposit Bank on substantially the same terms as the Cash Deposit Agreement or if the Swap Counterparty elects and so notifies the Issuer, the Issuer will invest funds by entering into transactions (each, a "**Repo Transaction**") under a repurchase agreement (the "**Repo Agreement**") with the Repo Counterparty and purchasing Repo Securities. The Repo Securities which the Issuer purchases under the terms of the Repo Agreement will be held by a custodian for the Issuer (the "**Custodian**"), at all times in accordance with the terms of a custody agreement (the "**Custody Agreement**"). See *"The Collateral Arrangements And Cash Administration"*.

The Repo Securities will be required to meet the Repo Securities Eligibility Criteria. The Repo Agreement will provide for the Repo Counterparty to overcollateralise its obligations (through the provision of additional Repo Securities or cash), except in relation to Principal Value Securities, if the Repo Counterparty does not at such time have the Repo Counterparty Required Rating. See *"The Collateral And Cash Administration Arrangements"*.

The collateral held by the Issuer in the form of the Cash Deposit and/or by way of Repo Securities pursuant to the Repo Agreement (if any) (the "**Collateral**") will be in an amount corresponding to the then aggregate of the Adjusted Principal Balance of each Class of Notes.

If any Credit Protection Payments under the Notes are to be made the Issuer will satisfy such payments by first reducing the payments by the then available balance of the Synthetic Excess Spread Balance, and then by financing such reduced payments by either withdrawing amounts from the Cash Deposit and/or unwinding in whole or in part the Repo Transactions under the Repo Agreement (if any) (such withdrawal or unwind, a "**Cash Deposit Draw**"). See "*The Collateral And Cash Administration Arrangements*".

Following payment of any Credit Protection Payment to the Swap Counterparty, the Issuer's obligation to repay the then Principal Balance of the Notes will be written-down in Reverse Order of Seniority on a *pro rata* basis within each Class up to the amount of such Cash Deposit Draw (if any). See "*Key Characteristics of the Notes - Reduction of Adjusted Principal Balance of the Notes following application of Collateral to meet Credit Protection Payment*" and "*Terms and Conditions of the Notes - Condition 7(m) (Redemption, Reductions, Reinstatement and Cancellation - Calculation of Note Principal Payments and Adjusted Principal Balance)*".

On the Scheduled Redemption Date or an Early Redemption Date, the Issuer will withdraw any amounts standing to the credit of the Cash Deposit and/or, as the case may be, unwind the Repo Transactions under the Repo Agreement (if any), and use the aggregate of such proceeds to repay, subject to the Note Extension Amount (if any), the then remaining Adjusted Principal Balance of the Notes in accordance with the Conditions.

If one or more Unascertained Defaulted Reference Obligations (that is, Reference Obligations for which Credit Event Notices have been delivered and the Conditions to Credit Protection have been met, but in respect of which the Credit Protection Calculation Date has not occurred on or prior to the Calculation Date immediately preceding the Scheduled Redemption Date or an Early Redemption Date) exist, then a portion of the Notes (commencing with the most junior Class of Notes), having an aggregate Adjusted Principal Balance equal to the Note Extension Amount, will remain outstanding. Such Notes will remain outstanding during the Extension Period pending ascertainment of the Credit Protection Payments, if any, for such Unascertained Defaulted Reference Obligations. See "*Risk Factors - Considerations Related to the Notes - Delays in Redemption Related to the Calculation of the Credit Protection Payment Amounts*".

The obligations of the Issuer under a parallel debt owed to the Trustee will be secured under the Security Documents in favour of the Trustee for the benefit of the Noteholders and the other Secured Parties under the Transaction Documents. The Issuer will grant in favour of the Trustee, amongst other things, (a) a first priority right of pledge over all of its rights (*vorderingen op naam*), present and future, in and to the Transaction Documents to which it is a party; (b) a first priority right of pledge over all of its rights (*vorderingen op naam*), present and future, in and to, the Cash Deposit Account, the Issuer Account and all monies standing to the credit thereof; and (c) a first priority security interest over all of its rights, claims, title, benefit and interest, present and future, in, under and to the Custody Accounts (if any) and the Repo Securities (if any) (under the Securities Pledge (if any), the Belgian Pledge Agreement (if any), the Luxembourg Pledge Agreement (if any) or, as the case may be, the Additional Pledge Agreement (if any)).

The Trust Deed will set out the Post-Enforcement Priority of Payments of the Secured Parties and will be governed by Dutch law.

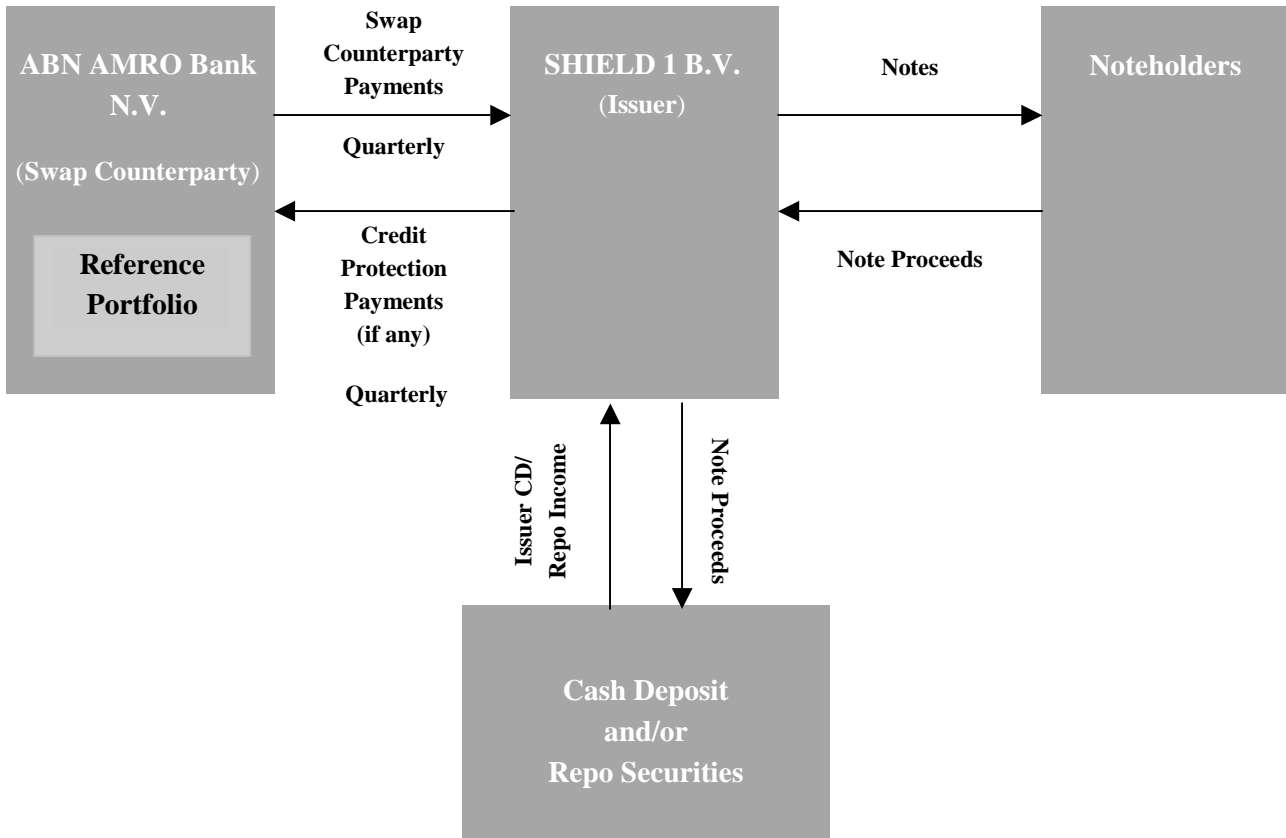
For a diagrammatic overview of the transaction described in this Prospectus, see "*Diagrammatic Overview of the Transaction*".

Summary of the Reference Obligations

The Reference Obligations to be included in the Initial Reference Portfolio were selected on the Report Date from an indicative pool which had an aggregate outstanding principal amount of EUR 22,810,661,223 as at 1 November 2005 as described in the section entitled "*The Reference Portfolio - Description of the Initial Reference Portfolio*".

The Reference Obligations, amongst other things, (i) provide for the relevant Reference Obligor to pay interest; (ii) are denominated in euro; (iii) are secured by Mortgages over the relevant Properties and (iv) are governed by Dutch law. See "*The Reference Portfolio*".

DIAGRAMMATIC OVERVIEW OF THE TRANSACTION



KEY TRANSACTION PARTIES

Issuer: Shield 1 B.V. (the "**Issuer**"), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of The Netherlands on 7 December 2005, having its statutory seat (*statutaire zetel*) in Amsterdam, The Netherlands and its registered office at Frederik Roeskestraat 123 1HG, 1076 EE Amsterdam, The Netherlands and registered with the Trade Register of the Chamber of Commerce in Amsterdam, The Netherlands under number 34237723.

The Issuer is a special purpose company with limited permitted activities. Its principal activities will comprise, amongst other things, issuing the Notes, entering into the Credit Default Swap and entering into the other Transaction Documents. See "*The Issuer*".

Holding: The entire issued share capital of the Issuer is owned by Stichting Holding Shield 1 (the "**Holding**"), a foundation (*stichting*) established under the laws of The Netherlands. The Holding was established on 14 November 2005 and has its registered office at Frederik Roeskestraat 123 1HG, 1076 EE Amsterdam, The Netherlands and registered with the Trade Register of the Chamber of Commerce in Amsterdam, The Netherlands with number 34236455. See "*The Issuer*".

Swap Counterparty: ABN AMRO Bank N.V. a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of The Netherlands, having its corporate seat (*statutaire zetel*) in Amsterdam, The Netherlands and its registered and head office at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands and registered with the Trade Register of the Chamber of Commerce in Amsterdam, The Netherlands under number 33002587, ("**ABN AMRO**") (acting through its office at Foppingadreef 22, 1102 BS Amsterdam, The Netherlands (defined herein as "**BU NL head office**")) will be appointed as the swap counterparty (the "**Swap Counterparty**") under the terms of the Credit Default Swap. See "*The Credit Default Swap*".

Calculation Agent: ABN AMRO (acting through its BU NL head office), will be appointed as the calculation agent (the "**Calculation Agent**") under the terms of the Credit Default Swap. The Calculation Agent will be permitted to sub-contract its calculation agency role to a third party calculation agent subject to any applicable provisions in the Credit Default Swap (initially, such duties may be sub-contracted to ATC Financial

Services B.V. (without the approval of any other persons, including the Rating Agencies, being required)). See "*The Credit Default Swap*".

Cash Deposit Bank:

ABN AMRO (acting through its head office), will be appointed as the account bank (the "**Cash Deposit Bank**") in relation to the Cash Deposit in accordance with and pursuant to the terms of a cash deposit agreement (the "**Cash Deposit Agreement**") dated on or about the Closing Date between the Issuer, the Cash Deposit Bank, the Cash Administrator and the Trustee. See "*The Collateral and Cash Administration Arrangements - The Cash Deposit Arrangements*".

Cash Deposits will only be made or held at the Cash Deposit Bank for so long as it maintains the Cash Deposit Bank Required Rating or, if the Cash Deposit Bank does not have the Cash Deposit Bank Required Rating, so long as its obligations are guaranteed by an entity with the Cash Deposit Bank Required Rating.

Issuer Account Bank

ABN AMRO (acting through its BU NL head office) will be appointed as the account bank (the "**Issuer Account Bank**") in relation to the Issuer Account in accordance with and pursuant to the terms of the Issuer Account Agreement (the "**Issuer Account Agreement**") dated on or about the Closing Date between the Issuer, the Issuer Account Bank, the Cash Administrator and the Trustee.

The Issuer Account Bank will operate the Issuer Account in accordance with the Issuer Account Agreement for so long as it maintains the Issuer Account Bank Required Rating. See "*The Collateral and Cash Administration Arrangements - Issuer Account Agreement*".

Trustee:

Stichting Trustee Shield 1, a foundation (*stichting*) incorporated under the laws of The Netherlands on 14 November 2005, with its registered office at Herengracht 420, 1017 BZ Amsterdam, The Netherlands and registered with the Commercial Register of the Chamber of Commerce of Amsterdam, The Netherlands under number 34236456 (the "**Trustee**") will be appointed as trustee for the holders from time to time of the Notes under a trust deed to be dated on or about the Closing Date (the "**Trust Deed**") between the Issuer and the Trustee. See "*The Trustee*".

The Trustee will also hold the security granted by the Issuer under the Security Documents for the benefit of Secured Parties and will be entitled to enforce the Security subject to

and in accordance with the terms of the Trust Deed and the Security Documents. See "*Key Characteristics of the Notes - Security for the Notes*" and Condition 4 (*Security*).

Principal Paying Agent and Agent Bank:

ABN AMRO (acting through its office in Breda), will be appointed to provide certain services to the Issuer as principal paying agent (the "**Principal Paying Agent**") and agent bank (the "**Agent Bank**") under the terms of an agency agreement to be dated on or about the Closing Date (the "**Agency Agreement**") between the Issuer, the Paying Agents, the Agent Bank and the Trustee.

Irish Paying Agent:

ABN AMRO (acting through its Dublin Branch), will be appointed as the Irish paying agent (the "**Irish Paying Agent**") and, together with the Principal Paying Agent and any other paying agents appointed under the Agency Agreement, the "**Paying Agents**") under the terms of the Agency Agreement. Under the terms of the Agency Agreement, the Paying Agents will make payments on behalf of the Issuer of principal and interest on the Notes.

Cash Administrator:

ABN AMRO (acting through its BU NL head office) will be appointed as the cash administrator (the "**Cash Administrator**") by the Issuer under the terms of a cash administration agreement to be dated on or about the Closing Date (the "**Cash Administration Agreement**") between the Issuer, the Swap Counterparty, the Repo Counterparty (if any), the Paying Agents, the Trustee, the Issuer Account Bank, the Custodian (if any), the Cash Deposit Bank, the Agent Bank, the Issuer's Director and the Cash Administrator. The Cash Administrator will be permitted to sub-contract its cash administration role to a third party cash administrator subject to any applicable provisions in the Cash Administration Agreement (initially, such duties are expected to be sub-contracted to ATC Financial Services B.V. (without the approval of other parties or the Rating Agencies being required)). See "*The Collateral And Cash Administration Arrangements - Cash Administration Agreement*".

Issuer's Director:

ATC Management B.V., whose registered office is at Frederik Roeskestraat 123 1HG, 1076 EE, will be appointed as managing director of the Issuer (in such capacity, the "**Issuer's Director**") under the terms of an issuer management agreement to be dated on or about the Closing Date (the "**Issuer Management Agreement**") between the Issuer and the Issuer's Director and a letter of undertaking to be dated on or about the Closing Date (the "**Letter of**

Undertaking") between *inter alia* the Holding's managing director, the Holding, the Issuer's Director, the Issuer, the Trustee and ABN AMRO. Under the terms of the Issuer Management Agreement, the Issuer's Director provides certain corporate services to the Issuer. See "*The Issuer*".

Trustee's Director:

N.V. Algemeen Nederlands Trustkantoor ANT, whose registered office is at Herengracht 420, 1017 BZ Amsterdam, The Netherlands, will be appointed as the managing director of the Trustee (in such capacity, the "**Trustee's Director**") under the terms of a trustee management agreement to be dated on or about the Closing Date (the "**Trustee Management Agreement**") the Trustee's Director and the Trustee. Under the terms of the Trustee Management Agreement, the Trustee's Director provides certain corporate services to the Trustee. See "*The Trustee*".

Rating Agencies:

Fitch, Moody's and S&P.

Arranger and Lead Manager:

ABN AMRO (acting through its London Branch at 250 Bishopsgate, London EC2M 4AA), will act as arranger and lead manager in respect of the issue of the Notes (in each such capacity, the "**Arranger**" and "**Lead Manager**").

KEY CHARACTERISTICS OF THE NOTES

- Amount and Title:*** The EUR 3,000,000,000 Class A Credit Linked Notes due January 2014, the EUR 363,000,000 Class B Credit Linked Notes due January 2014, the EUR 284,000,000 Class C Credit Linked Notes due January 2014, the EUR 150,000,000 Class D Credit Linked Notes due January 2014, the EUR 159,000,000 Class E Credit Linked Notes due January 2014 and the EUR 60,000,000 Class F Credit Linked Notes due January 2014 (together, the "**Notes**") will be issued by the Issuer on the Closing Date.
- Form and Denominations:*** The Notes of each Class will initially be represented by Temporary Global Notes without Coupons or Receipts which will be deposited with Société Générale as common depository (the "**Common Depository**") for Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") on or about the Closing Date.
- Interests in each Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note representing Notes of the same Class, without Coupons or Receipts, not earlier than forty (40) days after the Closing Date upon certification of non-U.S. beneficial ownership.
- In certain limited circumstances, Definitive Notes with Coupons and Receipts attached will be issued in exchange for the Permanent Global Notes.
- The Definitive Notes for the Notes will be issued in bearer form in minimum denominations of EUR 100,000.
- Additional characteristics of each Class of Notes are set out in "*Principal Characteristics of the Notes*".
- Status of the Notes:*** Each Class of Notes will be issued pursuant to the Trust Deed and will be secured, through the parallel debt, by the Security held by the Trustee.
- The Notes will constitute limited recourse obligations of the Issuer and will not be obligations of, or guaranteed by, any Other Parties. The Notes of each Class will rank *pari passu* without preference or priority between themselves.
- Ranking of the Notes prior to and post delivery of a Note Enforcement Notice - Interest*** Prior to the occurrence of a Note Event of Default and the delivery of a Note Enforcement Notice by the Trustee, payments of interest in respect of each Class of Notes will

Amounts:

be made in accordance with the Pre-Enforcement Available Income Priority of Payments. See "*Key Characteristics of the Collateral - Pre-Enforcement Available Income Priority of Payments*".

Following the occurrence of a Note Event of Default and the delivery of a Note Enforcement Notice by the Trustee, payments of interest on each Class of Notes will be made in accordance with the Post-Enforcement Priority of Payments. See "*Key Characteristics of the Collateral - Post-Enforcement Priority of Payments*".

Prior to the Legal Final Redemption Date, the non-payment of any interest, due in accordance with Condition 6 (*Interest*), in respect of any Class or Classes of Notes within five (5) Note Business Days or, if the default is due to technical problems, ten (10) Note Business Days, of the due date for payment thereof shall constitute a Note Event of Default. See Condition 11 (*Note Events of Default*).

Ranking of the Notes prior to and post delivery of a Note Enforcement Notice - Principal Amounts:

Prior to the occurrence of a Note Event of Default and the delivery of a Note Enforcement Notice by the Trustee, payments of principal in respect of the Notes will be made in accordance with the Pre-Enforcement Available Redemption Funds Priority of Payments. See "*Key Characteristics of the Collateral - Pre-Enforcement Available Redemption Funds Priority of Payments*".

Following the occurrence of a Note Event of Default and the delivery of a Note Enforcement Notice by the Trustee, payments of principal on each Class of Notes will be made in accordance with the Post-Enforcement Priority of Payments. See "*Key Characteristics of the Collateral - Post-Enforcement Priority of Payments*".

Prior to the Legal Final Redemption Date, the non-payment of any principal or interest due in accordance with Condition 7 (*Redemption, Reductions, Reinstatement and Cancellation*) in respect of any Class or Classes of Notes within five (5) Note Business Days or, if the default is due to technical problems, ten (10) Note Business Days, of the due date for payment thereof shall constitute a Note Event of Default. See Condition 11 (*Note Events of Default*).

Security for the Notes:

As security for a parallel debt owed by the Issuer to the Trustee, corresponding to the obligations of the Issuer to the Noteholders, the Trustee (for itself), the Swap

Counterparty, the Repo Counterparty (if any), the Cash Deposit Bank, the Issuer Account Bank, the Agent Bank, the Paying Agents, the Calculation Agent, the Cash Administrator, the Custodian (if any) and the Issuer's Director (together, the "**Secured Parties**"), the Issuer will grant to the Trustee for the benefit of the Secured Parties:

- (i) pursuant to a Dutch law pledge deed (the "**Rights Pledge**") with the Trustee, a first ranking right of pledge over all of its rights (*vorderingen op naam*), present and future, in and to the Transaction Documents, to which it is a party;
- (ii) pursuant to a Dutch law pledge deed (the "**Accounts Pledge**") with the Trustee, a first ranking right of pledge over all of its rights (*vorderingen op naam*), present and future, in and to the Cash Deposit Account and the Issuer Account and all monies standing to the credit thereof;
- (iii) at any relevant time, pursuant to a Belgian law pledge agreement (the "**Belgian Pledge Agreement**") (if any) with the Trustee, a Belgian law pledge any Repo Securities which are from time to time held in the Custody Account of the Custodian at Euroclear;
- (iv) at any relevant time, pursuant to a Luxembourg law pledge agreement (the "**Luxembourg Pledge Agreement**") (if any) with the Trustee, a Luxembourg law pledge of any Repo Securities which are from time to time held in the Custody Account of the Custodian at Clearstream, Luxembourg;
- (v) at any relevant time, pursuant to a Dutch law pledge deed (the "**Securities Pledge**"), a right of pledge on the Repo Securities, if and to the extent required, in order to create a valid security interest over any Repo Securities from time to time; and
- (vi) at any relevant time, pursuant to any additional security arrangements (each, an "**Additional Pledge Agreement**" (if any) and, together with the Rights Pledge, the Accounts Pledge, the Belgian Pledge Agreement (if any), the Luxembourg Pledge Agreement (if any) and the Securities Pledge (if any), the "**Security Documents**") with

the Trustee, any first ranking security interest as may be required to effectively secure any Repo Securities not at such time cleared through Clearstream, Luxembourg's or Euroclear's clearing systems or covered by the Securities Pledge (if any).

Pursuant to the terms of the Security Documents, amounts standing to the credit of the Cash Deposit and/or, as the case may be, securities held in the Custody Accounts may, in the following and certain other circumstances, be released from, as the case may be, the Cash Deposit or the Custody Accounts:

- (a) if the Issuer is required to:
 - (i) make Credit Protection Payments to the Swap Counterparty from a Cash Deposit Draw; and/or
 - (ii) repay principal on the Notes,

and such payment or, as the case may be, repayment is required to be financed in whole or in part by the Issuer liquidating the Cash Deposit in accordance with the terms of the Cash Deposit Agreement and/or selling (and the Repo Counterparty repurchasing pursuant to the Repo Agreement) Repo Securities as necessary, in accordance with the terms of the Repo Agreement; and/or

- (b) if the Issuer is required to deliver Repo Securities to the Repo Counterparty in accordance with the terms of the Repo Agreement.

Pursuant to the terms of the Security Documents, if Income (as defined in the Repo Agreement) in respect of any Repo Securities results in a payment from the Issuer to the Repo Counterparty pursuant to the terms of the Repo Agreement, an amount equal thereto will be released from the relevant Custody Accounts from time to time and paid to the Repo Counterparty.

Post-Enforcement Priority of Payments:

The Notes will all share the same security, but, in the event of the Security being enforced following the occurrence of a Note Event of Default and the delivery of a Note Enforcement Notice by the Trustee, certain amounts payable to the Secured Parties (other than the

Noteholders) will rank in priority to payments of interest or principal on the Notes. See "*Key Characteristics of the Collateral - Post-Enforcement Priority of Payments*".

Upon the occurrence of a Note Event of Default and the delivery of a Note Enforcement Notice by the Trustee, payments in respect of each Class of Notes will rank in accordance with the Post-Enforcement Priority of Payments. See Condition 11 (*Note Events of Default*) and Condition 12 (*Enforcement*).

Conflicts of Interest Among Noteholders:

The Trust Deed contains provisions requiring the Trustee to, unless otherwise provided, have regard to the interests of the holders of the Class A Notes (the "**Class A Noteholders**"), the holders of the Class B Notes (the "**Class B Noteholders**"), the holders of the Class C Notes (the "**Class C Noteholders**"), the holders of the Class D Notes (the "**Class D Noteholders**"), the holders of the Class E Notes (the "**Class E Noteholders**") and the holders of the Class F Notes (the "**Class F Noteholders**" and, together with the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders, the "**Noteholders**") as if they formed a single class. Where, however, in the opinion of the Trustee, there is a conflict between the interests of any of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders, the Trustee shall give priority to the interests of the holders of the Most Senior Class of Notes then outstanding.

If a conflict exists between the interests of the Noteholders and the interests of the other Secured Parties, the Trustee is required to have regard solely to the interests of the Noteholders and no other Secured Parties shall have any claim against the Trustee for so doing.

Note Payment Dates and Note Interest Periods:

Interest on the Notes is payable by reference to successive interest periods (each, a "**Note Interest Period**"). Interest on the Notes will be payable in arrear in euro on the 20th day of January, April, July and October of each year (subject to adjustment as specified in Condition 6(b) (*Interest - Note Payment Dates and Note Interest Periods*) for non-Note Business Days) (each, a "**Note Payment Date**") in respect of the then Adjusted Principal Balance of each such Class of Notes as at the first day of the Note Interest Period ending on that Note Payment Date (taking

into account any adjustments to the Adjusted Principal Balance of such Notes on the first day of such Note Interest Period).

Each successive Note Interest Period will commence on (and include) a Note Payment Date and end on (but exclude) the following Note Payment Date, except that the first Note Interest Period in respect of the Notes will commence on (and include) the Closing Date and end on (but exclude) the Note Payment Date falling in April 2006.

Interest Rates on the Notes:

The Notes will bear interest at the euro interbank offered rate ("**EURIBOR**") for three month euro deposits (save that, in the case of the first Note Interest Period, the rate will be obtained from a linear interpolation of EURIBOR for four month and five month euro deposits) as calculated in accordance with Condition 6(c) (*Interest - Interest Rates on the Notes*), plus, other than during any Extension Period, the Margin.

The "**Margin**" shall be, in the case of:

Class A Notes: 0.17 per cent. per annum;

Class B Notes: 0.27 per cent. per annum;

Class C Notes: 0.39 per cent. per annum;

Class D Notes: 0.68 per cent. per annum;

Class E Notes: 2.50 per cent. per annum; and

Class F Notes: 7.00 per cent. per annum.

Interest Determination Date:

The rate of interest applicable to each Note for each Note Interest Period will be calculated and set on the second day before each Note Interest Period which is both a TARGET Settlement Day and a Note Business Day (each, an "**Interest Determination Date**"). See Condition 6(c) (*Interest - Interest Rates on the Notes*).

Withholding Tax:

All payments of principal and interest in respect of the Notes shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future Taxes unless such withholding or deduction is required by applicable law.

Neither the Issuer nor any other person will be obliged to pay any additional amounts to Noteholders (or, if Definitive Notes are issued, Couponholders and/or Receiptholders) in respect of any amounts required to be withheld or deducted. See "*Taxation In The Netherlands*".

Mandatory Redemption of the Notes on the Scheduled Redemption Date:

If not previously redeemed on an Early Redemption Date, the Notes of each Class will mature and will be redeemed in whole at their then Adjusted Principal Balance in the Order of Seniority on the Note Payment Date falling in January 2012 (the "**Scheduled Redemption Date**"), subject to non-redemption to the extent of any Note Extension Amount during the Extension Period (if any).

Mandatory Redemption of the Notes on the Legal Final Redemption Date:

Unless previously redeemed in full on the Scheduled Redemption Date or an Early Redemption Date, as applicable, the Notes of each Class will be redeemed in whole at their remaining Adjusted Principal Balance on the Note Payment Date falling in January 2014 (the "**Legal Final Redemption Date**").

Mandatory Redemption of the Notes in Part from Available Redemption Funds:

Prior to the delivery of a Note Enforcement Notice by the Note Trustee, on each Note Payment Date prior to the Scheduled Redemption Date or an Early Redemption Date where the Maximum Reference Portfolio Amount is equal to or less than the Initial Swap Notional Amount, the Notes may be subject to mandatory redemption in part from Available Redemption Funds, *pro rata* and *pari passu* according to their then Adjusted Principal Balance within each Class in the Order of Seniority commencing with the Most Senior Class then outstanding.

See Condition 7(c) (*Redemption, Reductions, Reinstatement and Cancellation - Mandatory Redemption in Part of the Notes*).

Deferred Redemption of Notes after the Scheduled Redemption Date if there is a Note Extension Amount:

If, on the Calculation Date immediately preceding the Scheduled Redemption Date or an Early Redemption Date, as the case may be, there are any Unascertained Defaulted Reference Obligations, then a portion of the Notes (commencing with the most junior Class or Classes, as applicable, of the Notes together with the Collateral relating thereto), having an aggregate Adjusted Principal Balance equal to the Note Extension Amount shall remain outstanding on such Scheduled Redemption Date or Early Redemption Date, as the case may be.

To the extent that the Credit Protection Payment Amounts in respect of the Unascertained Defaulted Reference Obligations are determined during a subsequent Reference Period (and the Swap Notional Amount under the Credit Default Swap is reduced following the removal of such Defaulted Reference Obligations), Notes shall be written down to the extent of any Cash Deposit Draw, and

Collateral will be released in an amount equal to such of the Note Extension Amount as was held against such Defaulted Reference Obligations. An amount of the Collateral equal to the Cash Deposit Draw shall be used to satisfy the Credit Protection Payment, and the remainder of the Collateral shall be used to redeem the Notes in the Order of Seniority.

Any Notes remaining outstanding during the Extension Period shall continue to bear interest at the Interest Rate less the Margin in accordance with Condition 6 (*Interest*).

See Condition 7(h) (*Redemption, Reductions, Reinstatement and Cancellation - Mandatory Redemption of the Notes during the Extension Period*).

Note Extension Amount:

The "**Note Extension Amount**" shall be calculated by the Calculation Agent pursuant to the Credit Default Swap on the Calculation Date immediately preceding the Scheduled Redemption Date or, as the case may be, the Early Redemption Date and will be an amount equal to the aggregate of:

- (a) the Reference Obligation Notional Amounts of the Unascertained Defaulted Reference Obligations calculated at the last day of the Reference Period corresponding to that Calculation Date; plus
- (b) the equivalent of three (3) months' interest (in respect of a principal amount equal to the Reference Obligation Notional Amount) on each Loan that corresponds to an Unascertained Defaulted Reference Obligation; plus
- (c) the Estimated Enforcement Expenses in respect of each Unascertained Defaulted Reference Obligation; less
- (d) the Principal Reinstatement Available Amount on the Scheduled Redemption Date or, as the case may be, the Early Redemption Date, to the extent not used for Reinstated Principal on such date,

provided that if such amount is a negative number, the Note Extension Amount shall be zero.

Unascertained Defaulted Reference Obligation:

On the Calculation Date prior to the Scheduled Redemption Date or an Early Redemption Date each Defaulted Reference Obligation in respect of which the Credit Protection Calculation Date has not occurred shall

be an "**Unascertained Defaulted Reference Obligation**".

Early Redemption of the Notes in Whole:

The Notes of all Classes then outstanding shall become redeemable in an amount equal to their then Adjusted Principal Balance in the following circumstances:

- (1) at the option of the Issuer following the occurrence of a Tax Redemption Event (see Condition 7(d) (*Redemption, Reductions, Reinstatement and Cancellation - Redemption of the Notes in Whole for Tax Reasons*));
- (2) if the aggregate Adjusted Principal Balance of the outstanding Notes is less than 10% of the Initial Principal Balance of all of the Notes (see Condition 7(g) (*Redemption, Reductions, Reinstatement and Cancellation - Mandatory Redemption of the Notes - 10 per cent. Clean Up*));
or
- (3) following early termination of the Credit Default Swap for any reason (see "*Key Characteristics of the Credit Default Swap - Effect of termination of the Credit Default Swap on the Notes*" and Condition 7(e) (*Redemption, Reductions, Reinstatement and Cancellation - Mandatory Redemption of the Notes in Whole following Termination of the Credit Default Swap*));
- (4) following early termination of the Cash Deposit Agreement or the Repo Agreement (if any); and
- (5) following the occurrence of a Note Event of Default and declaration by the Trustee that the Notes are due and repayable.

Any date prior to the Scheduled Redemption Date and on which the Notes are redeemable in whole, as described above, shall constitute an "**Early Redemption Date**".

Reduction of Adjusted Principal Balance of the Notes following application of Collateral to meet a Credit Protection Payment:

On any Note Payment Date on which a Credit Protection Payment is due and payable from the Issuer to the Swap Counterparty and to the extent that the Issuer makes a Cash Deposit Draw in order to satisfy such Credit Protection Payment, the then Adjusted Principal Balance of the Notes (commencing with the most junior Class of Notes) will be reduced *pro rata* and in Reverse Order of Seniority by an aggregate amount equal to such Cash

Deposit Draw (such reduction, a "**Write-off**") (provided that the then Adjusted Principal Balance of any Class of Notes shall not be reduced below zero).

See Conditions 7(j) (*Redemption, Reductions, Reinstatement and Cancellation - Reduction of Adjusted Principal Balance of Notes following Cash Deposit Draw*) and 7(m) (*Redemption, Reductions, Reinstatement and Cancellation - Calculation of Note Principal Payments and Adjusted Principal Balance*).

Increase in Adjusted Principal Balance of Notes for Reinstated Principal:

If, on any Note Payment Date:

- (i) there is a Synthetic Excess Spread Balance which has not been allocated in respect of any Credit Protection Payment Amount in accordance with the Synthetic Excess Spread Priority of Payments (such unallocated amount being the "**Principal Reinstatement Available Amount**"); and
- (ii) the Adjusted Principal Balance of any Class is less than the Principal Balance of such Class,

then the Adjusted Principal Balance of the Notes of the Class in respect of which there is Reinstated Principal shall be increased on that Note Payment Date (and consequently for the Note Interest Period commencing on that Note Payment Date) as follows: an amount equal to the Principal Reinstatement Available Amount shall be applied in relation to each Class (until applied up to the maximum of the Principal Reinstatement Available Amount) up to a maximum amount for each Class equal to the aggregate of the Un-reimbursed Write-Offs in respect of the Notes of such Class, in the Order of Seniority commencing with the Most Senior Class of Notes then outstanding. Any amount so applied in respect of any Class is called the "**Reinstated Principal**" and, prior to the Note Payment Date on which the Maximum Reference Portfolio Amount is equal to or less than the Initial Swap Notional Amount, shall be deposited in the Cash Deposit (or utilised to enter into a Repo Transaction pursuant to the Repo Agreement (if any)) and thereafter shall be applied to redeem the Most Senior Class of Notes then outstanding in accordance with Condition 7(c) (*Redemption, Reduction, Reinstatement and Cancellation - Mandatory Redemption in Part of the Notes*).

Interest on Reinstated

Under the terms of the Credit Default Swap, if any of the Synthetic Excess Spread Balance is received by the Issuer

<i>Principal:</i>	through the Swap Counterparty Payment as Reinstated Principal and is allocated in reinstating the Adjusted Principal Balance of a Class, there shall be determined and paid to the holders of such Class, a Make-Up Interest Amount in respect of the amount reinstated.
<i>Investor Information:</i>	<p>The Issuer will prepare or procure the preparation of a quarterly investor report (the "Quarterly Investor Report"), not later than one (1) Note Business Day prior to each Note Payment Date which shall represent a consolidated report using the information from each of the Swap Portfolio Report and the Cash Administration Report (the "Quarterly Investor Report").</p> <p>The Quarterly Investor Reports will be sent by the Issuer (or the Cash Administrator on its behalf) to, <i>inter alia</i>, the Paying Agents, the Trustee and the Rating Agencies and will be posted by the Issuer (or the Cash Administrator on its behalf) on a website previously identified and accessible to Noteholders.</p>
<i>Purchases:</i>	The Issuer may purchase or otherwise acquire any of the Notes in limited circumstances in accordance with the provisions of Condition 7(o) (<i>Redemption, Reduction, Reinstatement and Cancellation - Purchase by the Issuer</i>).
<i>Ratings:</i>	The ratings expected to be assigned to each Class of Notes are set out in " <i>Key Characteristics of the Notes</i> ".
<i>Listing:</i>	Application has been made to the Irish Financial Services Regulatory Authority, in its capacity as competent authority under the Prospectus Directive, for the Prospectus to be approved. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market.
<i>Selling Restrictions:</i>	There are restrictions on the sale of the Notes and on the distribution of information in respect thereof. See " <i>Subscription and Sale</i> ".
<i>Transfer Restrictions:</i>	Subject to applicable laws and regulations, there are no transfer restrictions in respect of the Notes.
<i>Governing Law:</i>	The Notes will be governed by Dutch law.

KEY CHARACTERISTICS OF THE CREDIT DEFAULT SWAP

Credit Default Swap:

On the Closing Date, the Issuer will enter into the Credit Default Swap with the Swap Counterparty. See "*The Credit Default Swap*". Pursuant to the terms of the Credit Default Swap, the Issuer will on the Closing Date receive the Initial Swap Counterparty Payment and will, on each Note Payment Date:

- (a) receive Swap Counterparty Payments; and
- (b) pay to the Swap Counterparty the Credit Protection Payment (if any) calculated for that Note Payment Date.

Swap Counterparty Payment:

The Swap Counterparty Payment (which is described further below under "*The Credit Default Swap - Swap Counterparty Payment*") will be calculated as:

- (1) the aggregate of:
 - (a) the aggregate amount of interest payable on the Notes on the Note Payment Date corresponding to the date of payment of the Swap Counterparty Payment;
 - (b) the aggregate of the Make-Up Interest Amounts due and payable (if any) in respect of Reinstated Principal to be applied on that Note Payment Date;
 - (c) an amount equal to the Reinstated Principal (if any);
 - (d) the Issuer Expenses due and payable on that Note Payment Date; and
 - (e) the Issuer Profit Amount;

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- (2) the aggregate of the Issuer CD/Repo Income for such Note Payment Date,

provided that the Swap Counterparty Payment shall not be less than zero.

In addition, on the Closing Date, the Swap Counterparty will pay to the Issuer an amount equal to the Issuer Closing Date Expenses to the extent the Issuer has no funds available for such purpose.

If, and for so long as, the Swap Counterparty ceases to have the Swap Counterparty Required Rating, the Swap Counterparty will be required to fund certain expenses of the Issuer in advance. See "*The Credit Default Swap - Swap Counterparty Payment*".

Swap Counterparty Payments will be payable and will be deposited into the Issuer Account on the Closing Date and on each Note Payment Date and distributed to the Noteholders and other entitled parties in accordance with the Pre-Enforcement Available Income Priority of Payments.

Reference Obligations:

The Reference Obligations under the Credit Default Swap are residential mortgage loan obligations relating to properties in The Netherlands and which are identified by the Swap Counterparty pursuant to the terms of the Credit Default Swap. See "*The Reference Portfolio*".

The Reference Portfolio will on any date be comprised of those Reference Obligations which are listed on a register (the "**Reference Register**") on such date. The Reference Register will be maintained by or on behalf of the Swap Counterparty and will be updated as necessary from time to time to reflect any changes in the Reference Portfolio. On 30 November 2005 (the "**Report Date**"), the Reference Obligations which are listed on the Reference Register, individually and in aggregate, met the Reference Obligation Eligibility Criteria and the Initial Reference Portfolio Criteria. After the Closing Date, the Reference Obligations set out in the Reference Register may not meet the Reference Obligation Eligibility Criteria or the Initial Reference Portfolio Criteria (for example, due to amortisation in the Reference Portfolio). After the Allocation Date in respect of a Reference Obligation, the Swap Counterparty shall not be under any obligation to ensure that the Reference Obligation Eligibility Criteria and, if applicable, Reference Portfolio Criteria are met in respect of such Reference Obligation.

In the event of any Replenishment or Substitution occurring after the Report Date, any new Reference Obligation (or existing Reference Obligation in relation to which the Reference Obligation Notional Amount is proposed to be increased in connection with such Replenishment or Substitution) will be required to meet the Conditions to Replenishment or the Conditions to

Substitution, as applicable.

Each Reference Obligation Notional Amount in respect of each of the Reference Obligations in the Reference Portfolio will be denominated in euro.

Credit Default Swap Notional Amount:

Under the Credit Default Swap, the notional amount (the "**Swap Notional Amount**"), on any date, will be an amount equal to the aggregate of the Adjusted Principal Balance in respect of each Class of Notes on the immediately preceding Note Payment Date or, if prior to the first Note Payment Date, the Closing Date. The initial notional amount (the "**Initial Swap Notional Amount**") will be EUR 4,016,000,000.

Replenishment and Substitution:

Subject to compliance with the Conditions to Replenishment or the Conditions to Substitution, as applicable, the Swap Counterparty will have the right to make changes to the composition of the Reference Portfolio by adding a new Reference Obligation and/or by increasing the Reference Obligation Notional Amount of a Reference Obligation which is already in the Reference Portfolio. The circumstances of any such addition or increase are as follows:

- (a) where the Maximum Reference Portfolio Amount is greater than the Current Portfolio Amount as a result of:
 - (i) the prepayment, repayment, amortisation of, or increase in the Savings Proceeds in relation to, a Reference Obligation; or
 - (ii) the removal of a Defaulted Reference Obligation from the Reference Portfolio on the Note Payment Date following the Credit Protection Calculation Date in respect thereof; or
- (b) where either:
 - (i) the Swap Counterparty determines (or, if applicable, is advised by the Independent Accountants) that a Reference Obligation then forming part of the Reference Portfolio did not qualify as an Eligible Reference Obligation on the Allocation Date in respect thereof, and the Swap Counterparty removes such relevant

ineligible Reference Obligation (or the relevant part thereof) from the Reference Portfolio; or

- (ii) the Swap Counterparty elects to remove a Reference Obligation from the Reference Portfolio and the Ratings Test is satisfied; or
- (c) if the long-term credit rating of the Swap Counterparty falls below Baa2 from Moody's or BBB from S&P, the Swap Counterparty shall remove from the Reference Portfolio all Reference Obligations in respect of which the Reference Obligor is an employee of the Lender of Record and in respect of which a Credit Event Notice has not been delivered.

Any such addition and/or increase in the circumstances described under (a) above is referred to as a "**Replenishment**". Any such addition and/or increase in the circumstances described under (b) or (c) above is referred to as a "**Substitution**". In respect of any Replenishment, the Reference Obligation Notional Amount of the new Reference Obligation or the increase in the Reference Obligation Notional Amount of an existing Reference Obligation shall be limited to the amount by which the Maximum Reference Portfolio Amount is greater than the Current Portfolio Amount prior to such Replenishment. In respect of any Substitution, the Reference Obligation Notional Amount of the new Reference Obligation or the increase in the Reference Obligation Notional Amount of the existing Reference Obligation shall be limited to the Reference Obligation Notional Amount of the removed Reference Obligation (or part thereof, as the case may be).

If, and for so long as, a Replenishment Suspension Event is subsisting, the Swap Counterparty will not have the right to effect Replenishments in respect of the Reference Portfolio (but will still have the right to effect Substitutions).

If a Replenishment Termination Event has occurred, the Swap Counterparty will not have the right to effect Replenishments in respect of the Reference Portfolio (but will still have the right to effect Substitutions).

See also "*The Credit Default Swap - Replenishment and Substitution*", "*The Credit Default Swap - Conditions to Replenishment*" and "*The Credit Default Swap - Conditions to Substitution*".

Credit Events:

The Credit Events under the Credit Default Swap are (i) the Bankruptcy of a Reference Obligor, (ii) the Failure to Pay by a Reference Obligor under a Reference Obligation or (iii) the Restructuring of a Reference Obligation. For a more detailed description of these terms, see "*The Credit Default Swap - Credit Events*".

If the Credit Event is cured on or before the Credit Protection Calculation Date in respect of a Reference Obligation, then the Credit Event shall be deemed not to have occurred and the Credit Event Notice shall have no effect and the Reference Obligation shall remain in the Reference Portfolio. See "*The Credit Default Swap - Cure Period*".

Conditions to Credit Protection:

The Conditions to Credit Protection set out in the section entitled "*Credit Default Swap - Conditions to Credit Protection*" include, among other things, a requirement that the Credit Event Notice be delivered within the Notice Delivery Period (being the period commencing on the Closing Date and ending on (i) the date falling eight (8) Note Business Days before the Scheduled Redemption Date or (ii) the date on which notice is given by the Issuer of an Early Redemption Date, whichever is earlier).

Calculation of Credit Protection Payment Amount:

Provided that the Conditions to Credit Protection are satisfied, the Calculation Agent will (subject to verification as further described below) calculate the Credit Protection Payment Amount in relation to that Defaulted Reference Obligation, in an amount equal to:

- (a) where the Credit Protection Calculation Date is the Liquidation Date in respect of that Defaulted Reference Obligation:
 - (1) the Reference Obligation Notional Amount of such Defaulted Reference Obligation on the date the Credit Event Notice in respect thereof was received by the Issuer; plus
 - (2) an amount equal to accrued but unpaid interest on the Loan (in respect of a principal amount equal to the Reference

- Obligation Notional Amount) corresponding to the Defaulted Reference Obligation up to (but excluding) the Credit Protection Calculation Date (subject to a maximum of the equivalent of 3 months' such interest); plus
- (3) all Enforcement Expenses in respect of that Defaulted Reference Obligation; less
 - (4) the Recoveries in respect of that Defaulted Reference Obligation as at the Credit Protection Calculation Date; less
 - (5) without duplication with (4), the Set-off Amount; less
 - (6) the Deduction Amount; or
- (b) where the Credit Protection Calculation Date falls before the Liquidation Date in respect of that Defaulted Reference Obligation:
- (1) the Reference Obligation Notional Amount of such Defaulted Reference Obligation on the date the Credit Event Notice on respect thereof was received by the Issuer; plus
 - (2) an amount equal to accrued but unpaid interest on the Loan (in respect of a principal amount equal to the Reference Obligation Notional Amount) corresponding to the Defaulted Reference Obligation up to (but excluding) the Credit Protection Calculation Date (subject to a maximum of the equivalent of 3 months' such interest); plus
 - (3) the Estimated Enforcement Expenses in respect of that Defaulted Reference Obligation; less
 - (4) the Estimated Recoveries in respect of that Defaulted Reference Obligation; less
 - (5) without duplication with (4), a fair and reasonable estimate by the Calculation Agent of the Set-off Amount; less

- (6) a fair and reasonable estimate by the Calculation Agent of the Deduction Amount,

provided that, if the result of the calculation in either (a) or (b) above is less than zero, the Credit Protection Payment Amount shall be deemed to be zero. The Credit Protection Payment Amount could, pursuant to the above calculation, exceed the Reference Obligation Notional Amount of the relevant Defaulted Reference Obligation.

The Calculation Agent will calculate the amount of the Credit Protection Payment Amount as at the Credit Protection Calculation Date in relation to the relevant Defaulted Reference Obligation.

Liquidation Date and Recoveries:

"Liquidation Date" means the date on which the Calculation Agent makes the determination that all Recoveries anticipated in respect of the Reference Obligation have been received by the Lender of Record.

"Recoveries" means the sum of each of the following amounts received or applied by or on behalf of the Lender of Record from the date that the Credit Event Notice was received by the Issuer: (a) any amounts repaid in respect of such Reference Obligation, by or on behalf of the Reference Obligor or in or towards satisfaction of such Defaulted Reference Obligation; (b) any amounts in respect of which the Lender of Record has successfully exercised against the Reference Obligor a right of set-off (which for the avoidance of doubt does not include a Deduction Defence being invoked) in respect of amounts due under such Defaulted Reference Obligation; (c) the sale or other proceeds from the enforcement of the Reference Collateral (for the avoidance of doubt, prior to deduction of fees, taxes, foreclosure and other Enforcement Expenses (including legal costs); and (d) (to the extent not included in (c)) any payments received by or on behalf of the Lender of Record in respect of any other security, provided that to the extent that the principal amount due under any Defaulted Reference Obligation at the time of the related Credit Event exceeds the Reference Obligation Notional Amount of such Defaulted Reference Obligation (the amount of any such excess, the **"Supplementary Amount"**), Recoveries in respect of such Defaulted Reference Obligation shall be determined on the basis that:

- (i) Savings Proceeds (for the avoidance of doubt plus any interest accrued or accruing thereon) will be allocated in respect of the Supplementary Amount (for the avoidance of doubt plus any interest accrued or accruing thereon) and, accordingly, will not constitute Recoveries in respect of such Defaulted Reference Obligation (unless the amount of the Savings Proceeds exceeds the Supplementary Amount, in which case such excess amount will constitute Recoveries in respect of such Defaulted Reference Obligation); and
- (ii) all proceeds of enforcement of the Reference Collateral (other than the Savings Proceeds) will constitute Recoveries in respect of such Defaulted Reference Obligation.

