

## IMPORTANT NOTICE

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**PROSPECTUS DATED 13 DECEMBER 2012**

**ARENA 2012-I B.V.**

*(incorporated with limited liability in the Netherlands with its statutory seat in Amsterdam, the Netherlands)*

	<b>Class A1 Notes</b>	<b>Class A2 Notes</b>	<b>Class B Notes</b>	<b>Class C Notes</b>	<b>Class D Notes</b>	<b>Class E Notes</b>	<b>Class F Notes</b>
<b>Principal Amount</b>	€154,000,000	€490,000,000	€18,200,000	€16,100,000	€14,000,000	€7,700,000	€10,500,000
<b>Issue Price</b>	100%	100%	100%	100%	100%	100%	100%
<b>Interest rate until step up</b>	0.60% margin above three month Euribor	1.15% margin above three month Euribor	0.01% margin above three month Euribor	0.01% per annum	0.01% per annum	0.01% per annum	0.01% per annum
<b>Interest rate after step up</b>	1.20% margin above three month Euribor	2.30% margin above three month Euribor	0.01% margin above three month Euribor	0.01% per annum	0.01% per annum	0.01% per annum	0.01% per annum
<b>Rating (Fitch, Moody's/ S&amp;P)</b>	AAA(sf)/Aaa (sf)/AAA(sf)	AAA(sf)/Aaa(sf)/AAA(sf)	AA(sf)/Aa1(sf)/ A(sf)	A-(sf) /Aa2 (sf), BBB+(sf)	BBB-(sf) /A2(sf) (not rated by S&P)	BB-(sf) /Baa2(sf) (not rated by S&P)	Not rated
<b>First Optional Redemption Date</b>	November 2017	November 2017	November 2017	November 2017	November 2017	November 2017	N/A
<b>Final Maturity Date</b>	November 2044	November 2044	November 2044	November 2044	November 2044	November 2044	November 2044

*Unless otherwise indicated in this Prospectus or the context otherwise requires, capitalised terms used in this Prospectus have the meaning ascribed thereto in paragraph 1 (Definitions) of the Glossary of Defined Terms set out in this Prospectus. The principles of interpretation set out in paragraph 2 (Interpretation) of the Glossary of Defined Terms in this Prospectus shall apply to this Prospectus.*

<b>Seller</b>	Amstelhuys N.V. Amstelhuys is a wholly owned subsidiary of Delta Lloyd N.V.
<b>Closing Date</b>	The Issuer will issue the Notes in the Classes set out above on the Closing Date.
<b>Underlying Assets</b>	The Issuer will make payments on the Notes from, <i>inter alia</i> , payments of principal and interest received from a portfolio comprising of mortgage loans originated by the Seller and secured over residential properties located in the Netherlands. Legal title of the Mortgage Receivables will be assigned to the Issuer on the Closing Date. See section 6.2 ( <i>Description of Mortgage Loans</i> ) for more details.
<b>Security for the Notes</b>	The Noteholders will, together with the other Secured Creditors, benefit from security rights created in favour of the Security Trustee over, <i>inter alia</i> , the Mortgage Receivables (see section 4.7 ( <i>Security</i> )).
<b>Denomination</b>	The Notes will have a denomination of euro 100,000.
<b>Form</b>	The Notes will be in bearer form. The Notes will be represented by Global Notes, without coupons attached. Interests in the Global Notes will only in limited circumstances be exchangeable for Notes in definitive form.
<b>Interest</b>	The Notes will carry the respective rates of interest as set out above, payable in arrear on each Notes Payment