"Reference Collateral" means, with respect to any Defaulted Reference Obligation, any Related Security granted to the Lender of Record as security for the Reference Obligation provided that the Reference Collateral shall not include any Related Security to the extent that it is held by the Lender of Record for the benefit of a person other than the Lender of Record. If Reference Collateral or any other security is given as security for more than one obligation (including the Defaulted Reference Obligation), Recoveries in respect of such Reference Collateral or any other security shall be allocated (i) if such Reference Collateral or other security was created specifically in connection with the Defaulted Reference Obligation, to the Defaulted Reference Obligation first, such that only the remaining Recoveries (if any) will be available for allocation to other obligations or (ii) if such Reference Collateral or other security was not created specifically in connection with the Defaulted Reference Obligation, to other obligations first, such that only the remaining Recoveries (if any) will be available for allocation to the Defaulted Reference Obligation.

Estimated Recoveries:

"Estimated Recoveries" means a fair and reasonable estimate by the Calculation Agent (subject, if applicable, to verification by the Independent Accountants) of the total Recoveries in respect of a Defaulted Reference Obligation and for this purpose paragraph (c) of the definition of "Recoveries" shall be replaced with "the Indexed Foreclosure Value".

Indexed Foreclosure Value:

In respect of Reference Collateral which is a Property securing a Defaulted Reference Obligation, the most recently available foreclosure value of such collateral as adjusted for the period since the date of the last valuation by the index of house prices in The Netherlands as published by NVM (*Nederlandse Vereniging van Makelaars o.g.*) on its website www.nvm.nl or a successor publication as of the relevant date of valuation or, if NVM fails to publish an index for the relevant date, the index published by the Dutch Land Registry (*Kadaster*) as adjusted by the Calculation Agent to reflect differences in methodology between such indices.

Enforcement Expenses:

"**Enforcement Expenses**" means, in respect of a Defaulted Reference Obligation, fees, taxes, foreclosure and other enforcement expenses (including legal costs) which are attributable to enforcement of that Defaulted Reference Obligation in respect of a principal amount of the Defaulted Reference Obligation equal to the Reference Obligation Notional Amount.

"**Estimated Enforcement Expenses**" means a fair and reasonable estimate by the Calculation Agent of the total Enforcement Expenses relating to the Defaulted Reference Obligation.

***Satisfaction of Credit
Protection Payment and
Calculation of Cash Deposit
Draw:***

On each Calculation Date, the Calculation Agent under the Credit Default Swap will calculate the aggregate of the Credit Protection Payment Amounts for the Reference Period ending immediately prior to that Calculation Date, which aggregate amount is to be paid (subject to reduction as described below) on the related Note Payment Date.

The amount of the Credit Protection Payment will be reduced by application of the Synthetic Excess Spread Balance and, thereafter, will be satisfied by the Issuer making a Cash Deposit Draw.

If the Issuer is required to make a Cash Deposit Draw, an amount of Collateral shall be released (in the case of any Cash Deposit) or unwound (in the case of any Repo Transaction under the Repo Agreement) in order to satisfy such payment.

See "*The Collateral and Cash Administration Agreements*".

Independent Accountants'

If a Write-off occurs in respect of the Notes (the

Verification: "Verification Trigger Event"), a Credit Protection Payment shall not be payable in respect of any Reference Obligation that subsequently becomes a Defaulted Reference Obligation unless the Verification Condition has been satisfied.

If the Verification Condition is required to be satisfied in respect of any Credit Protection Payment Amount, the Swap Counterparty has agreed to use its reasonable endeavours to ensure that the Independent Accountants complete the process of determining whether or not the Verification Condition has been satisfied within 60 Note Business Days following the date on which the Verification Trigger Event occurred or the relevant Credit Protection Payment Amount was determined (as the case may be).

Verification Condition: This shall be satisfied in respect of a Defaulted Reference Obligation upon delivery by the Calculation Agent to the Swap Counterparty, the Issuer and the Trustee of a written report of the Independent Accountants verifying upon the completion of the Agreed Upon Procedures in respect of the relevant Defaulted Reference Obligation: (i) that the Defaulted Reference Obligation complied with the Reference Obligation Eligibility Criteria on its Allocation Date; (ii) that the Credit Event Notice in respect of the Defaulted Reference Obligation was delivered during the Notice Delivery Period; and (iii) the accuracy of the Credit Protection Payment Amount in respect of the Defaulted Reference Obligation in all material respects.

Independent Accountants: Ernst & Young or such other firm of accountants of internationally recognised standing as may be selected by the Swap Counterparty from time to time to perform certain obligations under the Credit Default Swap.

Agreed Upon Procedures: The procedures that the Independent Accountants have agreed or may agree with the Swap Counterparty and the Rating Agencies prior to the occurrence of a Verification Trigger Event with regard to the content and conduct of their review of matters required under the Credit Default Swap to be verified by the Independent Accountants and any report prepared thereafter, as may be amended from time to time subject to the Ratings Test being satisfied.

Plausibility Check: The Swap Counterparty shall procure that as soon as reasonably practicable after the Verification Trigger

Event has occurred, the Independent Accountants conduct a review in accordance with the Agreed Upon Procedures of a sample of Credit Protection Payment Amounts determined prior to the occurrence of the Verification Trigger Event, as selected at random by the Independent Accountants. If as a result of such review the Independent Accountants consider that there may have been fundamental errors in the calculations of any Credit Protection Payment Amounts made by the Calculation Agent, the Independent Accountants shall be required to carry out a further review in accordance with the Agreed Upon Procedures.

Unjustified Loss:

The Calculation Agent will be required to determine the amount of any Credit Protection Payment Amount previously determined that, on the basis of the Independent Accountants' review following the Verification Trigger Event, was unjustified and to notify the Issuer, the Cash Administrator and the Swap Counterparty accordingly. Any amount determined to have been incorrectly identified as a Credit Protection Payment Amount (such amount, an "**Unjustified Loss**") will be credited to the Synthetic Excess Spread Ledger as part of the Synthetic Excess Spread Amount on the next Note Payment Date.

Early termination of Credit Default Swap:

The Credit Default Swap is scheduled to terminate on the Scheduled Redemption Date and is subject to early termination in certain specified circumstances:

- (a) payment default (being a failure to pay after an amount has been due and payable for five (5) Local Business Days (as defined under the Credit Default Swap)) by the Issuer or the Swap Counterparty;
- (b) if in the Trustee's opinion, (acting in the interests of the Noteholders in accordance with the terms of the Trust Deed), any Reference Obligation is not, in any material respect, being serviced in accordance with the Servicing Standard;
- (c) bankruptcy events related to the Issuer;
- (d) tax events related to the Issuer or the Swap Counterparty;
- (e) illegality;

- (f) merger of the Swap Counterparty with another entity without assumption in whole of all of the obligations under the Credit Default Swap;
- (g) termination of the arrangements in respect of the Collateral (being the Cash Deposit and/or the Repo Securities (and the Repo Agreement in respect thereof) as the case may be) (without replacements thereof);
- (h) early redemption of the Notes in full; or
- (i) at the option of the Swap Counterparty, upon the occurrence of a Regulatory Change.

If any Credit Protection Payment is subject by law to deduction or withholding for tax, the Issuer shall not be under any obligation to gross-up such Credit Protection Payment. The Swap Counterparty may elect either (1) to receive any Credit Protection Payment net of such withholding or deduction for tax; or (2) to terminate the Credit Default Swap.

If any Swap Counterparty Payment is subject by law to deduction or withholding for tax the Swap Counterparty may elect to gross-up such Swap Counterparty Payment. If the Swap Counterparty does not so elect the Issuer will have the right to terminate the Credit Default Swap.

Effect of termination of the Credit Default Swap on the Notes:

Any early termination in whole of the Credit Default Swap will result in mandatory early redemption of the Notes. See Condition 7(e) (*Redemption, Reductions, Reinstatement and Cancellation - Mandatory Redemption of the Notes in Whole following Termination of the Credit Default Swap*).

Regulatory Change:

If a Regulatory Change occurs, the Swap Counterparty has the right to determine whether the Credit Default Swap should be terminated as a result thereof. For these purposes, a "**Regulatory Change**" means, on or after the Closing Date, a change in the Basel Capital Accord published by the Basel Committee on Banking Supervision under the title "Basel II: International Convergence on Capital Measurement and Capital Standards: a Revised Framework" (the "**Basel Accord**") or in the international, European or Dutch regulations, rules and instructions (the "**Bank Regulations**") applicable to the Swap Counterparty (including any change in the Bank Regulations enacted for the purposes

of implementing a change in the Basel Accord) or a change in the manner in which the Basel Accord or such Bank Regulations are interpreted or applied by the Basel 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 authority) which has the effect of adversely affecting the rate of return on capital of the Swap Counterparty or increasing the cost or reducing the benefit to the Swap Counterparty with respect to the transactions contemplated by the Credit Default Swap and the Repo Agreement (if any).

Governing Law:

The Credit Default Swap will be governed by, and shall be construed in accordance with, the laws of England. Each of the Issuer and the Swap Counterparty will submit to the non-exclusive jurisdiction of the English courts in connection with the Credit Default Swap.

KEY CHARACTERISTICS OF THE COLLATERAL

Cash Deposit:

On the Closing Date, the Issuer will utilise the proceeds of the issue of the Notes to make a deposit (the "**Cash Deposit**") into an account in the name of the Issuer (the "**Cash Deposit Account**", which expression shall include any replacement Cash Deposit Account), with a bank (the "**Cash Deposit Bank**", which expression shall include any replacement bank in respect thereof, and which initially shall be ABN AMRO (acting through its head office) which has a short-term credit rating of at least A-1+ from S&P, P-1 from Moody's and F1+ from Fitch (the "**Cash Deposit Bank Required Rating**"). Such Cash Deposit will be made pursuant to a cash deposit agreement (the "**Cash Deposit Agreement**", which expression shall include any cash deposit agreement replacing (and on the same terms as) the initial Cash Deposit Agreement upon the replacement of the initial Cash Deposit by a cash deposit with a third party other than ABN AMRO). The Cash Deposit Agreement and/or any Repo Agreement which may replace the Cash Deposit Agreement (in whole or in part) provide for periodic income payments to be made to the Issuer.

At any time, if the Swap Counterparty so elects, the Issuer shall withdraw all amounts from the Cash Deposit Account (or part thereof specified by the Swap Counterparty, if applicable) and apply on such day such amounts (to the extent not secured for any Cash Deposit Draw or repayment of the Notes) to purchase securities (the "**Repo Securities**") pursuant to the terms of a Repo Agreement (a "**Cash Deposit Collateral Transfer**").

Unless earlier terminated, the Cash Deposit Account Agreement will expire on the Scheduled Redemption Date (or, if the Notes are not redeemed in full on the Scheduled Redemption Date, the Legal Final Redemption Date). See "*The Collateral and Cash Administration Arrangements*".

Replacement of Cash Deposit Bank or Entry into First Repo under the Repo Agreement:

In the event that the Swap Counterparty elects to replace the Cash Deposit in whole or in part with Repo Securities under a Repo Agreement (the terms of which have been approved by the Rating Agencies), the Issuer and the Repo Counterparty will enter into a transaction (the "**First Repo**") pursuant to which the Issuer will purchase securities from the Repo Counterparty. The securities eligible to be purchased from time to time by the Issuer from the Repo Counterparty under the Repo Agreement are

required to satisfy the Repo Securities Eligibility Criteria which shall be set out in the Repo Agreement.

Available Income of the Issuer: On each Note Payment Date, the Issuer will determine "**Available Income**" to be an amount equal to:

- (a) the Swap Counterparty Payments from the Swap Counterparty in respect of such Note Payment Date and, where the Swap Counterparty does not have the Swap Counterparty Required Rating, those funds representing advance payments of the Swap Counterparty Payments in respect of such Note Payment Date; plus
- (b) income on the Cash Deposit (if any) and repo income pursuant to the Repo Agreement (if any) which has accrued in the immediately preceding Calculation Period (collectively, the "**Issuer CD/Repo Income**"); less
- (c) an amount equal to the Reinstated Principal (if any).

Pre-Enforcement Available Income Priority of Payments:

Prior to the delivery of a Note Enforcement Notice by the Trustee, Available Income will be applied by or on behalf of the Issuer on each Note Payment Date in making the following payments in the following order of priority (the "**Pre-Enforcement Available Income Priority of Payments**") and only to the extent that any prior ranking item is satisfied in full:

- (i) *first*, to pay or provide for, any Issuer Expenses due and payable on such Note Payment Date to the Trustee (or in the event that the Swap Counterparty does not have on such date the Swap Counterparty Required Rating, to pay amounts due on such date and to accrue and reserve for the Issuer Expenses that will be due and payable to the Trustee on the next Note Payment Date);
- (ii) *second*, to pay or provide for, the Issuer Profit Amount;
- (iii) *third*, to pay or provide for, on a *pari passu* and *pro rata* basis, any Issuer Expenses due and payable and tax liabilities incurred (other than Dutch corporate income tax in relation to the Issuer Profit Amount) on such Note Payment Date to the Operating Creditors other than the Trustee (or in the event that the Swap Counterparty does not have on such date

the Swap Counterparty Required Rating, to pay amounts due on such date and to accrue and reserve for the Issuer Expenses that will be due and payable on the next following Note Payment Date to the Operating Creditors (other than the Trustee));

- (iv) *fourth*, on a *pari passu* and *pro rata* basis: (a) to pay any accrued and unpaid interest then due and payable on the Class A Notes together with, other than during any Extension Period, any Make-Up Interest Amount then calculated as owing in respect of any Reinstated Principal of the Class A Notes on that day, and (b) in the event that the Swap Counterparty does not have on such date the Swap Counterparty Required Rating, to pay amounts due on such date and to accrue and reserve for the interest that will be due and payable on the Class A Notes on the next following Note Payment Date;
- (v) *fifth*, on a *pari passu* and *pro rata* basis: (a) to pay any accrued and unpaid interest then due and payable on the Class B Notes together with, other than during any Extension Period, any Make-Up Interest Amount then calculated as owing in respect of any Reinstated Principal of the Class B Notes on that day, and (b) in the event that the Swap Counterparty does not have on such date the Swap Counterparty Required Rating, to pay amounts due on such date and to accrue and reserve for the interest that will be due and payable on the Class B Notes on the next following Note Payment Date;
- (vi) *sixth*, on a *pari passu* and *pro rata* basis: (a) to pay any accrued and unpaid interest then due and payable on the Class C Notes together with, other than during any Extension Period, any Make-Up Interest Amount then calculated as owing in respect of any Reinstated Principal of the Class C Notes on that day, and (b) in the event that the Swap Counterparty does not have on such date the Swap Counterparty Required Rating, to pay amounts due on such date and to accrue and reserve for the interest that will be due and payable on the Class C Notes on the next following Note Payment Date;
- (vii) *seventh*, on a *pari passu* and *pro rata* basis: (a) to pay any accrued and unpaid interest then due and payable on the Class D Notes together with, other

than during any Extension Period, any Make-Up Interest Amount then calculated as owing in respect of any Reinstated Principal of the Class D Notes on that day, and (b) in the event that the Swap Counterparty does not have on such date the Swap Counterparty Required Rating, to pay amounts due on such date and to accrue and reserve for the interest that will be due and payable on the Class D Notes on the next following Note Payment Date;

(viii) *eighth*, on a *pari passu* and *pro rata* basis: (a) to pay any accrued and unpaid interest then due and payable on the Class E Notes together with, other than during any Extension Period, any Make-Up Interest Amount then calculated as owing in respect of any Reinstated Principal of the Class E Notes on that day, and (b) in the event that the Swap Counterparty does not have on such date the Swap Counterparty Required Rating, to pay amounts due on such date and to accrue and reserve for the interest that will be due and payable on the Class E Notes on the next following Note Payment Date;

(ix) *ninth*, on a *pari passu* and *pro rata* basis: (a) to pay any accrued and unpaid interest then due and payable on the Class F Notes together with, other than during any Extension Period, any Make-Up Interest Amount then calculated as owing in respect of any Reinstated Principal of the Class F Notes on that day, and (b) in the event that the Swap Counterparty does not have on such date the Swap Counterparty Required Rating, to pay amounts due on such date and to accrue and reserve for the interest that will be due and payable on the Class F Notes on the next following Note Payment Date; and

(x) *tenth*, to pay any amounts to the Swap Counterparty pursuant to the Credit Default Swap other than any Credit Protection Payments but including any refund amount in respect of overpayment of the Swap Counterparty Payments when paid in advance.

"Issuer Expenses" means any fees, expenses or other amounts or liabilities payable by the Issuer on any Note Payment Date to any Operating Creditor plus any value added tax payable thereon.

"Issuer Profit Amount" means in the case of the Note Payment Date falling in April 2006, EUR 25,000 and, on each Note Payment Date falling in January thereafter, EUR 15,000.

"Operating Creditor" means any of (1) the Trustee, (2) any insolvency receiver of the Issuer, (3) any Agent, (4) the Cash Administrator, (5) the Issuer's Director, (6) any stock exchange on which the Notes are listed, (7) the Issuer's auditors, legal counsel and tax advisers, (8) any Rating Agency, (9) any independent accountant or independent calculation agent appointed under the Credit Default Swap, (10) the Custodian (if any), (11) any taxing authority having power and authority to tax the Issuer; (12) any other creditor (other than the Swap Counterparty, the Repo Counterparty (if any), the Cash Deposit Bank or the Calculation Agent) from time to time of the Issuer which has been notified to the Cash Administrator in accordance with the terms of the Cash Administration Agreement.

Synthetic Excess Spread Balance:

The **"Synthetic Excess Spread Balance"** means the amount standing to the credit of the Synthetic Excess Spread Ledger at any time, as reduced from time to time in accordance with the Synthetic Excess Spread Priority of Payments and increased from time to time in accordance with the Synthetic Excess Spread Amount. No Credit Protection Payment shall be payable by the Issuer for so long as such Credit Protection Payment does not exceed the Synthetic Excess Spread Balance.

Synthetic Excess Spread Ledger:

The Calculation Agent shall maintain a ledger in which it shall record credits and debits to the Synthetic Excess Spread Balance.

Synthetic Excess Spread Amount:

In respect of the Closing Date and each Note Payment Date thereafter prior to the Scheduled Redemption Date or an Early Redemption Date, the Synthetic Excess Spread Amount shall be the sum of:

- (i) the product of (A) the Current Portfolio Amount as at the Closing Date or (as applicable) the first day of the Reference Period immediately preceding a Note Payment Date; (B) on each Note Payment Date up to (and including) the Note Payment Date falling in January 2008, 0.09% per annum, and thereafter 0.04% per annum up to (and including) the Scheduled Redemption Date or an Early Redemption Date, and thereafter, zero; and (C) the

actual number of days in the period beginning on (and including) the Closing Date or first day of the Reference Period immediately preceding such Note Payment Date (as the case may be) and ending on (but excluding) the first day of the Reference Period that includes such Note Payment Date, divided by 360; plus

- (ii) the aggregate of the Unjustified Losses (if any) determined during the preceding Reference Period; plus
- (iii) the aggregate of the Additional Recovery Amounts (if any) determined during the preceding Reference Period.

***Synthetic Excess Spread
Priority of Payments:***

On each Note Payment Date, the Synthetic Excess Spread Balance shall be applied as follows:

- (i) *firstly*, in reduction of any Credit Protection Payments payable on such Note Payment Date; and
- (ii) *secondly*, towards reinstatement of the Adjusted Principal Balance of each Class or Classes of Notes in respect of which there are Un-reimbursed Write-offs (in Order of Seniority).

***Available Redemption Funds
of the Issuer:***

On a Note Payment Date "**Available Redemption Funds**" will be an amount equal to the sum of:

- (a) principal amounts withdrawn from the Cash Deposit upon liquidation of any part of the Cash Deposit (and other than in respect of a Cash Deposit Collateral Transfer) and amounts received from the Repo Counterparty (if any) on any unwind of the Repo Agreement, pursuant to which the Repo Counterparty will repurchase Repo Securities from the Issuer in accordance with the terms of the Repo Agreement and prior to redemption in whole of the Notes, to the extent required to meet any Note Amortisation Amount and, after the Replenishment Period, to the extent of any Recovery Amounts and aggregate amounts by which the Reference Obligations have amortised, prepaid, repaid or been cancelled, and aggregate amounts by which Savings Proceeds have increased, during the related Reference Period;
- (b) if the Maximum Reference Portfolio Amount is

equal to or less than the Initial Swap Notional Amount, the amounts of Synthetic Excess Spread Balance allocated in accordance with the Synthetic Excess Spread Priority of Payments towards reinstatement of the Adjusted Principal Balance of each Class or Classes of Notes in respect of which there are Un-reimbursed Write-offs; and

- (c) if applicable upon enforcement of the Security amounts realised upon any sale by the Trustee of the Repo Securities (including accrued and unpaid interest in respect thereof).

To the extent that the Swap Counterparty notifies the Issuer and the Cash Administrator of a Note Amortisation Amount, then the Cash Administrator on behalf of the Issuer will make a Cash Deposit Draw in an equivalent amount to be allocated to Available Redemption Funds.

"**Note Amortisation Amount**" means, on any Calculation Date where the Maximum Reference Portfolio Amount is equal to or less than the Initial Swap Notional Amount, an amount elected by the Swap Counterparty which equals or is less than the amount (if any) by which the Maximum Reference Portfolio Amount exceeds the Current Portfolio Amount, provided that the Swap Counterparty has also elected that no Replenishment will occur in respect of such amount.

***Pre-Enforcement Available
Redemption Funds Priority of
Payments:***

Prior to the delivery of a Note Enforcement Notice by the Trustee, Available Redemption Funds will be applied by or on behalf of the Issuer on each Note Payment Date in making the following payments in the following order of priority (the "**Pre-Enforcement Available Redemption Funds Priority of Payments**") and only to the extent that any prior ranking item is satisfied in full:

- (i) *first*, to repay any amounts of principal then due and payable on the Class A Notes up to their then Adjusted Principal Balance in accordance with Condition 7 (*Redemption, Reductions, Reinstatement and Cancellation*);
- (ii) *second*, to repay any amounts of principal then due and payable on the Class B Notes up to their then Adjusted Principal Balance in accordance with Condition 7 (*Redemption, Reductions, Reinstatement and Cancellation*);

- (iii) *third*, to repay any amounts of principal then due and payable on the Class C Notes up to their then Adjusted Principal Balance in accordance with Condition 7 (*Redemption, Reductions, Reinstatement and Cancellation*);
- (iv) *fourth*, to repay any amounts of principal then due and payable on the Class D Notes up to their then Adjusted Principal Balance in accordance with Condition 7 (*Redemption, Reductions, Reinstatement and Cancellation*);
- (v) *fifth*, to repay any amounts of principal then due and payable on the Class E Notes up to their then Adjusted Principal Balance in accordance with Condition 7 (*Redemption, Reductions, Reinstatement and Cancellation*);
- (vi) *sixth*, to repay any amounts of principal then due and payable on the Class F Notes up to their then Adjusted Principal Balance in accordance with Condition 7 (*Redemption, Reductions, Reinstatement and Cancellation*); and
- (vii) *seventh*, to pay to the Swap Counterparty the Swap Termination Payment, if any.

The "**Swap Termination Payment**" is an amount equal to the balance of the Available Redemption Funds (if any) remaining on the Scheduled Redemption Date or an Early Redemption Date, as the case may be (or, if the Extension Period commences on the Scheduled Redemption Date or an Early Redemption Date, on the Note Payment Date falling immediately prior to the end of such Extension Period) after applying such funds to items (i) to (vi) above.

Post-Enforcement Priority of Payments:

Available Income and Available Redemption Funds (collectively, "**Available Funds**") will be applied by or on behalf of the Issuer following the date on which a Note Enforcement Notice is served by the Trustee in making the following payments in the following order of priority (the "**Post-Enforcement Priority of Payments**"):

- (i) *first*, to pay any Issuer Expenses due and unpaid to the Trustee on such date;
- (ii) *second*, to pay, on a *pari passu* and *pro rata* basis, any Issuer Expenses due and payable to the Operating Creditors (other than the Trustee) on such

date;

- (iii) *third*, to pay to the Swap Counterparty the aggregate amount of Credit Protection Payments, if any, due and any other amounts due and unpaid to the Swap Counterparty under the Credit Default Swap;
- (iv) *fourth*, to pay *pari passu* and *pro rata* according to the amount then payable all principal (calculated at the then Adjusted Principal Balance thereof) and interest then due and unpaid on the Class A Notes together with any Make-Up Interest Amount then calculated as owing in respect of the Class A Notes, applying the payment first to interest, then to due but unpaid principal and then to the Make-Up Interest Amount;
- (v) *fifth*, to pay *pari passu* and *pro rata* according to the amount then payable all principal (calculated at the then Adjusted Principal Balance thereof) and interest then due and unpaid on the Class B Notes together with any Make-Up Interest Amount then calculated as owing in respect of the Class B Notes, applying the payment first to interest and then to due but unpaid principal and then to the Make-Up Interest Amount;
- (vi) *sixth*, to pay *pari passu* and *pro rata* according to the amount then payable all principal (calculated at the then Adjusted Principal Balance thereof) and interest then due and unpaid on the Class C Notes together with any Make-Up Interest Amount then calculated as owing in respect of the Class C Notes, applying the payment first to interest and then to due but unpaid principal and then to the Make-Up Interest Amount;
- (vii) *seventh*, to pay *pari passu* and *pro rata* according to the amount then payable all principal (calculated at the then Adjusted Principal Balance thereof) and interest then due and unpaid on the Class D Notes together with any Make-Up Interest Amount then calculated as owing in respect of the Class D Notes, applying the payment first to interest and then to due but unpaid principal and then to the Make-Up Interest Amount;
- (viii) *eighth*, to pay *pari passu* and *pro rata* according to the amount then payable all principal (calculated at

the then Adjusted Principal Balance thereof) and interest then due and unpaid on the Class E Notes together with any Make-Up Interest Amount then calculated as owing in respect of the Class E Notes, applying the payment first to interest and then to due but unpaid principal and then to the Make-Up Interest Amount;

- (ix) *ninth*, to pay *pari passu* and *pro rata* according to the amount then payable all principal (calculated at the then Adjusted Principal Balance thereof) and interest then due and unpaid on the Class F Notes together with any Make-Up Interest Amount then calculated as owing in respect of the Class F Notes, applying the payment first to interest and then to due but unpaid principal and then to the Make-Up Interest Amount;
- (x) *tenth*, to pay *pari passu* to the Cash Deposit Bank any break costs pursuant to the Cash Deposit Agreement and to pay to the Repo Counterparty (if any) any termination amount under the Repo Agreement;
- (xi) *eleventh*, to pay all remaining amounts to the Swap Counterparty.

RISK FACTORS

The following is a summary of certain aspects of the Notes, the Issuer and the related transactions about which prospective Noteholders should be aware. Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Prospectus, including the risk factors detailed below. This summary is not intended to be exhaustive, and prospective Noteholders should make their own independent evaluations of all risk factors and should also read the detailed information set out elsewhere in this Prospectus prior to making an investment decision.

Investor Suitability

Investor Considerations

The Notes are complex securities and investors should possess, or seek the advice of advisors with, the expertise necessary to evaluate the information contained in this Prospectus in the context of such investor's individual financial circumstances and tolerance for risk. An investor should not purchase Notes of any Class unless it understands the principal repayment, credit, liquidity, market and other risks associated with that Class.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviours of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Investors may not rely on the Issuer Account Bank, the Cash Deposit Bank, any Agent, the Cash Administrator, the Lead Manager, the Swap Counterparty, the Trustee, the Arranger any other party to the Transaction Documents or the Issuer in connection with its determination as to the legality of acquisition of the Notes or as to the other matters referred to in these investment considerations. Neither the Issuer nor any of the other parties to the Transaction Documents is acting as an investment adviser, or assumes any fiduciary obligation, to any investor in the Notes nor assumes any responsibility for conducting or failing to conduct any investigation into

the business, financial condition, prospects, creditworthiness, status and/or affairs of any Reference Obligor or any other party to the Transaction Documents.

Tax consequences of holding the Notes

Potential investors should consider the tax consequences of investing in the Notes and consult their tax adviser about their own tax situation.

Considerations Related to the Notes

Obligations of the Issuer, Limited Assets and Liability under the Notes

The Issuer is a special purpose financing entity with no business operations other than the issue of the Notes, the entering into of the Credit Default Swap, the Cash Deposit Agreement, the Repo Agreement (if any) and the transactions and agreements ancillary thereto. The Notes are secured and limited recourse obligations of the Issuer and amounts due in respect of the Notes are payable only to the extent that the Issuer receives monies due to it under the Credit Default Swap, the Cash Deposit Agreement, the Repo Agreement (if any) and the transactions and agreements ancillary thereto. Other than the foregoing, prior to enforcement of the Security, the Issuer will not have any other funds available to it to meet its obligations under the Notes and its obligations ranking in priority to, or *pari passu* with, the Notes. Following enforcement of the Security, the only funds available to the Trustee for the Noteholders and the other Secured Parties will consist solely of the proceeds of enforcement of the Security.

The Issuer is the only entity responsible for making any payments on the Notes. The Notes will be obligations of the Issuer only and will not be obligations or responsibilities of, or guaranteed by, any other person or entity. In particular, the Notes will not be obligations or responsibilities of, and will not be guaranteed by, any of the Other Parties or any person affiliated with them.

If distributions of amounts received by the Issuer under the Credit Default Swap, the Collateral and, after enforcement of the Security, the proceeds of enforcement of the Security are insufficient to make payments on the Notes in full, no other assets will be available for payment of the deficiency and, following realisation of the Security, no debt shall be owed by the Issuer in respect of such deficiency. Although the Trustee will hold the benefit of the Security created under the Security Documents for the benefit of the Noteholders, such Security will also be held for the benefit of certain other third parties that will rank ahead of the Noteholders. Accordingly, the Noteholders (or the holders of certain Classes of Notes) may receive on redemption an amount less than the face value of their Notes and the Issuer may be unable to pay, in full, interest due on the Notes.

Non-Petition

None of the Noteholders, the Trustee or other creditors (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, winding up, re-organisation, examinership, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations relating to the Notes, the Trust Deed or the other Transaction Documents relating to the issue of the Notes (save for lodging a claim in liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or

judgment as to the obligations of the Issuer) for two years and one day after the latest date on which the Notes are due to mature so long as the Notes are outstanding.

Absence of Secondary Market; Limited Liquidity

Application has been made to the Irish Financial Services Regulatory Authority, as competent authority under Directive 2003/71/EC, for the Prospectus to be approved. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. However, the Notes will be new securities for which there is no established trading market. There can be no assurance that a secondary market in the Notes will develop or, if it does develop, that it will provide holders of the Notes with liquidity of investment, or that it will continue for the life of the Notes. Moreover, the limited scope of information available to the Issuer, the Trustee and the Noteholders regarding the Reference Obligors, the Reference Obligations and the nature of any Credit Event may affect liquidity of the market for and the value of the Notes, especially the more junior Classes of Notes. Consequently, prospective purchasers of the Notes should be aware that they may have to hold the Notes until their maturity.

Volatility

The market value of the Notes may fluctuate with changes in prevailing rates of interest, market perceptions of the risks associated with the Notes, supply and other market conditions. Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of such Notes.

Delays in Redemption Related to the Calculation of the Credit Protection Payment Amounts

The Notes will be subject to mandatory or optional redemption in accordance with Condition 7 (*Redemption, Reductions, Reimbursement and Cancellation*), but redemption payments may be delayed in certain circumstances where Credit Protection Payment Amounts have not been calculated under the Credit Default Swap as of the date of such redemption.

Since the Swap Counterparty may deliver a Credit Event Notice at any time during the Notice Delivery Period, Credit Event Notices may have been delivered in respect of one or more Defaulted Reference Obligations on or prior to the Scheduled Redemption Date or the relevant Early Redemption Date (as the case may be) but the related Credit Protection Payment Amounts may not have been determined as of the Scheduled Redemption Date or such Early Redemption Date. In such circumstances, an amount of Notes equal to the Note Extension Amount shall remain outstanding until the end of the Extension Period.

During the Extension Period, any Notes remaining outstanding shall continue to bear interest, payable quarterly in arrear at the relevant Interest Rate less the Margin as specified in Condition 6 (*Interest*).

Early Redemption of the Notes

Subject to the Conditions, early redemption of the Notes may occur:

- (a) in whole, following any early termination in whole of the Credit Default Swap (as further described below);

- (b) in whole, upon the occurrence of a Tax Redemption Event;
- (c) in part, upon receipt of written notice from the Swap Counterparty to the Issuer of the payment of, as the case may be, repayments, prepayments or amortisations under a Reference Obligation to the extent there is no Replenishment and where the Maximum Reference Portfolio Amount is equal to or less than the Initial Swap Notional Amount;
- (d) in whole, on any Note Payment Date where the then Adjusted Principal Balance of the Notes is less than or equal to 10% of the initial Principal Balance of all the Notes;
- (e) in part, upon the application of Available Redemption Funds in an amount equal to the Recovery Amounts to the extent there is no Replenishment and where the Maximum Reference Portfolio Amount is equal to or less than the Initial Swap Notional Amount;
- (f) in whole, upon the occurrence of a Note Event of Default;
- (g) in whole following on early termination of the Cash Deposit Agreement or the Repo Agreement (if any); or
- (h) in part, if the Adjusted Principal Balance of the Notes is increased because of the existence of Synthetic Excess Spread Balance, by an amount equal to the amount of the Reinstated Principal and where the Maximum Reference Portfolio Amount is equal to or less than the Initial Swap Notional Amount.

The Notes shall be redeemed in whole, following early termination of the Credit Default Swap (and the Credit Default Swap shall be terminable in certain specified circumstances, including: (1) at the option of the Swap Counterparty on any Note Payment Date where the then Adjusted Principal Balance of the Notes is less than or equal to 10% of the initial Principal Balance of the Notes; (2) upon the occurrence of a Tax Event (as defined in the Credit Default Swap) or (3) upon the occurrence of a Regulatory Change (as defined in the Credit Default Swap). See "*The Credit Default Swap - Early Termination of the Credit Default Swap*".

Effect of Regulatory Change

If a Regulatory Change occurs, the Swap Counterparty has the right to determine whether the Credit Default Swap should be terminated as a result thereof.

For these purposes, a "**Regulatory Change**" means, on or after the Closing Date, a change in the Basel Capital Accord published by the Basel Committee on Banking Supervision under the title "Basel II: International Convergence on Capital Measurement and Capital Standards: a Revised Framework" (the "**Basel Accord**") or in the international, European or Dutch regulations, rules and instructions (the "**Bank Regulations**") applicable to the Swap Counterparty (including any change in the Bank Regulations enacted for the purposes of implementing a change in the Basel Accord) or a change in the manner in which the Basel Accord or such Bank Regulations are interpreted or applied by the Basel 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 authority) which has the effect of adversely affecting the rate of return on capital of the Swap Counterparty or increasing the cost or reducing the benefit to the Swap Counterparty with respect to the transactions contemplated by the Credit Default Swap and the Repo Agreement (if any).

Subordination of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes

After enforcement of the security under the Security Documents, payments of principal and interest on the Class A Notes will be made in priority to payments of principal and interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes. After enforcement of the security for the Notes under the Security Documents, payments of principal and interest on the Class B Notes will be made in priority to payments of principal and interest on the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes. After enforcement of the security for the Notes under the Security Documents, payments of principal and interest on the Class C Notes will be made in priority to payments of principal and interest on the Class D Notes, the Class E Notes and the Class F Notes. After enforcement of the security for the Notes under the Security Documents, payments of principal and interest on the Class D Notes will be made in priority to payments of principal and interest on the Class E Notes and the Class F Notes. After enforcement of the security for the Notes under the Security Documents, payments of principal and interest on the Class E Notes will be made in priority to payments of principal and interest on the Class F Notes.

Conflicts of interests between the Classes of Notes

The Trust Deed and the Conditions will provide that the Trustee is to have regard to the interests of the holders of all the Classes of Notes. There may be circumstances, however, where the interests of one Class of the Noteholders conflict with the interests of another Class or other Classes of the Noteholders. In general, the Trustee will give priority to the interests of the holders of the Most Senior Class of Notes, such that:

- (A) the Trustee is to have regard only to the interests of the Class A Noteholders in the event of a conflict between the interests of the Class A Noteholders on the one hand and any other Class of Noteholders on the other hand;
- (B) if there are no Class A Notes outstanding, the Trustee is to have regard only to the interests of the Class B Noteholders in the event of a conflict between the interests of the Class B Noteholders on the one hand and any other Class of Noteholders on the other hand;
- (C) if there are no Class A Notes or Class B Notes outstanding, the Trustee is to have regard only to the interests of the Class C Noteholders in the event of a conflict between the interests of the Class C Noteholders on the one hand and any other Class of Noteholders on the other hand;
- (D) if there are no Class A Notes, Class B Notes or Class C Notes outstanding, the Trustee is to have regard only to the interests of the Class D Noteholders in the event of a conflict between the interests of the Class D Noteholders on the one hand and any other Class of Noteholders on the other hand;
- (E) if there are no Class A Notes, Class B Notes, Class C Notes or Class D Notes outstanding, the Trustee is to have regard only to the interests of the Class E Noteholders in the event of a conflict between the interests of the Class E Noteholders on the one hand and the Class F Noteholders on the other hand; and

- (F) if there are no Class A Notes, Class B Notes, Class C Notes, Class D Notes or Class E Notes outstanding, the Trustee is to have regard only to the interests of the Class F Noteholders.

Repo Securities Risk

Pursuant to the terms of the Repo Agreement (if any), the Repo Counterparty will have flexibility and discretion in selecting Repo Securities. The Repo Securities must meet the Repo Securities Eligibility Criteria. However, the Repo Securities Eligibility Criteria do not include a requirement for minimum or maximum number of separate obligors of the Repo Securities or requirements as to concentration limits in respect thereof. If the Repo Counterparty defaults on its ultimate obligation to repurchase all of the Repo Securities under the Repo Agreement, the Issuer, following realisation of the Collateral, may be exposed to the credit risk of the obligors on the Repo Securities or market value or liquidity fluctuations in respect of the Repo Securities.

The Issuer's Reliance on Certain Transaction Parties

The Issuer is a party to contracts with a number of third parties who have agreed to perform certain services in relation to, amongst other things, the Notes. For example, the Swap Counterparty has agreed to enter into the Credit Default Swap with the Issuer; the Issuer's Director has agreed to provide various corporate services to the Issuer and the Cash Deposit Bank, the Cash Administrator, the Issuer Account Bank, the Paying Agents and the Agent Bank have agreed to provide, amongst other things, payment, administration and calculation services in connection with the Notes. In the event that any relevant third party fails to perform its obligations under the respective agreements to which it is a party, the Noteholders may be adversely affected.

Certain Decisions by the Trustee

The Trustee will be entitled to agree, without the consent of the Noteholders, the Couponholders, the Receipholders or any other Secured Parties, with the Issuer and any other relevant party to any of the Transaction Documents in making any modification to the Conditions, the Trust Deed (other than, in the case of (a), (b) and (d) below, in respect of a Basic Terms Modification), the Notes or the other Transaction Documents to which it is a party or over which it has security, or may give its consent to any event, matter or thing, if (a) in its opinion, the interests of the holders of the Most Senior Class of Notes then outstanding would not be materially prejudiced thereby; (b) in relation to any modification, it is required or permitted to do so, subject to the satisfaction of specified conditions under the terms of the Conditions or the Transaction Documents, provided such conditions are satisfied; (c) in relation to any modification, in its opinion, it is required to correct a manifest error in respect of which a Dutch or English Court, as the case may be, could reasonably be expected to make a rectification order or is of a formal, minor, administrative or technical nature or is necessary or desirable for the purposes of clarification; or (d) in relation to any modification, the Ratings Test is satisfied.

The Trustee will be entitled to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Conditions or any of the Transaction Documents, that such exercise will not be materially prejudicial to the interests of any Class of

Noteholders if the Rating Agencies have confirmed that the ratings of the relevant Class(es) of the Notes would not be adversely affected by such exercise. However, a decision by the Rating Agencies not to downgrade the Notes does not indicate that the action taken by the Trustee would not be prejudicial to the interests of the Noteholders.

Ratings of the Notes

The ratings assigned to the Notes by the Ratings Agencies are based on, *inter alia*, the Notes, the Reference Portfolio, the Repo Agreement (if any), the Cash Deposit, the related cashflows and the other relevant structural features of the transaction, including, *inter alia*, the Security, in addition to the unsecured and unsubordinated debt rating of the Cash Deposit Bank and the Repo Counterparty (if any), and reflect only the views of the Rating Agencies. The ratings assigned to the Notes address the likelihood of full and timely payment to the Noteholders of all payments of interest on the Notes on each Note Payment Date and the full and timely payment of principal on the Notes on or before the Legal Final Redemption Date. Other non-credit issues have not been addressed, but may have a significant effect on yield to investors. There is no assurance that any such ratings 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.

Rating agencies other than the Rating Agencies could seek to rate the Notes and if such "unsolicited ratings" are lower than the comparable rating assigned to the Notes by the Rating Agencies, such shadow ratings could have an adverse effect on the value of the Notes. For the avoidance of doubt, and unless the context otherwise requires, any references to "ratings" or a "rating" in this Prospectus are to ratings assigned by the Rating Agencies only. Future events, including changes in the Dutch economy and events affecting the relevant Properties and/or the Dutch property market generally, could have an adverse impact on the "rating" of the Notes.

In addition, where a particular matter (including the determination of material prejudice by the Trustee and changes to certain of the operational covenants) involves the Rating Agencies being requested to confirm the then current ratings of the Notes, such confirmation may or may not be given at the sole discretion of the Rating Agencies. It should be noted that, depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that the Rating Agencies cannot provide their confirmation in the time available or at all, and they will not be responsible for the consequences thereof.

Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the Notes form part since the Closing Date. A confirmation of ratings represents only a restatement of the opinions given at the Closing Date or thereafter, and cannot be construed as advice for the benefit of any parties to the transaction or as confirmation that an event or amendment is in the best interest of, or not materially prejudicial to, the interests of the holders of the Notes. No assurance can be given that a requirement to seek ratings confirmation will not have a subsequent impact upon the business of the Issuer.

A credit rating is not a recommendation to buy, sell or hold securities and will depend, amongst other things, on the performance of the Reference Portfolio and the creditworthiness of the Swap Counterparty, the Repo Counterparty (if any) and the Cash Deposit Bank.

Notes held in global form

The Notes will initially be held by a common depository on behalf of Euroclear and/or Clearstream, Luxembourg, in each case in the form of a Global Note which will be exchangeable for Definitive Notes only in limited circumstances. For as long as any Notes are represented by a Global Note held by a common depository (or its nominee) on behalf of Euroclear and/or Clearstream, Luxembourg, payments of principal, interest (if any) and any other amounts on a Global Note will be made through Euroclear and/or Clearstream, Luxembourg (as the case may be) against presentation or surrender (as the case may be) of the relevant Global Note and, in the case of a Temporary Global Note, certification as to non-U.S. beneficial ownership. The holder of the relevant Global Note, being the common depository (or its nominee) for Euroclear and/or Clearstream, Luxembourg shall be treated by the Issuer and any Paying Agent as the sole holder of the relevant Notes represented by such Global Note with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Notes.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.

Pledges to Trustee

Under or pursuant to the Security Documents, various Dutch law pledges will be granted by the Issuer to the Trustee. A Dutch pledge can serve as security for monetary claims (*geldvorderingen*) only and can only be enforced upon default (*verzuim*) of the obligations secured thereby.

The Issuer is a special purpose entity and has been set up as a bankruptcy remote entity by including non-petition wording in the relevant Transaction Documents. However, it is possible that a Dutch court would deal with a petition for bankruptcy (*faillissement*), notwithstanding that such petition has been presented in breach of a non-petition covenant. Recourse by the Other Parties to the Issuer has been limited to the assets the Issuer may have (excluding for the avoidance of doubt amounts standing to the credit of the Capital Account). It is therefore unlikely that the Issuer will become insolvent. Should the Issuer be subjected to a bankruptcy (*faillissement*), suspension of payments (*surséance van betaling*) or the imposition of special measures (*bijzondere voorzieningen*) within the meaning of Chapter X of the Act on the Supervision of Credit Institutions 1992 (*Wet toezicht kredietwezen 1992*) (each an "**Insolvency Proceeding**" and together the "**Insolvency Proceedings**"), as applicable, the Trustee as pledgee can nevertheless exercise the rights afforded by Dutch law to pledgees as if there were no Insolvency Proceedings. However, Insolvency Proceedings involving the Issuer will affect the position of the Trustee as pledgee in some respects under Dutch law.

First, if and to the extent that assets purported to be pledged by the Issuer to the Trustee, are future assets (i.e. assets that have not yet been acquired by the Issuer or that have not yet come into existence) at the moment Insolvency Proceedings take effect (i.e. at 0:00 hours on the date insolvency is declared), such assets are no longer capable of being pledged by the Issuer (unless the liquidator agrees). This would for example apply with respect to amounts that are paid to the Cash Deposit Account or the Issuer Account following the Issuer's insolvency. As such crediting of the Cash Deposit Account or the Issuer Account would not yet have occurred when

the insolvency takes effect, the resulting receivable of the Issuer vis-à-vis the Cash Deposit Bank or the Issuer Account, as the case may be, would qualify as a future asset as abovementioned. However, if following insolvency, amounts are due to be paid under receivables that have been pledged to the Trustee prior to insolvency, the Trustee as pledgee could through notification to the relevant debtors prevent that such pledged receivables are further discharged through payments to the Cash Deposit or the Issuer Account. The reason for this is that as pledgee it is entitled to collect such receivables itself, i.e. on its own bank account, following notification of the pledge to the relevant debtor.

Secondly, the following mandatory rules of Dutch insolvency law may affect the enforcement of the Trustee's pledges:

1. a statutory stay of execution ('cooling-off period') of two months - with a possible extension by at the most two more months - may be imposed during insolvency proceedings by court order. Such stay of execution does not prevent the Trustee from giving notice to the debtors of any pledged receivables and collecting the proceeds thereof. However, where applicable, it will prevent the Trustee from (i) taking recourse against any amounts so collected during such stay of execution and (ii) selling pledged assets to third parties;
2. the liquidator in bankruptcy can force the Trustee to enforce its security right within a reasonable period of time, failing which the liquidator will be entitled to sell the pledged assets and distribute the proceeds. In such case, the Trustee will receive payment prior to ordinary, non-preferred creditors having an insolvency claim but after creditors of the estate. It should be noted, however, that said authority of the liquidator only aims to prevent a secured creditor from delaying the enforcement of the security without good reason; and
3. excess proceeds of enforcement must be returned to the Issuer in its insolvency; they may not be set-off against an unsecured claim (if any) of the Trustee on the Issuer. Such set-off is in principle allowed prior to the Insolvency Proceedings.

Parallel Debt

On or about the Closing Date the Issuer will grant pledges to the Trustee for the benefit of the Secured Creditors. However, under Dutch law there is no concept of trust and it is uncertain whether a pledge can be granted to a party other than the creditors of the receivables purported to be secured by such pledge. Under Dutch law a 'parallel debt' structure can be used to give a trustee its own, separate, independent right of claim on identical terms as the relevant creditors. For this purpose, the Trust Deed will create a parallel debt of the Issuer to the Trustee, so that the Security can be granted to the Trustee in its own capacity as creditor of the parallel debt. In the Trust Deed it will be agreed that obligations of the Issuer to the Trustee under the parallel debt shall be decreased to the extent that the corresponding principal obligations to the Secured Creditors are satisfied (and *vice versa*). In the Trust Deed the Trustee will agree to act as trustee as abovementioned and will agree:

- (a) to act for the benefit of the Secured Creditors in administering and enforcing the Security; and

- (b) to distribute the proceeds of the Security in accordance with the provisions set out in the Trust Deed.

Any payments in respect of the parallel debt and any proceeds of the Security (in each case to the extent received by the Trustee) are in the case of an insolvency of the Trustee not separated from the Trustee's other assets, so the Secured Creditors accept a credit risk on the Trustee. However, the Trustee is a special purpose trustee entity with no business operations other than the entering into of the Trust Deed, the Security Documents and the transactions and agreements ancillary thereto. It is therefore unlikely to become insolvent.

Considerations Related to the Credit Default Swap

Credit Exposure to Reference Obligors

The amount repayable in respect of the Notes is dependent in part upon whether, and the extent to which, one or more Credit Events have occurred in relation to any Reference Obligor and/or Reference Obligation on or before the Scheduled Redemption Date or, as the case may be, an Early Redemption Date. The occurrence of a Credit Event may affect the yield to maturity of each Class of Notes, the rate of principal repayments on each Class of Notes, the weighted average life of each Class of Notes and ultimately the Issuer's ability to redeem the Notes in full. Accordingly, the Issuer, and therefore the Noteholders, will have exposure to the credit risk of the Reference Portfolio and the Noteholders may lose some or all of the amounts invested in the Notes as a result of Credit Events occurring with respect to all or a portion of the Reference Portfolio. The Credit Protection Payment Amount for a Defaulted Reference Obligation could exceed the Reference Obligation Notional Amount in respect thereof.

Upon a Cash Deposit Draw being required to satisfy a Credit Protection Payment in whole or in part, the aggregate Adjusted Principal Balance of the Notes will be reduced on the relevant Note Payment Date (and in a matter which corresponds to the Collateral liquidated to make such Credit Protection Payment) as follows: first, the Adjusted Principal Balance of the Class F Notes will be reduced until the Adjusted Principal Balance of the Class F Notes is zero; second, the Adjusted Principal Balance of the Class E Notes will be reduced until the Adjusted Principal Balance of the Class E Notes is zero; third, the Adjusted Principal Balance of the Class D Notes will be reduced until the Adjusted Principal Balance of the Class D Notes is zero; fourth, the Adjusted Principal Balance of the Class C Notes will be reduced until the Adjusted Principal Balance of the Class C Notes is zero; fifth, the Adjusted Principal Balance of the Class B Notes will be reduced until the Adjusted Principal Balance of the Class B Notes is zero and, finally, the Adjusted Principal Balance of the Class A Notes will be reduced until the Adjusted Principal Balance of the Class A Notes is zero.

Accordingly, Noteholders will be exposed to the credit risk of the Reference Obligors to the full extent of their investment in the Notes, with the Class F Noteholders being first in terms of such exposure.

A reduction in the aggregate Adjusted Principal Balance on a Class of Notes will affect the relevant Note Interest Amount due and payable on such Class of Notes on a Note Payment Date and the amount of principal ultimately payable on such Class of Notes on a Note Payment Date insofar as interest and principal on a Class of Notes whose Adjusted Principal Balance has been

reduced by the application of liquidated Collateral will only be paid on such Adjusted Principal Balance.

No Legal or Beneficial Interest in Obligations of the Reference Obligors

Under the Credit Default Swap, the Issuer will have a contractual relationship only with the Swap Counterparty and not with any Reference Obligor. Furthermore, the Swap Counterparty will not be, and will not be deemed to be acting as, the agent or trustee of the Issuer in connection with the exercise of, or the failure to exercise, the rights or powers (if any) of the Swap Counterparty arising under or in connection with any Reference Obligation. Consequently, the Credit Default Swap does not constitute a purchase, assignment or other acquisition of any interest in any Reference Obligation (or any Property relating thereto) forming part of the Reference Portfolio. The Issuer and the Trustee, therefore, will have rights solely against the Swap Counterparty in accordance with the Credit Default Swap and will have no recourse against any Reference Obligor or to any Reference Obligations or the relevant Property or, as the case may be, Properties and any other Reference Collateral.

No Actual Loss

On each Note Payment Date, the Issuer is obligated to make payments of amounts equal to the Credit Protection Payments to the Swap Counterparty pursuant to the Credit Default Swap, in respect of Defaulted Reference Obligations where the relevant Credit Protection Payment Amount has been calculated, irrespective of whether the Swap Counterparty has suffered an actual loss. Other than in accordance with the calculation of the Credit Protection Payment Amount and Additional Recovery Amounts pursuant to the Credit Default Swap, the Swap Counterparty is under no obligation to account, and will not account, for any amount that may be recovered in respect of a Defaulted Reference Obligation by the holder thereof after the Liquidation Date in respect thereof.

Replenishment and Substitution

Subject to compliance with certain conditions, the Swap Counterparty will have the right to effect Replenishments or Substitutions in the Reference Portfolio and thus could make changes to the composition of the Reference Portfolio by either adding a new Reference Obligation or by increasing the notional amount of a Reference Obligation which is already in the Reference Portfolio. In respect of any Replenishment, the Reference Obligation Notional Amount of the new Reference Obligation or the increase in the Reference Obligation Notional Amount of an existing Reference Obligation shall be limited to any amount by which the Maximum Reference Portfolio Amount is greater than the Current Portfolio Amount. In respect of any Substitution, the Reference Obligation Notional Amount of the new Reference Obligation or the increase in the Reference Obligation Notional Amount of an existing Reference Obligation shall be limited to the Reference Obligation Notional Amount of the removed Reference Obligation.

Replenishment and Substitution are also subject to the Conditions to Replenishment and the Conditions to Substitution, respectively, including amongst others: (1) in the case of both Replenishment and Substitution, a requirement that as at the relevant Allocation Date any added or increased Reference Obligation complies with the Reference Obligation Eligibility Criteria; (2) that the Reference Portfolio Criteria are satisfied; and (3) in the case of Replenishment only,

that a Replenishment Suspension Event is not subsisting and that a Replenishment Termination Event has not occurred.

Under the Credit Default Swap, the Swap Counterparty will have no obligation to manage the Reference Portfolio by replenishing the Reference Portfolio. Therefore, if a Reference Obligation becomes delinquent but a Credit Event has not occurred or if a Reference Obligor or a Reference Obligation falls out of compliance with the Reference Portfolio Eligibility Criteria, the Swap Counterparty will not have any obligation to remove the relevant Reference Obligation from the Reference Portfolio or replace it with another loan that is not delinquent, or which conforms to the Reference Portfolio Eligibility Criteria. However, to the extent that a Reference Obligation (or part thereof) is found, upon any date upon which a Credit Event has occurred and determination of the Conditions to Credit Protection are being verified, not to have complied with the Conditions to Replenishment or Conditions to Substitution, as applicable, at any Allocation Date for such Reference Obligation (or part thereof), the Swap Counterparty will not be entitled to claim in full for any Credit Protection Payment in respect of the Credit Protection Payment Amount for that Defaulted Reference Obligation and accordingly the Issuer will not have any liability to make payment to the Swap Counterparty in respect thereof insofar as the Reference Obligation Notional Amount relates to such Allocation Date.

Considerations Related to the Reference Portfolio

Defaulted Reference Obligations

Reference Obligors may default on their Reference Obligations. Defaults may occur for a variety of reasons. The Reference Obligations are affected by credit, liquidity and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic or housing conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments, government policies, natural disasters, acts of war or terrorism, civil disturbances and/or any downturn in world or European economic activity. Other factors in Reference Obligors' individual, personal or financial circumstances may affect the ability of Reference Obligors to make the required payments under the Reference Obligations. Loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies by and bankruptcies of Reference Obligors, and could ultimately have an adverse impact on the ability of Reference Obligors to make the required payments under the Reference Obligations. In addition, the ability of a Reference Obligor to sell a Property at a price sufficient to repay the amounts outstanding under the relevant Reference Obligation will depend upon a number of factors, including the availability of buyers for that Property, the value of that Property and property values in general at the time.

Reference Collateral

The Reference Obligations are secured by the Reference Collateral. The Lender of Record, or a servicer on its behalf, may at any time release, or cause to be released, any Reference Collateral if it either (i) in its professional judgement concludes that it is required to do so by applicable law or contractual arrangements, or (ii) does so in the ordinary course of business and in accordance with the then prevailing credit and collection policies and servicing principles (and such release does not result in a breach of the Reference Obligation Eligibility Criteria).

In the event that the Reference Obligor defaults on a Reference Obligation secured by Reference Collateral, the Lender of Record or a servicer on its behalf will enforce the Reference Collateral in accordance with the then prevailing credit and collection policies and servicing principles. However, there is no guarantee that the value of the portion of such Reference Collateral allocable to the Reference Obligation in the context of the enforcement, less external foreclosure costs, will fully cover the outstanding principal on the Reference Obligation.

Yield and Prepayment Considerations

The yield to maturity of the Notes of each Class will depend on, amongst other things, the amount and timing of repayment and prepayment of principal (including prepayments from, amongst other things, sale proceeds arising from a disposal of a Property or, as the case may be, Properties) on the Reference Obligations and the price paid by the holders of the Notes. Such yield may be adversely affected by a higher or lower than anticipated rate of prepayment on the Reference Obligations.

The rate of prepayment of the Reference Obligations cannot be predicted and will be influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, the buoyancy of the Dutch residential mortgage market, the availability of alternative financing, changes in tax law (including but not limited to amendments to mortgage interest tax deductibility), changes in Reference Obligor's behaviour (including but not limited to home-owner mobility), local and regional economic conditions and the level of Replenishments. Therefore, no assurance can be given as to the level of prepayment that will be experienced. An independent decision should be made by prospective Noteholders as to the appropriate prepayment assumptions to be used when deciding whether to purchase any Note.

Limited Provision of Information about the Reference Obligors and the Reference Obligations

Save as disclosed in this Prospectus, none of the Issuer, the Trustee and/or the Noteholders will have the right to know the specific identity of any individual Reference Obligor or the Reference Obligation Notional Amount of any individual Reference Obligation, or to receive information regarding any Reference Obligation, except for the purely statistical data set forth in the Swap Portfolio Report.

The data set forth in the Swap Portfolio Report contain no personal information related to, or capable of interpretation to identify, any Reference Obligor or specific Reference Obligation Notional Amount and the Swap Counterparty will have no obligation to keep the Issuer, the Trustee or the Noteholders informed as to the compliance of any Reference Obligation with the Reference Obligation Eligibility Criteria or as to matters arising in relation to any Reference Obligor or such Reference Obligation, including whether or not circumstances exist under which there is a possibility of the occurrence of a Credit Event.

None of the Issuer, the Trustee or the Noteholders will have the right to inspect any records of the Swap Counterparty and the Swap Counterparty will be under no obligation to disclose any further information or evidence regarding the existence or terms of any Reference Obligation of any Reference Obligor of any matters arising in relation thereto or otherwise regarding any Reference Obligor, any guarantor or any other person.

Historical Information

The historical, financial and other information set out in "*The Reference Portfolio*", including in respect of any delinquency and default rates, represents the historical performance of Dutch residential mortgage loans substantially similar to the Reference Obligations. There can be no assurance that the future performance of the Reference Obligations will be similar to the historical performance of the residential mortgage loans stated in this document.

No Independent Investigations

No investigations, searches or other enquiries have been or will be made by or on behalf of the Issuer, the Trustee, the Lead Manager or the Arranger to verify the details of the Reference Portfolio, any Reference Obligor, any Reference Obligation or any historical information relating to the Reference Portfolio. No representations or warranties have been given by the Issuer in respect of any Reference Obligor or Reference Obligation. No representations or warranties have been given by the Trustee in respect of the Security.

No Recourse to Lender of Record

If any Reference Obligation does not qualify as an Eligible Reference Obligation as at the relevant Allocation Date in respect thereof, then such Reference Obligation will be removed from the Reference Portfolio and the Swap Counterparty shall have the right to effect a Substitution in respect of such removed Reference Obligation.

There is no recourse to the Lender of Record in respect of a breach of a representation or warranty. There is no recourse to the assets of the Lender of Record if a Note Event of Default occurs.

Set-Off by Reference Obligors

The Reference Obligors may be entitled to set off the relevant Reference Obligation against a claim they may have vis-à-vis the Lender of Record (if any), such as counterclaims resulting from a current account relationship and, depending on the circumstances, counterclaims resulting from a deposit made by a Reference Obligor. In the absence of contractual provisions expanding statutory set-off possibilities, mutuality of claims is one of the requirements for set-off to be allowed: the parties, mutually, have to be each other's creditor and debtor.

Some of the standard form mortgage documentation provides for a waiver by the Reference Obligor of his rights of set-off vis-à-vis the Lender of Record. However, the waiver of set-off by a Reference Obligor could be voided pursuant to Dutch contract law and may therefore not be enforceable. If a Reference Obligor invokes set-off (which for the avoidance of doubt does not include the invoking of a Deduction Defence) in respect of amounts due to it by a Lender of Record against the relevant Reference Obligation, this will not constitute a Failure to Pay under the Credit Default Swap.

Insolvency of Insurer; Application of Proceeds

Some of the Reference Obligations relate to a type of mortgage loan agreement or mortgage loan agreements between the Reference Obligor and the Lender of Record which is connected to an insurance agreement between the Reference Obligor and an insurer (an "**Insurer**"). The

insurance agreement relates to a combined risk and savings and/or investment insurance product. The Reference Obligor of such a Reference Obligation does not repay principal during the term of the relevant mortgage loan, but instead, apart from paying a risk premium, pays savings and/or investment premium under the insurance policy. The intention is that at maturity, the principal proceeds of the savings/investment (the "**Proceeds**") can be used to repay the loan, in whole or in part, following pay-out of the Proceeds by the insurer. However, it is possible that the relevant insurer may become insolvent, or subject to emergency regulations, and may not pay out the Proceeds. In cases where the Proceeds are lost and a Reference Obligor is requested to repay the full principal amount of the relevant mortgage loan, the Reference Obligor may invoke defences purporting to establish that an amount equal to the lost Proceeds is deducted from the Reference Obligation he owes to the Lender of Record (a "**Deduction Defence**"). Under the Credit Default Swap:

- (i) a Deduction Defence being invoked does not constitute a Failure to Pay;
- (ii) the Swap Counterparty may designate a Reference Obligation Notional Amount which does not match the principal amount due under the relevant Reference Obligation;
- (iii) to the extent there is a Supplementary Amount in relation to a Defaulted Reference Obligation, Proceeds that originate from payment of savings premium under the relevant insurance policy ("**Savings Proceeds**") will be allocated in respect of the Supplementary Amount and accordingly will not constitute Recoveries in respect of the relevant Defaulted Reference Obligation (unless the amount of the Savings Proceeds exceeds the Supplementary Amount in which case such excess amount will constitute Recoveries in respect of such Defaulted Reference Obligation); and
- (iv) to the extent a Deduction Defence is invoked in relation to a Defaulted Reference Obligation, the equivalent of any Proceeds that originate from payment of investment premium under the relevant insurance policy ("**Investment Proceeds**") will be deducted for the purpose of calculating the relevant Credit Protection Payment Amount.

See "*The Credit Default Swap*".

Reduced Value of Investments

Some of the Reference Obligations relate to a type of mortgage loan agreement between the Reference Obligor and the Lender of Record which is connected to an investment product. The Reference Obligor of such a Reference Obligation does not repay principal during the term of the relevant mortgage loan, but instead invests in the investment product (where applicable combined with a risk and savings insurance product). The intention is that at maturity, the principal proceeds of the investment can be used to repay the loan, in whole or in part. However, it is possible that the value of the investment will have reduced considerably and will be insufficient to repay the loan in full (such shortfall the "**Investment Loss**").

In addition to this general risk, there might in such circumstances be a risk that the Reference Obligor successfully claims that he was not properly informed of the risks involved in making the investment and that therefore he may deduct an amount equal to the Investment Loss from the Reference Obligation he owes to the Lender of Record. For Reference Obligations of this category, the risk that such a claim will be successful cannot be excluded. Said risk largely

depends on which specific information has been provided to the relevant Reference Obligor through sales people and/or sales materials and in this respect it is also relevant whether applicable statutory duties to provide information to prospective investors have been complied with. The Reference Obligation Eligibility Criteria require in relation to any of the Reference Obligations which relates to an Investment Loan where the related investment product is offered by the Lender of Record itself (and not by a third party securities institution or bank), that such investment product has been offered in accordance with all applicable laws and legal requirements prevailing at the time of origination, including those on the information that is to be provided to prospective investors.

Security Rights by Reference Obligors

Some of the Reference Obligations relate to a type of mortgage loan agreement between the Reference Obligor and the Lender of Record which is connected to (i) an insurance policy with a risk, savings and/or investment element or (ii) a securities account. All rights of such a Reference Obligor in respect of such an insurance policy or securities account, as the case may be, have been pledged to the Lender of Record. The above considerations on pledge and insolvency, made in the context of pledges to the Trustee (see "*Risk Factors*", under "*Considerations Related to the Notes*" and under "*Pledges to Trustee*"), apply *mutatis mutandis* to pledges and mortgages by the Reference Obligors.

In particular, under Dutch law it is possible that the receivables purported to be pledged by the Reference Obligors in respect of insurance policies, qualify as future receivables. As mentioned above, if an asset is a future asset at the moment a bankruptcy or suspension of payments takes effect in relation to the relevant pledgor, such assets are no longer capable of being pledged (unless the liquidator would agree). Under Dutch law there is no general rule that is readily applicable to determine whether a claim arising from an insurance policy is an existing or a future claim. As a result, it is uncertain whether and to what extent the pledges of receivables under said insurance policies by the Reference Obligors are effective. In respect of capital insurances (*sommenverzekeringen*) it is likely that the beneficiary's claims against the insurer corresponding with premiums which have already been paid to the insurer are existing claims, while claims relating to periods for which no premiums have yet been paid may very well be future claims. In respect of risk insurances (*schadeverzekeringen*) it is uncertain whether the beneficiary's claim can be characterised as an existing claim before the insured event occurs.

Mortgage on Long Lease

Certain Reference Obligations are secured by a mortgage on a long lease (*erfpacht*). A long lease will, *inter alia*, terminate as a result of expiration of the long lease term (in case of lease for 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 consecutive years or seriously breaches other obligations under the long lease. In case the long lease terminates, the landowner will have the obligation to compensate the leaseholder. In such event the mortgage will, by operation of law, be replaced by a pledge on the claim of the (former) leaseholder on 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.

In cases where a mortgage is vested on long lease, a paragraph is added to the relevant mortgage deed, providing that the relevant loan becomes immediately due and payable in the event the long lease is terminated or the leaseholder has not paid the remuneration or seriously breaches other obligations under the long lease. In the Credit Default Swap, the Swap Counterparty will warrant and represent that when underwriting a loan to be secured by a mortgage on a long lease, the Lender of Record has taken into consideration the conditions of the long lease, including the term thereof in comparison to the proposed term of the loan.

General Risks

Withholding Tax in Respect of the Notes

In the event that any withholding or deduction for or on account of tax is required to be made from payments in respect of the Notes (as to which, see "*Taxation In The Netherlands*"), neither the Issuer nor any other person will be obliged to pay any additional amounts to Noteholders or, if Definitive Notes are issued, Couponholders and/or Receiptholders, or to otherwise compensate Noteholders, or Couponholders and/or Receiptholders, for the reduction in the amounts they will receive as a result of such withholding or deduction. If such a withholding or deduction is required to be made for or on account of any Dutch Tax, the Issuer shall use its reasonable endeavours to mitigate the effects of such withholding or deduction. If the Issuer is unable to mitigate effectively or if to do so would not avoid such withholding or deduction, then on any Note Payment Date under and in accordance with Condition 7(d) (*Redemption, Reductions, Reinstatement and Cancellation - Redemption of the Notes in Whole for Tax Reasons*) the Issuer may redeem (without premium or penalty) all (but not some only) of the Notes (in each case) at their Adjusted Principal Balance, together with accrued but unpaid interest on the Adjusted Principal Balance of the relevant Classes of Notes up to (but excluding) the Note Payment Date on which such redemption occurs.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State. However, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from 1 July 2005, a number of non-EU countries and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts to the Noteholders or to otherwise compensate Noteholders for the reduction in the amounts that they will receive as a result of the imposition of such withholding tax. The Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the directive (if such a state exists).

Taxation - Issuer

A withholding or deduction for or on account of tax other than Dutch Tax may be required to be made in circumstances other than those set out above under the law of countries other than The Netherlands (including countries that are Member States of the EU). The outline in this Prospectus of certain key Dutch taxation issues does not include consideration of any such requirements and the commentary made regarding the EU Savings Directive should not be taken to imply that no other withholding or deduction is or may be applicable on account of non-Dutch tax.

Calculation of Credit Protection Payment Amounts - Valuation

The components of the Credit Protection Payment Amounts will be calculated by the Calculation Agent based on actual losses or, in some cases, valued by reference to Estimated Recoveries (a component of which is the Indexed Foreclosure Value) and Estimated Enforcement Expenses. Therefore, Noteholders are dependent, in some cases, upon such valuation by reference to Estimated Recoveries and Estimated Enforcement Expenses. Such valuation may have the result that the amount calculated in respect of the Credit Protection Payment Amounts, and any resulting Credit Protection Payments, may not represent an exact proxy for actual losses realised in respect of a Defaulted Reference Obligation. However, amounts equal to any Additional Recovery Amounts will be credited to the Synthetic Excess Spread Ledger and may be allocated towards reinstalling any Un-reimbursed Write-offs.

Reliance on Creditworthiness of ABN AMRO as Swap Counterparty

The ability of the Issuer to meet its obligations under the Notes will be dependent upon, amongst other things, receipt of Swap Counterparty Payments which are required to be paid from ABN AMRO in its capacity as Swap Counterparty. If ABN AMRO does not have, at any time, the Swap Counterparty Required Rating, ABN AMRO will be obliged to make a portion of its quarterly Swap Counterparty Payments to the Issuer in advance during any such period. See "*The Credit Default Swap*".

Notwithstanding the obligation of ABN AMRO to pay the Swap Counterparty Payments in advance if the Swap Counterparty does not have at such time the Swap Counterparty Required Rating, if ABN AMRO defaults, for any reason, on its obligation to make the Swap Counterparty Payments which are required to be paid, the Issuer may be unable to make payment of all or a portion of the interest on the Notes, which would constitute a Note Event of Default.

Reliance on Creditworthiness of ABN AMRO as Cash Deposit Bank

The ability of the Issuer to meet its obligations under the Notes will be dependent upon, amongst other things, ABN AMRO for the return of the Cash Deposit in its capacity as Cash Deposit Bank, and payment to the Issuer of any Issuer CD/Repo Income and, if a Repo Agreement is entered into with ABN AMRO, for the repurchase of the Repo Securities pursuant to the Repo Agreement.

If ABN AMRO does not have at any time the Cash Deposit Bank Required Rating and to the extent that it does not provide a guarantor of its obligations that has the Cash Deposit Bank Required Rating or is not replaced with a successor Cash Deposit Bank on substantially the same terms as the Cash Deposit Agreement, the Cash Deposit Bank will be required to notify the Issuer and the Trustee of the same and to arrange for the liquidation of the Cash Deposit and acquisition of Repo Securities under any Repo Agreement.

Potential Conflicts of Interests

ABN AMRO Bank N.V. (acting through its relevant office or branch as the case may be) acts in a number of capacities (i.e. Swap Counterparty, Calculation Agent, Cash Deposit Bank, Cash Administrator, Issuer Account Bank, Stabilising Manager, Arranger, Lead Manager, Principal Paying Agent and Agent) in connection with the transactions contained herein. ABN AMRO Bank N.V., acting in such capacities in connection with such transactions, shall have only the duties and responsibilities expressly agreed to by it in its relevant capacity and shall not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. ABN AMRO Bank N.V., acting in such capacities, in connection with the contemplated transactions, may enter into business dealings, including the acquisition of investment securities as contemplated by the Transaction Documents, from which it may derive revenues and profits in addition to the fees, if any, stated in the Transaction Documents, without any duty to account for such revenues and profits. In particular, the Swap Counterparty may make Substitutions and/or Replenishments without regard to the interests of Noteholders and is not obliged to maintain or improve the credit quality of the Reference Portfolio.

Proposed Changes to the Basel Capital Accord ("Basel")

The Basel Committee on Banking Supervision has published the text of the new capital accord under the title "Basel II: International Convergence on Capital Measurement and Capital Standards: a Revised Framework" (the "**Framework**"). This Framework, which places enhanced emphasis on market discipline and sensitivity to risk, will serve as a basis for national and supra-national rule-making and approval processes to continue and for banking organisations to complete their preparation for the implementation of the Framework during 2007 and 2008. The Framework will be put into effect for credit institutions in Europe via the recasting of a number of prior directives and referred to as the EU Capital Requirements Directive ("**CRD**"), the final text of which has been approved by the EU Council and EU Parliament and has been published pending formal adoption at a date to be determined. The Framework, as published, will, if not amended from its current form when implemented by regulators, affect risk-weighting of the Notes for investors subject to the new Framework following its implementation (whether via the CRD or otherwise by non-EU regulators). Consequently, Noteholders should consult their own advisers as to the consequences to and

effect on them of the application of the Framework, as implemented by their own regulator, to their holding of any Class of Notes. The Issuer is not responsible for informing Noteholders of the effects of the changes to risk-weighting which will result for investors from the adoption by their own regulator of the Framework (whether or not implemented by them in its current form).

Changes in Law and/or Regulatory, Accounting and/or Administrative Practices

The structure of the issue of the Notes and the ratings which are to be assigned to the Notes are based on Dutch and, insofar as the Credit Default Swap is concerned, English law, Dutch regulatory and administrative practice in effect as at the date of this Prospectus, and having due regard to the expected tax treatment of all relevant entities under Dutch tax law. No assurance can be given as to the impact of any possible change in Dutch or English law, regulatory or administrative practices in The Netherlands or to Dutch tax law, or the interpretation or administration thereof.

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

THE REFERENCE PORTFOLIO

Introduction

On 1 November 2005 the Swap Counterparty nominated a pool of 154,379 Receivables secured by Mortgages on Properties located throughout The Netherlands with an aggregate balance of EUR 22,810,661,222.63. From this indicative pool (further details of which are contained in the tables set out below), on 30 November 2005 (the "**Report Date**"), the Swap Counterparty nominated certain of the Receivables to become Reference Obligations and in respect of each Reference Obligation nominated a Reference Obligation Notional Amount (the Reference Portfolio on such date being the "**Initial Reference Portfolio**"). The Initial Reference Portfolio had an aggregate balance of EUR 22,000,000,000 on the Report Date.

The composition of the Reference Portfolio will vary over time and, as a result, the characteristics of the Indicative Pool set forth below are not necessarily indicative of the characteristics of the Initial Reference Portfolio or the Reference Portfolio at any subsequent time. The inclusion of a Reference Obligor or Reference Obligation in the Reference Portfolio (as designated on the Reference Register) does not signify that the Swap Counterparty has any credit exposure to that Reference Obligor or in respect of that Reference Obligation on the Report Date or at any time thereafter.

All of the Reference Obligations included in the Initial Reference Portfolio were originated between 1968 and 2005. The decision to advance any Reference Obligation (subject to obtaining reasonably satisfactory due diligence) was taken in compliance in all material respects with the lending criteria of ABN AMRO prevailing at such time. See "*Mortgage Loan Underwriting and Servicing*".

Eligible Reference Obligations

Each Reference Obligation that is or will be included in the Reference Portfolio is expected to be an Eligible Reference Obligation on the first day of the Reference Period in which it is added to the Reference Portfolio (the "**Allocation Date**"). The Allocation Date for the Reference Obligations in the Initial Reference Portfolio is the Report Date. The Initial Reference Portfolio met the Initial Reference Portfolio Criteria as at the Report Date.

If it is determined that a Reference Obligation (or, as applicable, the relevant part thereof) was not an Eligible Reference Obligation on its Allocation Date, then any such Reference Obligation (or part thereof) shall be removed from the Reference Portfolio and the Swap Counterparty shall have the right to effect a Substitution in respect of such removed Reference Obligation.

If the relevant Reference Obligation (or, as applicable, the relevant part thereof) was not an Eligible Reference Obligation on its Allocation Date, and if a Credit Event has occurred in respect of such Reference Obligation, the Conditions to Credit Protection will not be satisfied and the Swap Counterparty will not be entitled to make any claim under the relevant Credit Default Swap for payment from the Issuer in respect of that Reference Obligation (or, as applicable, relevant part thereof). See "*The Credit Default Swap*".

The mortgage rights securing each Eligible Reference Obligation are vested on a Property. For over a century different municipalities and other public bodies in The Netherlands have used long lease (*erfpacht*) as a system to issue land without giving away the ownership to it. There

are three types of long lease: temporary (*tijdelijk*), ongoing (*voortdurend*) and perpetual (*eeuwigdurend*). A long lease is a right in rem (*zakelijk recht*) which entitles the leaseholder (*erfpachter*) to hold and use a real property (*onroerende zaak*) owned by another party, usually a municipality. The long lease can be transferred by the leaseholder without permission from the landowner being required, unless the lease conditions provide otherwise and it passes to the heirs of the leaseholder in case of his death. Usually a remuneration (*canon*) will be due by the leaseholder to the landowner for the long lease.

The loan products to which the Eligible Reference Obligations relate can be categorised as follows (regardless of the different names used by the Lender of Record to refer to loan products falling under the same category):

1. An interest-only loan (an "**Interest-Only Loan**") is a loan on which only interest is due until maturity. The full principal amount is repayable in one instalment at maturity.
2. An annuity loan (an "**Annuity Loan**") is characterised by equal periodical payments by the Reference Obligor. These payments contain both an interest and a principal component. As with each principal payment part of the Loan is redeemed, the interest component declines after each successive payment. The principal component rises in such a way that the remaining balance of the Loan at maturity will be zero.
3. A linear loan (a "**Linear Loan**") is a loan on which the periodical payment consists of a constant principal component plus an interest component based on the remaining Loan balance. The balance of the Loan is thus being repaid in a straight-line fashion i.e. linear, and will be zero at maturity, while the interest payment declines after each successive payment.
4. An investment loan (an "**Investment Loan**") is, like an Interest-Only Loan, a loan on which only interest is due until maturity. The full principal amount is repayable in one instalment at maturity. To secure the Investment Loan, the Reference Obligor pledges a securities account it maintains with a securities institution or a bank. Under the related securities account agreement, the Reference Obligor pays (on a regular basis) a sum which is invested in a variety of investment funds offered by the securities institution or bank. Upon maturity the investment proceeds are applied towards repayment of the Investment Loan. If the proceeds are insufficient, the relevant Reference Obligor is obliged to make up any shortfall.
5. A life loan or life insurance loan (a "**Life Loan**") is, like an Interest-Only Loan, a loan on which only interest is due until maturity. The full principal amount is repayable in one instalment at maturity. To secure the Life Loan, the Reference Obligor pledges a life insurance policy to the Lender of Record, which is a combined risk and capital insurance policy, if and to the extent that the amount of the relevant Life Loan exceeds 75% of the foreclosure value (*executiewaarde*) of the relevant Property. Under the life insurance policy the Reference Obligor pays premium consisting of (apart from a cost element) a risk and a capital element. There are different types of life insurance policies, depending on the way in which the capital element is invested by the insurer (for example in certain designated investment funds) and the way in which the risk element of the premium is calculated. The insurance proceeds of the life insurance policy are due by the insurer at the earlier of the maturity of the life insurance policy (which is generally thirty years)

and the death of the Reference Obligor, and are applied towards repayment of the Life Loan. If the proceeds are insufficient, the relevant Reference Obligor is obliged to make up any shortfall.

6. A savings loan, savings growth loan or start-sure loan (a "**Savings Loan**") is, like an Interest-Only Loan, a loan on which only interest is due until maturity. The full principal amount is repayable in one instalment at maturity. To secure the Savings Loan, the Reference Obligor pledges a savings insurance policy to the Lender of Record, which is a combined risk and capital insurance policy. Under the savings insurance policy the Reference Obligor pays premium consisting of (apart from a cost element) a risk and a savings element. The savings element is calculated in such a manner that, on an annuity basis, the proceeds of the savings insurance policy due by the insurer are equal to the principal amount due by the Reference Obligor at maturity of the Savings Loan. The insurance proceeds of the savings insurance policy are due at the earlier of the maturity of the savings insurance policy (which is generally thirty years) and the death of the Reference Obligor, and are applied towards repayment of the Savings Loan. If the proceeds are insufficient, the relevant Reference Obligor is obliged to make up any shortfall.

7. A hybrid loan, asset growth loan or life growth loan (a "**Hybrid Loan**") is, like an Interest-Only Loan, a loan on which only interest is due until maturity. The full principal amount is repayable in one instalment at maturity. To secure the Hybrid Loan, the Reference Obligor pledges an insurance policy to the Lender of Record, which is a combined risk and capital insurance policy. For certain loan products of this category (i.e. life growth loans and, depending on the ratio the income of the Reference Obligor bears to the principal amount of the relevant Reference Obligation, the asset growth loans) the pledge is limited to the amount by which the relevant Reference Obligation exceeds the foreclosure value of the relevant Property. Under the insurance policy the Reference Obligor pays premium consisting of (apart from a cost element) a risk and an investment element and, if applicable, a savings element. The Reference Obligor can choose how the insurer should invest investment premiums (from a list of approved investments) and can request the insurer to switch between investments, in whole or in part. For certain loan products of this category (i.e. asset growth loans) the Reference Obligor has the option (and is in certain events obliged) to pay a lump sum amount by way of savings premium. For other products of this category (i.e. hybrid loans and life growth loans), the Reference Obligors are allowed to choose whether they prefer a savings and/or investment element and, subject to certain conditions, to switch between savings and investments, in whole or in part. The insurance proceeds of the insurance policy are due at the earlier of the maturity of the insurance policy (which is generally thirty years) and the death of the Reference Obligor, and are applied towards repayment of the Hybrid Loan. If the proceeds are insufficient, the relevant Reference Obligor is obliged to make up any shortfall.

Insofar as interest on the Reference Obligations is concerned, different floating interest rate periods (1 or 3 months) and fixed interest rate periods (1, 2, 3, 5, 6, 7, 10, 12, 15, 17 and 20, years fixed) may apply. With respect to certain of the fixed interest rate periods the last two years can consist of a so-called reconsider period (*rentebedenktijd*). During such reconsider period the Reference Obligor may choose to reset his rate to the then existing interest rate, for a

new fixed interest rate period. At an interest reset date, the Reference Obligor may opt for a floating rate of interest.

In addition to fixed interest rates and floating interest rates as set out above, buffer interest may apply, in which case a fixed base rate and a margin and a floating interest rate are agreed in the relevant Loan Agreement. The margin equals 1% in the case of an interest rate period of 5 years, 1.8% in the case of an interest rate period of 10 years or 2% in the case of an interest rate period of 15 years. If during the term of the relevant loan the then current floating interest rate:

- (a) exceeds or is lower than the base rate by no more than the margin, then the base rate applies;
- (b) exceeds or is lower than the base rate by more than the margin, then the base rate is increased or decreased with the difference between (a) the base rate plus or minus (as the case may be) the margin and (b) the then current floating interest rate.

For the purpose hereof:

"Eligible Receivable", means a Receivable in respect of a Reference Obligation which complies with the following criteria (as amended from time to time, the **"Reference Obligation Eligibility Criteria"**) as at the relevant Allocation Date:

A. General

1. It is existing, is denominated in euro and is owed by a Reference Obligor resident in The Netherlands at the time of origination of the Reference Obligation who is not employed by the Lender of Record or, if the Reference Obligor is employed by the Lender of Record or any of its subsidiaries (*dochtermaatschappijen*) or participations (*deelnemingen*), the terms and conditions of such Receivable are on commercial, arms' length terms except for the interest percentage.
2. It is governed by Dutch law and the terms and conditions of such Receivable do not provide for the jurisdiction of any court or arbitration tribunal outside The Netherlands.
3. It is secured by a Mortgage on a Property located in The Netherlands which is not the subject of any residential letting and which is occupied by the relevant Reference Obligor since origination (or shortly thereafter) and used mainly for residential purposes.
4. Its nominal amount remains a debt, which has not been paid or discharged by set-off or otherwise, and includes all loan parts (*leningdelen*) granted to the relevant Reference Obligor under the relevant Loan Agreement.
5. The relevant Loan was in all material respects granted in accordance with all applicable laws, legal requirements and the "code of conduct on mortgage loans" (*Gedragcode Hypothecaire Financieringen*) prevailing at the time of origination and met in all material respects the Lending Criteria and all required consents, approvals and authorisations have been obtained in respect of such Loan.
6. The Lender of Record has in all material respects performed all its obligations which have fallen due under or in connection with the relevant Loan Agreement(s) and so far as the Lender of Record is aware, no Reference Obligor has threatened or commenced any

legal action which has not been resolved against the Lender of Record for any failure on the part of the Lender of Record to perform any such obligation.

7. The maximum outstanding principal amount of the Loan from which it results, or the aggregate maximum outstanding amount of all Receivables secured by the same Related Security together, does not exceed EUR 1,500,000.
8. The outstanding principal amount of the Loan from which it results does not exceed 130% of the foreclosure value of the related Property at the time of origination.
9. The transfer of credit risk pertaining to it to the Issuer does not contravene the related Loan Agreement and all required consents (if any) for such transfer have been obtained.

B. Reference Obligors

1. It constitutes a legal, valid and enforceable obligation of the related Reference Obligor and is enforceable against such Reference Obligor in accordance with the terms of the relevant Loan Agreement without any right of rescission, set-off, withholding, suspension, counterclaim or other defence other than those provided for under mandatory rules or applicable law and subject to any limitations arising from bankruptcy, insolvency or any other laws of general application relating to or affecting the rights of creditors generally.
2. So far as the Lender of Record is aware:
 - (i) the relevant Reference Obligor has not asserted and no circumstances exist as a result of which such Reference Obligor would be entitled to assert any counterclaim, right of rescission or set-off, or any defence to payment of any amount due or to become due or to performance of any other obligation due under the related Loan Agreement;
 - (ii) the relevant Reference Obligor is not in material breach, default or violation of any obligation under such Loan Agreement;
 - (iii) the relevant Reference Obligor is not subject to bankruptcy or any other insolvency procedure within the meaning of any applicable insolvency law;
 - (iv) no proceedings have been taken in respect of it by the Lender of Record against the relevant Reference Obligor; and
 - (v) no litigation, dispute or complaint is subsisting, threatened or pending which affects or might affect it or the relevant Reference Obligor which may have an adverse effect on the ability of such Reference Obligor to perform its related obligations.

C. Payments

1. Payments of interest are scheduled to be made monthly.
2. (a) If the Reference Obligation is in the Initial Reference Portfolio, it is not in arrears in relation to more than one monthly payment and at least one payment in respect of such

Receivable has been made on or before the Report Date; or (b) if the Reference Obligation is added to the Reference Portfolio through Replenishment or Substitution, it has been current for at least six months prior to its Allocation Date.

D. Security

3. It is secured by mortgage rights and rights of pledge governed by Dutch law which:
 - (i) constitute valid mortgage rights (*hypothekrechten*) and rights of pledge (*pandrechten*) respectively on the assets which are purported to be the subject of such mortgage rights and rights of pledge and, to the extent relating to mortgage rights, have been entered into the appropriate public register (*Dienst van het Kadaster en de Openbare Registers*);
 - (ii) have first priority (*eerste in rang*) or first and sequentially lower priority; and
 - (iii) were vested for a principal amount outstanding which is at least equal to the principal amount of the related Loan when originated increased with interest, penalties, costs and/or insurance premiums together up to an amount equal to 140% of the principal amount of the related Loan when originated.
4. The consent, licence, approval or authorisation of any person (other than the related Reference Obligor) which was necessary to permit the creation of its Related Security were obtained including the consent of the spouse of such Reference Obligor pursuant to Article 1:88 of the Dutch Civil Code.

E. Valuation

1. The related Reference Obligor was obliged to obtain a building insurance (*opstalverzekering*) for the full reinstatement value (*herbouwwaarde*) of the Property at the time the related Loan was advanced.
2. Except if its principal amount outstanding together with the aggregate principal amount of all other Receivables secured on the same Property did not exceed 50% of the original market value of such Property (calculated on the basis of an assessment by The Netherlands tax authorities on the basis of the Act on Valuation of Real Property (*Wet Waardering Onroerende Zaken*), whereby the foreclosure value is assumed to be equal to 85% of such assessment), the related existing Property concerned was valued when application for the related Loan was made by an independent qualified valuer or surveyor or an employee of the Lender of Record; in relation to Property which was to be constructed or which was under construction at the time of such application, in certain circumstances no valuation is required.

F. Long Lease

If it is secured by a right of mortgage on a long lease (*erfpacht*), the terms of the relevant Loan Agreement provide that the principal amount outstanding of the related Loan, including interest, will become immediately due and payable if (i) the long lease terminates as a result of a breach by the leaseholder, (ii) the leaseholder materially

breaches or ceases to perform its payment obligations under the long lease (canon) or (iii) the leaseholder in any other manner breaches the conditions of the long lease.

G. Specific Products

1. It is related to an Interest-Only Loan, an Annuity Loan, a Linear Loan, an Investment Loan, a Life Loan, a Savings Loan, a Hybrid Loan or any combination of the foregoing.
2. The general conditions applicable to it provide that its principal sum, increased with interest, reimbursements, costs and amounts paid by the Lender of Record on behalf of the related Reference Obligor and any other amounts due by such Reference Obligors to the Lender of Record will become due and payable, *inter alia*, if a Mixed Insurance Policy attached to it is invalid and/or payment of premium under the Mixed Insurance Policy is suspended (*premievrij*) and/or the relevant insurer makes a payment under the Mixed Insurance Policy.
3. If it is related to an Investment Loan and the related investment product is offered by the Lender of Record itself (and not by a third party securities institution or bank), such investment product has been offered in accordance with all applicable laws and legal requirements prevailing at the time of origination, including those on the information that is to be provided to prospective investors.

"Eligible Reference Obligation" means an obligation which corresponds to an Eligible Receivable.

"Lender of Record" means, in respect of a Reference Obligation at any time, the relevant lender in respect of that Reference Obligation at such time.

"Lending Criteria" means, as at the date of origination of a Loan, (i) the Loan Originator's lending criteria applicable to the granting of a Loan to a Reference Obligor as in force as at such date or (ii) lending criteria which are substantially equivalent in all material respects to the Loan Originator's lending criteria in effect on such date.

"Loan" means any loan (including the initial advance and any further advance) or loan part (*leningdeel*) advanced by the Lender of Record to a Reference Obligor pursuant to the terms of a Loan Agreement.

"Loan Agreement" means a mortgage loan agreement between a Lender of Record and a Reference Obligor secured by a right of mortgage (*recht van hypotheek*), including the corresponding notarial deed, pledge deed and set of general terms and conditions in such form as would be acceptable to a Reasonable Prudent Lender.

"Loan Originator" means ABN AMRO.

"Mixed Insurance Policy" means any combined risk and capital (*risico en kapitaal*) insurance policy.

"Mortgage" means a right of mortgage (*recht van hypotheek*) over a Property securing the related Receivable.

"**Property**" means (i) a real property (*onroerende zaak*), (ii) an apartment right (*appartementsrecht*) or (iii) a long lease (*erfpacht*), which is subject to a Mortgage;

"**Reasonable Prudent Lender**" means the Lender of Record, acting in accordance with the standards of a reasonably prudent lender lending Dutch residential mortgage loans to Reference Obligors in The Netherlands.

"**Receivable**" means a registered claim (*vordering op naam*) vis-à-vis a Reference Obligor for repayment of a Loan and includes, where the content so permits, any Related Security.

"**Reference Obligation**" means an obligation which corresponds to a Receivable.

"**Reference Obligor**" means, in relation to an Eligible Reference Obligation, the individual or individuals specified as such in the relevant Loan Agreement together with the individual or individuals (if any) from time to time assuming such Reference Obligation or any part of it.

"**Related Security**" means, with respect to any Receivable, all related accessory rights (*afhankelijke rechten*), ancillary rights (*nevenrechten*), connected rights (*kwalitatieve rechten*) and independently transferable claims (*zelfstandig overdraagbare vorderingsrechten*), including rights of mortgage (*hypothekrechten*), rights of pledge (*pandrechten*), suretyships (*borgtochten*), guarantees, rights to receive interest and penalties, Beneficiary Rights and interest reset rights.

Initial Reference Portfolio Criteria

The Initial Reference Portfolio shall meet the following criteria (the "**Initial Reference Portfolio Criteria**") as at the Report Date:

- (a) all Reference Obligations are Eligible Reference Obligations;
- (b) the aggregate Reference Obligation Notional Amount of all Reference Obligations does not exceed the Initial Reference Portfolio Amount;
- (c) the weighted average current loan to foreclosure value (the "**WACLTFV**") of all Reference Obligations does not exceed 90.93%;
- (d) the aggregate Reference Obligation Notional Amount of all Reference Obligations relating to Interest-Only Loans does not exceed 54% of the Initial Reference Portfolio Amount;
- (e) the aggregate Reference Obligation Notional Amount of all Reference Obligations relating to Investment Loans does not exceed 1.64% of the Initial Reference Portfolio Amount;
- (f) the weighted average seasoning of the Initial Reference Portfolio is not less than 60 months; and
- (g) the aggregate Reference Obligation Notional Amount of all Reference Obligations with a loan to foreclosure value higher than 125% does not exceed 3.5% of the Initial Reference Portfolio Amount.

Reference Portfolio Criteria

No Reference Obligation shall be added to the Reference Portfolio as a result of Replenishment or Substitution if:

- (a) its inclusion would cause the Current Portfolio Amount to exceed the Maximum Reference Portfolio Amount;
- (b) (i) its inclusion would cause the WACLTFV of all Reference Obligations to exceed 90.93% or (ii) if the WACLTFV is already in excess of such level prior to its inclusion, all Reference Obligations to be added at the time of its inclusion have a WACLTFV of less than 90.93%;
- (c) its inclusion would cause the aggregate Reference Obligation Notional Amount of all Reference Obligations relating to Interest-Only Loans in the Reference Portfolio to exceed 59% of the Current Portfolio Amount;
- (d) its inclusion would cause the aggregate Reference Obligation Notional Amount of all Reference Obligations relating to Investment Loans in the Reference Portfolio to exceed 1.64% of the Current Portfolio Amount;
- (e) its inclusion would cause the product of the weighted average loss severity (the "**WALS**") and the weighted average foreclosure frequency ("**WAFF**") of all Reference Obligations in the Reference Portfolio (as determined by S&P) to exceed by more than 0.25% the product of the WALS and WAFF of all Reference Obligations in the Initial Reference Portfolio as at the Report Date (as determined by S&P);
- (f) its inclusion would cause the weighted average seasoning of the Reference Portfolio to be lower than 42 months;
- (g) its inclusion would cause the aggregate Reference Obligation Notional Amount of all Reference Obligations in the Reference Portfolio with a loan to foreclosure value higher than 125% to exceed 3.50% of the Current Portfolio Amount;
- (h) its inclusion would cause the aggregate Reference Obligation Notional Amount of all Reference Obligations added to the Reference Portfolio in the current calendar year to exceed 20% of the Current Portfolio Amount;
- (i) its inclusion would cause the aggregate Reference Obligation Notional Amount of all Reference Obligations in the Reference Portfolio which relate to Properties located in any one of Noord-Brabant, Noord-Holland and Zuid-Holland to comprise an amount greater than 40% of the Current Portfolio Amount;
- (j) its inclusion would cause the aggregate Reference Obligation Notional Amount of all Reference Obligations in the Reference Portfolio which relate to Properties located in any one of Overijssel, Gelderland, Limburg or Utrecht to comprise an amount greater than 30% of the Current Portfolio Amount; or
- (k) its inclusion would cause the aggregate Reference Obligation Notional Amount of all Reference Obligations in the Reference Portfolio which relate to Properties located in any one of Drenthe, Flevoland, Friesland, Groningen or Zeeland to comprise an amount greater than 20% of the Current Portfolio Amount,

(together, the "**Reference Portfolio Criteria**").