	Date. See further section 4.1 ( <i>Terms and Conditions of the Notes</i> ), Condition 4 ( <i>Interest</i> ).
<b>Redemption Provisions</b>	Payments of principal on the Notes will be made in arrear on each Notes Payment Date in the circumstances set out in, and subject to and in accordance with the Conditions. The Notes will mature on the Final Maturity Date. On the First Optional Redemption Date and each Optional Redemption Date thereafter and in certain other circumstances, the Issuer will have the option to redeem all of the Notes. See further section 4.1 ( <i>Terms and Conditions of the Notes</i> ), Condition 6 ( <i>Redemption</i> ).
<b>Subscription and Sale</b>	The Managers have agreed to purchase on the Closing Date, subject to certain conditions precedent being satisfied, the Class A1 Notes and the Class A2 Notes. Amstelhuys has agreed to purchase on the Closing Date all of the Class B Notes, Class C Notes, Class D Notes Class E Notes and Class F Notes.
<b>Credit Rating Agencies</b>	Each of the Credit Rating Agencies is established in the European Union and is registered under the CRA Regulation. As such each of the Credit Rating Agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.
<b>Ratings</b>	<p>Credit ratings will be assigned to the Notes, other than the Class F Notes, as set out above, on or before the Closing Date.</p> <p>The credit ratings assigned by Fitch and S&amp;P address the likelihood of (a) timely payment of interest due to the Noteholders on each Notes Payment Date and (b) full payment of principal by a date that is not later than the Final Maturity Date. The credit ratings assigned by Moody's address the expected loss to a Noteholder in proportion to the initial principal amount of the Class of Notes held by such Noteholder by the Final Maturity Date.</p> <p>The assignment of credit ratings to the Notes, other than the Class F Notes, is not a recommendation to invest in the Notes. Any such credit rating may be reviewed, revised, suspended or withdrawn at any time. Any such review, revision, suspension or withdrawal could adversely affect the market value of the Notes.</p>
<b>Listing</b>	<p>Application has been made to Euronext Amsterdam for the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes to be admitted to the official list and trading on its regulated market. The Class F Notes will not be listed. The Notes are expected to be issued on the Closing Date.</p> <p>This Prospectus has been approved by the AFM and constitutes a prospectus for the purposes of the Prospectus Directive.</p>
<b>Eurosystem Eligibility</b>	The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper. It does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon, among other things, satisfaction of the Eurosystem eligibility criteria.
<b>Limited recourse obligations</b>	The Notes will be limited recourse obligations of the Issuer and the Security Trustee alone and will not be the obligations of, or guaranteed by, or be the responsibility of, any other entity. The Issuer will have limited sources of funds available. See section 2 ( <i>Risk Factors</i> ).
<b>Subordination</b>	The right to payment of interest (if applicable) and principal on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, will be subordinated and may be limited as more fully described in section 4.1 ( <i>Terms and Conditions of the Notes</i> ).
<b>Retention undertaking</b>	The Seller shall retain, on an ongoing basis, a material net economic interest in the Notes which, in any event, shall not be less than 5 per cent in compliance with Article 122a paragraph (1)(d) of the CRD, comprised of an interest in the first loss tranche and, if necessary, other tranches having the same or a more severe risk profile than those sold to investors. Any change in the manner in which this interest is held will be notified to investors. The Seller has also undertaken to make available materially relevant data with a view to complying with Article 122a paragraph (7) of the CRD, which can be obtained from the Seller upon request. Each prospective Noteholder should ensure that it complies with the implementing provisions of Article 122a in its relevant jurisdiction. See section 4.4 ( <i>Regulatory and Industry Compliance</i> ) for more detail

For a description of some of the risks associated with an investment in the Notes, see section 2 (*Risk Factors*) herein.

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

Arranger:

**Rabobank International**

*Manager*  
**Rabobank International**

*Manager*  
**Barclays**

## RESPONSIBILITY STATEMENTS AND IMPORTANT INFORMATION

### Responsibility Statements

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

In addition to the Issuer, the Seller and Stater are responsible for the information referred to in the respective paragraphs below.

The Seller is responsible solely for the information contained in the following sections of this Prospectus Retention and disclosure requirements under the CRD in section 1.4 (*The Notes*), 1.6 (*Portfolio Information*) 3.4 (*The Seller*), 4.4 (*Regulatory and Industry Compliance*), 6.1 (*Stratification Tables*), 6.2 (*Description of Mortgage Loans*), 6.3 (*Origination and Servicing by the Seller*), 6.4 (*Dutch Residential Mortgage Market*) and 6.5 (*NHG Guarantee Programme*) and any disclosure in this Prospectus in respect of Article 122a of the CRD. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in such sections is in accordance with the facts and does not omit anything likely to affect the import of such information. The Seller is not responsible for information contained in any section other than the sections mentioned above, and consequently does not assume any liability with respect to the information contained in any other section. Any information from third parties contained and specified as such in aforementioned sections has been accurately reproduced and as far as the Seller is aware and is able to ascertain from information published by such third parties, does not omit anything likely to render the reproduced information inaccurate or misleading (having taken all reasonable care to ensure that such is the case). The Seller accepts responsibility accordingly.

Stater Nederland B.V. is responsible solely for the information contained in section 3.5 (*Stater Nederland B.V.*) of this Prospectus and not for the information contained in any other section and consequently, Stater does not assume any liability in respect of the information contained in any other section other than Stater Nederland B.V. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in section 3.5 (*Stater Nederland B.V.*) is in accordance with the facts and does not omit anything likely to effect the import of such information. Stater accepts responsibility accordingly.

Market data and other statistical information used in this Prospectus is based on a number of sources, including independent industry publications, government publications, reports by market research firms or other independent publications (each an **Independent Source**). The most recent available information from Independent Sources has been included in this Prospectus. Some data are based on good faith estimates, which are derived in part from a review of internal surveys of Delta Lloyd, as well as the Independent Sources. Although these Independent Sources are believed to be reliable, the information has not independently been verified and its accuracy and completeness cannot be guaranteed. The information in this Prospectus that has been sourced from Independent Sources has been accurately reproduced and, as far as this could be ascertained from the information published by the relevant Independent Source, no facts have been omitted which would render the reproduced information inaccurate or misleading (having taken all reasonable care to ensure that such is the case).