Description of the Initial Reference Portfolio

The following tables set out information in respect of the pool of Loans as at 1 November 2005 (the "**Indicative Pool**") from which the Initial Reference Portfolio was selected. On 30 November 2005 (the "**Report Date**") the Swap Counterparty nominated the Initial Reference Portfolio from the pool described below and will nominate a Reference Obligation Nominal Amount for each Reference Obligation. The Initial Reference Portfolio met the Initial Reference Portfolio Criteria on the Report Date.

Investors should note that the principal balances described in the tables below refer to the total principal balances of the Loans. However, the Reference Obligation Notional Amount designated by the Swap Counterparty in respect of each Loan will not include an amount equal to any Savings Proceeds in respect of such Loan (if any). This means that the total principal balance of the Loans indicated in the tables may exceed the Reference Obligation Notional Amount designated to such Loan after deducting the amount equal to the Savings Proceeds. As of 1 November 2005, the aggregate balance of Savings Proceeds relating to the Indicative Pool described below was EUR 285,400,000.

General Portfolio Characteristics

Outstanding Principal balance (before savings) (EUR)	22,810,661,223	Number of Loan Parts	256,348
Maximum Loan (EUR)	1,500,000	Number of Borrowers	153,758
Minimum Loan (EUR)	10,000	Average Balance by Borrower (EUR)	148,354
Weighted Average Seasoning (months)	60.87	Maximum Borrower Exposure (EUR)	1,948,291
Weighted Average Current Loan to Recorded Foreclosure Value	90.93	Minimum Borrower Exposure (EUR)	10,000
Weighted Average Coupon	4.89		

Seasoning

Months from origination	Principal Outstanding (EUR)	Principal %	# Parts	# Parts %
<= 006	2,214,273,458	9.7%	19,404	7.6%
> 006 <= 012	1,424,041,632	6.2%	13,212	5.2%
> 012 <= 018	1,330,874,800	5.8%	12,206	4.8%
> 018 <= 024	1,207,496,902	5.3%	11,473	4.5%
> 024 <= 030	1,138,824,788	5.0%	10,883	4.2%
> 030 <= 036	868,945,769	3.8%	8,974	3.5%
> 036 <= 042	1,199,698,561	5.3%	11,478	4.5%
> 042 <= 048	1,376,770,801	6.0%	13,169	5.1%
> 048 <= 054	915,491,888	4.0%	9,114	3.6%
> 054 <= 060	758,296,180	3.3%	7,809	3.0%
> 060 <= 066	822,969,743	3.6%	8,483	3.3%
> 066 <= 072	1,006,446,223	4.4%	10,976	4.3%
> 072 <= 078	1,658,162,352	7.3%	17,932	7.0%
> 078 <= 084	1,382,243,065	6.1%	15,749	6.1%
> 084 <= 090	1,282,849,220	5.6%	15,493	6.0%
> 090 <= 096	759,296,251	3.3%	9,914	3.9%
> 096 <= 102	690,288,415	3.0%	9,756	3.8%
> 102 <= 108	415,932,120	1.8%	6,145	2.4%
> 108 <= 114	299,473,235	1.3%	4,757	1.9%
> 114 <= 120	218,247,399	1.0%	3,674	1.4%
> 120	1,840,038,420	8.1%	35,747	13.9%
Total	22,810,661,223	100.0%	256,348	100.0%

Mortgage Type

Mortgage type	Principal Outstanding (EUR)	Principal %	# Parts	# Parts %
Annuity	822,180,965	3.6%	15,453	6.0%
Hybrid	5,128,078,109	22.5%	44,887	17.5%
Interest Only	12,307,766,259	54.0%	147,987	57.7%
Investment	374,382,586	1.6%	1,961	0.8%
Life	2,581,088,112	11.3%	24,207	9.4%
Linear	131,795,520	0.6%	2,161	0.8%
Savings	1,465,369,670	6.4%	19,692	7.7%
Total	22,810,661,223	100.0%	256,348	100.0%

Interest Rates

Mortgage Interest Rates	Principal Outstanding (EUR)	Principal %	# Parts	# Parts %
< 2,5	3,629,559	0.0%	11	0.0%
>= 2,5 & < 3,5	1,954,647,995	8.6%	18,040	7.0%
>= 3,5 & < 4,5	6,698,276,501	29.4%	72,032	28.1%
>= 4,5 & < 5,5	6,702,022,685	29.4%	74,503	29.1%
>= 5,5 & < 6,5	5,880,959,938	25.8%	69,240	27.0%
>= 6,5 & < 7,5	1,418,184,441	6.2%	19,809	7.7%
>= 7,5 & < 8,5	142,505,004	0.6%	2,553	1.0%
>= 8,5	10,435,100	0.0%	160	0.1%
Total	22,810,661,223	100.0%	256,348	100.0%

Interest Reset Date

Interest Date Reset Date (months from now)	Principal Outstanding (EUR)	Principal %	# Parts	# Parts %
<= 006	1,305,895,071	5.7%	14,727	5.7%
> 007 <= 012	1,393,456,906	6.1%	15,553	6.1%
> 012 <= 018	870,696,923	3.8%	11,032	4.3%
> 018 <= 024	848,863,600	3.7%	11,174	4.4%
> 024 <= 030	1,082,586,269	4.7%	14,213	5.5%
> 030 <= 036	1,921,542,876	8.4%	23,082	9.0%
> 036 <= 042	1,881,252,768	8.2%	22,157	8.6%
> 036 <= 048	2,315,085,572	10.1%	25,616	10.0%
> 048 <= 054	1,612,706,310	7.1%	17,478	6.8%
> 054 <= 060	1,371,098,320	6.0%	13,749	5.4%
> 060 <= 066	785,206,940	3.4%	8,652	3.4%
> 066 <= 072	997,560,329	4.4%	10,201	4.0%
> 072 <= 080	849,658,329	3.7%	8,950	3.5%
> 080 <= 086	433,540,694	1.9%	4,822	1.9%
> 086 <= 092	500,755,074	2.2%	5,650	2.2%
> 092 <= 100	824,546,851	3.6%	9,216	3.6%
> 100 <= 106	802,817,366	3.5%	8,549	3.3%
> 106 <= 112	568,200,245	2.5%	5,925	2.3%
> 112 <= 120	1,141,536,483	5.0%	10,506	4.1%
> 120	1,303,654,297	5.7%	15,096	5.9%
Total	22,810,661,223	100.0%	256,348	100.0%

Maturity Profile

Months to Maturity	Principal Outstanding (EUR)	Principal %	# Parts	# Parts %
<= 006	10,846,652	0.0%	316	0.1%
> 006 <= 012	10,927,424	0.0%	301	0.1%
> 012 <= 018	15,648,813	0.1%	400	0.2%
> 018 <= 024	16,723,235	0.1%	435	0.2%
> 024 <= 030	32,146,395	0.1%	827	0.3%
> 030 <= 036	31,635,228	0.1%	890	0.3%
> 036 <= 042	40,543,501	0.2%	1,046	0.4%
> 042 <= 048	38,082,568	0.2%	908	0.4%
> 048 <= 054	38,010,313	0.2%	876	0.3%
> 054 <= 060	27,771,814	0.1%	657	0.3%
> 060 <= 066	34,228,282	0.2%	801	0.3%
> 066 <= 072	27,777,182	0.1%	647	0.3%
> 072 <= 078	35,855,056	0.2%	744	0.3%
> 078 <= 084	36,334,834	0.2%	786	0.3%
> 084 <= 090	43,332,330	0.2%	965	0.4%
> 090 <= 096	53,737,371	0.2%	1,147	0.4%
> 096 <= 102	55,406,593	0.2%	1,174	0.5%
> 102 <= 108	63,898,653	0.3%	1,271	0.5%
> 108 <= 114	52,881,024	0.2%	1,018	0.4%
> 114 <= 120	67,778,582	0.3%	1,241	0.5%
> 120	22,077,095,373	96.8%	239,898	93.6%
Total	22,810,661,223	100.0%	256,348	100.0%

Outstanding Balance

Outstanding balance (on a loan basis)	Principal Outstanding (EUR)	Principal %	# Loans	# Loans %	# Borrowers
< 50,000	776,210,846	3.4%	24,75	16.0	24,739
>= 50,000 & < 100,000	2,694,315,22	11.8%	35,775	23.2	35,730
>= 100,000 & < 150,000	4,199,532,62	18.4%	33,949	22.0	33,885
>= 150,000 & < 200,000	4,106,457,70	18.0%	23,864	15.5	23,797
>= 200,000 & < 250,000	3,278,922,79	14.4%	14,842	9.6%	14,781
>= 250,000 & < 300,000	2,125,586,65	9.3%	7,882	5.1%	7,826
>= 300,000 & < 400,000	2,458,507,76	10.8%	7,317	4.7%	7,226
>= 400,000 & < 500,000	1,307,260,66	5.7%	3,035	2.0%	2,977
>= 500,000 & < 600,000	685,737,179	3.0%	1,318	0.9%	1,264
>= 600,000 & < 700,000	452,657,403	2.0%	744	0.5%	705
>= 700,000 & < 800,000	274,901,107	1.2%	389	0.3%	371
>= 800,000 & < 900,000	142,932,481	0.6%	182	0.1%	170
>= 900,000 & < 1,000,000	104,035,234	0.5%	121	0.1%	111
>= 1,000,000 & < 1,250,000	146,314,548	0.6%	159	0.1%	135
>= 1,250,000 & < 1,500,000	57,288,996	0.3%	51	0.0%	41
Total	22,810,661,2	100.0	154,379	100.	153,758

Geographical distribution

Region	Principal Outstanding (EUR)	Principal %	# Loans	# Loans %
Postcode to be allocated	40,850,357	0.2%	277	0.2%
Drenthe	614,020,019	2.7%	4,881	3.2%
Flevoland	501,130,100	2.2%	3,551	2.3%
Friesland	631,288,835	2.8%	5,408	3.5%
Gelderland	2,596,598,913	11.4%	17,947	11.6%
Groningen	739,423,333	3.2%	6,746	4.4%
Limburg	1,275,661,101	5.6%	9,264	6.0%
Noord-Brabant	3,358,166,185	14.7%	22,627	14.7%
Noord-Holland	4,310,519,996	18.9%	25,751	16.7%
Overijssel	1,328,113,996	5.8%	10,418	6.7%
Utrecht	1,992,961,621	8.7%	12,084	7.8%
Zeeland	406,483,733	1.8%	3,511	2.3%
Zuid-Holland	5,015,443,032	22.0%	31,914	20.7%
Total	22,810,661,223	100.0%	154,379	100.0%

Outstanding Construction Deposits

Range Outstanding Deposit (EUR)	Principal Outstanding (EUR)	# Loans	Deposit Outstanding (EUR)
< 5,000	22,294,017,270	152,691	-917,525
>= 5,000 & < 7,500	51,017,182	217	-1,298,013
>= 7,500 & < 10,000	35,379,982	142	-1,215,305
>= 10,000 & < 15,000	62,310,122	257	-3,050,459
>= 15,000 & < 20,000	51,983,419	186	-3,165,075
>= 20,000 & < 25,000	37,012,728	133	-2,866,682
>= 25,000 & < 30,000	27,195,377	91	-2,434,606
>= 30,000 & < 35,000	22,365,812	81	-2,573,178
>= 35,000 & < 40,000	15,994,546	53	-1,974,369
>= 40,000 & < 50,000	27,049,432	87	-3,839,374
>= 50,000 & < 60,000	25,779,719	67	-3,593,369
>= 60,000 & < 70,000	19,551,142	55	-3,537,696
>= 70,000 & < 80,000	11,413,673	36	-2,649,815
>= 80,000 & < 90,000	9,979,638	26	-2,194,753
>= 90,000 & < 100,000	12,405,632	33	-3,128,894
>= 100,000 & < 150,000	42,004,689	102	-12,485,177
>= 150,000 & < 200,000	27,383,078	58	-9,976,474
>= 200,000 & < 250,000	15,571,772	30	-6,646,400
>= 250,000 & < 300,000	6,873,658	14	-3,825,284
>= 300,000 & < 400,000	6,958,699	11	-3,754,264
>= 400,000 & < 500,000	5,414,644	6	-2,562,624
>= 500,000 & < 600,000	2,999,008	3	-1,610,815
Total	22,810,661,223	0.1%	-79,300,151

Property Type

Property Type	Principal Outstanding (EUR)	Principal %	# Loans	# Loans %
Apartment	2,083,068,082	9.1%	16,202	10.5%
Apartment w/ garage	64,284,008	0.3%	313	0.2%
Single family house	19,606,862,064	86.0%	133,466	86.5%
Single family house with garage	1,056,447,068	4.6%	4,398	2.8%
Total	22,810,661,223	100.0%	154,379	100.0%

Current Loan to Recorded Foreclosure Value

Current Loan to Recorded Foreclosure Value	Principal Outstanding (EUR)	Principal %	# Loans	# Loans %
<= 25%	270,189,865	1.2%	7,896	5.1%
> 25% & <= 50%	1,831,353,186	8.0%	25,012	16.2%
> 50% & <= 60%	1,675,222,198	7.3%	14,789	9.6%
> 60% & <= 70%	2,011,636,351	8.8%	15,128	9.8%
> 70% & <= 80%	2,927,632,703	12.8%	18,335	11.9%
> 80% & <= 90%	1,510,579,439	6.6%	9,140	5.9%
> 90% & <= 100%	2,487,787,788	10.9%	13,900	9.0%
> 100% & <= 110%	2,141,081,204	9.4%	11,116	7.2%
> 110% & <= 120%	2,862,022,177	12.5%	13,612	8.8%
> 120% & <= 125%	4,393,729,901	19.3%	21,448	13.9%
> 125% & <= 130%	699,426,410	3.1%	4,003	2.6%
Total	22,810,661,223	100.0%	154,379	100.0%

OVERVIEW OF THE DUTCH RESIDENTIAL MORTGAGE MARKET

The Dutch housing market has been relatively stable compared to certain other European Union countries and has not experienced any drastic downturns like for example the United Kingdom. However, when comparing the Dutch housing market to other European Union countries, some differences are apparent.

The Netherlands have a low level of owner occupancy. Currently, approximately 54% of all houses are occupied by their owners, compared to 42% in 1982. The average level of house ownership for all EU countries is 64%. Table 1 below shows the growth of the total Dutch residential property and the proportion of those that are owner occupied.

Table 1. Total dwelling and percentage owner occupied

Year	Total dwelling property (millions)	Owner occupied (in %)
1948	2.1	28.0
1957	2.6	29.0
1964	3.1	34.0
1971	3.8	35.0
1976	3.9	41.0
1982	5.0	42.0
1985	5.3	42.7
1990	5.8	45.2
1994	6.2	48.0
1995	6.3	48.8
1996	6.4	49.5
1997	6.4	50.5
1998	6.5	50.8
1999	6.6	51.9
2000	6.6	52.2
2001	6.7	52.6
2002	6.7	53.0
2003	6.8	53.4
2004	6.9	53.7

Source: CBS/VROM/WBO

Characteristics of Dutch Mortgages

The Netherlands allow full deduction of mortgage interest payments for income tax. A condition to deductibility of interest in The Netherlands is owner occupancy of the property. In addition to this the period for allowed deductibility is restricted to a term of 30 years. From 1 January 2004, it is also no longer allowed, after a refinancing, to deduct interest payable on the equity extractions.

Due to the fiscal incentives mentioned above, the most common mortgage types in The Netherlands are interest-only, annuity, linear, savings, life and investment mortgages or a combination of these. Under the savings, life and investment types of mortgages no principal is repaid during the term of the contract. Instead, the Reference Obligor makes payments in a

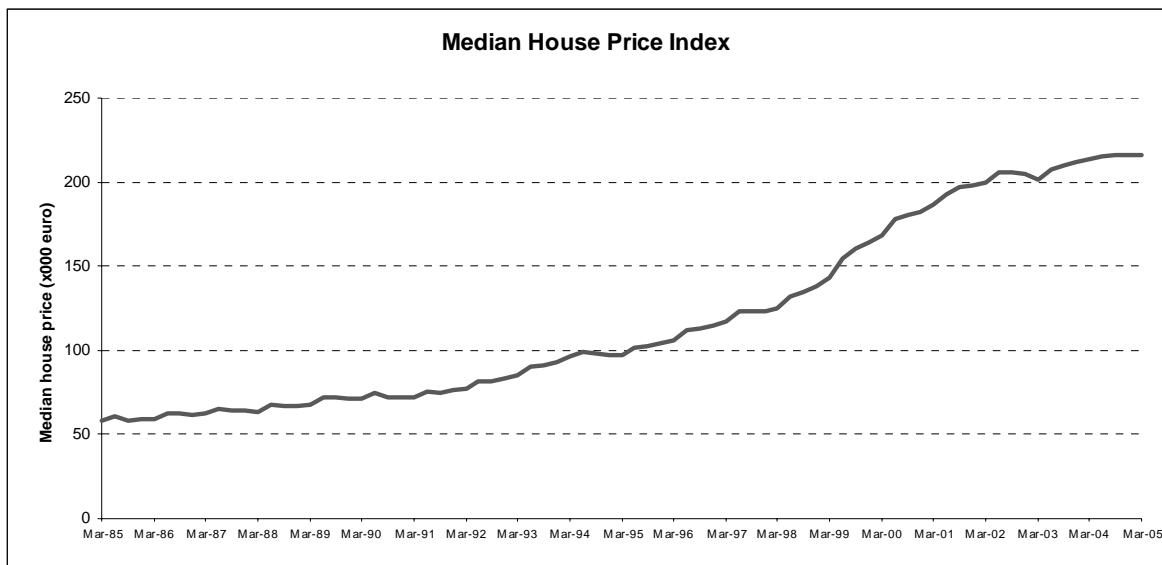
saving account, endowment insurance or investment fund. Upon maturity, amounts available pursuant to the savings accounts, the insurance contract or the investment funds are available to repay the mortgage.

The combination of an attractive fiscal regime, generally long periods of fixed interest rates and attractive repayment arrangements lead to advances of up to 130% of the foreclosure value. The foreclosure value (*executiewaarde*) of properties in The Netherlands amounts to approximately 85% of the market value of such properties.

Prepayment rates in The Netherlands are relatively low, mainly due to prepayment penalties that are incorporated in mortgage contracts. Penalties are generally calculated as the net present value of the interest loss to the lender upon prepayment. Another reason for low prepayment rates in The Netherlands is the relatively small number of relocations in The Netherlands for work-related reasons due to the small size of the country.

House Price Developments

After a housing recession during 1978-1982 house prices in The Netherlands have steadily increased. The graph below, shows the house price developments for the last twenty (20) years. These percentages are derived from the Dutch Association of Real Estate Agencies (*Nederlandse Vereniging van Makelaars* or "NVM"). Although the rate of increase of median house prices have slowed down in the past two to three years, there is still a positive trend.



Source: NVM

Price movements of properties in The Netherlands stem from developments on both the demand and supply side of the market.

Demand

Several factors contribute to housing demand:

1. The expected level of borrowing costs and the changes in tightness of mortgage lending standards have been very decisive factors for housing demand. In the second half of the nineties Dutch mortgage rates decreased and have since stabilised.

2. The trend in housing rents as compared to mortgage debt servicing costs is relevant. In The Netherlands, the rise in rents accelerated in the early nineties as a result of government policy directed at making the subsidised rental sector cost-effective. This has increased the attractiveness of owner-occupied properties.
3. Demographic trends, such as the composition of households and population growth, have influenced the demand for housing. In The Netherlands, the number of single-person households has doubled in the past twenty five (25) years.
4. Finally, the economic climate can be a factor that influences housing demand. Dutch GDP growth had been low during the last few years. However, low and stable interest rates are expected to (partly) outweigh the negative influence of the currently less than favourable economic climate. According to the Central Bureau of Statistics, GDP in the first quarter of 2005 was 0.5% lower than the first quarter of 2004.

Supply

On the supply side, the following factors are of influence:

1. Building costs, including labour and materials, and house and land prices are the main determinants.
2. The Dutch government supports the sale of rental houses to occupants. The Dutch government strives to attain owner occupancy at the target level of 65%.
3. The last determining factor of housing supply in The Netherlands is demolition. The number of demolished properties has been fairly constant over the past decade.

Mortgage Loan Market

Dutch residential mortgages have shown solid performance in the past few decades, even in 1979-1982 recession losses remained below 0.25%. Currently default losses are showing an upward trend due to a weakening economy and a slowdown in house price increases.

However, a number of factors can be mentioned that contribute to the strong performance of Dutch mortgages:

1. Very low defaults due to low unemployment rates, a strong cultural aversion to default and a supportive social security regime;
2. Legal ability of lenders in foreclosure to access borrowers' wages or seize their other assets;
3. Quality of mortgage servicing; and
4. Relatively conservative underwriting criteria including checking comprehensive credit bureau data (BKR).

Market parties

Banks are the main mortgage lenders in The Netherlands, followed by insurance companies and other financial institutions such as pension funds and building societies.

MORTGAGE LOAN UNDERWRITING AND SERVICING

Origination

ABN AMRO's mortgage origination process combines a centralised origination system with branch level input. The mortgage origination policy (regarding e.g. pricing, underwriting, loan limits) is determined by a central unit of ABN AMRO. The regional offices are involved in client contacts and the approval of individual mortgage proposals. The handling of a client's mortgage application is under the responsibility of these regional offices up to the point of final approval. From that point onwards the Central Mortgage Administration ("**CHA**") used to handle the mortgage application and the mortgage files (such as contact with the civil law notary and collecting the mortgage deeds). The tasks of CHA have now been transferred to Stater Nederland B.V. ABN AMRO aims to provide consistent execution of the underwriting process, while allowing for branch input to reflect client knowledge. This is consistent with ABN AMRO's objective of life-cycle banking, which attempts to build on-going relationships with clients.

Currently, ABN AMRO's mortgage business in The Netherlands is organised into 6 geographic regions (Oost, Midden, Noord, Amsterdam, Rotterdam, and Zuid). The regional desks support the branch based mortgage specialists in each region by entering borrower information into the HYPOP system, maintaining customer files, processing borrower payments, and sending statements and confirmations to the customers. Call centres do not handle any mortgage applications themselves. Instead, such mortgage applications will be passed on to the relevant regional desk.

In addition to the branch level activity, ABN AMRO originates mortgages through local brokers. Each regional desk has a section dedicated to the local broker channel. ABN AMRO has extensive information about its mortgages available on its website for information purposes only, but no mortgage applications are taken through this channel.

Underwriting

For all channels of origination, ABN AMRO carries out the mortgage underwriting according to guidelines set by central management. In addition to the property type and valuation, three key underwriting criteria include the mortgage loan to income ratio ("*Woonquote*"), the loan to value ratio, and the results of a credit check at the *Bureau Krediet Registratie* located in Tiel, The Netherlands ("**BKR**"). The *Woonquote* is the percentage of income that indicates the maximum cost in interest and instalments to be spent on mortgages by customers. For borrowers with lower credit strength, the *Woonquote* is based on the strict criteria of the 'NHG' scheme ("*Nationale Hypotheek Garantie*"). In The Netherlands, LTFV equals the Loan to Foreclosure Value ("**LTFV**"). The foreclosure value (*executiewaarde*) of a property ("**Foreclosure Value**") is generally between 85% to 90% of the market value of such property.

All exceptions to the mortgage underwriting criteria must be approved by the various regional desks in so far as concerns pricing or, to the extent concerning any other requests, AAH (ABN AMRO Hypotheken N.V., Head office Amsterdam). In normal circumstances the turn-around from origination to approval/rejection takes about a week.

For all mortgage products, where the LTFV is greater than 100%, life insurance of the borrower(s) is required. In these cases, a negative medical report can result in the rejection of the application.

Operationally the process rests upon a browser based advisory system (the HAAI system which contains a credit scoring model). It combines product information and automated underwriting in a single front-end system. Mortgage advisers at the branch level input a client's details into the system via local terminals. The system, in response, provides a preliminary list of suitable products. The mortgage adviser is able to tailor details such as interest rate profile and term to meet a client's needs. From this input, the system is able to generate an automated underwriting decision in principal. The system will rate an application green (acceptable), yellow (exception, to be submitted for referral), or red (rejected). This is solely an agreement in principal, and is subject to the documentation check and approval by the mortgage adviser. Applications will be accepted or rejected by the advisers within a two-week period. The offer is valid for two weeks. The mortgage loan is then disbursed within 3 months thereafter.

Property Valuation Procedures

All properties require a valuation prior to the final approval of the mortgage request. The appraisal report must be drawn up by a bank approved estate-agent or property appraiser, who is independent of the borrower and the transaction and comes from the region in which the property is located. If the principal amount of a mortgage loan does not exceed 50% of the costs of obtaining the relevant property or the building costs of the relevant property, a valuation can be performed by an employee of the branch office. All appraisal reports must be less than one year old, include a recent photograph of the property and contain the following information:

- (a) Open market value - the current price that the dwelling could command if offered on the housing market.
- (b) Value under foreclosure - value of the property under a compulsory sale if the borrower cannot fulfil his/ her mortgage obligations; this value tends to be approximately 85-90% of the open market value.
- (c) In certain cases: Reconstruction Value - chiefly relevant for homeowner's insurance, this figure is based on the value and the type of property in the event of its destruction.

Since 2001 a new standardised model for appraisal report has been implemented in The Netherlands to ensure consistency across all valuations. It used for appraisals conducted by real estate agents, valuation agencies (NVM, VBO, RVT, LMVT), and mortgage lenders.

If immediate maintenance work is required, the appraisal should include an estimate of the costs and indicate if the costs will exceed 10% of the open market value.

If the principal amounts outstanding of all receivables secured on the same Property did not exceed 50% of the market value, valuation was made on the basis of an assessment by The Netherlands tax authorities on the basis of the Act on Valuation of Real Property ("*Wet Waardering Onroerende Zaken*"), whereby the market value is assumed to be equal to 85% of such assessment and in respect of any other mortgage loans, each Property concerned was valued when application for a mortgage loan was made by an independent qualified valuer, or surveyor or by an employee of the Originator.

Acceptance and Pre-Funding Controls

The branches have read-only access to HYPOP (the central mortgage administration). Upon acceptance of a mortgage by a borrower, an output report is sent to the regional desks, which check the information against the customer file. An additional check is operated at branch level and by the borrower when a formal notification of mortgage conditions is sent out. The money together with the definite terms of the mortgage deed are sent to the civil law notary. The civil law notary can only deliver the money to the borrower after the mortgage deed is duly signed.

Insurance

The borrower is required to take out an insurance in respect of the Property against risk of fire and other accidental damage for the full restitution of the value thereof. Most well established insurance companies in The Netherlands are accepted.

Security

Each mortgage loan is secured in principal by a first priority right of mortgage in the form of a notarial deed, which is duly registered with the Property Register at the Land Registry (*Kadaster*). When a mortgage deed is first presented for registration an entry to this effect is made to the Property Register. This entry establishes priority over any subsequent claims, encumbrances and attachments, in respect of the relevant property.

Servicing

All mortgage loans are administered and serviced for ABN AMRO by Stater Nederland B.V., a wholly owned subsidiary of ABN AMRO. Duties include issuing statements, payments processing, and the early stages of delinquency collections.

Payment Processing

The HYPOP System generates customer statements and monitors monthly payments. Approximately 98.5% of all payments are received by direct debit, a fully automated collection from the customer's account regardless of whether it is domiciled with ABN AMRO or held at another institution. The remaining 1.5 % of accounts use self payments in which the customer must initiate a formal payment request to transfer funds to the mortgage payment account. The term of payment is monthly in arrears. Mortgage payments are due for value on the first day of each month.

Arrears Management

Arrears management is performed via an automated process centrally executed by ABN AMRO's F&S credit department. It runs for up to a maximum of four months before hand-over to the special servicer.

Every month, 5 days after the due date, the system checks whether the payment is received. If not, the delinquency process starts. Every month a reminder is generated by HYPOP and sent to the customer. If an arrangement is made with the customer it is recorded and monitored in the HYPOP-system. In addition to the HYPOP generated reminder letters, local branch officers may contact delinquent customers to reach arrangements. Foreclosure procedures will

commence after a delinquency period of about four months. This process is handled by Solveon Incasso B.V., a 100% subsidiary of ABN AMRO.

Solveon Incasso B.V.

Solveon Incasso B.V. effects the settlement and collection of unpaid debts to ABN AMRO. Solveon Incasso B.V. is as of the date of this Prospectus a 100 per cent. subsidiary of ABN AMRO. Solveon Incasso B.V. processes delinquent loans for ABN AMRO's consumer and small business operations in The Netherlands, including the mortgage business. In doing so, Solveon Incasso B.V. aims to minimise the losses incurred by ABN AMRO. Solveon Incasso B.V.'s operating philosophy combines standardisation (guidelines and fixed processes and procedures), efficiency (use of IT and outsourcing), and specialisation to conduct its business.

Hand-over to the special servicer Solveon Incasso B.V. from the branch network takes place between 90-120 days from the moment on which payment under the relevant Loan are due but remain unpaid. This hand-over process follows arrears management. Solveon Incasso B.V. summons the client within one week. Within one month past this summoning ("*aanmaning*") the mortgage is claimed. The Property is put to auction by the notary one month after the claim. The finalising of the auction happens between 3 to 6 months after summoning, followed by receipt of the auction proceeds within 6 weeks.

In over 65 per cent. of the files Solveon Incasso B.V. agrees a settlement with the client in the beginning of the process. If a settlement is not possible Solveon Incasso B.V. claims the Mortgage and aims at a private sale. If the client does not co-operate the notary is instructed to auction the Property.

The whole process normally takes less than one year.

THE ISSUER

Introduction

The issuer of the Notes is Shield 1 B.V. (the "**Issuer**"), incorporated on 7 December 2005 as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its corporate seat (*statutaire zetel*) in Amsterdam, The Netherlands and its registered office at Frederik Roeskestraat 123 1HG, 1076 EE Amsterdam, The Netherlands and registered with the Trade Register of the Chamber of Commerce in Amsterdam, The Netherlands under number 34237723. The telephone number of the Issuer is +31 20 577 1177 and the fax number of the Issuer is +31 20 577 1188.

Principal Activities

The Issuer's articles of association have a restrictive objects clause allowing the Issuer the following activities:

- (a) to raise funds through, *inter alia*, borrowing under loan agreements, issuing notes or other debt instruments, entering into financial derivatives or otherwise;
- (b) to invest and put out funds obtained by the company in, *inter alia*, (interests in) loans, bonds, debt instruments and other evidences of indebtedness, shares, warrants, other similar securities and financial derivatives;
- (c) to enter into credit default swap agreements and repurchase agreements in respect of securities acquired by the Issuer;
- (d) to grant security for the company's obligations and debts;
- (e) to obtain, to hold, to transfer, encumber and otherwise dispose of assets whether or not embodied in securities or bonds and to exercise all accessory and ancillary rights connected thereto; and
- (f) to enter into agreements, including, but not limited to, bank, securities, cash administration, custody and asset management agreements in connection with the objects mentioned under (a) through (e) above.

The Issuer has not engaged since its incorporation, and will not engage whilst the Notes remain outstanding, in any material activities other than activities which are incidental or ancillary to the foregoing.

The Issuer has no subsidiaries. The Issuer has no employees.

Shareholders

The entire issued share capital is owned by Stichting Holding Shield 1 (the "**Holding**"), a foundation (*stichting*) established under the laws of The Netherlands. The Holding was established on 14 November 2005 and has its registered office at Frederik Roeskestraat 123 1HG, 1076 EE Amsterdam, The Netherlands.

Directors of the Issuer

The Issuer will enter into a management agreement with ATC Management B.V. (the "**Issuer's Director**") on the Closing Date (the "**Issuer Management Agreement**"), pursuant to which the Issuer Director has agreed to provide corporate services to the Issuer. The Issuer Management Agreement will provide that it will continue until terminated by the parties thereto jointly in writing with due observance of a notice period of at least sixty (60) days. In addition, a letter of undertaking to be dated on or about the Closing Date (the "**Letter of Undertaking**") between *inter alia* the Holding's managing director, the Holding, the Issuer's Director, the Issuer, the Trustee and ABN AMRO will be entered into in which the Issuer and the Issuer's Director covenant and undertake with ABN AMRO and the Trustee *inter alia* that for so long as the Issuer has any liabilities under the Transaction Documents (i) the Issuer Management Agreement will not be terminated, assigned, novated, varied or amended without prior written notification to ABN AMRO and the Trustee and (ii) the Issuer's Director will not resign except in the situation that suitable person(s), entities, trust(s) or administration office(s) has/have been contracted to act as managing director(s) of the Issuer. The following table sets out the managing director (*bestuurder*) of the Issuer and its business address and occupation.

Name	Business Address	Business Occupation
ATC Management B.V.	Frederik Roeskestraat 123 1HG, 1076 EE Amsterdam, The Netherlands	Corporate Services Provider. There is no potential conflict of interests between any duties to the Issuer of the Issuer's Director and its private interests or other duties.

Covenants

In the Trust Deed the Issuer will covenant that it will not, save with the prior written consent of the Trustee, or as envisaged by the Transaction Documents:

- (a) create or permit to subsist any security interest over the whole or any part of its assets or undertakings, present or future;
- (b) dispose of, deal with or grant any option or present or future right to acquire any of its assets or undertakings or any interest therein or thereto;
- (c) have an interest in a bank account other than as set out in the Transaction Documents;
- (d) incur any indebtedness or give any guarantee or indemnity in respect of any such indebtedness;
- (e) consolidate or merge with or transfer any of its property or assets to another person;
- (f) issue any further shares (aandelen) in its capital;
- (g) have any employees (for the avoidance of doubt, managing directors will not be regarded as employees), premises or subsidiaries;

- (h) acquire assets other than pursuant to the Transaction Documents;
- (i) engage in any activities or derive income from any activities outside The Netherlands or hold any property if doing so would cause it to be engaged or deemed to be engaged in a trade or business outside The Netherlands;
- (j) enter into any contracts, agreements or other undertakings;
- (k) compromise, compound or release any debt due to it;
- (l) commence, defend, settle or compromise any litigation or other claims relating to it or any of its assets;
- (m) have any director that is not an independent director on its board of Directors;
- (n) maintain its accounts with any other person or entity;
- (o) maintain its books and records with any other person or entity;
- (p) commingle assets with those of any other entity;
- (q) maintain financial statements with any other person or entity;
- (r) use stationery, invoices and cheques of any other person or entity;
- (s) fail to hold itself out as a separate entity; or
- (t) fail to correct any known misunderstanding regarding its separate entity.

THE TRUSTEE

The trustee under the Trust Deed (the "**Trustee**") is Stichting Trustee Shield 1, a foundation (*stichting*) incorporated under the laws of The Netherlands on 14 November 2005. It has its registered office at Herengracht 420, 1017 BZ Amsterdam, The Netherlands and registered with the Commercial Register of the Chamber of Commerce of Amsterdam, The Netherlands under number 34236456.

The objects of the Trustee are (a) to act as agent and/or trustee in favour of holders of the Notes and the other Secured Creditors; (b) to acquire security rights as agent and/or trustee and/or for itself; (c) to perform (legal) acts; (d) to hold, administer and to enforce the security rights mentioned under (b); (e) to borrow money and (f) to perform any and all acts which are related, incidental or which may be conducive to the above.

The sole director of the Trustee is N.V. Algemeen Nederlands Trustkantoor ANT having its registered office at Herengracht 420, 1017 BZ Amsterdam, The Netherlands. The sole managing director of N.V. Algemeen Nederlands Trustkantoor ANT is Mr. L.J.J.M. Lutz.

THE CREDIT DEFAULT SWAP

The following is a summary of certain provisions of the Credit Default Swap and is qualified in its entirety by reference to the detailed provisions of the Credit Default Swap. The following summary does not purport to be complete, and prospective investors must refer to the Credit Default Swap for detailed information regarding the Credit Default Swap.

On the Closing Date, the Issuer will enter into a credit default swap with ABN AMRO (acting through its BU NL head office) (the "**Swap Counterparty**") pursuant to a 1992 ISDA Master Agreement (Multicurrency-Cross Border), the schedule thereto and a credit default swap confirmation having an effective date which is the same as the Closing Date (the "**Credit Default Swap**").

The Credit Default Swap will incorporate the 2003 ISDA Credit Derivatives Definitions (the "**2003 Definitions**"). In the event of any inconsistency between the 2003 Definitions and the Credit Default Swap, the Credit Default Swap will prevail.

Noteholders are deemed to have notice of the Credit Default Swap and the 2003 Definitions.

Reference Obligations and Reference Obligors

Under the Credit Default Swap, the Swap Counterparty will, on or prior to the Report Date and, thereafter, as of the last day of each Reference Period, if applicable, nominate Reference Obligations for the Reference Portfolio by adding them to the Reference Register or increasing the Reference Obligation Notional Amount of a Reference Obligation already in the Reference Register. Any amendments to the Reference Register will take effect as of the first Note Business Day following such designation. No third party (other than the Independent Accountants, if any) is permitted to have access to data related to a Reference Obligor or Reference Obligation. The Swap Counterparty is not required to hold any Reference Obligation as at the Report Date and if it holds any Reference Obligation as at the Report Date, it is not obliged to retain such Reference Obligation after the Report Date. The Swap Counterparty shall procure that the Lender of Record (or a servicer on its behalf) will service the Loans in accordance with the standards of a reasonable servicer of Dutch residential mortgage loans acting as a reasonable creditor would in protection of its own interests (the "**Servicing Standard**").

Reference Obligation Notional Amount in relation to each Reference Obligation

In respect of each Reference Obligation, the Swap Counterparty shall designate a notional amount (the "**Reference Obligation Notional Amount**") denominated in euro by reference to which any Credit Protection Payment Amount in respect of such Reference Obligation shall be calculated. A Reference Obligation Notional Amount shall be adjusted from time to time as follows:

- (1) in respect of a Reference Obligation which is not a Defaulted Reference Obligation, by a reduction to reflect prepayment, repayment or amortisation of, or increase in the Savings Proceeds in relation to, that Reference Obligation;
- (2) by a reduction pursuant to any removal of a Reference Obligation from the Reference Portfolio where that Reference Obligation (or, if applicable, relevant part thereof) is

determined by the Swap Counterparty to have been ineligible (by reference to the Reference Obligation Eligibility Criteria) on the relevant Allocation Date in respect thereof;

- (3) by a reduction in respect of any Reference Obligation which becomes a Defaulted Reference Obligation and in respect of which a Credit Protection Payment has been made (and such reduction in respect of the Reference Obligation Notional Amount of a Defaulted Reference Obligation shall be equal to the full amount of the Reference Obligation Notional Amount in respect of that Defaulted Reference Obligation as at the Note Payment Date on which that Credit Protection Payment is made). Such reduction will be effective as of the first day of the Reference Period in which such Note Payment Date occurs;
- (4) by a reduction in respect of any Reference Obligation in respect of which a Credit Event Notice has not been delivered which is removed from the Reference Portfolio if the long-term credit rating of the Swap Counterparty falls below Baa2 from Moody's or BBB from S&P and the Reference Obligor in respect of such Reference Obligation is an employee of the Lender of Record;
- (5) by a reduction in respect of any Reference Obligation which is removed from the Reference Portfolio at the election of the Swap Counterparty and in respect of which the Ratings Test has been satisfied; or
- (6) by an increase pursuant to Replenishment or Substitution.

On the Note Payment Date following the Credit Protection Calculation Date in respect of a Reference Obligation, the Reference Obligation Notional Amount of such Reference Obligation shall be removed from the Reference Portfolio.

Except for Reference Obligation Notional Amounts by reference to which the Note Extension Amount has been calculated, all Reference Obligation Notional Amounts shall be removed from the Reference Portfolio on the Scheduled Redemption Date.

Reference Portfolio

The Reference Portfolio will on any date be comprised of those Reference Obligations which are on such date listed on the Reference Register. The Reference Register will be maintained by or on behalf of the Swap Counterparty and will be updated on the Report Date and, thereafter, from time to time to reflect any changes in the Reference Portfolio. The Reference Obligations which are listed on the Reference Register are expected on the Report Date (but not necessarily thereafter) individually to qualify as Eligible Reference Obligations and in aggregate to meet the Initial Reference Portfolio Criteria. See "*The Reference Portfolio*". No third party (other than the Independent Accountants, if any) will have access to, or be entitled to receive, data in respect of the Reference Portfolio.

The Reference Register will include, amongst other items, (on an anonymous basis) information relating to: (i) a reference number for each Reference Obligor; (ii) a reference number for each Reference Obligation; (iii) the Reference Obligation Notional Amount of each Reference Obligation; (iv) the outstanding balance of the Loan relating to the Reference Obligation; (v) the maturity date of each Reference Obligation; (vi) the foreclosure value (*executiewaarde*) of the

Property securing a Loan relating to each Reference Obligation; (vii) the origination date of the Loan relating to each Reference Obligation; and (viii) the interest rate payable on the Loan relating to each Reference Obligation. All such information is on a strictly anonymous and statistical basis.

Maximum Reference Portfolio Amount and Swap Notional Amount

The Reference Obligation Notional Amount in respect of any Reference Obligation which is included in the Reference Register under the Credit Default Swap will be denominated in euro. In respect of any Reference Period and the following Note Payment Date, the aggregate of the Reference Obligation Notional Amounts of all Reference Obligations listed in the Reference Register on such Note Payment Date is referred to as the "**Current Portfolio Amount**". Under the Credit Default Swap, the maximum value of the Reference Portfolio (the "**Maximum Reference Portfolio Amount**") shall be equal to the following amount on any date of calculation:

- (i) EUR 22,000,000,000 (the "**Initial Reference Portfolio Amount**"); less
- (ii) an amount equal to the aggregate of all prepayments, repayments, amortisations of, and increase in Savings Proceeds in relation to, the Reference Obligations that occur after the Replenishment Period; less
- (iii) all Reference Portfolio Amortisation Amounts on or prior to such date of calculation; less
- (iv) the aggregate of the Reference Obligation Notional Amounts of all Defaulted Reference Obligations that have been removed from the Reference Portfolio on or prior to such date of calculation; less
- (v) in respect of each Defaulted Reference Obligation where the Credit Protection Payment Amount on the Credit Protection Calculation Date in respect thereof is greater than the Reference Obligation Notional Amount, the amount by which the Cash Deposit Draw (if any) allocable to such Defaulted Reference Obligation exceeds the Reference Obligation Notional Amount; plus
- (vi) the aggregate amount of all Recovery Amounts determined during the Replenishment Period; plus
- (vii) an amount equal to all Additional Recovery Amounts and Unjustified Losses determined during the Replenishment Period; less
- (viii) in relation to each Additional Loss Amount in respect of a Reference Obligation where the Credit Protection Payment Amount in respect thereof is more than or equal to its Reference Obligation Notional Amount, the amount of the Cash Deposit Draw (if any) made to satisfy the resulting Credit Protection Payment to the extent allocable to that Additional Loss Amount.

The Current Portfolio Amount shall not at any time exceed the Maximum Reference Portfolio Amount, except where the Maximum Reference Portfolio Amount is reduced as a result of the

application of sub-paragraphs (v) or (viii) above, in which case the Current Portfolio Amount may exceed the Maximum Reference Portfolio Amount to such extent.

"Replenishment Period" means the period from and including the Closing Date to and including the date of any Replenishment Termination Event, but not, for the avoidance of doubt, including any date on which a Replenishment Suspension Event is then subsisting.

"Reference Portfolio Amortisation Amount" means:

- (i) if a Note Amortisation Amount is elected by the Swap Counterparty, an amount equal to such Note Amortisation Amount; or
- (ii) in any other circumstances, an amount elected by the Swap Counterparty in respect of which no Replenishment will occur and which equals or is less than the amount by which the Maximum Reference Portfolio Amount exceeds the Current Portfolio Amount.

Under the Credit Default Swap, the notional amount (the **"Swap Notional Amount"**) is calculated as the aggregate of the Adjusted Principal Balance in respect of each Class of Notes on the immediately preceding Note Payment Date or, if prior to the first Note Payment Date, the Closing Date. The initial swap notional amount of the Credit Default Swap (the **"Initial Swap Notional Amount"**) will be EUR 4,016,000,000.

On the Closing Date, the Initial Swap Notional Amount will equal the Principal Balance of the Notes.

Quarterly Reporting in relation to Reference Portfolio

The Calculation Agent shall deliver at the end of each Reference Period or as soon as practicable thereafter to each of the Rating Agencies, the Calculation Agent, the Cash Administrator and the Trustee a quarterly report (the **"Swap Portfolio Report"**) on the Reference Portfolio updating, as appropriate, the information set out in the Reference Register and including details of all Credit Event Notices delivered during the preceding Reference Period. The Swap Portfolio Report will also specify the Reference Obligation Notional Amount of any Reference Obligation in respect of which the Conditions to Credit Protection have been satisfied together with the Synthetic Excess Spread Amount on the relevant Note Payment Date, the Credit Protection Payment Amounts, Credit Protection Payments and Cash Deposit Draws, if any, resulting therefrom as well as information relating to any amortisation, prepayment, repayment, increase in Savings Proceeds, Defaulted Reference Obligations and any Replenishments and Substitutions during the relevant Reference Period (including confirmation from the Swap Counterparty that any such Replenishments made during the relevant Reference Period complied with the Conditions to Replenishment and that any such Substitution made during the relevant Reference Period complied with the Conditions to Substitution).

"Reference Period" means the period from the Closing Date (inclusive) to 31 March 2006 (inclusive) and, thereafter, each successive three-month period commencing on (and including) the first Note Business Day of a calendar month and ending on (and including) the last Note Business Day of the calendar month preceding a Note Payment Date.

All information delivered pursuant to the Swap Portfolio Report is on a strictly anonymous and statistical basis and no data in relation to any Reference Obligor will be disclosed.

Other than the Swap Portfolio Report, none of the Issuer, the Trustee, the Cash Administrator, the Rating Agencies or the Noteholders shall be entitled to receive from the Swap Counterparty any information relating to the Reference Portfolio. In particular, none of the Issuer, the Trustee, the Cash Administrator, the Rating Agencies or the Noteholders shall be entitled to receive from the Swap Counterparty any information as to the identity of the Reference Obligors or the Reference Obligations from time to time designated in the Reference Register.

Replenishment and Substitution

Subject to compliance with the Conditions to Replenishment or, as the case may be, the Conditions to Substitution (as defined below), the Swap Counterparty will have the right, but except where specified below not the obligation, to make changes to the composition of the Reference Portfolio by adding a new Reference Obligation and/or by increasing the Reference Obligation Notional Amount of a Reference Obligation which is already in the Reference Portfolio. The circumstances of any such addition or increase are as follows:

- (a) where the Maximum Reference Portfolio Amount is greater than the Current Portfolio Amount as a result of:
 - (i) the prepayment, repayment, amortisation of, or increase in the Savings Proceeds in relation to, a Reference Obligation; or
 - (ii) the removal of a Defaulted Reference Obligation from the Reference Portfolio on the Note Payment Date following the Credit Protection Calculation Date in respect thereof (when the Swap Counterparty shall remove such Defaulted Reference Obligation); or
- (b) where either:
 - (i) the Swap Counterparty determines (or, if applicable, is advised by the Independent Accountants) that a Reference Obligation then forming part of the Reference Portfolio did not qualify as an Eligible Reference Obligation on the Allocation Date in respect thereof, and the Swap Counterparty removes such ineligible Reference Obligation (or the relevant part thereof) from the Reference Portfolio; or
 - (ii) the Swap Counterparty elects to remove a Reference Obligation from the Reference Portfolio and the Ratings Test is satisfied; or
- (c) if the long-term credit rating of the Swap Counterparty falls below Baa2 from Moody's or BBB from S&P, the Swap Counterparty shall remove from the Reference Portfolio all Reference Obligations in respect of which the Reference Obligor is an employee of the Lender of Record and in respect of which a Credit Event Notice has not been delivered.

Any such addition and/or increase in the circumstances described under (a) above is referred to as a "**Replenishment**". Any such addition and/or increase in the circumstances described under (b) or (c) above is referred to as a "**Substitution**". In respect of any Replenishment, the Reference Obligation Notional Amount of the new Reference Obligation or the increase in the Reference Obligation Notional Amount of an existing Reference Obligation shall be limited to the amount by which the Maximum Reference Portfolio Amount is greater than the Current

Portfolio Amount prior to such Replenishment. In respect of any Substitution, the Reference Obligation Notional Amount of a new Reference Obligation or the increase in the Reference Obligation Notional Amount of the existing Reference Obligation shall be limited to the Reference Obligation Notional Amount of the removed Reference Obligation (or part thereof, as the case may be).

"Recovery Amount" means, in respect of a Defaulted Reference Obligation, (i) the Reference Obligation Notional Amount as at the Credit Protection Calculation Date thereof less (ii) the portion of the Cash Deposit Draw (if any) made to satisfy the Credit Protection Payment in respect thereof that is allocable to such Defaulted Reference Obligation (subject to a minimum of zero).

Any changes to the Reference Portfolio through Replenishment or Substitution will be effective as of the first day of the Reference Period in which such Replenishment or Substitution takes place (such date the **"Allocation Date"**) in respect of that Reference Obligation. In the event that such Replenishment or Substitution is achieved through increase of the Reference Obligation Notional Amount of a Reference Obligation already forming part of the Reference Portfolio, the Allocation Date in respect of the increased amount shall be the effective date of such Replenishment or Substitution. The Allocation Date in respect of any Reference Obligation (or relevant part thereof) included in the Reference Portfolio on the Closing Date is the Report Date.

Conditions to Replenishment

It is a condition to any Replenishment that:

- (i) with respect to any Reference Obligation that is being added to the Reference Portfolio (or in respect of any existing Reference Obligation where the Reference Obligation Notional Amount is being increased), the Reference Obligation complies on the Allocation Date with the Reference Obligation Eligibility Criteria;
- (ii) the Reference Portfolio after such Replenishment complies with the Reference Portfolio Criteria;
- (iii) no Replenishment Suspension Event is then subsisting;
- (iv) no Replenishment Termination Event has occurred; and
- (v) S&P has confirmed that the then current ratings of the Notes will not be adversely affected by such Replenishment.

together, the **"Conditions to Replenishment"**.

"Replenishment Suspension Event" means that the percentage represented by the fraction where the numerator is the aggregate Reference Obligation Notional Amounts of Reference Obligations the Loans corresponding to which have overdue amounts equal to four or more monthly instalments and the denominator is the Current Portfolio Amount exceeds 1.50%, unless the Ratings Test is satisfied.

"Replenishment Termination Event" means: (i) the occurrence of the Replenishment End Date; (ii) a Write-off occurs in respect of the Notes; (iii) the occurrence of an Insolvency Event

with respect to the Swap Counterparty; or (iv) that the percentage represented by the fraction where the numerator is the aggregate of all Credit Protection Payment Amounts and the denominator is the Current Portfolio Amount exceeds an amount that is 0.03% of the Initial Reference Portfolio Amount on the Closing Date and increases by 0.01% of the Current Portfolio Amount on each subsequent Note Payment Date.

"Replenishment End Date" means the earliest to occur of (i) an Early Redemption Date and (ii) the Scheduled Redemption Date.

If a Replenishment Termination Event has occurred or a Replenishment Suspension Event is subsisting, the Swap Counterparty will not have the right to effect Replenishments in respect of the Reference Portfolio (but will still have the right to effect Substitutions). If a Replenishment Suspension Event ceases to subsist, then the Swap Counterparty will again have the right to effect Replenishments in respect of the Reference Portfolio.

Conditions to Substitution

It is a condition to any Substitution that:

- (i) with respect to any Reference Obligation that is being added to the Reference Portfolio (or in respect of any existing Reference Obligation where the Reference Obligation Notional Amount is being increased) the Reference Obligation complies on the Allocation Date with the Reference Obligation Eligibility Criteria; and
- (ii) the Reference Portfolio after such Substitution complies with the Reference Portfolio Criteria,

together, the **"Conditions to Substitution"**.

Credit Events

A **"Credit Event"** means Bankruptcy, Failure to Pay or Restructuring and shall apply in relation to the Reference Obligors and the Reference Obligations in respect thereof for the purpose of the Credit Default Swap. Each Credit Event (other than Restructuring) incorporates the definition given to it by the 2003 Definitions as amended in the Credit Default Swap.

"Bankruptcy" means a Reference Obligor (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger), (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due, (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors, (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy (*faillissement*), suspension of payment (*surséance van betaling*) or debt restructuring (*schuldsanering*) or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its bankruptcy, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof, (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger), (f) seeks or becomes subject to the

appointment of an administrator (*bewindvoerder*), liquidator or other similar official for it or for all or substantially all of its assets, (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter; (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clause (a) to (g) inclusive; or (i) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"Failure to Pay" means the failure by any Reference Obligor to make, when and where due, any payments under one or more Reference Obligations of such Reference Obligor (provided that any discharge by way of set-off (*verrekening*), and any Deduction Defence being invoked, in both cases in whole or in part, by a Reference Obligor, does not constitute a failure to make a payment for this purpose) in an aggregate amount of not less than four (4) monthly payments (or equivalent thereof) under such Reference Obligation of such Reference Obligor in accordance with the terms of such obligations at the time of such failure.

"Restructuring" means, with respect to any Reference Obligation, the restructuring, postponement or forgiveness of the obligations of the Reference Obligor under such Reference Obligation (including, without limitation, principal, interest or fees, or any change in the ranking, priority or subordination of such obligation) that results in a value adjustment or similar debit to the profit and loss account being applied by the Lender of Record, either (i) pursuant to the standard business practices of the Lender of Record and which, in the opinion of the Lender of Record, would result in maximisation of recoveries on the Reference Obligation and an independent servicer has confirmed that such restructuring will in fact minimise the expected loss, or (ii) where the Lender of Record is required to implement, comply or accept such restructuring, postponement or forgiveness by any statute, regulatory decree or ruling, order or direction of any court, tribunal or regulatory body to which it, the Reference Obligation and/or the Reference Obligor is subject.

When determining the existence or occurrence of a Credit Event, the determination shall be made by the Calculation Agent without regard to whether such Credit Event was caused in whole or in part by: (i) any lack or alleged lack of authority or capacity of the relevant Reference Obligor to enter into or perform the relevant Reference Obligation; (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Reference Obligation; (iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or (iv) the imposition of or any change in any exchange controls, capital restrictions, or any other similar restrictions imposed by any monetary or other authority.

Conditions to Credit Protection

A Credit Protection Payment Amount will be calculated in respect of a Reference Obligation if the following conditions (the "**Conditions to Credit Protection**") are satisfied:

- (1) the Calculation Agent has delivered to the Issuer, the Cash Administrator, the Independent Accountants (if any) and the Trustee a notice (a "**Credit Event Notice**") confirming the occurrence of a Credit Event which is continuing and such Credit Event Notice is delivered during the period (the "**Notice Delivery Period**") commencing on the Closing Date and ending on or prior to (i) the date falling eight (8) Note Business Days before the Scheduled Redemption Date or (ii) the date on which notice is given by the Issuer of an Early Redemption Date, whichever is earlier; and
- (2) where the relevant Reference Obligation (or, as applicable, the relevant part thereof):
 - (a) was the subject of a Replenishment, the Conditions to Replenishment were fulfilled on the relevant Allocation Date and the Swap Counterparty has delivered a notice to the Issuer, the Trustee and, if applicable, the Independent Accountants verifying that the Conditions to Replenishment were met on the Allocation Date in respect thereof; and/or
 - (b) was the subject of a Substitution, the Conditions to Substitution were fulfilled on the relevant Allocation Date and the Swap Counterparty has delivered a notice to the Issuer, the Trustee and, if applicable, the Independent Accountants verifying that the Conditions to Substitution were met on the Allocation Date in respect thereof; and/or
 - (c) formed part of the Reference Portfolio on the Report Date, the Reference Obligation Eligibility Criteria were fulfilled on the relevant Allocation Date and the Swap Counterparty has delivered a notice to the Issuer, the Trustee and, if applicable, the Independent Accountants verifying that the relevant Reference Obligation (or, as applicable, the relevant part thereof) complied with the Reference Obligation Eligibility Criteria on the Report Date,

in each case, such notice to be delivered within the Notice Delivery Period.

To the extent that the Conditions to Credit Protection are not fulfilled during the Notice Delivery Period, the Swap Counterparty will not be able to make any claim against the Issuer for any Credit Protection Payment in respect of the relevant Reference Obligation (or part thereof).

Cure Period

If the Credit Event is cured on or before the Credit Protection Calculation Date in respect of a Reference Obligation (the "**Cure Period**"), then the Credit Event shall be deemed not to have occurred and the Credit Event Notice shall have no effect and the Reference Obligation shall remain in the Reference Portfolio. This is without prejudice to the Swap Counterparty's right to deliver a Credit Event Notice subsequently in respect of such Reference Obligation.

Calculation of Credit Protection Payment Amount

If the Conditions to Credit Protection are satisfied in respect of a Reference Obligation, the Calculation Agent will on the Credit Protection Calculation Date (subject, if applicable, to verification as further described below) calculate the "**Credit Protection Payment Amount**" in relation to that Defaulted Reference Obligation in an amount equal to:

- (a) where the Credit Protection Calculation Date is the Liquidation Date in respect of that Defaulted Reference Obligation:
- (1) the Reference Obligation Notional Amount of such Defaulted Reference Obligation on the date the Credit Event Notice in respect thereof was sent by the Calculation Agent; plus
 - (2) an amount equal to accrued but unpaid interest on the Loan (in respect of a principal amount equal to the Reference Obligation Notional Amount) corresponding to the Defaulted Reference Obligation up to (but excluding) the Credit Protection Calculation Date (subject to a maximum of the equivalent of three (3) months' such interest); plus
 - (3) all Enforcement Expenses in respect of that Defaulted Reference Obligation; less
 - (4) the Recoveries in respect of that Defaulted Reference Obligation as at the Credit Protection Calculation Date; less
 - (5) without duplication with (4), any amounts in respect of which the Reference Obligor has successfully exercised against the Lender of Record any right of set-off (which for the avoidance of doubt does not include a Deduction Defence being invoked) in respect of amounts due under such Defaulted Reference Obligation (the "**Set-off Amount**"); less
 - (6) the value of any Investment Proceeds (for the avoidance of doubt plus any interest accrued or accruing thereon) in respect of which the Reference Obligor has invoked a Deduction Defence in respect of amounts due under such Defaulted Reference Obligation (the "**Deduction Amount**");
- (b) where the Credit Protection Calculation Date falls before the Liquidation Date in respect of that Defaulted Reference Obligation:
- (1) the Reference Obligation Notional Amount of such Defaulted Reference Obligation on the date the Credit Event Notice in respect thereof was sent by the Calculation Agent; plus
 - (2) an amount equal to accrued but unpaid interest on the Loan (in respect of a principal amount equal to the Reference Obligation Notional Amount) corresponding to the Defaulted Reference Obligation up to (but excluding) the Credit Protection Calculation Date (subject to a maximum of the equivalent of three (3) months' such interest); plus
 - (3) the Estimated Enforcement Expenses in respect of that Defaulted Reference Obligation; less
 - (4) the Estimated Recoveries in respect of that Defaulted Reference Obligation; less
 - (5) without duplication with (4), a fair and reasonable estimate by the Calculation Agent of the Set-off Amount; less

- (6) a fair and reasonable estimate by the Calculation Agent of the Deduction Amount,

provided that, if the result of the calculation in either (a) or (b) above is less than zero, the Credit Protection Payment Amount shall be deemed to be zero. The Credit Protection Payment Amount could, pursuant to the above calculation, exceed the Reference Obligation Notional Amount of the relevant Defaulted Reference Obligation.

The Calculation Agent will calculate the Credit Protection Payment Amount as at the Credit Protection Calculation Date in relation to the relevant Defaulted Reference Obligation. The Calculation Agent may, in accordance with the terms of the Credit Default Swap, sub-contract its obligations under the Credit Default Swap to third parties (initially, such duties may be sub-contracted to ATC Financial Services B.V. (without the approval of other parties or the Rating Agencies being required)).

"Credit Protection Calculation Date" means, in respect of a Defaulted Reference Obligation, the earliest to occur of:

- (1) the Liquidation Date; and
- (2) the date that is 30 days prior to the last day of the Workout Period.

"Liquidation Date" means the date on which the Calculation Agent makes the determination that all Recoveries anticipated in respect of the Reference Obligation have been received by the Lender of Record.

"Enforcement Expenses" means, in respect of a Defaulted Reference Obligation, fees, taxes, foreclosure and other enforcement expenses (including legal costs) which are attributable to enforcement of that Defaulted Reference Obligation in respect of a principal amount of the Defaulted Reference Obligation equal to the Reference Obligation Notional Amount.

"Recoveries" means the sum of each of the following amounts received or applied by or on behalf of the Lender of Record from the date that the Credit Event was sent by the Calculation Agent: (a) any amounts repaid in respect of such Reference Obligation by, or on behalf of the Reference Obligor in or towards satisfaction of such Defaulted Reference Obligation; (b) any amounts in respect of which the Lender of Record has successfully exercised against the Reference Obligor a right of set-off (which for the avoidance of doubt does not include a Deduction Defence being invoked) in respect of amounts due under such Defaulted Reference Obligation; (c) the sale or other proceeds from the enforcement of the Reference Collateral (for the avoidance of doubt, prior to deduction of fees, taxes, foreclosure and other Enforcement Expenses (including legal costs), and (d) (to the extent not included in (c)) any payments received by or on behalf of the Lender of Record in respect of any other security, provided that to the extent that the principal amount due under any Defaulted Reference Obligation at the time of the related Credit Event exceeds the Reference Obligation Notional Amount of such Defaulted Reference Obligation (the amount of any such excess, the **"Supplementary Amount"**), Recoveries in respect of such Defaulted Reference Obligation shall be determined on the basis that:

- (i) Savings Proceeds (for the avoidance of doubt, plus any interest accrued or accruing thereon) will be allocated in respect of the Supplementary Amount (for the avoidance of

doubt, plus any interest accrued or accruing thereon) and, accordingly, will not constitute Recoveries in respect of such Defaulted Reference Obligation (unless the amount of the Savings Proceeds exceeds the Supplementary Amount, in which case such excess amount will constitute Recoveries in respect of such Defaulted Reference Obligation); and

- (ii) all proceeds of enforcement of the Reference Collateral (other than the Savings Proceeds) will constitute Recoveries in respect of such Defaulted Reference Obligation.

"Reference Collateral" means, with respect to any Defaulted Reference Obligation, any Related Security granted to the Lender of Record as security for the Reference Obligation provided that the Reference Collateral shall not include any Related Security to the extent that it is held for the benefit of a person other than the Lender of Record. If Reference Collateral or any other security is given as security for more than one obligation (including the Defaulted Reference Obligation), Recoveries in respect of such Reference Collateral or any other security shall be allocated (i) if such Reference Collateral or other security was created specifically in connection with the Defaulted Reference Obligation, to the Defaulted Reference Obligation first, such that only the remaining Recoveries (if any) will be available for allocation to other obligations or (ii) if such Reference Collateral or other security was not created specifically in connection with the Defaulted Reference Obligation, to other obligations first, such that only the remaining Recoveries (if any) will be available for allocation to the Defaulted Reference Obligation.

"Estimated Recoveries" means a fair and reasonable estimate by the Calculation Agent of the total Recoveries in respect of a Defaulted Reference Obligation, and for this purpose paragraph (c) of the definition of "Recoveries" shall be replaced with "the Indexed Foreclosure Value".

"Indexed Foreclosure Value" means, in respect of Reference Collateral which is a Property securing a Defaulted Reference Obligation, the most recently available foreclosure value of such collateral as adjusted for the period since the date of the last valuation by the index of house prices in the Netherlands as published by NVM (*Nederlandse Vereniging van Makelaars o.g.*) on its website www.nvm.nl or a successor publication as of the relevant date of valuation or, if NVM fails to publish an index for the relevant date, the index published by the Dutch Land Registry (*Kadaster*) as adjusted by the Calculation Agent to reflect differences in methodology between such indices.

"Estimated Enforcement Expenses" means a fair and reasonable estimate by the Calculation Agent of the total Enforcement Expenses relating to the Defaulted Reference Obligation.

"Workout Period", for any Defaulted Reference Obligation, means the period from (and including) the date the Credit Event Notice in respect of such Defaulted Reference Obligation is sent by the Calculation Agent to (but excluding) the date that is 365 days later.

If the Liquidation Date has not occurred prior to the end of the Extension Period in respect of any Unascertained Defaulted Reference Obligation, an independent valuer appointed by the Calculation Agent shall provide a valuation of the related Property which will be utilised by the Calculation Agent to estimate the Estimated Recoveries in respect of such Unascertained Defaulted Reference Obligation.

The Independent Accountants shall be required to verify the amounts of Estimated Recoveries and Estimated Enforcement Expenses used to calculate the Credit Protection Payment Amount in respect of such Unascertained Defaulted Reference Obligation.

Satisfaction of Credit Protection Payments and Calculation of Cash Deposit Draw

On each Calculation Date, the Calculation Agent shall calculate the Credit Protection Payment in respect of Credit Protection Payment Amounts determined in the immediately preceding Reference Period. The Credit Protection Payment will be satisfied by first reducing such payment by the Synthetic Excess Spread Balance on such Note Payment Date and, thereafter, by the Issuer making a Cash Deposit Draw (if any). Each Cash Deposit Draw will be allocated pro rata (based on Credit Protection Payment Amounts) among all Defaulted Reference Obligations in respect of which Credit Protection Payment Amounts were determined during the immediately preceding Reference Period.

"**Calculation Date**" means the Note Business Day falling five (5) Note Business Days prior to a Note Payment Date.

"**Cash Deposit Draw**" has the meaning given to it in the Conditions.

"**Credit Protection Payment**" means, in respect of any Note Payment Date, the payment due from the Issuer to the Swap Counterparty in respect of the aggregate of the Credit Protection Payment Amounts determined on the Calculation Date in respect of the Reference Period immediately preceding such Note Payment Date (which payment will be satisfied, first, by application of any Synthetic Excess Spread Balance and, thereafter, by a Cash Deposit Draw).

The Credit Protection Payment relating to one or more Credit Protection Payment Amounts shall be made on the Note Payment Date immediately following the Reference Period in which such Credit Protection Payment Amounts have been determined by the Calculation Agent.

Cash Deposit Draw

On each Note Payment Date, the Issuer may be required to make a Cash Deposit Draw in order to satisfy any Credit Protection Payment due on that date.

The Issuer will not be required to make any Cash Deposit Draw unless the Credit Protection Payment due on such Note Payment Date exceeds the then available Synthetic Excess Spread Balance for such Note Payment Date.

Verification of Credit Protection Payment Amounts

If a Write-off occurs in respect of the Notes (the "**Verification Trigger Event**"), a Credit Protection Payment shall not be payable in respect of any Reference Obligation that subsequently becomes a Defaulted Reference Obligation, unless the Verification Condition has been satisfied.

The "**Verification Condition**" shall be satisfied in respect of a Defaulted Reference Obligation upon delivery by the Calculation Agent to the Swap Counterparty, the Issuer and the Trustee of a written report of the Independent Accountants verifying, upon the completion of the Agreed Upon Procedures, in respect of the relevant Defaulted Reference Obligation: (i) that the Defaulted Reference Obligation complied with the Reference Obligation Eligibility Criteria on

its Allocation Date; (ii) that the Credit Event Notice in respect of the Defaulted Reference Obligation was delivered during the Notice Delivery Period; and (iii) the accuracy of the Credit Protection Payment Amount in respect of the Defaulted Reference Obligation in all material respects. If the Verification Trigger Event occurs, the Swap Counterparty has agreed to use its reasonable endeavours to ensure that the Independent Accountants complete the process of determining whether or not the Verification Condition has been satisfied within sixty (60) Note Business Days following the date on which the Verification Trigger Event occurred or the relevant Credit Protection Payment Amount was determined (as the case may be).

"Independent Accountants" means Ernst & Young or such other firm of accountants of internationally recognised standing as may be selected by the Swap Counterparty from time to time to perform certain obligations under the Credit Default Swap.

The **"Agreed Upon Procedures"** are the procedures that the Independent Accountants have agreed or may agree with the Swap Counterparty and the Rating Agencies prior to the occurrence of a Verification Trigger Event with regard to the content and conduct of their review of matters required under the Credit Default Swap to be verified by the Independent Accountants and any report prepared thereafter, as may be amended from time to time subject to the Ratings Test being satisfied.

Plausibility Check

The Swap Counterparty shall procure that as soon as reasonably practicable after the Verification Trigger Event has occurred, the Independent Accountants conduct a review in accordance with the Agreed Upon Procedures of a sample of Credit Protection Payment Amounts determined prior to the occurrence of the Verification Trigger Event, as selected at random by the Independent Accountants. If as a result of such review the Independent Accountants consider that there may have been fundamental errors in the calculations of any Credit Protection Payment Amounts made by the Calculation Agent, the Independent Accountants shall be required to carry out a further review in accordance with the Agreed Upon Procedures.

Unjustified Loss

Any amount determined by the Calculation Agent on the basis of an Independent Accountants' review to have been incorrectly identified as a Credit Protection Payment Amount (such amount, an **"Unjustified Loss"**) will be credited to the Synthetic Excess Spread Ledger as part of the Synthetic Excess Spread Amount on the next Note Payment Date. The Swap Counterparty will use reasonable efforts to furnish the Independent Accountants with any information that it may reasonably require and request for the purposes of such verification.

Reduction of Current Portfolio Amount, Swap Notional Amount and Principal Balance of the Notes in relation to any Cash Deposit Draw

On the Note Payment Date upon which a Credit Protection Payment is made, the Current Portfolio Amount shall be reduced by an amount equal to the Reference Obligation Notional Amount(s) of the relevant Defaulted Reference Obligation(s).

Upon payment of any Credit Protection Payment in respect of which a Cash Deposit Draw was made, the Swap Notional Amount shall be reduced by an amount equal to such Cash Deposit

Draw. On the same date, the then Adjusted Principal Balance of the Notes will be reduced by an amount equal to such Cash Deposit Draw, such amount being applied to reduce *pro rata* the then Adjusted Principal Balance of each Class of Notes, commencing with the most junior Class of Notes then outstanding.

See Condition 7(m) (*Redemption, Reductions, Reinstatement and Cancellation - Calculation of Note Principal Payments and Adjusted Principal Balance*). See also "*The Credit Default Swap - Replenishment and Substitution*".

Swap Counterparty Payment

On each Note Payment Date, the Swap Counterparty will be required by the terms of the Credit Default Swap to pay to the Issuer an amount (the "**Swap Counterparty Payment**") equal to:

- (1) the aggregate Interest Amounts (as defined in the Conditions) calculated in relation to all Classes of Notes payable by the Issuer to the Noteholders:
 - (a) so long as the Swap Counterparty maintains a long-term credit rating of at least A1 from Moody's and A from Fitch and a short-term credit rating of at least A-1+ from S&P, P-1 from Moody's and F1 from Fitch (the "**Swap Counterparty Required Rating**"), on such Note Payment Date; or
 - (b) in the event that the Swap Counterparty ceases to have the Swap Counterparty Required Rating:
 - (1) on such Note Payment Date (to the extent not already paid and to the extent such amounts can be reasonably determined at such time); plus
 - (2) on the next Note Payment Date (to the extent not already paid and to the extent such amounts can be reasonably determined at such time); plus
- (2) the aggregate of any Make-Up Interest Amounts due and payable in respect of Reinstated Principal to be made:
 - (a) so long as the Swap Counterparty maintains the Swap Counterparty Required Rating, on such Note Payment Date; or
 - (b) in the event that the Swap Counterparty ceases to have the Swap Counterparty Required Rating:
 - (1) on such Note Payment Date (to the extent not already paid); plus
 - (2) on the next Note Payment Date (to the extent not already paid); plus
- (3) the Issuer Expenses due and payable:
 - (a) so long as the Swap Counterparty maintains the Swap Counterparty Required Rating, on such Note Payment Date; or
 - (b) in the event that the Swap Counterparty ceases to have the Swap Counterparty Required Rating:

- (1) on such Note Payment Date (to the extent not already paid); plus
- (2) on the next Note Payment Date (to the extent not already paid); plus
- (4) the Issuer Profit Amount due and payable:
 - (a) so long as the Swap Counterparty maintains the Swap Counterparty Required Rating, on such Note Payment Date; or
 - (b) in the event that the Swap Counterparty ceases to have the Swap Counterparty Required Rating:
 - (1) on such Note Payment Date (to the extent not already paid); plus
 - (2) on the next Note Payment Date (to the extent not already paid); plus
- (5) the Reinstated Principal (if any) to be applied in respect of the Notes on such Note Payment Date; less
- (6) the Issuer CD/Repo Income to be received by the Issuer:
 - (a) so long as the Swap Counterparty maintains the Swap Counterparty Required Rating, during the Interest Period ending immediately prior to such Note Payment Date (to the extent not already received); and
 - (b) in the event that the Swap Counterparty ceases to have the Swap Counterparty Required Rating, the Issuer CD/Repo Income which it is anticipated (taking into account such changes to the terms of the Cash Deposit Agreement and/or Repo Agreement as may be expected or contemplated) that the Issuer will receive during the next Note Interest Period commencing on such Note Payment Date (to the extent not already received),

provided that the Swap Counterparty Payment shall not be less than zero.

If the Swap Counterparty does not have the Swap Counterparty Required Rating and to the extent that there has been overpayment by the Swap Counterparty as a result of any advance payment (which such overpayment will be capable of being determined on such next Note Payment Date when amounts of Issuer CD/Repo Income, amongst other things, are ascertained), any such overpayment will be refunded to the Swap Counterparty on the next Note Payment Date in accordance with the Priorities of Payments.

In addition, on the Closing Date, the Swap Counterparty will pay to the Issuer an amount (the "**Initial Swap Counterparty Payment**") equal to the Issuer Closing Date Expenses.

Synthetic Excess Spread

On the Closing Date and each Calculation Date prior to the Scheduled Redemption Date or an Early Redemption Date, the Calculation Agent shall, pursuant to the terms of the Credit Default Swap, calculate an amount equal to the Synthetic Excess Spread Amount in respect of such date and credit such amount to a ledger (the "**Synthetic Excess Spread Ledger**", as reduced from time to time in accordance with the Synthetic Excess Spread Priority of Payments and increased from time to time in accordance with the Synthetic Excess Spread Amount, and the amount

standing to the credit of the Synthetic Excess Spread Ledger at any time being the "**Synthetic Excess Spread Balance**").

"**Synthetic Excess Spread Amount**" means, in respect of the Closing Date and each Note Payment Date thereafter prior to and including the Scheduled Redemption Date or an Early Redemption Date, the sum of:

- (i) the product of (A) the Current Portfolio Amount as at the Closing Date or (as applicable) the first day of the Reference Period immediately preceding a Note Payment Date; (B) on each Note Payment Date up to (and including) the Note Payment Date falling in January 2008, 0.09% per annum, and thereafter 0.04% per annum up to (and including) the Scheduled Redemption Date or an Early Redemption Date, and thereafter, zero; and (C) the actual number of days in the period beginning on (and including) the Closing Date or first day of the Reference Period immediately preceding such Note Payment Date (as the case may be) and ending on (but excluding) the first day of the Reference Period that includes such Note Payment Date, divided by 360; plus
- (ii) the aggregate of the Unjustified Losses (if any) determined during the preceding Reference Period; plus
- (iii) the aggregate of the Additional Recovery Amounts (if any) determined during the preceding Reference Period.

"**Additional Recovery Amount**" means in respect of a Defaulted Reference Obligation:

- (i) where the Credit Protection Calculation Date corresponds to the Liquidation Date for a Defaulted Reference Obligation, an amount equal to any additional monies received in respect of that Defaulted Reference Obligation after the Liquidation Date;
- (ii) where the Credit Protection Calculation Date is the date that is 30 days prior to the last day of the Workout Period for that Defaulted Reference Obligation, an amount as at the Calculation Date following the Liquidation Date equal to:
 - (A) the Estimated Enforcement Expenses less the Enforcement Expenses; plus
 - (B) the Recoveries received less the Estimated Recoveries; plus
 - (C) the actual Set-off Amount less the estimated Set-off Amount; plus
 - (D) the actual Deduction Amount less the estimated Deduction Amount,

provided that if such amount is negative the Additional Recovery Amount shall be zero.

On each Note Payment Date, the Synthetic Excess Spread Balance shall be applied in accordance with the Synthetic Excess Spread Priority of Payments, being:

- (i) firstly, in reducing any Credit Protection Payment Amounts calculated in respect of such Note Payment Date; and
- (ii) secondly, towards reinstatement of the Adjusted Principal Balance of each Class of Notes which has Un-reimbursed Write-offs in the Order of Seniority.

To the extent that any of the Synthetic Excess Spread Balance is applied on any Note Payment Date in the manner set out above, the Calculation Agent will record on the Synthetic Excess Spread Ledger such application of the Synthetic Excess Spread Amount and reduce the Synthetic Excess Spread Balance accordingly.

Additional Credit Protection Payments

If the calculation in part (ii) of the definition of "Additional Recovery Amount" results in a negative number it shall be an "**Additional Loss Amount**". If an Additional Loss Amount is determined during a Reference Period its absolute value shall be an additional Credit Protection Payment Amount on the next following Note Payment Date.

Early Termination of the Credit Default Swap

The Credit Default Swap is scheduled to terminate on the Scheduled Redemption Date and is subject to early termination in certain specified circumstances:

- (a) payment default (being a failure to pay after an amount has been due and payable for five (5) Local Business Days (as defined under the Credit Default Swap)) by the Issuer or the Swap Counterparty;
- (b) if in the Trustee's opinion (acting in the interests of the Noteholders in accordance with the terms of the Trust Deed) any Reference Obligation is not, in any material respect, being serviced in accordance with the Servicing Standard;
- (c) bankruptcy events related to the Issuer;
- (d) tax events related to the Issuer or the Swap Counterparty;
- (e) illegality;
- (f) merger of the Swap Counterparty with another entity without assumption in whole of all of the obligations under the Credit Default Swap;
- (g) termination of the arrangements in respect of the Collateral (being the Cash Deposit and/or the Repo Securities (and the Repo Agreement in respect thereof) as the case may be) (without replacements thereof);
- (h) early redemption of the Notes in full; or
- (i) at the option of the Swap Counterparty, following the occurrence of a Regulatory Change.

If any Credit Protection Payment is subject by law to deduction or withholding for tax, the Issuer shall not be under any obligation to gross-up such Credit Protection Payment. The Swap Counterparty may elect either to receive any Credit Protection Payment net of such withholding or deduction for tax or to terminate the Credit Default Swap.

If any Swap Counterparty Payment is subject by law to deduction or withholding for tax the Swap Counterparty may elect to gross-up such Swap Counterparty Payment. If the Swap Counterparty does not so elect the Issuer will have the right to terminate the Credit Default Swap.

Any early termination in whole of the Credit Default Swap will result in mandatory early redemption of the Notes. See Condition 7(e) (*Redemption, Reductions, Reinstatement and Cancellation - Mandatory Redemption of the Notes in Whole following Termination of the Credit Default Swap*).

Following the occurrence of an Early Termination Date (as defined in the Credit Default Swap) under the Credit Default Swap, no amount shall be payable by either party to the other party, other than: (i) Swap Counterparty Payments which would have been payable by the Swap Counterparty to the Issuer on each Note Payment Date following the Early Termination Date by reference to the Note Extension Amount until the Adjusted Principal Balance of the Notes is reduced to zero; (ii) Credit Protection Payments payable by the Issuer to the Swap Counterparty in respect of Credit Event Notices duly served on the Issuer and satisfaction of the Conditions to Credit Protection prior to the relevant Early Redemption Date (provided that such Credit Protection Payments do not exceed the Swap Notional Amount at the relevant time); and (iii) any amounts which are due but unpaid including any default interest thereon.

If the Swap Counterparty fails to make any Swap Counterparty Payment, the Issuer and, following the delivery of the Enforcement Notice by the Trustee, the Trustee, will exercise such set-off rights in connection with Credit Protection Payments as are available under applicable law. No additional termination or breakage fees will be payable by either the Issuer or the Swap Counterparty.

Early termination of the Credit Default Swap will, as described above, trigger redemption in whole of the Notes provided that if any Credit Event Notices have been delivered within the Notice Delivery Period and the Conditions to Credit Protection have been satisfied but the Credit Protection Calculation Dates in respect thereof has not occurred, a portion of the principal amount of the Notes equal to the Note Extension Amount (commencing with the most junior Class or Classes of Notes then outstanding) (together with the Collateral relating thereto) may be required to remain outstanding to meet any potential Cash Deposit Draw. See Condition 7(h) (*Redemption, Reductions, Reinstatement and Cancellation - Mandatory Redemption of the Notes during the Extension Period*).

Effect of Regulatory Change

If a Regulatory Change occurs, the Swap Counterparty has the right to determine whether the Credit Default Swap should be terminated as a result thereof. Following a termination of the Credit Default Swap, the Notes will fall due to be redeemed.

For these purposes, a "**Regulatory Change**" means, on or after the Closing Date, a change in the Basel Capital Accord published by the Basel Committee on Banking Supervision under the title "Basel II: International Convergence on Capital Measurement and Capital Standards: a Revised Framework" (the "**Basel Accord**") or in the international, European or Dutch regulations, rules and instructions (the "**Bank Regulations**") applicable to the Swap Counterparty (including any change in the Bank Regulations enacted for the purposes of implementing a change in the Basel Accord) or a change in the manner in which the Basel Accord or such Bank Regulations are interpreted or applied by the Basel 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 authority) which has the effect of adversely affecting the rate of return on capital of the Swap Counterparty or

increasing the cost or reducing the benefit to the Swap Counterparty with respect to the transactions contemplated by the Credit Default Swap and the Repo Agreement (if any).

Liquidation of Collateral: Cash Deposit Draws

If the Issuer is required to make a Cash Deposit Draw in relation to a Credit Protection Payment, an amount of Collateral shall be released (in the case of any Cash Deposit) and/or unwound (in the case of any Repo Transaction under the Repo Agreement) in order to satisfy such payment.

The Swap Counterparty will elect whether to unwind any Repo Transaction (if any) and/or release any of the Cash Deposit (as the case may be). Following any such election, the Swap Counterparty will provide notice to the Issuer (and will copy such notice to the Cash Administrator) of the amounts of the Cash Deposit and/or unwind of the Repo Agreement in respect of Repo Securities to be liquidated in accordance with such corresponding amounts. Pursuant to the Credit Default Swap, the Cash Deposit Draw shall be calculated on the Calculation Date preceding the Note Payment Date on which the corresponding Credit Protection Payment will be due and the Cash Administrator will notify the Trustee, the Repo Counterparty, the Cash Deposit Bank and the Issuer of any release of the Cash Deposit or liquidation of Repo Securities at least three (3) Note Business Days prior to the relevant Note Payment Date.

Security

In addition to securing payments under the Notes, the Security secures, amongst other things, Issuer Expenses of the Issuer and any Credit Protection Payments to be paid under the Credit Default Swap.

Provision of Certain Information: Ongoing Reporting

Pursuant to the terms of the Credit Default Swap, the Calculation Agent will provide written notice to the Issuer, the Trustee, the Swap Counterparty and the Cash Administrator of the determination of a Credit Event and of the determination of the related Credit Protection Payment Amount and Cash Deposit Draw (if any) at least five (5) Business Days prior to the related Note Payment Date on which the Credit Protection Payment relating to such Cash Deposit Draw is payable.

Governing Law

The Credit Default Swap will be governed by, and shall be construed in accordance with, the laws of England. Each of the Issuer and the Swap Counterparty will submit to the non exclusive jurisdiction of the English courts in connection with the Credit Default Swap.

THE COLLATERAL AND CASH ADMINISTRATION ARRANGEMENTS

The following is a summary of certain provisions of some of the principal documents relating to the transactions described herein and is qualified in its entirety by reference to the detailed provisions of the Cash Deposit Agreement, the Repo Agreement, the Cash Administration Agreement and the Issuer Account Agreement.

Introduction

The Issuer's rights relating to the Cash Deposit, the rights under the Cash Deposit Agreement relating thereto and, as the case may be, under the Repo Agreement (if any) and the Repo Securities acquired thereunder from time to time are together referred to as the "**Collateral**". Together, the Collateral amounts held in the form of the Cash Deposit (pursuant to the terms of the Cash Deposit Agreement) and/or, as the case may be, in the form of Repo Securities (pursuant to the terms of the Repo Agreement and the Custody Agreement, if any) will, in aggregate, be at least equal to the then Adjusted Principal Balance of the Notes from time to time.

The Cash Deposit Arrangements

Introduction

On the Closing Date, provided that the Cash Deposit Bank has at such time a short-term credit rating of at least A-1+ from S&P, P-1 from Moody's and F1+ from Fitch (the "**Cash Deposit Bank Required Rating**") or suitable guarantee arrangements in respect thereof, the Issuer will utilise the proceeds of the Notes to make the Cash Deposit with the Cash Deposit Bank pursuant to the Cash Deposit Agreement. The Cash Deposit will consist of a deposit denominated in euro (the "**Cash Deposit**"), being equal to the aggregate initial Principal Balance of the Notes on the Closing Date.

The Cash Deposit Agreement

The Issuer, the Cash Deposit Bank, the Cash Administrator and the Trustee will enter into an agreement (the "**Cash Deposit Agreement**") on or about the Closing Date under which the Issuer and the Trustee will appoint ABN AMRO acting through its head office as the Cash Deposit Bank.

The Cash Deposit will be held with the Cash Deposit Bank and the Cash Deposit Agreement will govern any Cash Deposit and provide for periodic income payments to be made to or to the order of the Issuer on each Note Payment Date at the EURIBOR rate per annum less any applicable margin (the "**Cash Deposit Account Margin**") and calculated on the basis of a 360 day year. Such periodic income comprises a portion of the Available Income to be utilised in accordance with the Pre-Enforcement Available Income Priority of Payments on each Note Payment Date.

Unless earlier terminated, the Cash Deposit Agreement will terminate on the Scheduled Redemption Date or an Early Redemption Date (subject to the Note Extension Amount). Subject as provided below, the Cash Administrator may serve a notice of termination in accordance with the terms of the Cash Deposit Agreement and effect an early termination of the agreement if there is a material default, payment default or imposition of tax which would

adversely affect the after tax return to the Issuer of the income in respect of the Cash Deposit. The governing law of the Cash Deposit Agreement is Dutch law.

Replacement of Cash Deposit Bank or Entry of First Repo under Repo Agreement

In the event that (1) the Swap Counterparty elects to do so at least seven (7) days prior to any Note Payment Date, or (2) the Cash Deposit Bank is downgraded below the Cash Deposit Bank Required Rating, then on the next Note Payment Date which is at least seven days following such election or on any date which is within thirty (30) days of such downgrade, as applicable (such replacement date following the election or downgrade, the "**CD Replacement Date**"), the Issuer will (at the cost of the Swap Counterparty or Cash Deposit Bank, respectively) liquidate the Cash Deposit in whole or in part and use the proceeds thereof to either (at the option of the Swap Counterparty) (a) enter into a replacement Cash Deposit Agreement with a successor Cash Deposit Bank which has the Cash Deposit Bank Required Rating, or (b) subject to the approval of the Rating Agencies, enter into a Repo transaction pursuant to a TBMA/ISMA Global Master Repurchase Agreement (2000 version) (the "**Repo Agreement**") with a counterparty (the "**Repo Counterparty**", which has a rating satisfactory to the Rating Agencies (the "**Repo Counterparty Required Rating**")).

In the event that the Swap Counterparty elects to replace all or part of the Cash Deposit with securities under the Repo Agreement, the Issuer and the Repo Counterparty will enter into a transaction (the "**First Repo**") pursuant to which the Issuer will purchase Repo Securities from the Repo Counterparty. The securities eligible to be purchased from time to time by the Issuer from the Repo Counterparty under the Repo Agreement shall be securities which meet the criteria (the "**Repo Securities Eligibility Criteria**") which shall be set out in the Repo Agreement.

On the CD Replacement Date, the Issuer shall purchase Eligible Securities under the Repo Agreement, having an aggregate Purchase Price (as defined in the Repo Agreement) equal to the amount of the Cash Deposit liquidated for such purchase (the Eligible Securities when purchased by the Issuer under the Repo Agreement are referred to as the "**Purchased Securities**").

The Repo Arrangements

Pursuant to the terms of any Repo Agreement (which has been approved by the Rating Agencies), the Issuer and the Repo Counterparty may, from time to time, enter into a Repo Transaction in respect of Repo Securities denominated in euro pursuant to which the Issuer will, using amounts withdrawn from the Cash Deposit, purchase the Repo Securities from the Repo Counterparty. The securities eligible to be purchased from time to time by the Issuer from the Repo Counterparty under the Repo Agreement shall be securities that comply with the Repo Securities Eligibility Criteria. If any Repo Agreement is entered into, the Issuer shall grant security over its interest in the Repo Securities that is satisfactory to the Trustee. The governing law of the Repo Agreement will be English law.

The Repo Counterparty is also obliged under the Repo Agreement to deliver Margin (as defined in the Repo Agreement) in the form of cash or additional Eligible Securities and in accordance with the applicable Margin Ratio (as defined in the Repo Agreement) and any such securities delivered in respect of Margin shall be held on the same terms as the Purchased Securities. In

the event that the value of the Repo Securities held by the Issuer exceeds the value and Margin Ratio provided in the Repo Agreement, the Repo Counterparty may request that the Issuer release a corresponding amount of Repo Securities to the Repo Counterparty. Conversely, in the event that the value of the Repo Securities held by the Issuer is less than the value and Margin Ratio provided in the Repo Agreement, the Repo Counterparty will be required to deliver a corresponding additional amount of Eligible Securities to the Issuer.

The Repo Agreement contemplates that Repo Securities that are scheduled to redeem or capable of being redeemed at the option of the Issuer at face value in proximity to, but prior to the next following Note Payment Date (such securities, the "**Principal Value Securities**") shall not be subject to margining arrangements.

Optional Collateral Transfers between Repo Agreement and Cash Deposit

In the event that:

- (a) the Swap Counterparty elects on any Note Business Day that the Cash Deposit be liquidated (in whole or in part), the proceeds of such liquidation, to the extent that those amounts are not required for any Cash Deposit Draw or repayment of the Notes, will be applied to purchase further Repo Securities pursuant to the terms of the Repo Agreement (a "**Cash Deposit Collateral Transfer**"); or
- (b) provided that the Cash Deposit Bank then has the Cash Deposit Bank Required Rating or the obligations of the Cash Deposit Bank are guaranteed by an entity with the Cash Deposit Bank Required Rating, the Swap Counterparty elects on any Note Business Day that the then subsisting relevant Repo Transaction(s) under the Repo Agreement be unwound (in whole or in part), in accordance with the terms thereof, the Repo Counterparty will repurchase all or a proportion (as applicable) of the Repo Securities under the Repo Agreement from the Issuer and the proceeds thereof shall, to the extent that those amounts are not required for any Cash Deposit Draw or repayment of the Notes, be applied to make a Cash Deposit with the Cash Deposit Bank pursuant to the terms of the Cash Deposit Agreement or any replacement thereof (a "**Repo Collateral Transfer**"),

(the Cash Deposit Collateral Transfer and the Repo Collateral Transfer, together, being the "**Collateral Transfers**"). Each Collateral Transfer shall be at no cost to the Issuer.

In either case, the Swap Counterparty must give at least five (5) Note Business Days' notice to the Trustee and the Cash Administrator of a proposed Collateral Transfer.

In each case, the Security will be released as necessary subject to jurisdiction-specific requirements, if any, in relation to such Collateral Transfer (such that the overall Security will continue to apply to all of the Collateral but will be partially released as necessary to allow for the relevant Collateral Transfer).

Income under the Repo Agreement: Issuer CD/Repo Income

An amount equal to income which is received by the Issuer (or the Custodian on its behalf) in respect of any Repo Securities during any Note Interest Period will be payable by the Issuer to

the Repo Counterparty within two Note Business Days of any receipt thereof, together with interest from the date on which such income was received.

The income to be realised by the Issuer under the Repo Agreement is the Price Differential under the Repo Agreement. Pursuant to the terms of the Repo Agreement, the Repo Counterparty will be required to pay on each Note Payment Date an amount (the "**Price Differential**") equal to the product of (i) the purchase price for the Repo Transaction (a "**Purchase Price**"), (ii) the applicable Pricing Rate and (iii) a fraction, the numerator of which is the actual number of days elapsed during such Note Interest Period and the denominator of which is 360.

"**Pricing Rate**" means the rate as set forth under the Repo Agreement for any Repo Transaction.

The Repo Agreement will provide that the amount payable on any Note Payment Date by the Issuer to the Repo Counterparty in respect of income arising from and paid on the Repo Securities (held by the Custodian on behalf of the Issuer) together with any interest accrued and paid thereon may be netted against the obligation of the Repo Counterparty to pay to the Issuer the Price Differential on such date (to the extent that such sums are expressed to be payable in the same currency), such that the party with the obligation to pay the greater amount prior to netting pays to the other party the difference between such greater amount and the amount that would otherwise be payable by the other party.

Events of Default under Repo Agreement

The Repo Agreement will include events of default such as the insolvency of the Issuer or Repo Counterparty, failure to make payments or deliveries thereunder (including margining requirements), early termination of the Credit Default Swap due to the occurrence of an Event of Default, suspension of either the Issuer or the Repo Counterparty from dealing in securities and failure by the Repo Counterparty to substitute within the specified period Repo Securities or provide additional Repo Securities as described in the preceding paragraphs following (i) downgrade of the Repo Counterparty below the Repo Counterparty Required Rating or (ii) any of the Repo Securities falling out of compliance with the applicable Repo Securities Eligibility Criteria.

Upon the occurrence of any such event of default (following service of a default notice, except in respect of certain acts of insolvency and an event of default under the Credit Default Swap), the date for repurchase (the "**Repurchase Date** ") for all of the Repo Securities will be deemed to occur immediately and an account will be taken of all sums due from one party to the other under the Repo Agreement (including the value of the obligations to deliver securities equivalent to the Repo Securities as established under the Repo Agreement). The sums due from one party to the other shall be set off and only the balance of the account shall be payable between the parties on the following Note Business Day.

Acceleration Events under the Repo Agreement

The Repo Agreement will contain such acceleration events as shall be agreed with the Rating Agencies. Upon the occurrence of any such event, the Issuer or the Repo Counterparty (as specified in the Repo Agreement) may, by giving written notice to the other, accelerate the

repurchase obligations under the Repo Agreement and specify a date in such notice as the Repurchase Date.

Credit Protection Payments and Redemption of the Notes: Liquidation of Cash Deposits

Upon: (i) any Credit Protection Payment that requires a Cash Deposit Draw being due to be paid by the Issuer to the Swap Counterparty; or (ii) the Notes becoming redeemable in whole or in part, the Issuer (or the Cash Administrator on behalf of the Issuer) will liquidate the Cash Deposit in whole or in part as the case may be, and/or will unwind, in whole or in part, the relevant Repo Transaction(s) (as the case may be).

The aggregate amount of the Cash Deposit to be liquidated and/or, as the case may be, Repo Securities to be repurchased will be equivalent to the Notes for which the then Adjusted Principal Balance is to be reduced or in respect of which a redemption is to be effected.

The Swap Counterparty shall determine the amounts of the Cash Deposit to be liquidated and/or (as the case may be), Repo Securities to be repurchased and shall notify, as applicable, the Cash Deposit Bank and/or (as the case may be) the Repo Counterparty, the Cash Administrator and the Custodian (if any) in respect of the relevant amounts. Neither the Cash Administrator nor the Trustee will be responsible for any calculations relating to the amount of Collateral to be released under the Security Documents from time to time and shall act on the basis of the advice received from, amongst others, the Swap Counterparty and the Repo Counterparty (if any).