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

### *Incorporation by reference*

This Prospectus is to be read in conjunction with the articles of association of the Issuer which are deemed to be incorporated by reference herein (see section 8 (*General*) below). This Prospectus shall be read and construed on the basis that such document is incorporated in, and forms part of, this Prospectus.

### **Important information**

**THE NOTES WILL BE OBLIGATIONS OF THE ISSUER ONLY. THE NOTES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY PERSON OTHER THAN THE ISSUER. IN PARTICULAR, THE NOTES WILL NOT BE OBLIGATIONS OF, OR THE RESPONSIBILITY OF, OR GUARANTEED BY, ANY OF THE TRANSACTION PARTIES (OTHER THAN THE ISSUER) OR ANY COMPANY IN THE SAME GROUP OF COMPANIES AS ANY OF THE TRANSACTION PARTIES (OTHER THAN THE ISSUER). NO LIABILITY WHATSOEVER IN RESPECT OF ANY FAILURE BY THE ISSUER TO PAY ANY AMOUNT DUE UNDER THE NOTES SHALL BE ACCEPTED BY ANY OF THE TRANSACTION PARTIES (OTHER THAN THE ISSUER), OR ANY COMPANY IN THE SAME GROUP OF COMPANIES AS THE TRANSACTION PARTIES (OTHER THAN THE ISSUER).**

THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING OF THE NOTES IN CERTAIN JURISDICTIONS MAY BE RESTRICTED BY LAW. NO REPRESENTATION IS MADE BY ANY OF THE TRANSACTION PARTIES THAT THIS PROSPECTUS MAY BE LAWFULLY DISTRIBUTED, OR THAT THE NOTES MAY BE LAWFULLY OFFERED, IN COMPLIANCE WITH ANY APPLICABLE REGISTRATION OR OTHER REQUIREMENTS IN ANY SUCH JURISDICTION, OR PURSUANT TO AN EXEMPTION AVAILABLE THEREUNDER, AND NONE OF THEM ASSUMES ANY RESPONSIBILITY FOR FACILITATING ANY SUCH DISTRIBUTION OR OFFERING. IN PARTICULAR, SAVE FOR OBTAINING THE APPROVAL OF THIS PROSPECTUS AS A PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS DIRECTIVE BY THE AFM, NO ACTION HAS BEEN OR WILL BE TAKEN BY ANY OF THE TRANSACTION PARTIES WHICH WOULD PERMIT A PUBLIC OFFERING OF THE NOTES OR DISTRIBUTION OF THIS PROSPECTUS IN ANY JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. ACCORDINGLY, THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED, IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS COMES ARE REQUIRED BY THE ISSUER, THE ARRANGER AND THE MANAGERS TO INFORM THEMSELVES ABOUT AND TO OBSERVE ANY SUCH RESTRICTIONS.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER RELEVANT JURISDICTION AND INCLUDE NOTES IN BEARER FORM THAT ARE SUBJECT TO UNITED STATES TAX LAW REQUIREMENTS. THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN CERTAIN TRANSACTIONS PERMITTED BY U.S. TAX REGULATIONS AND REGULATIONS UNDER THE SECURITIES ACT (SEE SECTION 4.3 (*SUBSCRIPTION AND SALE*)). THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR ANY OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING ON ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

NONE OF THE ISSUER, THE MANAGERS OR THE ARRANGER MAKES ANY REPRESENTATION TO ANY PROSPECTIVE INVESTOR OR PURCHASER OF THE NOTES REGARDING THE LEGALITY OF INVESTMENT THEREIN BY SUCH PROSPECTIVE INVESTOR OR PURCHASER UNDER APPLICABLE LEGAL INVESTMENT OR SIMILAR LAWS OR REGULATIONS.

THE INFORMATION CONTAINED IN THIS PROSPECTUS WAS OBTAINED FROM THE ISSUER, THE SELLER, STATER AND THE OTHER SOURCES IDENTIFIED HEREIN. NO ASSURANCE CAN BE GIVEN BY THE ARRANGER OR THE MANAGERS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION AND THE ARRANGER AND THE MANAGERS HAVE NOT SEPARATELY VERIFIED SUCH INFORMATION. NONE OF THE ARRANGER OR THE

MANAGERS MAKES ANY REPRESENTATION, EXPRESS OR IMPLIED, OR ACCEPTS ANY RESPONSIBILITY, WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION IN THIS PROSPECTUS OR FOR ANY OTHER STATEMENT, MADE OR PURPORTED TO BE MADE BY THE ARRANGER OR MANAGER OR ON ITS BEHALF IN CONNECTION WITH THE ISSUER, THE SELLER, OR THE ISSUE AND OFFERING OF THE NOTES. THE ARRANGER AND EACH MANAGER ACCORDINGLY DISCLAIMS ALL AND ANY LIABILITY WHETHER ARISING IN TORT OR CONTRACT OR OTHERWISE WHICH IT MIGHT HAVE IN RESPECT OF THIS PROSPECTUS OR ANY SUCH STATEMENT.

NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE OR ALLOTMENT MADE IN CONNECTION WITH THE OFFERING OF THE NOTES SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION OR CONSTITUTE A REPRESENTATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AT ANY TIME SUBSEQUENT TO THE DATE OF THIS PROSPECTUS. NEITHER THE ISSUER NOR ANY OTHER PARTY HAS ANY OBLIGATION TO UPDATE THIS PROSPECTUS, AFTER COMPLETION OF THE OFFER OF THE NOTES.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THIS OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE CONTENTS OF THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS PROVIDING LEGAL, BUSINESS, ACCOUNTING OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN LEGAL, BUSINESS, ACCOUNTING AND TAX ADVISERS PRIOR TO MAKING A DECISION TO INVEST IN THE NOTES. THIS PROSPECTUS SHOULD BE REVIEWED BY EACH PROSPECTIVE PURCHASER AND ITS LEGAL, REGULATORY, TAX, ACCOUNTING, INVESTMENT AND OTHER ADVISORS. PROSPECTIVE PURCHASERS WHOSE INVESTMENT AUTHORITY IS SUBJECT TO LEGAL RESTRICTIONS SHOULD CONSULT THEIR LEGAL ADVISORS TO DETERMINE WHETHER AND TO WHAT EXTENT THE NOTES CONSTITUTE LEGAL INVESTMENTS FOR THEM.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OF, OR AN INVITATION BY OR ON BEHALF OF, THE ISSUER, THE MANAGERS, THE SELLER OR THE ARRANGER OR ANY OF THEM TO SUBSCRIBE FOR OR PURCHASE ANY OF THE NOTES IN ANY JURISDICTION WHERE SUCH ACTION WOULD BE UNLAWFUL AND NEITHER THIS PROSPECTUS, NOR ANY PART THEREOF, MAY BE USED FOR OR IN CONNECTION WITH ANY OFFER TO, OR SOLICITATION BY, ANY PERSON IN ANY JURISDICTION OR IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING, SALE AND DELIVERY OF THE NOTES MAY BE RESTRICTED BY LAW IN CERTAIN JURISDICTIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS OR ANY NOTES COMES MUST INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS, SALES AND DELIVERIES OF NOTES AND ON DISTRIBUTION OF THIS PROSPECTUS AND OTHER OFFERING MATERIAL RELATING TO THE NOTES, SEE SECTION 4.3 (SUBSCRIPTION AND SALE) BELOW.

THE MANAGERS, THE ARRANGER AND THE SELLER EXPRESSLY DO NOT UNDERTAKE TO REVIEW THE FINANCIAL CONDITION OR AFFAIRS OF THE ISSUER DURING THE LIFE OF THE NOTES. INVESTORS SHOULD REVIEW THE MOST FINANCIAL STATEMENTS FOR THE ISSUER WHEN DECIDING WHETHER OR NOT TO PURCHASE ANY NOTES.

FORECASTS AND ESTIMATES IN THIS PROSPECTUS ARE FORWARD LOOKING STATEMENTS. SUCH PROJECTIONS ARE SPECULATIVE IN NATURE AND IT CAN BE EXPECTED THAT SOME OR ALL OF THE ASSUMPTIONS UNDERLYING THE PROJECTIONS WILL NOT PROVE TO BE CORRECT OR WILL VARY FROM ACTUAL RESULTS. CONSEQUENTLY, THE ACTUAL RESULT MIGHT DIFFER FROM THE PROJECTIONS AND SUCH DIFFERENCES MIGHT BE SIGNIFICANT.

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## **1. TRANSACTION OVERVIEW**