If the Issuer is required to make a Cash Deposit Draw in respect of a Credit Protection Payment to the Swap Counterparty, an amount of Collateral shall be liquidated (in the case of the Cash Deposit) and/or repurchased (in the case of Repo Securities) in order to satisfy such payment.

Pursuant to the terms of the Credit Default Swap, the Credit Protection Payments shall be calculated by the Calculation Agent on the Calculation Date preceding the Note Payment Date on which such amount will be due, and notified to, amongst others, the Issuer and the Cash Administrator. The Cash Administrator will notify the Trustee, the Cash Deposit Bank and/or, as the case may be, the Repo Counterparty, of any Cash Deposit Draw at least three (3) Note Business Days prior to the relevant Note Payment Date.

In the event that the Cash Deposit Agreement or, as the case may be, the Repo Agreement is terminated early in full, the Cash Deposit Bank or, as the case may be, the Repo Counterparty will be required to pay to the Issuer, the amount of the Cash Deposit, or as the case may be, the repurchase price (being the sum of the Purchase Price and the accrued Price Differential) in respect of the Repo Securities.

The Repo Counterparty will agree to adjust the terms of any Repo Transaction under the Repo Agreement such that it repurchases Repo Securities from the Issuer for a repayment of cash from time to time. Subject to receiving notice from the Calculation Agent not later than the Calculation Date immediately preceding the date on which a payment of any Credit Protection Payment is due or any date upon which the Notes are to be redeemed, of the amount of Repo Securities to be repurchased by the Repo Counterparty on such date, the Repo Counterparty shall repurchase Repo Securities and the Repo Transaction shall be adjusted in accordance with the terms of the Repo Agreement.

On any date fixed for redemption in whole of the Notes, the Repo Counterparty shall repurchase from the Issuer all remaining Repo Securities which have not been repurchased previously pursuant to the terms of the Repo Agreement (subject to the Note Extension Amount).

Cash Administration Agreement

Introduction

Under an agreement to be dated on or about the Closing Date (the "**Cash Administration Agreement**") between the Issuer, the Cash Administrator, the Trustee, the Cash Deposit Bank, the Custodian (if any), the Repo Counterparty (if any), the Swap Counterparty, the Paying Agents, the Agent Bank, the Issuer Account Bank and the Issuer's Director, the Issuer will appoint ABN AMRO (acting through its BU NL head office) as the Cash Administrator, to provide certain cash administration services on behalf of the Issuer.

In performing the cash administration services, the Cash Administrator will undertake to exercise the same level of skill, care and diligence as it would apply if it were the beneficial owner of the monies to which the cash administration services relate, and agrees that it will comply with any directions given by or on behalf of the Issuer or, as the case may be, the Trustee in accordance with the Cash Administration Agreement. The Cash Administrator may, in accordance with the terms of the Cash Administration Agreement, sub-contract its obligations under the Cash Administration Agreement to third parties (initially, such duties are expected to be sub-contracted to ATC Financial Services B.V. (without the approval of other parties or the Rating Agencies being required)).

The Cash Administrator will be required under the Cash Administration Agreement to report on these principal functions through the preparation and delivery of Cash Administration Reports and Quarterly Investor Reports. In addition, in order to perform the principal functions and reporting obligations, the Cash Administrator will be required under the Cash Administration Agreement to make certain calculations.

The Cash Administrator's obligations under the Cash Administration Agreement are described in more detail in the following paragraphs.

Preparation and Delivery of Reports

The Cash Administrator will no later than three (3) Note Business Days prior to each Note Payment Date deliver to the Issuer, the Swap Counterparty, the Trustee and the Rating Agencies a report in respect of the immediately preceding Calculation Period in which it will notify the recipients of, amongst other things, all payments made and all relevant calculations performed with respect thereto (the "**Cash Administration Report**").

The Cash Administrator will no later than three (3) Note Business Days prior to each Note Payment Date deliver to the Issuer, the Trustee, the Paying Agents and the Rating Agencies, a consolidated report in respect of the immediately preceding Calculation Period, based upon the information contained in each of the Swap Portfolio Report and the Cash Administration Report (the "**Quarterly Investor Report**").

The Cash Administration Report and the Quarterly Investor Report will each be posted by the Issuer (or the Cash Administrator on its behalf) on a website previously identified as accessible to, amongst others, Noteholders.

Calculations by the Cash Administrator

The Cash Administrator will, on behalf of the Issuer, as at each Calculation Date, calculate, among others, the following:

- (a) prior to the delivery of a Note Enforcement Notice by the Trustee, the allocations due in accordance with the Pre-Enforcement Available Income Priority of Payments;
- (b) prior to the delivery of a Note Enforcement Notice by the Trustee, the allocations due in accordance with the Pre-Enforcement Available Redemption Funds Priority of Payments;
- (c) following the delivery of a Note Enforcement Notice by the Trustee, the allocations due in accordance with the Post-Enforcement Priority of Payments;
- (d) the then Principal Balance and the then Adjusted Principal Balance of each Class of Notes and the amount of Credit Protection Payments, the Synthetic Excess Spread Balance, if any, to be allocated as Reinstated Principal on the next Note Payment Date and the remaining Synthetic Excess Spread Balance following such allocation and the crediting of the Synthetic Excess Spread Amount to the Synthetic Excess Spread Ledger on such Note Payment Date; and
- (e) the aggregate amount of Note Principal Payments due on the forthcoming Note Payment Date.

Costs and Expenses of the Cash Administrator

On each Note Payment Date, the Issuer will, in accordance with the relevant Priority of Payments, pay the Cash Administrator any fees then owed to it under the Cash Administration Agreement and reimburse it for all out-of-pocket costs and expenses properly incurred in the performance of its obligations on behalf of the Issuer. Amounts due to the Cash Administrator will be payable in priority to the Notes.

Termination of Appointment of the Cash Administrator

Under the Cash Administration Agreement, the Issuer (with the prior written consent of the Trustee) or the Trustee may at any time (with thirty (30) days' prior notice) terminate the Cash Administrator's appointment and appoint a successor cash administrator.

The appointment of the Cash Administrator shall terminate forthwith if the Cash Administrator becomes incapable of acting or becomes insolvent or defaults in the performance of any of its obligations under the Cash Administration Agreement and such default is not cured or waived within three (3) Note Business Days of it occurring.

Events of default in respect of the Cash Administrator include: (i) a default in the performance of any of the Cash Administrator's material covenants or obligations under the terms of the Cash Administration Agreement; and (ii) the occurrence of certain insolvency related events in

relation to the Cash Administrator. In such a case, the Issuer shall forthwith appoint a substitute cash administrator.

In addition, the Cash Administrator may resign by giving at least three (3) months' notice to the Issuer and the Trustee.

Regardless of the reason, the termination of the appointment of the Cash Administrator will not take effect until a successor cash administrator has been appointed in its place. The identity and terms of appointment of any successor cash administrator must meet certain criteria set out in the Cash Administration Agreement. These include written confirmation by each Rating Agency that the then current ratings of each Class of Notes rated by such Rating Agency will not be adversely affected as a result of such appointment. The fee payable to any successor cash administrator must not exceed the rate then commonly charged by cash administrators of similar transactions in The Netherlands.

Upon the termination of its appointment, the Cash Administrator is required (subject to any legal or regulatory restrictions) to deliver the documents, information, computer stored data and monies held by it in relation to its appointment to the successor cash administrator and is required to take such further lawful action as the successor cash administrator may reasonably request in order to enable such successor cash administrator to perform its cash administration duties.

In no circumstances shall the Trustee be obliged to assume the obligations of the Cash Administrator.

Issuer Account

The Issuer opened an account with ABN AMRO (acting through its BU NL head office and in such capacity, the "**Issuer Account Bank**") into which payments by the Swap Counterparty under the Credit Default Swap and the Repo Counterparty under the Repo Agreement and all income thereof shall be credited, provided that in the event that the short-term rating of the Issuer Account Bank becomes lower than A-1+ from S&P, P-1 from Moody's or F1 from Fitch (the "**Issuer Account Bank Required Rating**"), the Issuer Account Bank will be required, within 30 days of such downgrade, to identify a successor or replacement Issuer Account Bank which has the Issuer Account Bank Required Rating. Any such replacement of the Issuer Account Bank shall be at no cost to the Issuer.

Capital Account

The Issuer also opened an account with ABN AMRO into which its paid-up share capital (*gestort aandelenkapitaal*) has been deposited (the "**Capital Account**"). The Issuer Profit Amount will be deposited in such Capital Account. No security rights will be granted over the amounts standing to the credit of such Capital Account.

ABN AMRO GROUP

History and Incorporation

ABN AMRO Holding N.V. ("**ABN AMRO Holding**") is incorporated as a limited liability company under Dutch law by deed of 30 May 1990 as the holding company of ABN AMRO. The Articles of Association of ABN AMRO Holding were last amended by deed of 9 June 2005 executed before Mr. R.J.C. van Helden, Notary Public in Amsterdam. The registered office of ABN AMRO Holding is at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.

ABN AMRO Holding's main purpose is to own ABN AMRO and its subsidiaries. ABN AMRO Holding owns 100 per cent. of the shares of ABN AMRO and is jointly and severally liable for all liabilities of ABN AMRO pursuant to a declaration under Article 2:403 of the Dutch Civil Code.

ABN AMRO traces its origin to the formation of the "Nederlandsche Handel-Maatschappij, N.V." in 1825 pursuant to a Dutch Royal Decree of 1824. ABN AMRO's Articles of Association were last amended by deed of 9 June 2005 executed before Mr. R.J.C. van Helden, Notary Public in Amsterdam.

ABN AMRO is registered in the Commercial Register of Amsterdam under number 33002587. The registered office of ABN AMRO is at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.

Overview

The ABN AMRO group (the "**Group**"), which consists of ABN AMRO Holding and its subsidiaries, is a prominent international banking group offering a wide range of banking products and financial services on a global basis through its network of 3,870 offices and branches in 58 countries and territories as of year-end 2004. The Group is one of the largest banking groups in the world with total consolidated assets of EUR 608.6 billion as at 31 December 2004.

The Group implements its strategy through a number of global (Strategic) Business Units, each of which is responsible for managing a distinct client or product segment. The Group's client-focused (Strategic) Business Units are: Consumer & Commercial Clients, Wholesale Clients, Private Clients, Asset Management and Transaction Banking Group. In addition, the Group has its internal Business Units: Group Shared Services and Group Functions. The Group's (Strategic) Business Units are present in all countries and territories in which the Group operates with the largest presence in its home markets.

The Group is the largest banking group in The Netherlands and it has a substantial presence in Brazil and the MidWestern United States, its three "home markets". The Group is one of the largest foreign banking groups in the United States, based on total assets held as of 31 December 2004. ABN AMRO Holding is listed on Euronext and the New York Stock Exchange among others.

ABN AMRO is the result of the merger of Algemene Bank Nederland N.V. and Amsterdam-Rotterdam Bank N.V. in 1990. Prior to the merger, these banks were, respectively, the largest and second-largest banks in The Netherlands. ABN AMRO traces its origin to the formation of

the Nederlandsche Handel-Maatschappij, N.V. in 1825, pursuant to a Dutch Royal Decree of 1824.

The Group has implemented the value-based management model, Managing for Value ("MfV") throughout the organisation. MfV allows the Group to allocate its resources to where it earns the best possible long-term economic profit (net profit after tax less the risk-adjusted cost of capital) and to measure results more effectively. The Group will continue to build on the success of this model.

Group Strategy

The Group is an international bank with European roots and a clear focus on consumer and commercial banking, strongly supported by an international wholesale business. The business mix provides a competitive edge in the chosen markets and client segments.

The Group aims to maximize value for its clients, while maximizing value for its shareholders as the ultimate proof of, and condition for success.

Starting from this base, its strategy for growing and strengthening the business is built on five key elements:

1. Creating value for clients by offering high-quality financial solutions, which best meet their current needs and long-term goals.
2. Focusing on:
 - consumer and commercial clients in its three home markets of The Netherlands, the U.S. MidWest, Brazil and in selected growth markets around the world
 - selected wholesale clients with an emphasis on Europe and financial institutions
 - private clients
3. Leveraging its advantages in products and people to benefit all its clients.
4. Sharing expertise and operational excellence across the group.
5. Creating 'fuel for growth' by allocating capital and talent according to the principles of its MfV-based management model.

The Group aims for sustainable growth which will benefit all its stakeholders- including clients, shareholders, employees, and society at large. The Sustainability Report is not incorporated in this report. The Group's ability to build sustainable relationships, both internally and externally, is crucial to the Group's ability to achieve sustainable growth.

Client Focus

Through the Group's various client-focused (Strategic) Business Units, the Group aims to create value for a comprehensive spectrum of clients: on the consumer side, from mass retail clients to high net worth private clients, and, on the corporate side, from small businesses to large multinationals. All these client groups are beneficiaries of the Group's client-focused strategy. The Group believes it has a strategic advantage because of its particular combination of clients,

products and geographical markets. The prime beneficiaries of this advantage are in the mid-market segment. On the consumer side the mid-market client segment includes the mass affluent clients in the Group's Consumer & Commercial Clients as well as a large number of clients in Private Clients, while on the corporate side it includes a significant number of medium-to-large companies and financial institutions. The mid-market client segment typically requires local banking relationships, an extensive and competitive product suite, an international network, efficient delivery, and, for corporates, sector knowledge. With the Group's range of businesses and capabilities, the Group is one of the few banks in the world that can deliver on all of these elements to its target clients, in some cases uniquely so.

The Group's growth strategy is to build on these strong mid-market positions and to exploit opportunities to provide clients in this segment with high-quality and innovative products and services from across the Group. The Group's global branding concept is the green and yellow ABN AMRO shield next to strong local brand names in combination with the new motto "Making More Possible". The motto reflects the seamless integration of Business Units around the world to create and exploit opportunities for every client, whether those possibilities emerge in the client's home market or elsewhere.

The Group aims to expand its client base both by winning more clients in its chosen markets and client segments and by successfully exploiting the attractive opportunities in several emerging markets, including Greater China and India, through the Business Unit New Growth Markets. Attractive conditions in these markets include the possibility of high growth in spending on personal financial services, continuing deregulation, a small number of well established incumbent players, and a growing and increasingly knowledgeable population of mass affluent consumers.

Capitalising on the Group's "one bank" advantages

The Group's ability to create value for its clients and shareholders increasingly depends on sharing expertise and operational excellence across the Group. To enable the Group to provide its mid-market clients with the best possible products and services, the Group created a Consumer and Commercial segment across Business Units. The role of this segment includes the application of winning formulas in the different countries in which the Group operates and increasing coordination among Asset Management, Transaction Banking, Wholesale Clients and other (Strategic) Business Units with the goal of delivering high-quality solutions.

The Group also combined all its product management and development activities in the payments and trade segments around the world into a new global Transaction Banking organization, which reports to the Group COO. This new global payments franchise is designed to allow the Group to capture all potential efficiencies from its scale more effectively, and to realize incremental returns on investments in this area.

Further, the Group intends to continue to build on the initial success of Group Shared Services, which was established in January 2004. This Business Unit will continue to focus on identifying and exploiting potential cost savings through further consolidation and standardization across all its operations. Group Shared Services will also investigate and implement new market solutions, in order to ensure that all (Strategic) Business Units get the support services they need to provide clients with even better products and services delivered in the most efficient way.

Recent Developments

The acquisition of Bank Corluy in Belgium was completed at the end of April 2005. The acquisition of Bank Corluy marks a step forward in the Group's efforts to strengthen its private banking position in Belgium. In addition to a solid operating platform, Bank Corluy provides complementary local product capabilities and an attractive client franchise.

In June the Group sold the call options that were in place to hedge the expected 2006 US dollar related net profit. The intrinsic value of EUR 72 million is stored in the special component of equity (SCE) and will be released in 2006 on a monthly basis. The Group decided to sell the 2006 hedge because of the impact of new IFRS rules, which have led the Group to change its hedging policy whereby the Group will no longer hedge its expected US dollar related net profit.

The sale of Nachenius, Tjeenk & Co. N.V to BNP Paribas was completed on 1 July 2005. The decision to sell Nachenius, Tjeenk & Co. is in accordance with the Group's Private Banking strategy to focus on core activities.

On 8 July 2005 Tokio Marine & Nichido Fire Insurance Co., Ltd. ("TMNF"), an integral subsidiary of Millea Holdings, Inc. and the Group announced that TMNF will purchase from the Group 100% of Real Seguros S.A., and establish a 50/50 joint venture in Real Vida e Previdência S.A. As part of the agreement, the Group will distribute on an exclusive basis through its retail network in Brazil, insurance and pension products, thereby combining Banco Real's distribution capabilities with the insurance expertise of TMNF. The transaction, which is still subject to customary regulatory approvals in Brazil, Japan and The Netherlands, amounts to BRL 960 million (EUR 335 million) and will result in a net gain of approximately BRL 549 million (EUR 191 million). This gain will be booked once the Group has received the regulatory approvals, which are expected towards the end of the fourth quarter. The agreement was previously announced on 28 April 2005 and is in accordance with the Group's worldwide strategy to provide its customers with a full-fledged, state-of-the-art product offering.

The Group announced on 25 July 2005 that the Group had obtained acceptances totalling 6,283,038 of shares in Banca Antonveneta following the expiration on 22 July 2005 of the cash tender offer. The percentage of shares tendered in the offer amounts to 2.88% of Banca Antonveneta's total outstanding share capital. As stated in the press release of 30 March 2005, the offer was conditional on the Group obtaining at least 50% + 1 share of Banca Antonveneta's share capital. The percentage of shares tendered together with the Group's current stake confirmed that this condition has not been met. The Group currently holds a 29.91% stake in Banca Antonveneta, as the 2.88% was not accepted, and reiterates that it has no intention of remaining a minority shareholder in Banca Antonveneta. The Group also reiterates that it remains committed to its statement of 30 March 2005 that, in the event the acquisition is not successful, the proceeds of the equity funding will be returned to its shareholders in a cost effective manner.

On 26 September 2005, the Group announced it has signed an agreement with Banca Popolare Italiana (BPI) and a number of other shareholders to purchase a total of 121,560,835 shares (or a 39.37% stake) in Banca Antonveneta. The Group will pay EUR 26.50 per share, equal to a total cash consideration of EUR 3.2 billion. The transfer of the shares will take place after fulfilling all conditions including the decisions of Milan Court, Consob and the Banca d'Italia.

The bank continues to be engaged in bank secrecy act compliance matters and the Group has signed a written agreement with the US regulatory authorities concerning these compliance matters. Investigations have had and will continue to have an impact on the bank's operations in the US, including procedural limitations on expansion and the powers otherwise exercisable as a financial holding company.

As mentioned in the press release of 14 October 2005, the Group as per 1 January 2006 will further align its structure to realise profitable growth potential. This new Group structure reflects strategic focus on mid-market clients. It involves the creation of Group business committees to drive further synergies and cooperation across Business Units. Three new managing board members were appointed. More details can be found in the press release, which is available on www.abnamro.com.

The most recent developments can be found on the Group's website (www.abnamro.com).

Managing Board and Supervisory Board

Managing Board	Year of Appointment
R.W.J. Groenink, Chairman	1988
W.G. Jiskoot	1997
T. de Swaan	1999
J.Ch.L. Kuiper	1999
C.H.A. Collee	2000
H.Y. Scott-Barrett	2000

Supervisory Board	Year of Appointment
A.A. Loudon, Chairman	1994
A.C. Martinez, Vice-Chairman	2002
A. Burgmans	1998
D.R.J. Baron de Rothschild	1999
Mrs. L.S. Groenman	1999
Mrs. T.A. Maas-de Brouwer	2000
M.V. Pratini de Moraes	2003
P. Scaroni	2003
Lord Sharman of Redlynch	2003
A.A. Olijslager	2004
Rob van den Bergh	2005
Anthony Ruys	2005

The chosen address of the Supervisory and Managing Boards is the registered office of ABN AMRO Holding.

Auditor

ABN AMRO Holding's financial year is the calendar year. ABN AMRO Holding is required by Dutch law to appoint an external auditor. According to the Articles of Association of ABN AMRO Holding, the General Meeting of Shareholders is authorised to appoint the external auditor. The General Meeting of Shareholders, dated 29 April 2004, resolved to reappoint Ernst & Young Accountants to audit the financial statements of ABN AMRO Holding for the next five years.

Capitalisation

The following table sets out the consolidated capitalisation of ABN AMRO Holding as at the dates specified below.

	2004	2003	2002	2001
<i>(EUR millions)</i>				
Shareholders' equity as at the beginning of the period	13,047	11,081	12,098	12,898
Retained earnings	3,372	2,461	1,562	2,578
Exercise of option rights and conversion	50	2	66	8
Goodwill	30	(425)	(201)	(3,186)
Impact change in accounting policy pension costs	0	0	(430)	0
Addition/Release to provision pension obligations	(479)	14	(374)	0
Revaluations and other movements	(337)	374	(16)	52
Change in treasury stock	(513)	6	(2)	(102)
Currency translation differences	(198)	(466)	(1622)	(150)
Shareholders' equity as at the end of the period	14,972	13,047	11,081	12,098

FINANCIAL INFORMATION ABN AMRO HOLDING N.V.

The financial statements below have been prepared in conformity with generally accepted accounting principles in The Netherlands.

Consolidated balance sheet at December 31, 2004 and 2003

(EUR millions)

	2004	2003
Assets		
Cash	17,794	12,734
Short-dated government paper	16,578	9,240
Banks	83,710	58,800
<i>Loans to public sector</i>	5,967	5,489
<i>Loans to private sector</i>	233,815	234,77
<i>Professional securities transactions</i>	59,269	56,578
Loans	299,051	296,843
Interest-earning securities	133,869	132,041
Shares	25,852	16,245
Participating interests	2,309	2,629
Property and equipment	6,798	7,204
Other assets	15,338	16,548
Prepayments and accrued income	7,324	8,153
	608,623	560,437
Liabilities		
Banks	132,732	110,887
<i>Savings accounts</i>	74,256	73,238
<i>Deposits and other client accounts</i>	178,640	168,111
<i>Professional securities transactions</i>	40,661	48,517
Total client accounts	293,557	289,866
Debt securities	82,926	71,688
Other liabilities	43,040	33,207
Accruals and deferred income	9,776	11,840
Provisions	13,553	11,146
	575,584	528,634
Fund for general banking risks	1,149	1,143
Subordinated debt	12,639	13,900
<i>Shareholders' equity</i>	14,972	13,047
<i>Minority interests</i>	4,279	3,713
Group equity	19,251	16,760
Group capital	33,039	31,803
	608,623	560,437
Contingent liabilities	46,464	42,838
Committed facilities	145,092	119,675

Consolidated income statement for 2004, 2003 and 2002
(EUR millions)

	2004	2003	2002
Revenue			
<i>Interest revenue</i>	23,196	23,529	27,370
<i>Interest expense</i>	13,530	13,806	17,525
Net interest revenue	9,666	9,723	9,845
Revenue from securities and participating interests	1,620	269	369
<i>Commission revenue</i>	5,452	5,160	5,421
<i>Commission expense</i>	702	696	782
Net commissions	4,750	4,464	4,639
Results from financial transactions	2,288	1,993	1,477
Other revenue	1,469	2,344	1,950
Total non-interest revenue	10,127	9,070	8,435
Total revenue	19,793	18,793	18,280
Expenses			
<i>Staff costs</i>	7,764	7,080	7,407
<i>Other administrative expenses</i>	4,962	4,575	4,647
Administrative expenses	12,726	11,655	12,054
Depreciation	961	930	1,094
Operating expenses	13,687	12,585	13,148
Provision for loan losses	653	1,274	1,695
Value adjustments to financial fixed assets	2	16	49
Total expenses	14,342	13,875	14,892
Operating profit before taxes	5,451	4,918	3,388
Taxes	1,071	1,503	973
Group profit after taxes	4,380	3,415	2,415
Minority interests	271	254	208
Net profit	4,109	3,161	2,207
Earnings per ordinary share	2.45	1.94	1.39
Fully diluted earnings per ordinary share	2.45	1.93	1.38
Dividend per ordinary share	1.00	0.95	0.90

Consolidated cash flow statement for 2004, 2003 and 2002
(EUR millions)

	2004	2003	2002
Group profit	4,380	3,415	2,415
Depreciation	961	930	1,006
Provision for loan losses	653	1,274	1,695
Movement in provisions	953	287	(723)
Movement in interest receivable	513	(1,236)	2,277
Movement in interest payable	(1,065)	2,092	(1,387)
Movement in current tax	401	226	331
Other accruals and deferrals	350	908	91
Government paper and securities, trading	(20,876)	(6,546)	(2,311)
Other securities	(2,149)	(1,500)	3,865
Banks, other than demand deposits	355	839	1,238
Loans	(19,724)	(4,638)	1,888
Professional securities transactions (included in loans)	(3,498)	(4,158)	5,890
Total client accounts	19,735	14,741	(3,451)
Professional securities transactions (included in total client accounts)	(5,644)	6,661	4,658
Debt securities, excluding debentures and notes	(2,744)	(4,616)	1,324
Other assets and liabilities	7,996	(10,673)	(14)
Net cash flow from operations / banking activities	(19,403)	(1,994)	18,792
<i>Purchase of securities for investment portfolios</i>	(73,810)	(151,771)	(144,584)
<i>Sale and redemption of securities from investment portfolios</i>	75,224	148,015	122,697
Net inflow/(outflow)	1,414	(3,756)	(21,887)
<i>Investments in participating interests</i>	(322)	(1,010)	(479)
<i>Sale of investments in participating interests</i>	2,680	364	280
Net inflow/(outflow)	2,358	(646)	(199)
<i>Capital expenditure on property and equipment</i>	(1,046)	(1,563)	(1,292)
<i>Sale of property and equipment</i>	186	491	497
Net outflow	(860)	(1,072)	(795)
Net cash flow from investment activities	2,912	(5,474)	(22,881)
Increase in group equity	2,049	1,281	106
Repayment of preference shares	(1,911)	(1,258)	0
Issue of subordinated debt	50	1,025	114
Repayment of subordinated debt	(797)	(164)	(964)
Issue of debentures and notes	25,525	19,426	8,815
Repayment of debentures and notes	(8,462)	(10,236)	(7,349)
Cash dividends paid	(964)	(915)	(999)
Net cash flow from financing activities	15,490	9,159	(277)
Cash flow	(1,001)	1,691	(4,366)

Changes in shareholders' equity in 2004, 2003 and 2002

(EUR millions)

	2004	2003	2002
Ordinary shares			
Opening balance	919	890	862
Exercised options and warrants	2	—	2
Conversion of convertible preference shares	—	1	1
Stock dividends	33	28	25
Closing balance	954	919	890
(Convertible) Preference shares			
Opening balance	813	814	815
Conversion	—	(1)	(1)
Redemption and issuance	(46)	—	—
Closing balance	767	813	814
Share premium account			
Opening balance	2,549	2,543	2,504
Exercised options and conversion	48	1	63
Conversion of convertible preference shares	—	1	1
Release from general reserve due to staff options	1	32	—
Stock dividends	(33)	(28)	(25)
Closing balance	2,565	2,549	2,543
General reserve and reserves prescribed by law			
Opening balance	11,166	8,933	8,161
Net profit	4,109	3,161	2,207
Preferred dividends	(43)	(45)	(46)
Cash dividends paid	(694)	(655)	(599)
Goodwill and dilution of minority participating interest	30	(425)	(201)
Impact change in accounting policy pension costs	—	—	(430)
Addition to share premium account due to staff options	(1)	(32)	—
Addition to / release from provision pension obligations	(479)	14	(374)
Realized revaluations from revaluation reserve	—	—	186
Other	(212)	215	29
Closing balance	13,876	11,166	8,933
Revaluation reserves			
Opening balance	283	124	355
Realized revaluations to general reserve	—	—	(186)
Revaluations	(79)	159	(45)
Closing balance	204	283	124
Exchange differences reserve			
Opening balance	(2,564)	(2,098)	(476)
Currency translation differences	(198)	(466)	(1,622)
Closing balance	(2,762)	(2,564)	(2,098)
Treasury stock			
Opening balance	(119)	(125)	(123)
Increase (decrease)	(513)	6	(2)
Closing balance	(632)	(119)	(125)
Total shareholders' equity	14,972	13,047	11,081

USE OF PROCEEDS

The proceeds from the issue of the Notes will be EUR 4,016,000,000 and will be applied on the Closing Date to fund the Cash Deposit held by the Cash Deposit Account Bank in accordance with the Cash Deposit Agreement.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Each Class of Notes will initially be in the form of a Temporary Global Note without Coupons or Receipts. Each Class of Notes will be deposited on or around the Closing Date with a common depository for Clearstream, Luxembourg and Euroclear. Interests in each Temporary Global Note will be exchangeable in whole or in part for interests in a Permanent Global Note representing Notes of the same Class, without Coupons or Receipts, on a date not earlier than 40 days after the Closing Date (the "**Exchange Date**") upon certification as to non-U.S. beneficial ownership. No payments of principal, interest or any other amounts payable in respect of the Notes will be made under the Temporary Global Notes unless exchange for interests in the relevant Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

All Permanent Global Notes, but not less than all, will become exchangeable in whole, but not in part, for Definitive Notes in minimum denominations of EUR 100,000 each, with Coupons for payments of interest, Receipts for payments of principal and Talons for further Coupons and Receipts attached, each at the request of the bearer of the relevant Permanent Global Note against presentation and surrender of such Permanent Global Note to the Principal Paying Agent if either of the following events (each, an "**Exchange Event**") occurs:

- (a) the Notes became immediately due and repayable by reason of a Note Event of Default; or
- (b) Clearstream, Luxembourg or Euroclear 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 or does in fact do so and no other clearing system acceptable to the Trustee is then in existence; or
- (c) by reason of a change in law (or in the application or official interpretation thereof) or any change in the practice of Clearstream, Luxembourg and/or Euroclear, which change becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any withholding or deduction from any payment in respect of the Notes for or on account of any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or any political sub-division thereof or authority thereof or therein having the power to tax (other than by reason of the relevant holder having some connection with The Netherlands, other than the holding of the Notes or the related Coupons), or the Issuer suffers or will suffer any other disadvantage as a result of such change, which withholding or deduction would not be required or other disadvantage would not be suffered (as the case may be) if the Notes were in definitive form.

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Receipts and Talons attached, in aggregate principal amount equal to the principal amount of the relevant Permanent Global Note to the bearer of such

Permanent Global Note against the surrender of such Permanent Global Note at the Specified Office of any Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

In addition, the Temporary Global Notes and the Permanent Global Notes will contain provisions which modify the Conditions as they apply to the Temporary Global Notes and the Permanent Global Notes. The following is a summary of certain of those provisions:

Payments: All payments in respect of each Temporary Global Note and each Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the relevant Temporary Global Note or, as the case may be, the relevant Permanent Global Note at the Specified Office of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes.

Notices: Notwithstanding Condition 17 (*Notices to Noteholders*), while (i) all the Notes are represented by Permanent Global Notes (or by Permanent Global Notes and/or Temporary Global Notes) and the Permanent Global Notes (or each Permanent Global Note and/or each Temporary Global Note) are deposited with a common depository for Clearstream, Luxembourg and/or Euroclear and (ii) so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so permit, notices to Noteholders may be given by delivery of the relevant notice to Clearstream, Luxembourg and/or Euroclear, rather than by publication in accordance with Condition 17 (*Notices to Noteholders*). Such notices shall be deemed to have been given to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*) on the date of delivery to Clearstream, Luxembourg and/or Euroclear.

Meeting: The holder of a Global Note will be deemed to be two persons for the purpose of forming a quorum at a meeting of Noteholders.

Purchase and Cancellation: 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 Clearstream, Luxembourg or Euroclear, as appropriate.

TERMS AND CONDITIONS OF THE NOTES

The following are the Conditions of the Notes in the form (subject to completion and amendment) in which they will be set out in the Trust Deed. The Notes are subject to the Conditions set out below, whether they are in definitive form or in global form.

The EUR 3,000,000,000 Class A Credit Linked Notes due 2014 (such of them as are outstanding, the "**Class A Notes**"), the EUR 363,000,000 Class B Credit Linked Notes due 2014 (such of them as are outstanding, the "**Class B Notes**"), the EUR 284,000,000 Class C Credit Linked Notes due 2014 (such of them as are outstanding, the "**Class C Notes**"), the EUR 150,000,000 Class D Credit Linked Notes due 2014 (such of them as are outstanding, the "**Class D Notes**"), the EUR 159,000,000 Class E Credit Linked Notes due 2014 (such of them as are outstanding, the "**Class E Notes**") and the EUR 60,000,000 Class F Credit Linked Notes due 2014 (such of them as are outstanding, the "**Class F Notes**" and, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "**Notes**") in each case of Shield 1 B.V. (the "**Issuer**") are issued pursuant to a trust deed (the "**Trust Deed**", which expression includes such trust deed as from time to time modified or supplemented in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time so modified) dated on or about 15 December 2005 (or such later date as may be agreed between the Issuer and ABN AMRO (as defined hereafter, acting through its London Branch), (the "**Arranger**")) (the "**Closing Date**") and made between the Issuer and Stichting Trustee Shield 1, (the "**Trustee**", which expression includes its successors or any additional or other trustee appointed pursuant to the Trust Deed) as trustee for the Noteholders, the Couponholders and the Receiptholders.

Any reference to "**Notes**" in these terms and conditions (the "**Conditions**") shall include, in relation to the Notes, the Global Notes and the Definitive Notes. In addition, any reference in these Conditions to a Class of Notes or of Noteholders shall be a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes (or any of them) or, as the case may be, the respective holders thereof.

The security for the Notes is created pursuant to, and on the terms set out in the Security Documents (as defined below).

Pursuant to an agency agreement (the "**Agency Agreement**", which expression includes such agency agreement as from time to time modified or supplemented in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time so modified) dated the Closing Date and made between the Issuer, the Trustee, ABN AMRO (acting through its Dublin Branch) as Irish paying agent (the "**Irish Paying Agent**", which expression includes its successors), ABN AMRO (acting through its office in Breda) as principal paying agent (the "**Principal Paying Agent**", which expression includes its successors and, together with the Irish Paying Agent and any additional or other paying agents, if any, appointed from time to time in respect of the Notes pursuant to the Agency Agreement, the "**Paying Agents**") and ABN AMRO (acting through its office in Breda), as agent bank (the "**Agent Bank**", which expression includes its successors and, together with the Paying Agents, the "**Agents**"), provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes of each Class.

The statements in these Conditions include summaries of, and are subject to and have the benefit of, the detailed provisions of the Trust Deed and the Agency Agreement.

Copies of the Trust Deed, any Security Documents, the Agency Agreement, the Cash Administration Agreement, the Credit Default Swap, the Repo Agreement (if any), the Cash Deposit Agreement, the Custody Agreement (if any), the Issuer Management Agreement and the Issuer Account Agreement (all as defined hereafter) are obtainable during normal business hours at the Specified Office for the time being of the Principal Paying Agent, being at the date hereof at Kemelstede 2, 4817 ST Breda, The Netherlands and at the Specified Office of the Irish Paying Agent, being at the date hereof at International Financial Services Centre, Dublin 1, Ireland. The Noteholders, the Couponholders and the Receiptholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, any Security Documents, the Agency Agreement and the other Transaction Documents.

The issue of the Notes was authorised by resolution of the board of directors of the Issuer passed on or before 14 December 2005.

1. **Definitions**

In these Conditions, the following defined terms have the meanings set out below:

"**ABN AMRO**" means ABN AMRO Bank N.V., a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of The Netherlands, having its corporate seat (*statutaire zetel*) in Amsterdam, The Netherlands and its registered and head office at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands and registered with the Trade Register of the Chamber of Commerce in Amsterdam, The Netherlands under number 33002587;

"**Accounts Pledge**" means a Dutch law governed pledge deed dated the Closing Date between the Issuer and the Trustee relating to the Cash Deposit Account and the Issuer Account;

"**Additional Pledge Agreement**" means any additional security agreement (as from time to time modified in accordance therewith) entered into after the Closing Date between the Issuer and the Trustee as may be required to effectively secure any Repo Securities not at such time (i) cleared through Clearstream, Luxembourg's or Euroclear's clearing systems or (ii) subject to the Securities Pledge;

"**Adjusted Principal Balance**" of a Note of any Class or of any Class of Notes on any date shall be the face amount of such Note or all the Notes of such Class, as the case may be, on the date of issuance thereof less: (i) the sum of (a) the aggregate amount of all Note Principal Payments in respect of such Note or Class of Notes that have been paid since the Closing Date and on or prior to such date; and (b) the aggregate amount of reduction in the Adjusted Principal Balance of such Class of Notes in respect of Write-offs allocated to such Note or Class of Notes on or before such date, plus (ii) the aggregate amount of Reinstated Principal applicable to such Note or Class of Notes;

"**Additional Recovery Amount**" has the meaning given to it in the Credit Default Swap;

"**ASCI**" means the Dutch Act on the Supervision of Credit Institutions 1992 (*Wet toezicht kredietwezen 1992*);

"**Available Funds**" means the available funds of the Issuer to be applied on each Note Payment Date in accordance with the Pre-Enforcement Available Income Priority of Payments, the Pre-Enforcement Available Redemption Funds Priority of Payments or, as applicable, on any day in accordance with the Post-Enforcement Priority of Payments;

"**Available Income**" means on each Note Payment Date, the following amounts:

- (a) the Swap Counterparty Payments from the Swap Counterparty in respect of such Note Payment Date and, where the Swap Counterparty does not have the Swap Counterparty Required Rating, those funds representing advance payment of the Swap Counterparty Payment; and
- (b) the Issuer CD/Repo Income for that Note Payment Date; less
- (c) an amount equal to the Reinstated Principal (if any);

"**Available Redemption Funds**" means the following principal funds which the Issuer will have available:

- (a) principal amounts withdrawn from the Cash Deposit upon liquidation of any part of the Cash Deposit (and other than in respect of a Cash Deposit Collateral Transfer) and amounts received from the Repo Counterparty (if any) on any unwind of the Repo Agreement, pursuant to which the Repo Counterparty will repurchase Repo Securities from the Issuer in accordance with the terms of the Repo Agreement and prior to redemption in whole of the Notes, to the extent required to meet any Note Amortisation Amount and, after the Replenishment Period, to the extent of any Recovery Amounts and aggregate amounts by which the Reference Obligations have amortised, prepaid, repaid or been cancelled, and aggregate amounts by which Savings Proceeds have increased, during the related Reference Period;
- (b) if the Maximum Reference Portfolio Amount is equal to or less than the Initial Swap Notional Amount, the amounts of Synthetic Excess Spread Balance allocated in accordance with the Synthetic Excess Spread Priority of Payments towards reinstatement the Adjusted Principal Balance of each Class or Classes of Notes in respect of which there are Un-reimbursed Write-offs; and
- (c) if applicable upon enforcement of the Security amounts realised upon any sale by the Trustee of the Repo Securities (including accrued and unpaid interest in respect thereof);

"**Basic Terms Modification**" has the meaning given to it in the Trust Deed;

"**Belgian Pledge Agreement**" means any Belgian pledge agreement (as from time to time modified in accordance therewith) to be entered into after the Closing Date between the Issuer and the Trustee;

"BU NL head office" means ABN AMRO's office at Foppingadreef 22, 1102 BS Amsterdam, The Netherlands;

"Calculation Agent" means ABN AMRO (acting through its BU NL head office) or such other entity or entities appointed from time to time as calculation agent subject to and in accordance with the terms of the Credit Default Swap;

"Calculation Date" means the Note Business Day falling five (5) Note Business Days prior to a Note Payment Date;

"Calculation Period" means a Note Interest Period;

"Cash Administration Agreement" means the cash administration agreement dated on or about the Closing Date and made between the Issuer, the Swap Counterparty, the Repo Counterparty (if any), the Paying Agents, the Trustee, the Issuer Account Bank, the Custodian (if any), the Cash Deposit Bank, the Agent Bank, the Issuer's Director and the Cash Administrator (as from time to time modified in accordance therewith);

"Cash Administrator" means ABN AMRO (acting through its BU NL head office) or such other entity or entities appointed from time to time as cash administrator subject to and in accordance with the terms of the Cash Administration Agreement;

"Cash Deposit" means all rights and interests in the euro cash deposits held with the Cash Deposit Bank which are subject to the terms of the Cash Deposit Agreement and the amounts standing to the credit of the Cash Deposit Account;

"Cash Deposit Account" means the Cash Deposit Account held in the name of the Issuer and maintained by the Cash Deposit Bank pursuant to the terms of the Cash Deposit Agreement and into which the Cash Deposit (and any income proceeds in respect thereof) shall be deposited, or such other account as may be opened, with the consent of the Trustee, at any branch of the Cash Deposit Bank or at a bank having the Cash Deposit Bank Required Rating in replacement of such account;

"Cash Deposit Agreement" means the cash deposit agreement dated on or about the Closing Date and made between the Issuer, the Cash Deposit Bank, the Cash Administrator and the Trustee (as from time to time modified in accordance therewith);

"Cash Deposit Bank" means ABN AMRO (acting through its head office) or such other entity or entities appointed from time to time as cash deposit bank (having the Cash Deposit Bank Required Rating) subject to and in accordance with the terms of the Cash Deposit Agreement;

"Cash Deposit Bank Required Rating" means, in respect of any person, such person's short-term unsecured, unsubordinated, unguaranteed debt obligations being rated at least F1+ by Fitch, P-1 by Moody's and A-1+ by S&P;

"Cash Deposit Collateral Transfer" means if on any Note Business Day, the Swap Counterparty so elects, a liquidation (in whole or in part) of the Cash Deposit and application of the proceeds of such liquidation to the extent that those amounts are not required for any Cash Deposit Draw or repayment of the Notes;

"Cash Deposit Draw" means a liquidation of the Cash Deposit and/or, as the case may be, a release of Repo Securities in order to satisfy a Credit Protection Payment;

"Class A Definitive Notes" means any Class A Notes issued in definitive bearer form in, or substantially in the form attached as a schedule to the Trust Deed;

"Class A Noteholders" means the holders of any Class A Notes;

"Class A Permanent Global Note" means any permanent global note representing any Class A Notes in, or substantially in, the form attached as a schedule to the Trust Deed;

"Class A Temporary Global Note" means any temporary global note representing any Class A Notes in, or substantially in, the form attached as a schedule to the Trust Deed;

"Class B Definitive Notes" means any Class B Notes issued in definitive bearer form in, or substantially in the form attached as a schedule to the Trust Deed;

"Class B Noteholders" means the holders of any Class B Notes;

"Class B Permanent Global Note" means any permanent global note representing any Class B Notes in, or substantially in, the form attached as a schedule to the Trust Deed;

"Class B Temporary Global Note" means any temporary global note representing any Class B Notes in, or substantially in, the form attached as a schedule to the Trust Deed;

"Class C Definitive Notes" means any Class C Notes issued in definitive bearer form in, or substantially in the form attached as a schedule to the Trust Deed;

"Class C Noteholders" means the holders of any Class C Notes;

"Class C Permanent Global Note" means any permanent global note representing any Class C Notes in, or substantially in, the form attached as a schedule to the Trust Deed;

"Class C Temporary Global Note" means any temporary global note representing any Class C Notes in, or substantially in, the form attached as a schedule to the Trust Deed;

"Class D Definitive Notes" means any Class D Notes issued in definitive bearer form in, or substantially in the form attached as a schedule to the Trust Deed;

"Class D Noteholders" means the holders of any Class D Notes;

"Class D Permanent Global Note" means any permanent global note representing any Class D Notes in, or substantially in, the form attached as a schedule to the Trust Deed;

"Class D Temporary Global Note" means any temporary global note representing any Class D Notes in, or substantially in, the form attached as a schedule to the Trust Deed;

"Class E Definitive Notes" means any Class E Notes issued in definitive bearer form in, or substantially in the form attached as a schedule to the Trust Deed;

"Class E Noteholders" means the holders of any Class E Notes;

"Class E Permanent Global Note" means any permanent global note representing any Class E Notes in, or substantially in, the form attached as a schedule to the Trust Deed;

"Class E Temporary Global Note" means any temporary global note representing any Class E Notes in, or substantially in, the form attached as a schedule to the Trust Deed;

"Class F Definitive Notes" means any Class F Notes issued in definitive bearer form in, or substantially in the form attached as a schedule to the Trust Deed;

"Class F Noteholders" means the holders of any Class F Notes;

"Class F Permanent Global Note" means any permanent global note representing any Class F Notes in, or substantially in, the form attached as a schedule to the Trust Deed;

"Class F Temporary Global Note" means any temporary global note representing any Class F Notes in, or substantially in, the form attached as a schedule to the Trust Deed;

"Clearstream, Luxembourg" means Clearstream Banking, *société anonyme*, acting through its office at 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg;

"Common Depositary" means Société Générale as common depositary for Clearstream, Luxembourg and Euroclear;

"Conditions to Credit Protection" has the meaning given to it in the Credit Default Swap;

"Couponholders" means the persons who for the time being are holders of the Coupons;

"Coupons" has the meaning given to it in Condition 2(c) (*Form, Denomination and Title*);

"Credit Default Swap" means the credit default swap to be dated on or about the Closing Date between the Issuer and the Swap Counterparty;

"Credit Event" means in respect of a Reference Obligor (i) Bankruptcy or (ii) Failure to Pay under a Reference Obligation or (iii) Restructuring, each as defined under the Credit Default Swap;

"Credit Event Notice" means a notice delivered by the Swap Counterparty to the Calculation Agent and the Issuer specifying the occurrence of a Credit Event and confirming that the Credit Event is continuing;

"Credit Protection Calculation Date" means, in respect of a Defaulted Reference Obligation, the earliest to occur of:

- (1) the Liquidation Date; and
- (2) the date that is 30 days prior to the last day of the Workout Period;

"Credit Protection Payment" means, in respect of any Note Payment Date, the payment due from the Issuer to the Swap Counterparty in respect of the aggregate of the Credit Protection Payment Amounts determined on the Calculation Date in respect of the

Reference Period immediately preceding such Note Payment Date (which payment will be satisfied, first, by application of any Synthetic Excess Spread Balance and, thereafter, by a Cash Deposit Draw);

"**Credit Protection Payment Amount**" has the meaning given to it in the Credit Default Swap;

"**Current Portfolio Amount**" has the meaning given to it in the Credit Default Swap;

"**Custodian**" means such entity or entities appointed from time to time as custodian subject to and in accordance with the terms of the Custody Agreement;

"**Custody Accounts**" means the accounts into which shall be credited the Repo Securities (if any) and any income generated from such Repo Securities;

"**Custody Agreement**" means a custody agreement to be dated on or after the Closing Date between the Issuer and the Custodian (as from time to time modified in accordance therewith);

"**Day Count Fraction**" means in respect of a Reference Period, a Calculation Period or a Note Interest Period, the actual number of days in such period divided by 360;

"**Defaulted Reference Obligation**" means a Reference Obligation in respect of which the Conditions to Credit Protection have been met;

"**Definitive Notes**" means the Class A Definitive Notes, the Class B Definitive Notes, the Class C Definitive Notes, the Class D Definitive Notes, the Class E Definitive Notes and the Class F Definitive Notes;

"**EUR**" and "**euro**" means the single currency introduced in the Member States of the European Community as the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended;

"**EURIBOR**" has the meaning given to it in Condition 6(c) (*Interest - Interest Rates on the Notes*);

"**Early Redemption Date**" means the date upon which the Notes are redeemable in whole in any of the following circumstances: (i) at the option of the Issuer following the occurrence of a Tax Redemption Event; (ii) if the aggregate Adjusted Principal Balance of the outstanding Notes is less than 10% of the Initial Principal Balance of all of the Notes (iii) following early termination of the Credit Default Swap for any reason; (iv) following the early termination of the Cash Deposit Agreement or the Repo Agreement (if any); or (v) following the occurrence of a Note Event of Default and declaration by the Trustee that the Notes are due and repayable;

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System, acting through its office at 1 Boulevard du Roi, Albert 11, B-1210 Brussels, Belgium;

"**Exchange Date**" has the meaning given to it in Condition 2(a) (*Form, Denomination and Title*);