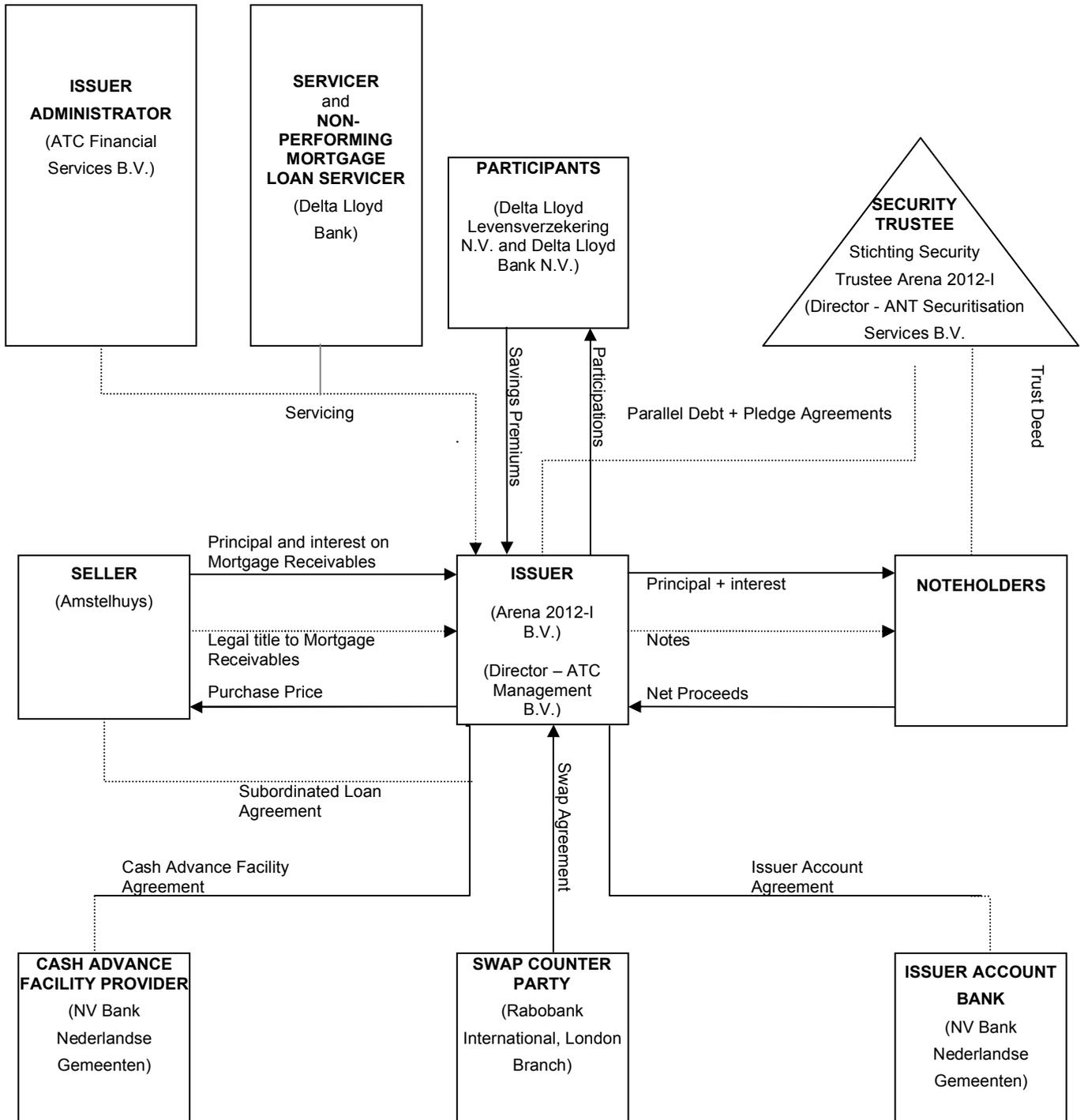
*This overview must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including any supplement thereto. Prospective Noteholders are advised to read carefully, and to rely solely on, the detailed information appearing elsewhere in this Prospectus and the Conditions and Transaction Documents referred to therein in making any decision whether or not to invest in any Notes. If a claim relating to the information contained in this Prospectus is brought before a competent court, the plaintiff investor may, subject to the legal requirement of the relevant Member State of the European Economic Area, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability with respect to this overview will only attach to the Issuer if this overview is misleading, incorrect or inconsistent when read in such manner as indicated above.*

*Unless otherwise indicated in this Prospectus or the context otherwise requires, capitalised terms used in this Prospectus have the meaning ascribed thereto in paragraph 1 (Definitions) of section 9 (Glossary of Defined Terms) set out in this Prospectus.*

*The principles of interpretation set out in paragraph 2 (Interpretation) of section 9 (Glossary of Defined Terms) in this Prospectus shall apply to this Prospectus.*

## 1.1 Structure Diagram

The following structure diagram provides an indicative summary of the principal features of the transaction. The diagram must be read in conjunction with and is qualified in its entirety by the detailed information presented elsewhere in this Prospectus.



## 1.2 Risk Factors

There are certain factors which prospective Noteholders should take into account and which could affect the ability of the Issuer to fulfill its obligations under the Notes. These risk factors relate to, *inter alia*, the Notes. One of these risk factors concerns the fact that the liabilities of the Issuer under the Notes are limited recourse obligations whereby the ability of the Issuer to meet such obligations will be dependent on the receipt by it of funds under the Mortgage Receivables, the proceeds of the sale of any Mortgage Receivables and the receipt by it of other funds. Despite certain facilities and mitigants, there remains a credit risk, liquidity risk, prepayment risk, maturity risk and interest rate risk relating to the Notes. Moreover, there are certain structural and legal risks relating to the Mortgage Receivables (see section 2 (*Risk Factors*)).

### 1.3 Principal Parties

<b>Issuer</b>	Arena 2012-I B.V., incorporated under the laws of the Netherlands as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ), having its corporate seat in Amsterdam, the Netherlands.
<b>Shareholder</b>	Stichting Holding Arena 2012-I, organised under the laws of the Netherlands as a foundation ( <i>stichting</i> ) and established in Amsterdam, the Netherlands.
<b>Security Trustee</b>	Stichting Security Trustee Arena 2012-I, organised under the laws of the Netherlands as a foundation ( <i>stichting</i> ) and established in Amsterdam, the Netherlands.
<b>Seller</b>	Amstelhuys N.V., incorporated under the laws of the Netherlands as a public company with limited liability ( <i>naamloze vennootschap</i> ). Amstelhuys is a wholly owned subsidiary of Delta Lloyd N.V.
<b>Servicer</b>	Delta Lloyd Bank N.V., incorporated under the laws of the Netherlands as a public company with limited liability ( <i>naamloze vennootschap</i> ). The Servicer will delegate certain of the services to Stater Nederland B.V., incorporated under the laws of the Netherlands as a private company with limited liability, as its Sub-MPT Provider to provide certain services.
<b>Non-performing Mortgage Loan Servicer</b>	Delta Lloyd Bank N.V., incorporated under the laws of the Netherlands as a public company with limited liability ( <i>naamloze vennootschap</i> ).
<b>Issuer Administrator</b>	ATC Financial Services B.V., incorporated under the laws of the Netherlands as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ), having its corporate seat in Amsterdam, the Netherlands.
<b>Cash Advance Facility Provider</b>	N.V. Bank Nederlandse Gemeenten, incorporated under the laws of the Netherlands as a public company with limited liability ( <i>naamloze vennootschap</i> ).
<b>Swap Counterparty</b>	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., incorporated under the laws of the Netherlands as a cooperative ( <i>coöperatie</i> ), having its corporate seat in Utrecht, the Netherlands, trading as Rabobank International, acting through its London Branch
<b>Issuer Account Bank</b>	N.V. Bank Nederlandse Gemeenten, incorporated under the laws of the Netherlands as a public company with limited liability ( <i>naamloze vennootschap</i> ).
<b>Directors</b>	ATC Management B.V., the sole director of the Issuer and the Shareholder and ANT Securitisation Services B.V., the sole director of the Security Trustee, both incorporated under the laws of the Netherlands as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ), having its corporate seat in Amsterdam, the

	Netherlands.
<b>Principal Paying Agent</b>	Deutsche Bank AG, London Branch incorporated under the laws of Germany as a company with limited liability, acting through its London Branch.
<b>Paying Agent</b>	Deutsche Bank AG, Amsterdam Branch incorporated under the laws of Germany as a company with limited liability, acting through its Amsterdam Branch.
<b>Reference Agent</b>	Deutsche Bank AG, London Branch incorporated under the laws of Germany as a company with limited liability, acting through its London Branch.
<b>Listing Agent</b>	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., incorporated under the laws of the Netherlands as a cooperative ( <i>coöperatie</i> ), having its corporate seat in Utrecht, the Netherlands, trading as Rabobank International.
<b>Common Service Provider</b>	Clearstream, Luxembourg in respect of the Class A Notes and Deutsche Bank AG, London Branch in respect of the Class B, Class C, Class D, Class E and Class F Notes.
<b>Common Safekeeper</b>	Clearstream, Luxembourg in respect of the Class A Notes and Deutsche Bank AG, London Branch in respect of the Class B, Class C, Class D, Class E and Class F Notes.
<b>Savings Insurance Company</b>	Delta Lloyd Levensverzekering N.V., incorporated under the laws of the Netherlands as a public company with limited liability ( <i>naamloze vennootschap</i> ).
<b>Bank Savings Participant</b>	Delta Lloyd Bank N.V., incorporated under the laws of the Netherlands as a public company with limited liability ( <i>naamloze vennootschap</i> ).
<b>Subordinated Loan Provider</b>	Amstelhuys N.V., incorporated under the laws of the Netherlands as a public company with limited liability ( <i>naamloze vennootschap</i> ).