"Extension Period" means the period from and including the Scheduled Redemption Date or, as the case may be, the Early Redemption Date to but excluding the Note Payment Date following the end of the Reference Period during which the Credit Protection Payment Amount is determined in respect of the last remaining Unascertained Defaulted Reference Obligation;

"Extraordinary Resolution" has the meaning given to it in the Trust Deed;

"Financial Statements" means the published financial statements of the Issuer;

"Fitch" means Fitch Ratings Limited or any successor to its ratings business;

"Global Notes" has the meaning given to it in Condition 2(a) (*Form, Denomination and Title*);

"Holding" means Stichting Holding Shield 1;

"Holding Management Agreement" means the holding management agreement dated on or about the Closing Date between the Holding and ATC Management B.V. acting as director of the Holding (as from time to time modified in accordance therewith);

"Initial Swap Notional Amount" has the meaning given to it in the Credit Default Swap;

"Insolvency Event" means, in relation to a Dutch company:

- (i) a conservatory attachment (*conservatoir beslag*) or an executory attachment (*executoriaal beslag*) on any major part of such company's assets which has not been discharged or released within a period of 30 days; or
- (ii) if an order is made by any competent court or other authority or a resolution is passed for the dissolution (*ontbinding*) or winding-up of such company or for the appointment of an Insolvency Official of such company or of all or substantially all of its assets; or
- (iii) an assignment for the benefit of, or the entering into of any general assignment (*akkoord*) with, its creditors;
- (iv) if a petition for a suspension of payments (*surséance van betaling*) or for bankruptcy (*faillissement*) is filed for such company or if such company is declared bankrupt (*failliet*), or special measures (*bijzondere voorzieningen*) in the interests of all creditors as referred to in Chapter X of the ASCI are imposed upon such company (as applicable, **"Insolvency Proceedings"**); or
- (v) any event occurs which has an analogous effect to any of the foregoing;

"Insolvency Official" means, in relation to a Dutch company, a liquidator (*curator*), administrator (*bewindvoerder*) or other similar officer in respect of such company or in respect of any arrangement, compromise or composition with any creditors or any equivalent or analogous officer under the law of any jurisdiction;

"Interest Amount" has the meaning given to it in Condition 6(d) (*Interest – Calculation of Interest Amount and Determination of Interest Rates in Respect of the Notes*);

"Interest Determination Date" means each second day before a Note Payment Date which is both a TARGET Settlement Day and a Note Business Day and, in relation to a Note Interest Period, the **"Related Interest Determination Date"** means the Interest Determination Date immediately preceding the commencement of such Note Interest Period;

"Interest Rate" has the meaning given to it in Condition 6(c) (*Interest - Interest Rates on the Notes*);

"Irish Stock Exchange" means the Irish Stock Exchange Limited;

"Issuer Account" means the account of the Issuer into which payments by the Swap Counterparty under the Swap Agreement and the Issuer CD/Repo Income shall be credited;

"Issuer Account Agreement" means the issuer account agreement dated on or about the Closing Date between the Issuer, the Issuer Account Bank, the Cash Administrator and the Trustee;

"Issuer Account Bank" means ABN AMRO (acting through its BU NL head office) or such other entity or entities appointed from time to time as issuer account bank (having the Issuer Account Bank Required Rating) subject to and in accordance with the terms of the Issuer Account Agreement;

"Issuer Account Bank Required Rating" means, in respect of any person, such person's short-term unsecured, unsubordinated, unguaranteed debt obligations being rated at least F1 by Fitch, P-1 by Moody's and A-1+ by S&P;

"Issuer CD/Repo Income" means income on the Cash Deposit (if any) and repo income pursuant to the Repo Agreement (if any) which has accrued in the immediately preceding Calculation Period (collectively);

"Issuer Covenants" means the covenants of the Issuer set out in the Trust Deed;

"Issuer Management Agreement" means the issuer management agreement dated on or about the Closing Date between the Issuer and the Issuer's Director (as from time to time modified in accordance therewith);

"Issuer's Director" means ATC Management B.V., whose registered office is at Frederik Roeskestraat 123 1HG, 1076 EE Amsterdam, The Netherlands, or such other entity or entities appointed from time to time as the corporate services provider to the Issuer subject to and in accordance with the Issuer Management Agreement;

"Issuer Profit Amount" means in the case of the Note Payment Date falling in April 2006, EUR 25,000 and, on each Note Payment Date falling in January thereafter, EUR 15,000;

"Lead Manager" means ABN AMRO (acting through its London Branch);

"Legal Final Redemption Date" means the Note Payment Date falling in January 2014;

"Letter of Undertaking" means a letter of undertaking dated on or about the Closing Date between *inter alia*, the Issuer, the Issuer's Director, ABN AMRO and the Trustee;

"Liabilities" means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, decrees, actions, proceedings or other liabilities whatsoever incurred by that person (including legal fees and any Taxes and penalties and any part of such items as represents VAT) incurred by that person;

"Liquidation Date" means the date on which the Calculation Agent makes the determination that all Recoveries anticipated in respect of the Reference Obligation have been received by the Lender of Record;

"Loan" has the meaning given to it in the Credit Default Swap;

"Loan Originator" means ABN AMRO;

"Luxembourg Pledge Agreement" means any Luxembourg pledge agreement to be dated after the Closing Date between the Issuer and the Trustee;

"Make-Up Interest Amount" shall be calculated on a Calculation Date in respect of any Reinstated Principal and means, for each Class of Notes, the amount of interest that would (to the extent of the Reinstated Principal applicable in respect of that Class of Notes) otherwise have been attributable to that Class of Notes had the Adjusted Principal Balance not been earlier reduced by the amount of that Reinstated Principal and calculated in accordance with the Conditions from the earliest date of reduction of the Adjusted Principal Balance of the relevant Class of Notes which has not been reinstated to the Note Payment Date following such Calculation Date;

"Margin" means for each Note Interest Period:

- (a) in respect of the Class A Notes, 0.17 per cent. per annum,
- (b) in respect of the Class B Notes, 0.27 per cent. per annum,
- (c) in respect of the Class C Notes, 0.39 per cent. per annum,
- (d) in respect of the Class D Notes, 0.68 per cent. per annum,
- (e) in respect of the Class E Notes, 2.50 per cent. per annum,
- (f) in respect of the Class F Notes, 7.00 per cent. per annum;

"Maximum Reference Portfolio Amount" has the meaning given to it in the Credit Default Swap;

"Moody's" means Moody's Investors Service Limited;

"More Senior Class of Notes" means, as between two or more such Classes of Notes then outstanding, the Class which ranks most senior among such Classes;

"Most Senior Class of Notes" means the Class A Notes for so long as there are any Class A Notes outstanding, thereafter the Class B Notes for so long as there are any Class B Notes outstanding, thereafter the Class C Notes for so long as there are any Class C Notes outstanding, thereafter the Class D Notes for so long as there are any Class D Notes outstanding, thereafter the Class E Notes for so long as there are any Class E Notes outstanding and thereafter the Class F Notes for so long as there are any Class F Notes outstanding;

"Note Amortisation Amount" means, on any Calculation Date where the Maximum Reference Portfolio Amount is equal to or less than the Initial Swap Notional Amount, an amount elected by the Swap Counterparty which equals or is less than the amount (if any) by which the Maximum Reference Portfolio Amount exceeds the Current Portfolio Amount, provided that the Swap Counterparty has also elected that no Replenishment will occur in respect of such amount;

"Note Business Day" means any TARGET Settlement Day on which banks are open for business (other than a Saturday and Sunday) in Amsterdam;

"Note Enforcement Notice" means a notice delivered by the Trustee to the Issuer in accordance with Condition 11 (*Note Events of Default*) which declares the Notes to be immediately due and payable;

"Note Extension Amount" means, on the Calculation Date immediately preceding the Scheduled Redemption Date or an Early Redemption Date, an amount equal to the aggregate of:

- (a) the Reference Obligation Notional Amounts of the Unascertained Defaulted Reference Obligations calculated at the last day of the Reference Period corresponding to that Calculation Date; plus
- (b) the equivalent of three (3) months' interest (in respect of a principal amount equal to the Reference Obligation Notional Amount) on each Loan that corresponds to each Unascertained Defaulted Reference Obligation; plus
- (c) the Estimated Enforcement Expenses in respect of each Unascertained Defaulted Reference Obligation; less
- (d) the Principal Reinstatement Available Amount on the Scheduled Redemption Date or, as the case may be, the Early Redemption Date, to the extent not used for Reinstated Principal on such date,

provided that if such amount is a negative number, the Note Extension Amount shall be zero;

"Note Event of Default" has the meaning given to it in Condition 11 (*Note Events of Default*);

"Note Interest Period" has the meaning given to it in Condition 6(b) (*Interest – Note Payment Dates and Note Interest Periods*);

"Note Payment Date" has the meaning given to it in Condition 6(b) (*Interest – Note Payment Dates and Note Interest Periods*);

"Note Principal Payment" has the meaning given to it in Condition 7(l) (*Redemption, Reductions, Reinstatement and Cancellation – Note Principal Payment*);

"Noteholders" means the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders, the Class E Noteholders and the Class F Noteholders;

"Notes" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, including any Global Notes, Definitive Notes, Coupons and Talons;

"Notice Delivery Period" means the period commencing on the Closing Date and ending on or prior to (i) the date falling eight (8) Note Business Days before the Scheduled Redemption Date or (ii) the date on which notice is given by the Issuer of an Early Redemption Date, whichever is earlier;

"Order of Seniority" means, with respect to any payment of interest or principal on the Notes or any reinstatement of the Adjusted Principal Balance of any Class of Notes, the following order of seniority: *first* the Class A Notes, *second* the Class B Notes, *third* the Class C Notes, *fourth* the Class D Notes, *fifth* the Class E Notes and *sixth* the Class F Notes;

"outstanding" means, in relation to the Notes, all of the Notes issued other than:

- (a) those Notes which have been redeemed in full and cancelled, in accordance with Condition 7 (*Redemption, Reductions, Reinstatement and Cancellation*) or otherwise under the Trust Deed;
- (b) those Notes in respect of which the date for redemption in full in accordance with the Conditions has occurred and the redemption monies for which (including all interest payable thereon) have been duly paid to the Trustee or to the Principal Paying Agent in the manner provided in the Agency Agreement (and, where appropriate, notice to that effect has been provided or published in accordance with Condition 17 (*Notices to Noteholders*)) and remain available for payment against presentation of the relevant Notes, Coupons and Receipts;
- (c) those Notes which have become void under Condition 10 (*Prescription*);
- (d) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 16 (*Replacement of Notes, Coupons, Receipts and Talons*);
- (e) for the purpose only of ascertaining the Principal Balance of the Notes and without prejudice to the status, for any other purpose, of the relevant Notes, those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 16 (*Replacement of Notes, Coupons, Receipts and Talons*);

- (f) the Temporary Global Notes to the extent that they have been exchanged for Permanent Global Notes pursuant to the provisions contained therein and in the Trust Deed;
- (g) the Permanent Global Notes that remain in escrow pending exchange of the Temporary Global Notes therefore, pursuant to the provisions contained therein and in the Trust Deed; and
- (h) the Permanent Global Notes to the extent that they have been exchanged for Definitive Notes, pursuant to the provisions contained therein and in the Trust Deed,

provided that, for each of the following purposes, namely:

- (i) the right to attend and vote at any meeting of the Noteholders;
- (ii) the determination of how many and which Notes are for the time being outstanding for the purposes of Clause 23.2 (*Removal*) of the Trust Deed and Condition 11 (*Note Events of Default*), Condition 12 (*Enforcement*) and the Provisions for Meetings of Noteholders;
- (iii) any discretion, power or authority contained in the Trust Deed which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of any of the Noteholders; and
- (iv) the determination by the Trustee whether any of the events specified in Condition 11(a)(ii) (*Note Events of Default - Breach of other obligations*) is materially prejudicial to the interest of the Noteholders,

those Notes (if any) which are for the time being held by any person for the benefit of the Issuer shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

"Parallel Debt" has the meaning given to it in the Trust Deed;

"Participating Member State" means at any time any member state of the European Union that has adopted the euro as its lawful currency in accordance with the Treaty;

"Permanent Global Notes" means each Class A Permanent Global Note, each Class B Permanent Global Note, each Class C Permanent Global Note, each Class D Permanent Global Note, each Class E Permanent Global Note and each Class F Permanent Global Note;

"Post-Enforcement Priority of Payments" has the meaning ascribed thereto in the Trust Deed;

"Pre-Enforcement Available Income Priority of Payments" has the meaning ascribed thereto in the Cash Administration Agreement;

"Pre-Enforcement Available Redemption Funds Priority of Payments" has the meaning ascribed thereto in the Cash Administration Agreement;

"Priorities of Payments" means the Pre-Enforcement Available Income Priority of Payments, the Pre-Enforcement Available Redemption Funds Priority of Payment and the Post-Enforcement Priority of Payments;

"Principal Balance" of a Note on any date shall be its original principal amount less the aggregate amount of all Note Principal Payments in respect of such Note which have become due and payable and have been paid;

"Principal Liability" has the meaning given to it in the Trust Deed;

"Proceeds" means, in relation to a Reference Obligation where the relevant Reference Obligor is not required to repay principal during the term of the relevant mortgage loan, but instead is required to pay savings and/or investment premium under an insurance agreement which is connected to the relevant mortgage loan agreement, the principal proceeds of such savings/investment;

"Provisions for Meetings of Noteholders" means those provisions set out in a schedule attached to the Trust Deed;

"Quarterly Investor Report" means the duly completed quarterly investor report to be prepared by the Cash Administrator setting out details of, amongst other things, payments of interest and payments of principal on the Notes;

"Rating Agencies" means Fitch, Moody's and S&P and **"Rating Agency"** means any of them;

"Ratings Test" means confirmation from the Rating Agencies that, in respect of any event or matter where such confirmation is required, the then current ratings of the Notes will not be adversely affected by the relevant event or matter;

"Receipts" has the meaning given to it in Condition 2(c) (*Form, Denomination and Title*);

"Receipholders" means the persons who for the time being are holders of the Receipts;

"Recovery Amount" means, in respect of a Defaulted Reference Obligation, (i) the Reference Obligation Notional Amount as at the Credit Protection Calculation Date thereof less (ii) the portion of the Cash Deposit Draw (if any) made to satisfy the Credit Protection Payment in respect thereof that is allocable to such Defaulted Reference Obligation (subject to a minimum of zero);

"Reference Banks" has the meaning given to it in Condition 6(c)(ii) (*Interest – Interest Rates on the Notes*);

"Reference Obligor" means an Obligor under a Reference Obligation;

"Reference Obligation" means those obligations identified on the Reference Register by the Swap Counterparty pursuant to the terms of the Credit Default Swap, which relate to Dutch residential mortgage loan obligations, as described in more detail in the Reference Obligation Eligibility Criteria set out in the Credit Default Swap;

"Reference Obligation Notional Amount" means the notional amount nominated in respect of each Reference Obligation by the Swap Counterparty, denominated in euro, by reference to which any Credit Protection Payment Amount in respect of such Reference Obligation shall be calculated. The Reference Obligation Notional Amount shall be adjusted in accordance with the provisions of the Credit Default Swap;

"Reference Period" means the period from the Closing Date (inclusive) to 31 March 2006 (inclusive) and, thereafter, each successive three-month period commencing on the first Note Business Day of a calendar month and ending on the last Note Business Day of the calendar month preceding a Note Payment Date;

"Reference Portfolio" means the portfolio of Reference Obligations that are from time to time listed on the Reference Register;

"Reference Register" means the register maintained by the Swap Counterparty and updated from time to time to reflect any changes in the Reference Portfolio;

"Regulatory Change" means, on or after the Closing Date, a change in the Basel Capital Accord published by the Basel Committee on Banking Supervision under the title "Basel II: International Convergence on Capital Measurement and Capital Standards: a Revised Framework" (the "**Basel Accord**") or in the international, European or Dutch regulations, rules and instructions (the "**Bank Regulations**") applicable to the Swap Counterparty (including any change in the Bank Regulations enacted for the purposes of implementing a change to the Basel Accord) or a change in the manner in which the Basel Accord or such Bank Regulations are interpreted or applied by the Basel 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 authority) which has the effect of adversely affecting the rate of return on capital of the Swap Counterparty or increasing the cost or reducing the benefit to the Swap Counterparty with respect to the transactions contemplated by the Credit Default Swap as if the Swap Counterparty was the holder of the Reference Obligations and the Repo Agreement (if any);

"Reinstated Principal" has the meaning given to it in Condition 7(k) (*Redemption, Reductions, Reinstatement and Cancellation - Reinstatement of the Adjusted Principal Balance of the Notes*);

"Replenishment" has the meaning given to it in the Credit Default Swap;

"Replenishment Period" has the meaning given to it in the Credit Default Swap;

"Repo Agreement" means the 2000 TBMA/ISMA Global Master Repurchase Agreement and the annexes and confirmations thereto dated on or after the Closing Date between the Issuer and the Repo Counterparty;

"Repo Counterparty" means any entity that has the Repo Counterparty Required Rating in its capacity as counterparty to the Issuer pursuant to the terms of the Repo Agreement and any successor thereto;

"Repo Counterparty Required Rating" means a rating satisfactory to the Rating Agencies;

"Repo Securities" means such securities as may be purchased by the Issuer (using the proceeds from the liquidation, in whole or in part, Cash Deposit) pursuant to the Repo Transactions under the Repo Agreement and any such securities purchased by the Issuer from time to time under the Repo Agreement;

"Repo Transaction" means a repurchase transaction pursuant to the terms of the Repo Agreement;

"Reverse Order of Seniority" means with respect of any reduction of the Adjusted Principal Balance of the Notes, the following order of priority: *first* the Class F Notes, *second* the Class E Notes, *third* the Class D Notes, *fourth* the Class C Notes, *fifth* the Class B Notes and *sixth* the Class A Notes, in each case until the Adjusted Principal Balance of such Class has been reduced to zero;

"Rights Pledge" means a Dutch law governed pledge agreement dated the Closing Date between the Issuer and the Trustee in relation to the Issuer's rights under certain Transaction Documents;

"Savings Proceeds" means Proceeds to the extent originating from payment of savings premium under the relevant insurance policy;

"S&P" means Standard and Poor's Rating Services, a division of The McGraw-Hill Companies Inc., or any successor to its rating business;

"Scheduled Redemption Date" means the Note Payment Date falling in January 2012;

"Screen Rate" has the meaning given to it in Condition 6(c)(i) (*Interest – Interest Rates on the Notes*);

"Secured Liabilities" means all present and future obligations owed by the Issuer to the Trustee pursuant to the Parallel Debt and, if and to the extent that at the time of the creation of the relevant right of pledge, or at any time thereafter, a Principal Liability owed to the Trustee cannot be validly secured through the Parallel Debt, such Principal Liability itself;

"Secured Parties" means:

- (a) the Noteholders
- (b) the Trustee (for itself);
- (c) the Swap Counterparty;
- (d) the Repo Counterparty (if any);
- (e) the Custodian (if any);
- (f) the Cash Deposit Bank;

- (g) the Issuer Account Bank;
- (h) the Calculation Agent;
- (i) the Cash Administrator;
- (j) the Paying Agents;
- (k) the Agent Bank; and
- (l) the Issuer's Director;

"Secured Property" means all the property of the Issuer which is subject to the Security;

"Securities Pledge" means any Dutch law securities pledge deed entered into after the Closing Date between the Issuer and the Trustee;

"Security" has the meaning given to it in Condition 4 (*Security*);

"Security Documents" means the Rights Pledge, the Accounts Pledge, the Belgian Pledge Agreement (if any), the Luxembourg Pledge Agreement (if any), the Securities Pledge (if any), and any Additional Pledge Agreement (each as from time to time modified in accordance therewith);

"Security Interest" means any mortgage, pledge, lien, charge, right of set-off, assignment, retention of title, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security;

"Specified Office" means, in relation to any Agent:

- (a) the office specified against its name in the Agency Agreement; or
- (b) such other office as such Agent may specify in accordance with the Agency Agreement;

"Stock Exchange" means the Irish Stock Exchange Limited;

"Subscription Agreement" means the subscription agreement in relation to the Notes dated on or about 15 December 2005 and made between the Issuer, the Lead Manager and the managers set out therein (as from time to time modified in accordance therewith);

"Swap Counterparty" means ABN AMRO (acting through its BU NL head office) or such other entity or entities appointed from time to time as swap counterparty subject to and in accordance with the terms of the Credit Default Swap;

"Swap Counterparty Payment" means the payment due from the Swap Counterparty to the Issuer on each Note Payment Date pursuant to the Credit Default Swap;

"Swap Counterparty Required Rating" means a long-term credit rating of at least A1 from Moody's and A from Fitch and a short-term credit rating of at least A-1+ from S&P, P-1 from Moody's and F1 from Fitch;

"Swap Notional Amount" has the meaning given to it in the Credit Default Swap;

"Synthetic Excess Spread Amount" means, in respect of the Closing Date and each Note Payment Date thereafter prior to the Scheduled Redemption Date or an Early Redemption Date, the sum of:

- (i) the product of (A) the Current Portfolio Amount as at the Closing Date or (as applicable) the first day of the Reference Period immediately preceding a Note Payment Date; (B) on each Note Payment Date up to (and including) the Note Payment Date falling in January 2008, 0.09% per annum, and thereafter 0.04% per annum up to (and including) the Scheduled Redemption Date or an Early Redemption Date, and thereafter, zero; and (C) the actual number of days in the period beginning on (and including) the Closing Date or first day of the Reference Period immediately preceding such Note Payment Date (as the case may be) and ending on (but excluding) the first day of the Reference Period that includes such Note Payment Date, divided by 360;
- (ii) the aggregate of the Unjustified Losses (if any) determined during the preceding Reference Period; plus
- (iii) the aggregate of the Additional Recovery Amounts (if any) determined during the preceding Reference Period.

"Synthetic Excess Spread Balance" means the amount standing to the credit of the Synthetic Excess Spread Ledger at any time, as reduced from time to time in accordance with the Synthetic Excess Spread Priority of Payments and increased from time to time in accordance with the Synthetic Excess Spread Amount;

"Synthetic Excess Spread Ledger" means the ledger that the Calculation Agent maintains in which the credits and debits to the Synthetic Excess Spread Balance are recorded;

"Synthetic Excess Spread Priority of Payments" means the application of the Synthetic Express Spread Balance in the following order of priority:

- (i) *firstly*, in the reduction of any Credit Protection Payment Amounts payable on such Note Payment Date; and
- (ii) *secondly*, towards reinstatement of the Adjusted Principal Balance of Each Class or Classes of Notes in respect of which there are Un-reimbursed Write-offs;

"Talon" has the meaning given to it in Condition 2(c) (*Form, Denomination and Title*);

"TARGET Settlement Day" means a day on which the TARGET System is open;

"TARGET System" means the Trans-European Automated Real-time Gross settlement Express Transfer ("**TARGET**") system;

"Tax" means any present or future tax, levy, impost, duty or other charge or withholding of any nature whatsoever (including any penalty or interest payable in connection with

any failure to pay or any delay in paying any of the same) imposed or levied by or on behalf of a Tax Authority and "Taxes", "taxation", "taxable" and comparable expressions shall be construed accordingly;

"**Tax Authority**" means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world;

"**Tax Redemption Event**" has the meaning ascribed to it in Condition 7(d) (*Redemption, Reductions, Reinstatement and Cancellation - Redemption of the Notes in Whole for Tax Reasons*);

"**Temporary Global Note**" means each Class A Temporary Global Note, each Class B Temporary Global Note, each Class C Temporary Global Note, each Class D Temporary Global Note, each Class E Temporary Global Note and each Class F Temporary Global Note;

"**Transaction Documents**" means the Trust Deed, any Security Documents, the Agency Agreement, the Credit Default Swap, the Cash Deposit Agreement, the Issuer Account Agreement, the Repo Agreement (if any), the Custody Agreement (if any), the Cash Administration Agreement, the Issuer Management Agreement, the Holding Management Agreement, the Trustee Management Agreement, the Letter of Undertaking and the Subscription Agreement (each as from time to time modified in accordance therewith);

"**Treaty**" means the Treaty establishing the European Union, as amended by the Treaty on European Union and the Treaty of Amsterdam;

"**Trustee Management Agreement**" means the trustee management agreement dated on or about the Closing Date between the Trustee, the Trustee's Director and the Trustee (as from time to time modified in accordance therewith);

"**Trustee's Director**" means N.V. Algemeen Nederlands Trustkantoor ANT, whose registered office is at Herengracht 420, 1017 BZ Amsterdam, The Netherlands, or such entity or entities appointed from time to time as the corporate services provider to the Trustee subject to an in accordance with the Trustee Management Agreement;

"**Unascertained Defaulted Reference Obligation**" has the meaning ascribed to it in Condition 7(h) (*Redemption, Reductions, Reinstatement and Cancellation - Mandatory Redemption during the Extension Period*);

"**Unjustified Loss**" has the meaning given to it in the Credit Default Swap;

"**Un-reimbursed Write-off**" means, in respect of a Note, a Write-off allocated to that Note which has not been reinstated by application of Reinstated Principal;

"**Workout Period**", for any Defaulted Reference Obligation, means the period from (and including) the date the Credit Event Notice in respect of such Defaulted Reference Obligation is sent by the Calculation Agent to (but excluding) the date that is 365 days later;

"Write-off" means the reduction in the then Adjusted Principal Balance of the Notes (commencing with the most junior Class of Notes) by an aggregate amount equal to a Cash Deposit Draw; and

"Written Resolution" means, in relation to all or, as the case may be, any Class of Notes, a resolution in writing signed by or on behalf of all holders of Notes or, as the case may be, of such Class who, in either case, for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed whether contained in one document or several documents in like form, each signed by or on behalf of one or more such Noteholders.

2. **Form, Denomination and Title**

- (a) Each Class of the Notes is initially represented by a Temporary Global Note in bearer form, without Coupons or Receipts, in the initial principal amount of EUR 3,000,000,000 for the Class A Notes, EUR 363,000,000 for the Class B Notes, EUR 284,000,000 for the Class C Notes, EUR 150,000,000 for the Class D Notes, EUR 159,000,000 for the Class E Notes and EUR 60,000,000 for the Class F Notes. Each Temporary Global Note will be deposited on behalf of the subscribers of each Class of the Notes with the Common Depository for Clearstream, Luxembourg and Euroclear on or about the Closing Date. Upon deposit of the Temporary Global Notes, Clearstream, Luxembourg or Euroclear (as the case may be) credited each subscriber of the Notes with the principal amount of Notes of the relevant Class equal to the aggregate principal amount thereof for which it had subscribed and paid. Interests in each Temporary Global Note are exchangeable forty (40) days after the Closing Date (the **"Exchange Date"**), provided certification of non-U.S. beneficial ownership by the relevant Noteholders has been received, for interests in a Permanent Global Note in bearer form (which will also be deposited with the Common Depository) representing the same Class of Notes, without Coupons or Receipts. The expressions **"Global Notes"** and **"Global Note"** mean, respectively, (i) all the Temporary Global Notes and the Permanent Global Notes or the Temporary Global Note and the Permanent Global Note of a particular Class or (ii) any Temporary Global Notes or Permanent Global Notes, as the context may require. On the exchange of the Temporary Global Note for the Permanent Global Note of the relevant Class, the Permanent Global Notes will remain deposited with the Common Depository. Title to the Global Notes will pass by delivery. The Permanent Global Notes will only be exchangeable for Definitive Notes in certain limited circumstances described below.

For so long as any Notes are represented by a Global Note, interests in such Notes will be transferable in accordance with the rules and procedures for the time being of Clearstream, Luxembourg or Euroclear, as appropriate. Under Dutch law, the valid transfer of the Notes requires, *inter alia*, delivery (*levering*) thereof.

- (b) If, while any of the Notes are represented by a Permanent Global Note, (i) the Notes become immediately due and payable by reason of an Note Event of Default, (ii) Clearstream, Luxembourg or Euroclear 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 or does in fact do so and no other clearing system acceptable to the Trustee is then in existence, 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 any Paying Agent is or will on the next Note Payment Date be required to make any deduction or withholding for or on account of tax from any payment in respect of such Notes which would not be required were such Notes in definitive form, then the Issuer will issue Definitive Notes in respect of the Notes in exchange for the whole outstanding interest in the Permanent Global Note of each Class on the later of the Exchange Date and the day falling 30 days after the occurrence of the relevant event.

- (c) Definitive Notes of each Class of Notes (which, if issued, will be issued in minimum denominations of EUR 100,000) will be serially numbered and will be issued in bearer form with (at the date of issue) interest coupons ("**Coupons**"), receipts for payments of principal ("**Receipts**") and talons for further Coupons and Receipts (each, a "**Talon**") attached at the time of issue. Title to the Definitive Notes, Coupons and Receipts shall pass by delivery.
- (d) The holder of any Note, of any Coupon and of any Receipt shall (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Note, Coupon or Receipt, as the case may be, regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any writing thereon.
- (e) References to "**Notes**" include the Global Notes and the Definitive Notes.

3. **Status and Ranking of the Notes**

(a) *Status and Ranking of the Class A Notes*

The Class A Notes, the Coupons and the Receipts relating thereto constitute limited recourse obligations of the Issuer and are secured, through the Parallel Debt, by the Security held by the Trustee. The Class A Notes rank *pari passu* without preference or priority amongst themselves. Subject to Condition 7 (*Redemption, Reductions, Reinstatement and Cancellation*), prior to the delivery of a Note Enforcement Notice by the Trustee, payments of interest and principal on the Class A Notes from Available Redemption Funds rank ahead of, *inter alia*, payments of interest and principal on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes as provided herein, in the Trust Deed and in the Cash Administration Agreement.

(b) *Status and Ranking of the Class B Notes*

The Class B Notes, the Coupons and the Receipts relating thereto constitute limited recourse obligations of the Issuer and are secured through the Parallel Debt, by the Security held by the Trustee. The Class B Notes rank *pari passu* without preference or priority amongst themselves. Prior to the delivery of a Note Enforcement Notice by the Trustee, payments of interest on the Class B Notes are subordinated to, *inter alia*, payments of interest on the Class A Notes and, subject to Condition 7 (*Redemption, Reductions, Reinstatement and Cancellation*), prior to the delivery of a Note

Enforcement Notice by the Trustee, payments of principal on the Class B Notes from Available Redemption Funds are subordinated to, *inter alia*, payments of principal on the Class A Notes, as provided herein, in the Trust Deed and in the Cash Administration Agreement.

(c) *Status and Ranking of the Class C Notes*

The Class C Notes, the Coupons and the Receipts relating thereto constitute limited recourse obligations of the Issuer and are secured through the Parallel Debt, by the Security held by the Trustee. The Class C Notes rank *pari passu* without preference or priority amongst themselves. Prior to the delivery of a Note Enforcement Notice by the Trustee, payments of interest on the Class C Notes are subordinated to, *inter alia*, payments of interest on the Class A Notes and the Class B Notes and, subject to Condition 7 (*Redemption, Reductions, Reinstatement and Cancellation*), prior to the delivery of a Note Enforcement Notice by the Trustee, payments of principal on the Class C Notes from Available Redemption Funds are subordinated to, *inter alia*, payments of principal on the Class A Notes and the Class B Notes, as provided herein, in the Trust Deed and in the Cash Administration Agreement.

(d) *Status and Ranking of the Class D Notes*

The Class D Notes, the Coupons and the Receipts relating thereto constitute limited recourse obligations of the Issuer and are secured through the Parallel Debt, by the Security held by the Trustee. The Class D Notes rank *pari passu* without preference or priority amongst themselves. Prior to the delivery of a Note Enforcement Notice by the Trustee, payments of interest on the Class D Notes are subordinated to, *inter alia*, payments of interest on the Class A Notes, the Class B Notes, the Class C Notes and, subject to Condition 7 (*Redemption, Reductions, Reinstatement and Cancellation*), prior to the delivery of a Note Enforcement Notice by the Trustee, payments of principal on the Class D Notes from Available Redemption Funds are subordinated to, *inter alia*, payments of principal on the Class A Notes, the Class B Notes and the Class C Notes, as provided herein, in the Trust Deed and in the Cash Administration Agreement.

(e) *Status and Ranking of the Class E Notes*

The Class E Notes, the Coupons and the Receipts relating thereto constitute limited recourse obligations of the Issuer and are secured through the Parallel Debt, by the Security held by the Trustee. The Class E Notes rank *pari passu* without preference or priority amongst themselves. Prior to the delivery of a Note Enforcement Notice by the Trustee, payments of interest on the Class E Notes are subordinated to, *inter alia*, payments of interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and, subject to Condition 7 (*Redemption, Reductions, Reinstatement and Cancellation*), prior to the delivery of a Note Enforcement Notice by the Trustee, payments of principal on the Class E Notes from Available Redemption Funds are subordinated to, *inter alia*, payments of principal on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes as provided herein, in the Trust Deed and in the Cash Administration Agreement.

(f) *Status and Ranking of the Class F Notes*

The Class F Notes, the Coupons and the Receipts relating thereto constitute limited recourse obligations of the Issuer and are secured through the Parallel Debt, by the Security held by the Trustee. The Class F Notes rank *pari passu* without preference or priority amongst themselves. Prior to the delivery of a Note Enforcement Notice by the Trustee, payments of interest on the Class F Notes are subordinated to, *inter alia*, payments of interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes and, subject to Condition 7 (*Redemption, Reductions, Reinstatement and Cancellation*), prior to the delivery of a Note Enforcement Notice by the Trustee, payments of principal on the Class F Notes from Available Redemption Funds are subordinated to, *inter alia*, payments of principal on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes as provided herein, in the Trust Deed and in the Cash Administration Agreement.

(g) *Priorities of Payments*

Prior to the delivery of a Note Enforcement Notice by the Trustee, amounts payable to the Noteholders and the other Secured Parties will be applied in accordance with both the Pre-Enforcement Available Income Priority of Payments and the Pre-Enforcement Available Redemption Funds Priority of Payments and, following the occurrence of a Note Event of Default, delivery of a Note Enforcement Notice by the Trustee and the enforcement of the Security, in accordance with the Post-Enforcement Priority of Payments.

(h) *Status and Relationship between the Classes of Notes and the Secured Parties*

The Trust Deed contains provisions requiring the Trustee to have regard to the interests of the Noteholders equally as a single class as regards all rights, powers, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), but requiring the Trustee in any such case to have regard only to the interests of the holders of the Most Senior Class of Notes then outstanding if, in the Trustee's opinion, there is a conflict between the interests of the holders of such class and any other class of Notes then outstanding.

So long as any of the Notes remain outstanding, in the exercise of its rights, authorities and discretions under the Trust Deed or the Security Documents, the Trustee is not required to have regard to the interests of the other Secured Parties.

The Trust Deed contains provisions limiting the powers of the holders of the lower-ranking classes of Notes, *inter alia*, to request or direct the Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the holders of the More Senior Class of Notes. Except in certain circumstances, the Trust Deed contains no such limitation on the powers of the holders of the Most Senior Class of Notes by reference to the effect thereof on the interests of the holders of the other Classes of Notes outstanding, the exercise of which will be binding on all such holders, irrespective of the effect thereof on their interests.

The Trustee shall be entitled to assume, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to these Conditions and/or any of the Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any Class thereof) if the Rating Agencies have confirmed that the then current ratings of the applicable Class or Classes of Notes would not be adversely affected by such exercise.

4. **Security**

As far as permitted by and subject to compliance with any applicable law and as security for the payment or discharge of the Secured Liabilities, the Issuer grants the following security (the "**Security**") in favour of the Trustee, for the benefit of the Secured Parties:

- (i) pursuant to the Rights Pledge, a first ranking right of pledge over all of its rights, claims, title, benefit and interest, present and future, in and to the Transaction Documents to which it is a party;
- (ii) pursuant to the Accounts Pledge, a first ranking right of pledge over all of its rights, claims, title, benefit and interest, present and future, in and to the Cash Deposit Account, the Issuer Account and all monies standing to the credit thereof;
- (iii) at any relevant time, pursuant to the Belgian Pledge Agreement (if any), a Belgian law pledge of the Custody Accounts (if any), the Repo Securities which are from time to time held in the Custody Accounts of the Custodian at Euroclear;
- (iv) at any relevant time, pursuant to the Luxembourg Pledge Agreement (if any), with the Trustee, a Luxembourg law pledge of the Custody Accounts (if any), the Repo Securities which are from time to time held in any Custody Accounts of the Custodian at Clearstream, Luxembourg;
- (v) at any relevant time, pursuant to the Securities Pledge, a right of pledge on the Repo Securities if and to the extent required in order to create a valid security interest over any Repo Securities from time to time; and
- (vi) at any relevant time, pursuant to any Additional Pledge Agreement, any first ranking security interest as may be required to effectively secure any Repo Securities not at such time cleared through Clearstream, Luxembourg's or Euroclear's clearing systems or subject to the Securities Pledge (if any) as described under (v) above.

Each Class of Noteholders will (together with the other Secured Parties), through the Parallel Debt, share the benefit of the Security held by the Trustee under the Security Documents, upon and subject to the terms thereof and are deemed to have acknowledged, and are bound by, Clause 2.5 (*Parallel Debt*) of the Trust Deed.

5. **Issuer Covenants**

(a) *Issuer Covenants*

Save as permitted by the Transaction Documents, the Issuer Covenants contain certain covenants in favour of the Trustee from the Issuer which, amongst other things, restrict the ability of the Issuer to create or incur any indebtedness, dispose of assets or change the nature of its business. So long as any Note remains outstanding, the Issuer shall comply with the Issuer Covenants.

(b) *Financial Statements and Quarterly Investor Reports*

The Issuer undertakes:

- (i) to provide to the Trustee, the Rating Agencies and the Paying Agents or to procure that the Trustee, the Rating Agencies and the Paying Agents are provided with:
- (ii) the Financial Statements; and
- (iii) the Quarterly Investor Reports; and
- (iv) to publish or procure the publication of the Quarterly Investor Reports on a website previously identified and accessible to Noteholders,

except to the extent that disclosure of such financial information would at that time breach any law, regulation, Stock Exchange requirement or rules of any applicable regulatory body to which the Issuer is subject.

The Financial Statements and the Quarterly Investor Reports will be available for inspection by the Noteholders during normal business hours on any Note Business Day at the Specified Office for the time being of each of the Paying Agents. Upon receipt of such information, the Principal Paying Agent will, upon written request by a Noteholder to the Principal Paying Agent and confirmation satisfactory to the Principal Paying Agent of its current holding of the Notes, post to it the most recent Quarterly Investor Report held by the Principal Paying Agent.

6. **Interest**

(a) *Period of Accrual*

Each Note bears interest on its Adjusted Principal Balance from (and including) the Closing Date. Each Note (or in the case of the redemption of part only 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 decree or judgment) 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 day after notice is duly given by the Principal Paying Agent to the holder thereof (in accordance with Condition 17

(*Notices to Noteholders*)) that upon presentation thereof, such payment will be made, provided that upon such presentation, such payment is in fact made.

(b) *Note Payment Dates and Note Interest Periods*

Interest on the Notes is payable quarterly in arrear on the 20th day of January, April, July and October in each year (or, if such day is not a Note Business Day, the next succeeding Note Business Day unless such succeeding Note Business Day falls in the next succeeding calendar month, in which case, the immediately preceding Note Business Day) (each, a "**Note Payment Date**") in respect of the Note Interest Period ending immediately prior thereto, except that the first such payment is due on the Note Payment Date falling in April 2006 in respect of the period from (and including) the Closing Date to (but excluding) the Note Payment Date falling in April 2006.

A "**Note Interest Period**" means the period from (and including) the Closing Date to (but excluding) the Note Payment Date falling in April 2006 and, thereafter, each successive Note Interest Period will commence on (and include) a Note Payment Date and end on (but exclude) the next succeeding Note Payment Date.

(c) *Interest Rates on the Notes*

The rate of interest applicable to each Class of Notes (the "**Interest Rate**") for each Note Interest Period will be determined by the Agent Bank on the following basis:

- (i) at or about 11.00 a.m. on each Interest Determination Date, the Agent Bank will determine the offered quotation to leading banks in the zone interbank market ("**EURIBOR**") for three month euro deposits (or in the case of the first Note Interest Period, the linear interpolation of EURIBOR between four and five months) (rounded to five decimal places with the mid-point rounded up) by reference to the display designated as the EURIBOR 03 as quoted on the Reuters Screen (the "**Screen Rate**"). If the agreed page is replaced or service ceases to be available, the Agent Bank may specify another page or service displaying the appropriate rate after consultation with the Trustee and the Paying Agents; or
- (ii) if the Screen Rate is not then available for euro or for the Note Interest Period of the Notes, the arithmetic mean of the rates (rounded to five decimal places with the mid-point rounded up) as supplied to the Agent Bank at its request by the principal office of each of four major banks in the eurozone interbank market (which may include) ABN AMRO or such other banks which the Agent Bank (in consultation with the Trustee and the Paying Agents) may appoint from time to time (the "**Reference Banks**") at or about 11.00 a.m. on the Interest Determination Date for the offering of deposits to the leading banks in the eurozone interbank market in euro and for a period comparable to the Note Interest Period for the Notes. If on any Interest Determination Date, only three of four of the Reference Banks provide such offered quotations to the Agent Bank, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If on any such Interest Determination Date, only one quotation is provided as requested, the

rate for that Interest Determination Date will be the arithmetic mean (rounded to five decimal places with the mid-point rounded up) of the rates quoted by leading banks in Amsterdam selected by the Agent Bank (which bank or banks is or are in the opinion of the Trustee suitable for such purpose).

The Interest Rate for such Note Interest Period shall be the sum of:

- (1) the Screen Rate or, as the case may be, the arithmetic mean so determined pursuant to paragraph (c)(ii) above; and
 - (2) other than during any Extension Period, the Margin.
- (d) *Calculation of Interest Amount and Determination of Interest Rates in Respect of the Notes*

The Agent Bank will, as soon as practicable after each Interest Determination Date in relation to each Note Interest Period, determine and notify the Issuer, the Trustee and the Paying Agents and will cause notice thereof to be given to the relevant Noteholders in accordance with Condition 17 (*Notices to Noteholders*) of (i) the Interest Rate applicable to the Note Interest Period commencing on or immediately after that Interest Determination Date in respect of each Class of the Notes and (ii) the amount of interest (the "**Interest Amount**") payable in respect of each Note for such Note Interest Period. The Interest Amounts will be calculated by applying the relevant Interest Rate for such Note Interest Period to the then Adjusted Principal Balance of such Note and multiplying the product by the actual number of days in such Note Interest Period divided by 360 and rounding the resulting figure to the nearest EUR 0.01 (half of EUR 0.01 being rounded upwards).

- (e) *Calculation of Make-Up Interest Amount*

The Agent Bank will calculate the amount of the Make-Up Interest Amount in respect of Reinstated Principal for each applicable Note or Class of Notes. The Agent Bank will, as soon as practicable following such calculation, advise the Calculation Agent, the Trustee and the Paying Agents of such calculation. Such calculated Make-Up Interest Amount shall be payable on (and the calculated to) the next following Note Payment Date following calculation thereof. No Make-Up Interest Amount will be payable during the Extension Period, if any.

- (f) *Failure of Agent Bank*

If the Agent Bank fails at any time to determine an Interest Rate or to calculate an Interest Amount, the Trustee, or its appointed agent without accepting any liability therefore, will determine such Interest Rate, as the case may be, as it considers fair and reasonable in the circumstances (having such regard as it thinks fit to paragraphs (c) or (d) above (as applicable)) or (as the case may be) calculate such Interest Amount, as the case may be, in accordance with paragraphs (c) or (d) above (as applicable), and each such determination or calculation shall be deemed to have been made by the Agent Bank.

In doing so, the Trustee shall apply all of these Conditions with any necessary consequential amendments to the extent that, in its sole opinion and with absolute

discretion, it can do so and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all circumstances and will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof, and any such determination and/or calculation made by the Trustee shall, save in the case of manifest error, be final and binding on the Issuer, the Noteholders and the Couponholders.

(g) *Publication of Interest Rates, Interest Amounts, Make-Up Interest Amounts and other Notices*

As soon as practicable after receiving notification thereof, the Issuer will cause each Interest Rate, Interest Amount and any Make-Up Interest Amount applicable to each Class of Notes for the relevant Note Interest Period and the immediately succeeding Note Payment Date to be notified to the Stock Exchange (for so long as the Notes are admitted to listing on the Stock Exchange and the rules of the Stock Exchange so require) and will cause notice thereof to be given to the relevant class of Noteholders in accordance with Condition 17 (*Notices to Noteholders*). The Interest Amounts and the Note Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the Note Interest Period.

(h) *Notification to be Final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6, whether by the Reference Banks (or any of them), the Agent Bank or the Trustee shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer and all Noteholders, Couponholders and Receiptholders, the Reference Banks, the Agent Bank, the Trustee and (in the absence of wilful default, bad faith or manifest error) no liability to the Trustee, the Noteholders, the Couponholders or the Receiptholders shall attach to the Issuer, the Reference Banks, the Agent Bank or the Trustee in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under this Condition 6.

(i) *Agent Bank/Reference Banks*

The Issuer shall ensure that, so long as any of the Notes remain outstanding, there shall at all times be four Reference Banks and an Agent Bank approved in writing by the Trustee. The Agent Bank may not resign until a successor so approved by the Trustee has been appointed.

7. Redemption, Reductions, Reinstatement and Cancellation

(a) *Final Redemption of the Notes*

Unless previously redeemed in full and cancelled as provided in this Condition 7 (*Redemption, Reductions, Reinstatement and Cancellation*), the Issuer shall, in accordance with the Order of Seniority, redeem the Notes at their then aggregate Adjusted Principal Balance together with accrued but unpaid interest (including, for the avoidance of doubt but without limitation, any Make-Up Interest Amount) on the Note Payment Date which is the Legal Final Redemption Date, after reduction in respect of

the Cash Deposit Draw, if any, to be made in respect of Credit Protection Payment Amounts on such redemption date.

The Issuer may not redeem Notes in whole or in part prior to that date, except as described in this Condition 7 (*Redemption, Reductions, Reinstatement and Cancellation*), but without prejudice to Condition 11 (*Note Events of Default*).

(b) *Mandatory Redemption of the Notes on the Scheduled Redemption Date*

Unless previously redeemed in full and cancelled as provided in this Condition 7 (*Redemption, Reductions, Reinstatement and Cancellation*), the Issuer shall redeem, in accordance with the Order of Seniority but at all times subject to non-redemption during the Extension Period for any Note Extension Amount in accordance with Condition 7(h) (*Redemption, Reductions, Reinstatement and Cancellation - Mandatory Redemption of the Notes during the Extension Period*), each Class of Notes at its then Adjusted Principal Balance together with all interest accrued thereon (including, for the avoidance of doubt, any Make-Up Interest Amount corresponding to any Reinstated Principal) on the Note Payment Date which is the Scheduled Redemption Date, after reduction in respect of the Cash Deposit Draw, if any, to be made in respect of Credit Protection Payment Amounts on such redemption date.

(c) *Mandatory Redemption in Part of the Notes*

On certain Note Payment Dates prior to the Scheduled Redemption Date where the Maximum Reference Portfolio Amount is equal to or less than the Initial Swap Notional Amount, the Issuer (prior to the delivery of a Note Enforcement Notice by the Trustee) will, upon giving no less than five (5) days notice to the Trustee, the Repo Counterparty (if any), the Cash Deposit Bank and the Noteholders, redeem, in accordance with the Order of Seniority but at all times subject to non-redemption during the Extension Period for any Note Extension Amount in accordance with Condition 7(h) (*Redemption, Reductions, Reinstatement and Cancellation - Mandatory Redemption of the Notes during the Extension Period*), from Available Redemption Funds, each Class of Notes *pro rata* and *pari passu* according to their then respective Adjusted Principal Balance, after reduction in respect of the Cash Deposit Draw, if any, to be made in respect of Credit Protection Payment Amounts on such redemption date together with any interest accrued to such redemption date.