## 1.4 The Notes

	<b>Class A1 Notes</b>	<b>Class A2 Notes</b>	<b>Class B Notes</b>	<b>Class C Notes</b>	<b>Class D Notes</b>	<b>Class E Notes</b>	<b>Class F Notes</b>
<b>Principal Amount at Closing</b>	€154,000,000	€490,000,000	€18,200,000	€16,100,000	€14,000,000	€7,700,000	€10,500,000
<b>Subordinated to:</b>	N/A	N/A	the Class A Notes	the Class A and B Notes	the Class A, B and C Notes	the Class A, B, C and D Notes	the Class A, B, C, D and E Notes
<b>Issue Price</b>	100%	100%	100%	100%	100%	100%	100%
<b>Rating (Fitch, Moody's/S&amp;P)</b>	AAA(sf)/Aaa(sf)/AAA(sf)	AAA(sf)/Aaa(sf)/AAA(sf)	AA(sf)/Aa1(sf)/A(sf)	A-(sf)/Aa2(sf), BBB+(sf)	BBB-(sf)/A2(sf) (not rated by S&P)	BB-(sf)/Baa2(sf) (not rated by S&P)	Not rated
<b>Issue Date</b>	17 December 2012.						
<b>Listing</b>	Euronext Amsterdam.						N/A
<b>Denomination</b>	€ 100,000.						
<b>Form</b>	Bearer form and in case of Definitive Notes serially numbered with coupons attached.						
<b>Status and ranking</b>	<p>The Notes rank <i>pari passu</i> and <i>pro rata</i> without any preference or priority among Notes of the same Class in respect of the Security proceeds and payments of principal and interest. Payments of principal and interest on a Class of Notes are subordinated to, <i>inter alia</i>, payments of principal and interest on Class(es) of Notes ranking senior to such Class, with the Classes of Notes ranking in decreasing seniority in alphabetical order. However, the Class A1 Notes and the Class A2 Notes rank <i>pari passu</i> and <i>pro rata</i> without any preference or priority among all Notes of such Classes in respect of the Security and payments of interest (not principal). See further section 4.1 (<i>Terms and Conditions of the Notes</i>) below.</p> <p>The Class F Noteholders do not have the right to receive any amount pursuant to the Redemption Priority of Payments.</p>						
<b>Interest rate up to but excluding first Optional Redemption Date</b>	0.60 per cent. margin above three month Euribor	1.15 per cent. margin above three month Euribor	0.01 per cent. margin above three month Euribor	0.01 per cent. per annum.	0.01 per cent. per annum.	0.01 per cent. per annum.	0.01 per cent. per annum.
<b>Interest rate after first Optional Redemption</b>	1.20 per cent. margin above three month Euribor	2.30 per cent. margin above three month Euribor	0.01 per cent. margin above three month Euribor	0.01 per cent. per annum.	0.01 per cent. per annum.	0.01 per cent. per annum.	0.01 per cent. per annum.

	<b>Class A1 Notes</b>	<b>Class A2 Notes</b>	<b>Class B Notes</b>	<b>Class C Notes</b>	<b>Class D Notes</b>	<b>Class E Notes</b>	<b>Class F Notes</b>
<b>Date</b>							
<b>Interest Periods and accrual</b>	Each successive Interest Period will commence on (and include) a Notes Payment Date and end on (but exclude) the next succeeding Notes Payment Date, except for the first Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Notes Payment Date falling in February 2013. The interest will be calculated on the basis of the actual days elapsed in an Interest Period divided by a year of 360 days.						
<b>First Optional Redemption Date</b>	The Notes Payment Date falling in November 2017.						
<b>Optional Redemption</b>	<p>Unless previously redeemed in full, the Issuer will have the option to redeem all of the Notes, but not some only, on each Optional Redemption Date at their Principal Amount Outstanding less (i) in the case of the Class B Notes, a Class B Principal Shortfall (if any), (ii) in the case of the Class C Notes, a Class C Principal Shortfall (if any), (iii) in the case of the Class D Notes, a Class D Principal Shortfall (if any) and (iv) in the case of the Class E Notes, a Class E Principal Shortfall (if any), all subject to and in accordance with the Conditions, in particular Conditions 6(b) and 9(b).</p> <p>The Class F Notes are subject to redemption in accordance with Condition 6(c) and subject to Condition 9(b).</p>						
<b>Mandatory Redemption</b>	<p>Subject to the Conditions, the Issuer will be obliged to apply the Available Principal Funds to redeem, whether in full or in part, at their respective Principal Amount Outstanding, the Notes on each Notes Payment Date on a <i>pro rata</i> basis within a Class or Sub-Class, as applicable. The Notes will be redeemed in the following order:</p> <p>(i) <i>first</i>, the Class A1 Notes, until fully redeemed,</p> <p>(ii) <i>second</i>, the Class A2 Notes, until fully redeemed,</p> <p>(iii) <i>third</i>, the Class B Notes, until fully redeemed,</p> <p>(iv) <i>fourth</i>, the Class C Notes, until fully redeemed,</p> <p>(v) <i>fifth</i>, the Class D Notes, until fully redeemed; and</p> <p>(vi) <i>sixth</i>, the Class E Notes.</p> <p>The Class F Notes are subject to redemption in accordance with Condition 6(c) (<i>Redemption – Redemption of Class F Notes</i>) and subject to Condition 9(b) (<i>Subordination and limited recourse – Principal</i>).</p>						
<b>Other Redemption provisions</b>	Redemption for tax reasons			Applies to Mortgage-Backed Notes if the Issuer is or will become obliged to make any withholding of or deduction for, or on account of, any taxes, duties or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any tax change after the Closing Date. See Condition 6(f) ( <i>Redemption – Redemption for tax reasons</i> ) and Condition 9(b) ( <i>Subordination and limited recourse – Principal</i> ). See also the paragraph <i>Sale of Mortgage Receivables</i> in section 5 ( <i>Credit Structure</i> ) below.			