(d) *Redemption of the Notes in Whole for Tax Reasons*

A "**Tax Redemption Event**" occurs if:

- (i) the Issuer is required by the laws or regulations of The Netherlands or any other jurisdiction or any political sub-division or any authority of any such jurisdiction, or any change in the application or official interpretation of such laws or regulations, which change becomes effective on or after the Closing Date, to deduct or withhold from any payment of principal of, interest on or any other amount payable in respect of the Notes any amount for or on account of any present or future taxes, duties, assessments of whatever nature imposed, levied, collected, withheld or assessed by The Netherlands or any other

jurisdiction or any political sub-division or any authority of such jurisdiction and the Swap Counterparty has not elected to pay any additional amounts in accordance with the Credit Default Swap; or

- (ii) the occurrence of an event falling within paragraph 11 (*Tax Event*) of the Repo Agreement (if any) and the Repo Counterparty has not elected to pay any additional amounts in accordance with the Repo Agreement that would place the Issuer in the position it would have been in if such event had not occurred; or
- (iii) the Issuer determines that any sum received pursuant to the terms of the Cash Deposit Agreement is subject to deduction or withholding for or on account of any tax, duty, assessment or other governmental charge or is otherwise subject to taxation in The Netherlands (excluding Dutch corporation tax on the Issuer Profit Amount and VAT payable by the Issuer in respect of services supplied to it) and the Swap Counterparty has not elected to pay any additional amounts in accordance with the terms of the Credit Default Swap in respect of such deduction or withholding.

Upon the occurrence of a Tax Redemption Event, the Issuer may, having given not more than sixty (60) days nor less than thirty (30) days notice to the Trustee, the Swap Counterparty, the Repo Counterparty (if any), the Cash Deposit Bank and the Noteholders in accordance with Condition 17 (*Notices to Noteholders*), redeem, but at all times subject to non-redemption during the Extension Period for any Note Extension Amount in accordance with Condition 7(h) (*Redemption, Reductions, Reinstatement and Cancellation - Mandatory Redemption of the Notes during the Extension Period*), each Class of Notes on the next Note Payment Date at its then Adjusted Principal Balance together with any interest accrued thereon (including, for the avoidance of doubt but without limitation, any Make-Up Interest Amount), after reduction in respect of the Cash Deposit Draw, if any, to be made in respect of Credit Protection Payment Amounts on such redemption date,

provided that, prior to giving any such notice, the Issuer shall have provided to the Trustee:

- (1) a certificate signed by two directors of the Issuer stating the circumstances of the Tax Redemption Event prevail and setting out details of such circumstances; and
- (2) an opinion in form and substance satisfactory to the Trustee of independent legal advisors of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances of the Tax Redemption Event, in which event they shall be conclusive and binding on the Noteholders and the other Secured Parties.

The Issuer may only redeem the Notes as aforesaid if the Trustee is satisfied in accordance with the Transaction Documents that the Issuer will have the funds, not subject to the interest or any other person, required to redeem the Notes as aforesaid and any amounts required under the relevant Priorities of Payments to be paid in priority to or *pari passu* with the Notes outstanding in accordance with the terms and conditions thereof.

(e) *Mandatory Redemption of the Notes in Whole following Termination of the Credit Default Swap*

If the Credit Default Swap is terminated in whole, the Issuer will, upon giving no less than five (5) days' notice to the Trustee, the Repo Counterparty (if any), the Cash Deposit Bank and the Noteholders, redeem, but at all times subject to non-redemption during the Extension Period for any Note Extension Amount in accordance with Condition 7(h) (*Redemption, Reductions, Reinstatement and Cancellation - Mandatory Redemption of the Notes during the Extension Period*), each Class of Notes at its then Adjusted Principal Balance together with all interest accrued thereon (including for the avoidance of doubt but without limitation, any Make-Up Interest Amount) on the next Note Payment Date, after reduction in respect of the Cash Deposit Draw, if any, to be made in respect of Credit Protection Payment Amounts on such redemption date together with any interest accrued to such redemption date.

(f) *Mandatory Redemption of the Notes in Whole following Termination of the Cash Deposit Agreement or the Repo Agreement*

In the event that the Cash Deposit Agreement, or Repo Agreement (as the case may be), is terminated in whole or in part (which termination shall, if ABN AMRO is the Cash Deposit Bank or (as the case may be) Repo Counterparty, be at no cost to the Issuer) and, in the case of the Cash Deposit Agreement, is not replaced with a further Cash Deposit Agreement or a Repo Agreement is not entered into in substitution for such Cash Deposit Agreement or, in the case of the termination in whole or in part of the Repo Agreement, such Repo Agreement is not assigned to another Repo Counterparty or the obligations of the Repo Counterparty are not assumed by another financial institution which has the Repo Counterparty Required Rating or are not collateralised (subject to, and in accordance with, the terms of the Repo Agreement) or the Repo Agreement is not replaced by a further Cash Deposit Agreement or Repo Agreement, as applicable, in each case subject to the requirements specified below, then the Issuer shall redeem the Notes in whole but not in part in accordance with the Order of Seniority subject to non-redemption during the Extension Period for any Note Extension Amount in accordance with Condition 7(h) (*Redemption, Reductions, Reinstatement and Cancellation - Mandatory Redemption of the Notes during the Extension Period*) at their Adjusted Principal Balance, after reduction in respect of the Cash Deposit Draw, if any, to be made in respect of Credit Protection Payment Amounts on such redemption date together with any interest accrued to such redemption date. The Issuer shall give notice of such early redemption to Noteholders in accordance with Condition 17 (*Notices to Noteholders*) and to the Trustee, the Swap Counterparty, the Principal Paying Agent, the Issuer Account Bank, the Cash Administrator and the Cash Deposit Bank or the Repo

Counterparty (as the case may be), and each of the Rating Agencies not less than fifty five (55) Note Business Days before the relevant redemption date.

If a Repo Agreement is entered into, the Repo Counterparty will be required to agree in such Repo Agreement that, if it ceases to meet the Repo Counterparty Required Rating, (i) it shall use its reasonable endeavours to procure that its obligations under the Repo Agreement are transferred to another Repo Counterparty or are assumed by another institution or are collateralised (subject to and in accordance with the terms of the Repo Agreement) and (ii) the Repo Agreement may not be terminated until the Repo Counterparty has certified to the Trustee that it has used its reasonable endeavours to prevent termination of the Repo Agreement by taking the foregoing measures.

(g) *Mandatory Redemption of the Notes - 10 per cent. Clean Up*

In the event that the aggregate Adjusted Principal Balance of the outstanding Notes is less than 10 per cent. of the initial Principal Balance of all of the Notes on the Closing Date, the Issuer shall redeem, in whole but not in part, all of the Notes of each Class in accordance with the Order of Seniority subject to non-redemption during the Extension Period for any Note Extension Amount in accordance with Condition 7(h) (*Redemption, Reductions, Reinstatement and Cancellation - Mandatory Redemption of the Notes during the Extension Period*) on the next Note Payment Date at their Adjusted Principal Balance, after reduction in respect of the Cash Deposit Draw, if any to be made in respect of Credit Protection Payment Amounts on such redemption date together with any interest accrued to such redemption date (including for the avoidance of doubt, but without limitation, any Make-Up Interest Amount).

The Issuer shall give notice of such early redemption to Noteholders in accordance with Condition 17 (*Notices to Noteholders*) and to the Trustee, the Swap Counterparty, the Principal Paying Agent, the Issuer Account Bank, the Cash Administrator and the Cash Deposit Bank or the Repo Counterparty (as the case may be), and each of the Rating Agencies not less than fifty five (55) Note Business Days before the relevant redemption date.

The Issuer may only redeem the Notes in accordance with this Condition 7(g) if the Trustee is satisfied in accordance with the Transaction Documents that the Issuer will have the funds, not subject to the interest of any person, required to redeem the Notes at their Adjusted Principal Balance and any amounts required under the relevant Priorities of Payments to be paid in priority or pari passu with the Notes outstanding in accordance with the terms and conditions thereof.

(h) *Mandatory Redemption of the Notes during the Extension Period*

During the Extension Period, to the extent that there are Defaulted Reference Obligations in respect of which the Credit Protection Calculation Date has not occurred (each such Defaulted Reference Obligation, an "**Unascertained Defaulted Reference Obligation**") on or prior to the Calculation Date immediately preceding the Scheduled Redemption Date or, as the case may be, the Early Redemption Date, then a portion of the most junior Class (or Classes, as applicable) of Notes having an Adjusted Principal Balance equal to the Note Extension Amount shall remain outstanding pending

calculation of the relevant Credit Protection Payment Amounts. The Note Extension Amount shall be calculated by the Calculation Agent on the Calculation Date immediately preceding the Scheduled Redemption Date or, as the case may be, the Early Redemption Date, and will remain outstanding until the end of the Extension Period.

To the extent that the Credit Protection Payment Amounts in respect of any Unascertained Defaulted Reference Obligations are determined during a subsequent Reference Period (and the Swap Notional Amount under the Credit Default Swap is reduced in respect of such Defaulted Reference Obligations), if the Current Portfolio Amount is less than or equal to the Swap Notional Amount, the Issuer shall redeem, in accordance with the Order of Seniority, each Class of Notes at its then Adjusted Principal Balance to the extent of an amount equal to the reduction in the Swap Notional Amount in respect of such Defaulted Reference Obligations less the Cash Deposit Draw, if any, to be made in respect of Credit Protection Payment Amounts then due together with all interest accrued thereon (including for the avoidance of doubt but without limitation, any Make-Up Interest Amount) on the next Note Payment Date.

Any Notes remaining outstanding during the Extension Period shall continue to bear interest on the then Adjusted Principal Balance of such Notes at EURIBOR in accordance with Condition 6 (*Interest*).

(i) *No Other Redemption*

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in these Conditions.

(j) *Reduction of Adjusted Principal Balance of Notes following Cash Deposit Draw:* On each Note Payment Date, the Adjusted Principal Balance of the Notes shall be reduced *pro rata* and in Reverse Order of Seniority (commencing with the most junior Class of Notes) by an amount equal to the Cash Deposit Draw (if any) made to satisfy in whole or in part the Credit Protection Payment payable on that Note Payment Date (provided that the Adjusted Principal Balance shall not be reduced below zero).

(k) *Reinstatement of the Adjusted Principal Balance of the Notes:* If, on any Note Payment Date, the Adjusted Principal Balance of any Class of Notes is less than the Principal Balance of such Class of Notes, and there is a Synthetic Excess Spread Balance on the Calculation Date immediately preceding such Note Payment Date which has not been allocated in respect of any Credit Protection Payment in accordance with the Synthetic Excess Spread Priority of Payments (the available balance of the Synthetic Excess Spread Balance being the "**Principal Reinstatement Available Amount**"), then the Issuer shall apply on that Note Payment Date (and consequently for the Note Interest Period commencing on that Note Payment Date), an amount equal to the Principal Reinstatement Available Amount to each Class of the Notes to reinstate the Adjusted Principal Balance of the Notes in accordance with the Order of Seniority (to a maximum amount, in respect of each such Class, equal to the Principal Balance of such Class of Notes on such Note Payment Date). Any amount so reinstated in respect of any Class is referred to as "**Reinstated Principal**". Prior to the Note Payment Date on which the Maximum Reference Portfolio Amount is equal to or less than the Initial Swap Notional Amount, any Reinstated Principal shall be deposited in the Cash Deposit (or utilised to

enter into a Repo Transaction pursuant to the Repo Agreement (if any)). If thereafter the Maximum Reference Portfolio Amount is equal to or less than the Initial Swap Notional Amount, any Reinstated Principal shall be applied to redeem the Most Senior Class of Notes then outstanding in accordance with Condition 7(c) (*Redemption, Reductions, Reinstatement and Cancellation - Mandatory Redemption in Part of the Notes*).

If the Synthetic Excess Spread Balance is allocated in reinstating the Adjusted Principal Balance of a Class of Notes, a Make-Up Interest Amount shall be paid to the holders of such Class in respect of the Reinstated Principal of such Class of Notes.

(l) *Note Principal Payment*

The principal amount (the "**Note Principal Payment**") of a Class of Notes which is required to be redeemed in whole or in part (if any) to be repaid in respect of each Note on any Note Payment Date under this Condition 7, shall be that Note's *pro rata* share of the aggregate amount required to be applied in redemption of the Notes of that Class on such Note Payment Date under this Condition 7, provided that no Note Principal Payment may exceed the Adjusted Principal Balance of the related Note.

(m) *Calculation of Note Principal Payments and Adjusted Principal Balance*

On each Calculation Date, the Issuer (or the Cash Administrator on its behalf) shall determine or shall cause to be determined:

- (i) if there is to be a redemption (in whole or in part) of the Notes or any Class thereof pursuant to this Condition 7, the amount of any Note Principal Payment due on such Note Payment Date;
- (ii) the Principal Balance of each Note on such Note Payment Date (after deducting any Note Principal Payment to be paid on that Note Payment Date); and
- (iii) the Adjusted Principal Balance of each Note on the immediately following Note Payment Date (after deducting any Note Principal Payment to be paid in respect of such Note on that Note Payment Date and any Cash Deposit Draw).

Each determination by or on behalf of the Issuer (or the Cash Administrator on its behalf) of any Note Principal Payment, the Principal Balance and the Adjusted Principal Balance of a Note shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer (or the Cash Administrator on its behalf) will cause each determination of a Note Principal Payment and Adjusted Principal Balance to be notified in writing forthwith to the Trustee, the Paying Agents, the Rating Agencies, the Agent Bank and, for so long as the Notes are admitted to trading on the Irish Stock Exchange, the Irish Stock Exchange, and will cause notice of each determination of a Note Principal Payment and Adjusted Principal Balance to be given to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*) as soon as reasonably practicable.

If the Issuer or the Cash Administrator on behalf of the Issuer does not at any time for any reason determine a Note Principal Payment, Principal Balance or Adjusted Principal

Balance in accordance with the preceding provisions of this Condition 7, such payment amount may be determined by the Trustee (but without any liability accruing of the Trustee as a result), in accordance with this Condition 7, and each such determination or calculation shall be conclusive and binding on all relevant parties and shall be deemed to have been made by the Issuer or the Cash Administrator, as the case may be.

(n) *Notice of Redemption*

Any notice of redemption given by the Issuer in connection with a redemption described in this Condition 7 shall be irrevocable. Upon the expiration of such notice, the Issuer will be bound to redeem the Notes of the related Class in the amounts specified in these Conditions.

(o) *Purchase by the Issuer*

The Issuer shall be entitled to purchase any Notes, Receipts, Coupons or Talons, provided that the purchase of the Notes is made in order of seniority, beginning with the Most Senior Class then outstanding, and provided that the Issuer has obtained a prior written confirmation from the Rating Agencies that the rating of any outstanding Notes will not be affected thereby.

(p) *Cancellation*

All Notes redeemed in full together with payment of all accrued but unpaid interest or surrendered pursuant to Condition 16 (*Replacement of Notes, Coupons, Receipts and Talons*) will be cancelled upon redemption or surrender, together with any unmatured Coupons, Receipts and Talons (if any) appertaining thereto and attached thereto or surrendered therewith, and may not be resold or re-issued.

8. **Payments**

(a) *Payments of Interest and Principal*

Payments of interest in respect of the Definitive Notes will (subject as provided in Condition 8(c) (*Payments—Deductions for Unmatured Coupons for Notes Void*) and Condition 8(e) (*Payments — Payments of Interest on Improperly Withheld or Refused Notes*) below) be made only against presentation and surrender of the relevant Coupons at the Specified Office of any Paying Agent and otherwise in accordance with the provisions of this paragraph. Payments of principal and premium (if any) in respect of the Definitive Notes will be made against presentation and surrender of the relevant Receipts (except where, after such presentation and surrender, the unpaid principal amount of a Definitive Note would be reduced to zero (including as a result of any other payment of principal due in respect of such Definitive Note) in which case each payment of principal will be made against presentation and surrender of such Definitive Note) at the Specified Office of any Paying Agent. Each such payment will be made in respect of the Notes, in euro at the Specified Office of any Paying Agent by euro cheque drawn on or, at the option of the holder, by transfer to a euro account maintained by the payee with, a bank in Amsterdam.

(b) *Payments Subject to Fiscal Laws*

Payment of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment and to the provisions of the Agency Agreement and the other Transaction Documents.

(c) *Deductions for Unmatured Coupons for Notes Void*

On the date upon which any Note becomes due and payable in full under Condition 7 (*Redemption, Reductions, Reinstatement and Cancellation*), unmatured Coupons, Receipts and Talons (if any) appertaining thereto (whether or not attached to such Note) shall become void and no payment shall be made in respect thereof. If the due date for redemption of any Note is not a Note Payment Date, accrued interest will be paid only against presentation and surrender of the relevant Note.

(d) *Presentation on Non-Business Days*

If the due date for payment of any amount in respect of any Note, Coupon or Receipt is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(e) *Payments of Interest on Improperly Withheld or Refused Notes*

If any amount of principal or premium (if any) is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with Condition 6 (*Interest*) will be paid against presentation of such Note at the Specified Office of any Paying Agent.

(f) *Other Interest*

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agents outside the United States.

(g) *Partial Payments*

If a Paying Agent makes a partial payment in respect of any Note, Coupon or Receipt presented to it for payment, such Paying Agent will endorse on such Note, Coupon or Receipt a statement indicating the amount and date of such payment.

(h) *Exchange of Talons*

On or after the relevant Note Payment Date on which the final Coupon or Receipt forming part of a Coupon or Receipt sheet is surrendered, each Talon forming part of such Coupon or Receipt sheet may be surrendered at the Specified Office of any Paying Agent for a further Coupon or Receipt sheet (including a further Talon) but excluding any Coupons or Receipts in respect of which claims have already become void under Condition 10 (*Prescription*). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon or Receipt will be delivered in respect of such Talon.

9. **Taxation**

(a) *Payments Free of Tax*

All payments of principal and interest in respect of the Notes, Coupons or Receipts shall be made free and clear of, and without withholding or deduction for or on account of any present or future Taxes unless the Issuer, the Trustee or any Paying Agent is required by applicable law to make any payment in respect of the Notes, Coupons or Receipts subject to any such withholding or deduction. In that event, the Issuer, the Trustee or such Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted.

(b) *No Payment of Additional Amounts*

None of the Issuer, the Trustee or any Paying Agent will be obliged to make any additional payments to holders of Notes, Coupons or Receipts in respect of such withholding or deduction as is referred to in Condition 9(a) (*Taxation - Payments Free of Tax*).

(c) *Taxing Jurisdiction*

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Issuer's jurisdiction of incorporation, references in these Conditions to the Issuer's jurisdiction shall be construed as references to the Issuer's jurisdiction of incorporation and/or such other jurisdiction.

(d) *Tax Deduction Not Note Event of Default*

If the Issuer, the Trustee or any Paying Agent is required to make a withholding or deduction as is referred to in Condition 9(a) (*Taxation - Payments Free of Tax*), this shall not constitute a Note Event of Default.

(e) *EU Savings Directive*

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 tax under European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

10. **Prescription**

(a) *Principal*

Notes and Receipts (which expression shall not in this Condition 10 include Talons) shall become void unless presented for payment within a period of ten (10) years from the relevant date in respect thereof.

(b) *Interest*

Coupons shall become void unless presented for payment within a period of five (5) years from the relevant date in respect thereof.

(c) *Note, Coupon or Receipt*

After the date on which a Note, Coupon or a Receipt becomes void, no claim may be made in respect thereof.

(d) *Relevant Date*

For the purpose of this Condition 10, the "**relevant date**" in respect of a Note, Coupon or Receipt is the date on which a payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of all the Notes, Coupons or Receipts due on or before the date has not been duly received by the Paying Agents or the Trustee on or prior to such date) the date on which notice that the full amount of such monies has not been received is duly given to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*).

11. **Note Events of Default**

(a) *Note Events of Default*

Each and any of the following events shall be treated as a "**Note Event of Default**":

- (i) *Non-Payment*: default is made in the payment of principal or interest in respect of any Class of Notes when due in accordance with these Conditions for a period of five (5) Note Business Days or, if the default is due to technical problems, ten (10) Note Business Days;
- (ii) *Breach of Other Obligations*: default is made by the Issuer in the performance or observance of any other obligation, condition, provision, representation or warranty binding upon or made by it under the Notes or the Transaction Documents (other than any obligation whose breach would give rise to the Note Event of Default provided for in Condition 11 (a)(i) (*Non-Payment*), and, except, where in the opinion of the Trustee, such default is not capable of remedy, such default continues for a period of 30 Note Business Days (or such longer period as the Trustee may permit) after written notice by the Trustee to the Issuer requiring the same to be remedied;
- (iii) *Insolvency Event*: an Insolvency Event occurs in relation to the Issuer;
- (iv) *Analogous Event*: any event occurs which under the laws of The Netherlands has an analogous effect to the events referred to in paragraph (iii) (*Insolvency Event*); or
- (v) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, the Trust Deed or the Security Documents.

(b) *Delivery of Note Enforcement Notice*

If a Note Event of Default occurs and is continuing, the Trustee may at its discretion and shall:

- (i) if so requested in writing by the holders of at least 25 per cent. of the Adjusted Principal Balance of the Most Senior Class of Notes then outstanding; or
- (ii) if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding,

deliver a Note Enforcement Notice to the Issuer.

(c) *Conditions to Delivery of Note Enforcement Notice*

Notwithstanding Condition 11(b) (*Note Events of Default - Delivery of Note Enforcement Notice*), the Trustee:

- (i) shall not deliver a Note Enforcement Notice unless, in the case of the occurrence of any of the events mentioned in Condition 11(a)(ii) (*Note Events of Default - Breach of Other Obligations*), the Trustee shall have certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the Most Senior Class of Noteholders; and
- (ii) shall not be obliged to deliver a Note Enforcement Notice unless it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

(d) *Consequences of Notes becoming Due and Payable and Delivery of Note Enforcement Notice*

Upon the delivery of a Note Enforcement Notice, all Classes of the Notes then outstanding shall immediately become due and repayable at their then Adjusted Principal Balance together with accrued interest as provided in the Trust Deed and the Security shall become enforceable by the Trustee in accordance with the Security Documents.

12. **Enforcement**

Subject to Condition 11 (*Note Events of Default*) the Trustee may, at any time after the delivery of a Note Enforcement Notice, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Notes or the Trust Deed and the other Transaction Documents and at any time after delivery of the Note Enforcement Notice, the whole or any part of the Security shall become enforceable. The Trustee shall not be bound to take any such proceedings or steps to enforce the Security unless:

- (i) so requested in writing by the holders of at least 25 per cent. of the Adjusted Principal Balance of the Most Senior Class of Notes then outstanding; or
- (ii) so directed by an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding;

and in any such case, only if it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

Enforcement of the Security shall be the only remedy available to the Trustee and the Noteholders for the repayment of the Notes and any interest on the Notes. No Noteholder shall be entitled to proceed directly against the Issuer or any other party to the Transaction Documents unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure is continuing; provided that no Class B Noteholder (for so long as there is any Class A Note outstanding) and no Class C Noteholder (for so long as there is any Class A Note or Class B Note outstanding), no Class D Noteholder (for so long as there is any Class A Note, Class B Note or Class C Note outstanding), no Class E Noteholder (for so long as there is any Class A Note, Class B Note, Class C Note and Class D Note outstanding) and no Class F Noteholder (for so long as there is any Class A Note, Class B Note, Class C Note, Class D Note and Class E Note outstanding) shall be entitled to take proceedings for the winding up or administration of the Issuer. The Trustee is not, while any of the Notes are outstanding, required to enforce the Security at the request of any other Secured Party under the Trust Deed.

All monies received by the Issuer or the Trustee following a Note Event of Default, the delivery of a Note Enforcement Notice and the enforcement of the Security will be applied in accordance with the Post-Enforcement Priority of Payments.

13. **Meetings of Noteholders**

(a) *Convening*

The Trust Deed contains provisions for convening separate or combined meetings of the Noteholders of any Class to consider any matters relating to the Notes, including the sanctioning by Extraordinary Resolution of each relevant Class of Noteholders of a modification of the provisions of the Trust Deed, the Notes or these Conditions or the provisions of any of the other Transaction Documents. Meetings to vote on Extraordinary Resolutions may be convened on not less than twenty-one (21) days notice.

(b) *Request from Noteholders*

A meeting of Noteholders (or any Class thereof) may be convened by the Trustee or the Issuer at any time and must be convened by the Trustee (subject to its being indemnified and/or secured to its satisfaction) upon the request in writing of Noteholders of a particular Class holding not less than 10 per cent. of the aggregate Adjusted Principal Balance of the outstanding Notes of that Class.

(c) *Quorum*

The Trust Deed provides that the quorum at any meeting convened to vote on:

- (i) a resolution, other than an Extraordinary Resolution, will be two (2) or more persons present holding voting certificates or being proxies and holding or

representing, in the aggregate, not less than one-tenth of the aggregate Adjusted Principal Balance of the Notes and shall form a quorum for the transaction of business and no business (other than choosing a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the meeting;

- (ii) an Extraordinary Resolution, other than regarding a Basic Terms Modification, will be two (2) or more persons present holding voting certificates or being proxies and holding or representing not less than one-half of the aggregate Adjusted Principal Balance of the Notes then outstanding or, at any adjourned meeting, two (2) or more persons being or representing the Noteholders, whatever the aggregate Adjusted Principal Balance of the Notes (or any Class thereof) then outstanding so held or represented; and
- (iii) an Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders) will be two (2) or more persons present holding voting certificates, or being proxies, and holding or representing, in the aggregate, not less than three-quarters of the aggregate Adjusted Principal Balance of the Notes of such Class then outstanding or, at any adjourned meeting, one or more persons holding or representing in the aggregate not less than one-third of the Adjusted Principal Balance of the Notes of such Class then outstanding.

(d) *Relationship Between Classes*

- (i) No Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes at separate Class meetings convened for that purpose (to the extent that there are Notes outstanding in each such other Classes);
- (ii) No Extraordinary Resolution to approve any matter other than a Basic Terms Modification that is passed by the holders of any Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the More Senior Classes of Notes (to the extent that there are any) unless the Trustee considers that the interests of the holders of each of the More Senior Classes of Notes would not be materially prejudiced by the implementation of such Extraordinary Resolution;
- (iii) Any resolution passed at a meeting of the Noteholders (or any Class thereof) duly convened and held in accordance with the Trust Deed shall be binding upon all Noteholders (or, as the case may be, all Noteholders of such Class), whether or not present at such meeting and whether or not voting and upon all Couponholders and Receipholders (or, as the case may be, all Couponholders and Receipholders of such Class); and
- (iv) Subject to paragraphs (i) and (ii) above, any resolution passed at a meeting of the holders of the Most Senior Class of Notes then outstanding only which is duly convened and held as aforesaid shall also be binding upon the holders of

all the other Classes of Notes and the holders of the Coupons and Receipts relating thereto.

(e) *Resolutions in Writing*

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

14. **Modification, Waiver and Substitution**

(a) *Modification*

The Trustee may agree, without the consent or sanction of the Noteholders, the Couponholders, the Receipholders or any other Secured Parties, with the Issuer and any other relevant party to any of the Transaction Documents in making any modification to these Conditions, the Trust Deed (other than in the case of (i), (ii) and (iv) below, in respect of a Basic Terms Modification), the Notes or the other Transaction Documents to which it is a party or over which it has security, or may give its consent to any event, matter or thing, if:

- (i) in its opinion, the interests of the holders of the Most Senior Class of Notes then outstanding would not be materially prejudiced thereby;
- (ii) in relation to any modification, it is required or permitted, subject to the satisfaction of specified conditions under the terms of these Conditions or the Transaction Documents provided such conditions are satisfied;
- (iii) in relation to any modification, if in its opinion, it is required to correct a manifest error or an error in respect of which a Dutch or an English Court, as the case may be, could reasonably be expected to make a rectification order or is of a formal, minor, administrative or technical nature or is necessary or desirable for the purposes of clarification; or
- (iv) in relation to any modification, the Ratings Test is satisfied.

(b) *Waiver*

In addition, subject to this Condition 14, the Trustee may, without the consent or sanction of the Noteholders, the Couponholders, the Receipholders or any other Secured Parties authorise or waive any proposed breach or breach of the covenants or provisions contained in the Trust Deed, the Notes or any of the other Transaction Documents (including a Note Event of Default) or determine that any such default shall not be treated as such if the conditions in Condition 14(a)(i) to (iv) (*Modification, Waiver and Substitution – Modification*) are satisfied.

(c) *Restriction on Power to Waive*

The Trustee shall not exercise any powers conferred upon it by Condition 14(a) (*Modification, Waiver and Substitution - Modification*) or Condition 14(b) (*Modification, Waiver and Substitution - Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or of a request or direction in writing made by the holders of not less than 25

per cent. in aggregate Adjusted Principal Balance of the Most Senior Class of Notes then outstanding but so that no such direction or request shall:

- (i) affect any authorisation, waiver or determination previously given or made; or
- (ii) authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless the holders of each class of Notes have authorised or waived such proposed breach or breach pursuant to an Extraordinary Resolution of the holders of such other class of Notes then outstanding.

(d) *Notification*

Unless the Trustee otherwise agrees, the Issuer shall cause any such authorisation, waiver, modification or determination to be notified to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*) and the other Secured Parties in accordance with the Transaction Documents and the Transaction Documents, as soon as practicable after it has been made.

(e) *Binding Nature*

Any authorisation, waiver, determination or modification referred to in Condition 14(a) (*Modification, Waiver and Substitution – Modification*) or Condition 14(b) (*Modification, Waiver and Substitution – Waiver*) shall be binding on the Noteholders, the Couponholders, the Receiptholders and the other Secured Parties.

(f) *Substitution of Principal Debtor*

If any of the events listed in Condition 7(d) (*Redemption, Reductions, Reinstatement and Cancellation - Redemption of the Notes in Whole for Tax Reasons*) is subsisting, the Trustee will agree, subject to such amendments of these Conditions and of any of the Transaction Documents and to such other conditions as the Trustee (in the interest of the Noteholders) may require and subject to the terms of the Trust Deed, but without the consent of the Noteholders or the Couponholders or the Receiptholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed and the Notes and in respect of the other Secured Liabilities, subject to the Notes being unconditionally and irrevocably guaranteed by the Issuer (unless all or substantially all of the assets of the Issuer are transferred to such body corporate) and to such body corporate being a single purpose vehicle and undertaking itself to be bound by provisions corresponding to those set out in Condition 5 (*Issuer Covenants*) and the covenants applying to the Issuer under the Trust Deed.

15. **Trustee and Agents**

(a) *Trustee's Right to Indemnity*

Under the Transaction Documents, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid or reimbursed any Liabilities incurred by it in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and any entity relating to the Issuer without accounting for any profit.

(b) *Trustee Not Responsible for Loss or for Monitoring*

The Trustee will not be responsible for any loss, expense or Liability which may be suffered as a result of any assets comprised in the Security or any documents of title thereto being uninsured or inadequately insured. The Trustee shall not be responsible for monitoring the compliance of any of the other parties to the Transaction Documents with their obligations under the Transaction Documents.

(c) *Appointment and Removal of Director of the Trustee*

The power of appointing a new director of the Trustee shall be vested in the board of directors of the Trustee, but the Trustee Management Agreement provides that no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding in accordance with the Trust Deed. Any appointment of a new director of the Trustee shall as soon as practicable thereafter be notified by the Issuer to the Paying Agents, the Rating Agencies and the Noteholders. The holders of the Most Senior Class of Notes then outstanding shall together have the power, exercisable by Extraordinary Resolution to remove any director of the Trustee. Pursuant to the Trust Deed, the removal of any director of the Trustee shall not be effected unless there remains a director of the Trustee in office after such removal.

(d) *Paying Agents and Agent Bank Solely Agents of Issuer*

In acting under the Agency Agreement and in connection with the Notes, the Coupons and the Receipts, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards, or relationship of agency or trust for or with, any of the Noteholders, the Couponholders or the Receiptholders.

(e) *Initial Paying Agents and Agent Bank*

The initial Paying Agents and the Agent Bank and their initial Specified Offices are listed below. The Issuer reserves the right (subject to the prior written approval of the Trustee) to vary or terminate the appointment of any Paying Agent or Agent Bank and to appoint a successor principal paying agent or agent bank and additional or successor paying agents at any time, having given not less than 30 days notice to such Paying Agent or the Agent Bank (as the case may be).

(f) *Maintenance of Agents*

The Issuer will at all times maintain a Paying Agent with a Specified Office in Ireland (so long as the Notes are listed on the Irish Stock Exchange) and a Paying Agent in The Netherlands or a Paying Agent with Specified Offices in Ireland and The Netherlands, respectively, a principal paying agent and an agent bank.

The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*).

16. Replacement of Notes, Coupons, Receipts and Talons

If any Note, Coupon, Receipt or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, subject to all applicable laws and Stock Exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons, Receipts or Talons must be surrendered before replacements will be issued.

17. Notices to Noteholders

(a) *Valid Notices and Date of Publication*

Notices to the Noteholders shall be valid if published in a leading daily newspaper published in The Netherlands (which is expected to be *Het Financieele Dagblad*) and, if the Notes are listed on the Irish Stock Exchange and the rules of that exchange so require, a leading newspaper having general circulation in Dublin (which is expected to be *The Irish Times*) or, in either case, if such publication is not practicable, in another appropriate newspaper having general circulation in The Netherlands or, as the case may be, Dublin, previously approved in writing by the Trustee.

Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers).

Whilst the Notes are represented by Global Notes, notices to Noteholders will be valid if published as described above, for so long as the rules of the Irish Stock Exchange so require and if delivered to Clearstream, Luxembourg and/or Euroclear for communication by them to Noteholders. Any notice delivered to Clearstream, Luxembourg and/or Euroclear as aforesaid shall be deemed to have been given on the date of such delivery.

(b) *Other Methods*

The Trustee may approve some other method of giving notice to the Noteholders if, in its opinion, that other method is reasonable having regard to market practice then prevailing and to the requirements of any Stock Exchange on which Notes are then listed and provided that notice of that other method is given to the Noteholders in the manner required by the Trustee.

(c) *Couponholders and Receiptholders Deemed to Have Notice*

Couponholders and Receiptholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders. Any such notice shall be deemed to have

been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner referred to above.

(d) *Notices to Irish Stock Exchange and Rating Agencies*

A copy of each notice given in accordance with this Condition 17 shall be provided to the Rating Agencies and the Irish Stock Exchange for so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require.

18. **Non-petition and Limited Recourse**

(a) *No proceedings against the Issuer*

Subject to Condition 12 (*Enforcement*), until the date falling two years and a day after the earlier of the Early Redemption Date and the Legal Final Redemption Date:

- (i) only the Trustee is entitled to enforce the Security or to take proceedings against the Issuer to enforce the Security or any of the provisions of the Trust Deed and the Security Documents;
- (ii) no Noteholder nor any person acting on behalf of such Noteholder shall have any right to take any proceedings against the Issuer to enforce the Security or, save in accordance with the terms of the Transaction Documents, to direct the Trustee to do so;
- (iii) no Noteholder shall have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to such party;
- (iv) neither it nor any person on its behalf shall initiate or join any person in initiating any Insolvency Proceedings in relation to the Issuer; and
- (v) it shall not be entitled to take any steps or proceedings which would result in the Post-Enforcement Priority of Payments not being observed.

(b) *Limited Recourse*

Notwithstanding any other Condition or provision of any Transaction Document, all obligations of the Issuer to the Noteholders is limited in recourse as set out below:

- (i) each Noteholder will have a right of recourse (*verhaalsrecht*) only in respect of the Secured Property and will not have any claim, by operation of law or otherwise, against, or recourse to any of the Issuer's other assets or its contributed capital;
- (ii) sums payable to any Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder and (b) the aggregate net amounts received, realised or otherwise recovered by or for the account of the Trustee in respect of the Secured Property whether pursuant to enforcement of the Security or otherwise, net of any sums which are payable by the Issuer in accordance with

the Priority of Payments and the terms of the Trust Deed in priority to or *pari passu* with sums payable to such Noteholder; and

- (iii) on the Legal Final Redemption Date or if following final distribution of net proceeds of enforcement of the Security the Trustee certifies, in its sole discretion, that the Issuer has insufficient funds to pay in full all of the Issuer's obligations to such party, then each Noteholder shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full.

(c) *No recourse against shareholders or others*

No Noteholder shall have any recourse against any shareholder, member, equity holder, officer, agent, employee or director of the Issuer or any other party to the Transaction Documents in his capacity as such, by any proceedings or otherwise, in respect of any obligation, covenant, or agreement of the Issuer or any other party to the Transaction Documents (acting in any capacity whatsoever) contained in the Notes or the Transaction Documents.

19. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.).

20. **Governing Law**

The Trust Deed, the Agency Agreement, the other Transaction Documents (other than the Credit Default Swap, the Repo Agreement (if any), the Belgian Pledge Agreement (if any) and the Luxembourg Pledge Agreement (if any)) and the Notes will be governed by Dutch law.

TAXATION IN THE NETHERLANDS

The comments below are of a general nature based on taxation law and practice in The Netherlands as at the date of this Offering Circular and are subject to any changes therein. They relate only to the position of persons who are absolute beneficial owners of the Notes. The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes and so should be treated with appropriate caution. In particular, it does not take into consideration any tax implications that may arise on a substitution of the Issuer. Prospective investors should consult their own professional advisors concerning the possible tax consequences of purchasing, holding and/or selling Notes and receiving payments of interest, principal and/or other amounts under the Notes under the applicable laws of their country of citizenship, residence or domicile.

1. **Withholding Tax**

All payments of interest and principal by the Issuer under the Notes can be made free of withholding or deduction for, or on account of, any taxes of whatsoever nature imposed, levied, withheld, or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

2. **Taxes On Income And Capital Gains**

A holder of a Note who derives income from a Note or who realises a gain on the disposal or redemption of a Note will not be subject to Dutch taxation on such income or capital gain, unless:

- (i) the holder is, or is deemed to be, resident in The Netherlands, or, where the holder is an individual, such holder has elected to be treated as a resident of The Netherlands; or
- (ii) such income or gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or
- (iii) the holder is an individual and such income or gain qualifies as income from activities that exceed normal active portfolio management in The Netherlands.

3. **Gift, Estate Or Inheritance Taxes**

Dutch gift, estate or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder unless:

- (i) the holder is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or as a gift made by or on behalf of a person who, at the time of the gift or death, is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or

- (iii) such Note is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment or a permanent representative in The Netherlands.

4. **Value Added Tax**

There is no Dutch value added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of a Note, provided that Dutch value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Dutch value added tax purposes such services are rendered, or are deemed to be rendered, in The Netherlands and an exemption from Dutch value added tax does not apply with respect to such services.

5. **Other Taxes And Duties**

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in The Netherlands in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgement in the courts of The Netherlands) of the Notes or the performance of the Issuer's obligations under the Notes.

6. **Residence**

A holder of a Note will not be treated as a resident of The Netherlands by reason only of the holding of a Note or the execution, performance, delivery and/or enforcement of the Notes.

SUBSCRIPTION AND SALE

The Lead Manager has, under a subscription agreement dated 15 December 2005 (the "**Subscription Agreement**") between *inter alia* the Lead Manager, the other managers as described therein (together the "**Managers**") and the Issuer, agreed with the Issuer to subscribe, or to procure subscriptions, for the Class A Notes at the issue price of 100 per cent. of their initial principal amount, the Class B Notes at the issue price of 100 per cent. of their initial principal amount, the Class C Notes at the issue price of 100 per cent. of their initial principal amount, the Class D Notes at the issue price of 100 per cent. of their initial principal amount, the Class E Notes at the issue price of 100 per cent. of their initial principal amount and the Class F Notes at the issue price of 100 per cent. of their initial principal amount, subject to certain conditions contained therein.

The Issuer has agreed to indemnify the Managers against certain liabilities incurred in connection with the offer and sale of the Notes.

The Subscription Agreement is subject to a number of conditions and may be terminated by the Lead Manager in certain circumstances prior to payment for the Notes to the Issuer.

Attention is also drawn to the information set out on the inside cover of this Prospectus.

United Kingdom

Each Manager has represented to and agreed with the Issuer, amongst other things, that:

- (a) 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
- (b) 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 the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

The United States of America

Each Manager has represented to and agreed with the Issuer, amongst other things, that it has not offered or sold, and will not offer or sell, the Notes (i) as part of their distribution at any time and (ii) otherwise until forty (40) days after the later of the commencement of the offering of the Notes and the Closing Date, except in accordance with Rule 903 of Regulation S under the Securities Act and, accordingly, that:

- (a) neither it nor any of its affiliates (including any person acting on its behalf or any of its affiliates) has engaged or will engage in any directed selling efforts with respect to the Notes; and
- (b) it and its affiliates have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

Each Manager has also undertaken that, at or prior to confirmation of sale, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration which purchases Notes from it during the restricted period a confirmation or notice in substantially the following form:

"The Securities covered hereby have not been registered under the United States Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition, each Manager has represented and agreed with the Issuer that:

- (c) except to the extent permitted under United States Treasury Regulation Section 1.163-5(c)(2)(i)(D) (the "**D Rules**"), (i) it has not offered or sold, and during the restricted period that it will not offer or sell, any Notes to a person who is within the United States or its possessions or to a US person, and (ii) it has not delivered and will not deliver in definitive form within the United States or its possessions any Notes that are sold during the restricted period;
- (d) it has, and throughout the restricted period it will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that the Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a US person, except as permitted by the D Rules; and
- (e) with respect to each affiliate which acquires Notes from it for the purpose of offering or selling such Notes during the restricted period, it has either (i) repeated and confirmed the representations and agreements contained in paragraphs (a) and (b) on its own behalf or (ii) agreed that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in paragraphs (a) and (b).

Terms used in this section have the meanings given to them by the Securities Act and Regulation S and by the United States Internal Revenue Code 1986, as amended, and regulations thereunder, including the D Rules.

The Netherlands/Global

Each Manager has represented to and agreed with the Issuer that all Notes (including rights representing an interest in a Global Note) shall be offered in accordance with the following conditions:

- (a) such Notes shall upon the Closing Date have a denomination of at least EUR 100,000 (or the equivalent in other currency);
- (b) either the Issuer is not reasonably able to identify the holders of the Notes on the Issue Date (other than the Manager) or, to the extent Notes are issued directly to such holders or issued in circumstances where the Issuer is reasonably aware of their identity on or prior to the Closing Date (as will be the case for the Manager), such holders must qualify

as a professional market party (*professionele marktpartij*, a "PMP") within the meaning of the Exemption Regulation dated 26 June 2002 of the Dutch Ministry of Finance (*Vrijstellingsregeling Wtk 1992*; as amended or re-enacted from time to time). and be verified as such by the Issuer on or prior to such Closing Date in accordance with the Dutch Central Bank's 2005 policy rules pursuant to the Dutch Banking Act Exemption Regulation (*Beleidsregel 2005 kernbegrippen markttoetreding en handhaving Wtk 1992*); and

- (c) all Notes are held at the time of issuance through a clearing system that is established in an EEA member state, the United States, Japan, Australia, Canada or Switzerland in which securities can only be held through a licensed bank or securities firm or directly by a member of such clearing system qualifying as a PMP.

The Republic of Ireland

Each Manager has represented to and agreed with the Issuer that it will not underwrite or place the Notes in or involving Ireland otherwise than in conformity with the provisions of the Investment Intermediaries Act, 1995 of Ireland, as amended, including, without limitation, Sections 9 and 23 (including advertising restrictions made thereunder) thereof and the codes of conduct made under Section 37 thereof or, in the case of a credit institution exercising its rights under the Banking Consolidation Directive (2000/12/EC of 20 March, 2000) in conformity with the codes of conduct or practice made under Section 117(1) of the Central Bank Act 1989, of Ireland, as amended.

General

Except for listing the Notes on the Official List of the Irish Stock Exchange, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes, or the possession, circulation or distribution of this Prospectus or any other material relating to the Issuer or the Notes in any jurisdiction where action for that purpose is required. This Prospectus does not constitute, and may not be used for the purpose of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Notes may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Each Manager has undertaken not to offer or sell any of the Notes, or to distribute this document or any other material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with applicable law and regulations.

GENERAL INFORMATION

1. All authorisations, consents and approvals to be obtained by the Issuer for, or in connection with, the creation and issue of the Notes, the performance by the Issuer of the obligations expressed to be undertaken by it and the distribution of this Prospectus have been obtained and are in full force and effect. The issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer passed on or before 14 December 2005.
2. Application has been made to list the Notes on the Official List of the Irish Stock Exchange by the Issuer, through Arthur Cox Listing Services Limited acting as listing agent (the "**Irish Listing Agent**"). The Irish Listing Agent is not seeking admission to listing on the Irish Stock Exchange for the purposes of the Prospectus Directive. The Issuer expects the total expenses relating the admission to trading on the Irish Stock Exchange to be EUR 5,782.40 .
3. The Notes have been accepted for clearance through Clearstream, Luxembourg and Euroclear as follows:

Class of Notes	Common Code	ISIN
Class A Notes	23807289	XS0238072895
Class B Notes	23807327	XS0238073273
Class C Notes	23807335	XS0238073356
Class D Notes	23807351	XS0238073513
Class E Notes	23807360	XS0238073604
Class F Notes	23807378	XS0238073786

4. The Issuer is not involved, nor has been involved, in any legal, governmental or arbitration proceedings which may have, or have had, since the date of its incorporation, a significant effect on its financial position, nor is the Issuer aware that any such proceedings are pending or threatened.
5. Save as disclosed in this Prospectus, since 7 December 2005 (being the date of incorporation of the Issuer), the Issuer has not:
 - (a) commenced operations;
 - (b) made up annual financial accounts as at the date of this Prospectus; or
 - (c) entered into any contracts or arrangements not being in its ordinary course of business.
6. Save as disclosed in this Prospectus, since 7 December 2005 (being the date of incorporation of the Issuer), there has been no material adverse change in the financial position or prospects and no significant change in the financial or trading position of the Issuer.

7. For so long as the Notes are admitted to listing on the Official List of the Irish Stock Exchange, the most recently published Swap Portfolio Report and the Quarterly Investor Report of the Issuer will be available at the Specified Office of the Irish Paying Agent and at the Issuer's registered office free of charge.
8. In connection with the application to list the Notes on the Official List of the Irish Stock Exchange, copies of the Articles of Association of the Issuer and a legal notice relating to the issue of the Notes will be filed with the Register of Companies in Ireland where such documents may be examined and copies obtained upon request. It is expected that the Notes which are to be admitted to the Official List of the Irish Stock Exchange will be admitted, when issued, subject only to the issue of the Global Notes.
9. For so long as the Notes are listed on the Official List of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, copies of the following documents and this Prospectus may be inspected (in either physical or electronic format) (and, in the case of the documents listed in items (c)(i) to (xiii) (inclusive), may be obtained free of charge) during usual business hours on any week day (excluding Saturdays, Sundays and public holidays) at the Specified Offices of the Irish Paying Agent and at the registered office of the Issuer from the date of this Prospectus:
 - (a) the Articles of Association of the Issuer;
 - (b) the latest annual financial reports of the Issuer (which will be prepared in accordance with statutory requirements) will be available on or about 31 December in each year in respect of the preceding financial year (the first such report, in respect of the period from the date of the Issuer's incorporation to 31 December 2006 being available on or about 1 June 2007). No interim financial reports will be produced by the Issuer;
 - (c) prior to the Closing Date, drafts (subject to modification) and, after the Closing Date, copies of the following documents:
 - (i) the Notes and the Conditions appended thereto;
 - (ii) the Trust Deed;
 - (iii) the Agency Agreement;
 - (iv) the Cash Administration Agreement;
 - (v) the Credit Default Swap;
 - (vi) the Repo Agreement (if any);
 - (vii) the Cash Deposit Agreement;
 - (viii) the Issuer Account Agreement;
 - (ix) the Custody Agreement (if any);
 - (x) any Security Documents;

- (xi) the Issuer Management Agreement;
- (xii) the Trustee Management Agreement; and
- (xiii) the Letter of Undertaking.

INDEX OF DEFINED TERMS

There follows an index of the defined terms used in this Prospectus, together with details of the page(s) on which such term(s) is or are defined.

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