	<b>Class A1 Notes</b>	<b>Class A2 Notes</b>	<b>Class B Notes</b>	<b>Class C Notes</b>	<b>Class D Notes</b>	<b>Class E Notes</b>	<b>Class F Notes</b>
	Redemption following exercise by the Seller of the Regulatory Call and/or the Clean-up Call Option.				See Condition 6(b) ( <i>Redemption – Mandatory Redemption of the Mortgage-Backed Notes</i> ) and Condition 9(b) ( <i>Subordination and Limited Recourse-Principal</i> ).		

<b>Notes Payment Dates</b>	Quarterly in arrear on the 17th day of each February, May, August and November, subject to adjustment for non-Business Days (see Condition 4 (Interest – Interest Periods and Notes Payment Dates)).
<b>Retention and disclosure requirements under the CRD</b>	The Seller shall at all times comply with Article 122a of the CRD (see section 4.4 ( <i>Regulatory and Industry Compliance</i> )).
<b>Final Maturity Date</b>	The Notes Payment Date falling in November 2044 (redemption of the Notes to take place at their respective Principal Amount Outstanding subject to and in accordance with the Conditions, in particular Condition 9(b)).
<b>Observations Class A Notes</b>	To the extent that the Available Principal Funds or the Available Interest Funds are insufficient to redeem the Class A1 Notes and/or the Class A2 Notes in full or pay interest as applicable when due in accordance with the Conditions for a period of fifteen days or more, this will constitute an Event of Default in accordance with Condition 10(a). The Class A2 Notes do not therefore purport to provide credit enhancement to the Class A1 Notes. If, on any date, the Security is to be enforced and the proceeds of the enforcement would be insufficient to redeem the Class A Notes in full, such loss will be borne, <i>pro rata</i> in accordance with the respective amounts outstanding thereunder and <i>pari passu</i> , by the holders of the Class A Notes. If the Class A1 Notes have been redeemed (in part or in full) at such time, this will result in the Class A2 Notes bearing a greater loss than that borne by the Class A1 Notes.
<b>Events of Default</b>	As fully set out in Condition 10, which broadly include: <ul style="list-style-type: none"> <li>(i) Non-payment by the Issuer of principal or interest in respect of the Class A Notes;</li> <li>(ii) Breach of contractual obligations by the Issuer under the Transaction Documents which is materially prejudicial to the interests of the then Most Senior Class of Notes; and</li> <li>(iii) Bankruptcy or (preliminary) suspension of payments of the Issuer.</li> </ul>
<b>Withholding Tax</b>	All payments by the Issuer in respect of the Notes will be made without withholding of or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or charges are required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not pay any additional amounts to such Noteholders. In particular, but without limitation, no additional amounts shall be payable in respect of any Note presented for payment, where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Union Directive on the taxation of savings that was adopted on 3 June 2003 or any law implementing or complying with, or introduced in order to conform to, such Directive.
<b>Method of payment</b>	For so long as the Notes are represented by a Global Note, payments of principal and interest will be made in euro to a common safekeeper for Euroclear and Clearstream, Luxembourg, for the credit of the respective accounts of the Noteholders (see section 4.3 ( <i>Form</i> ) below).
<b>Security for the Notes, limited recourse and non-petition</b>	The Notes will be secured (indirectly): <ul style="list-style-type: none"> <li>(i) by a first ranking undisclosed right of pledge by the Issuer to the Security Trustee over (a) the Mortgage Receivables, including all rights ancillary thereto and (b) the Beneficiary Rights; and</li> </ul>

(ii) by a first ranking disclosed right of pledge by the Issuer to the Security Trustee over the Issuer Rights.

After delivery of an Enforcement Notice, the amounts payable to the Noteholders and the other Secured Creditors will be limited to the amounts available for such purpose to the Security Trustee which, *inter alia*, will consist of amounts recovered by the Security Trustee in respect of such rights of pledge created by the Pledge Agreements and amounts received by the Security Trustee as creditor under the Parallel Debt Agreement. Payments to the Secured Creditors will be made in accordance with the Post-Enforcement Priority of Payments. See further sections 5 (*Credit Structure*) and 4.7 (*Security*).

**Parallel Debt Agreement**

On the Closing Date the Issuer, the Security Trustee and the Secured creditors other than the Noteholders will enter into the Parallel Debt Agreement for the benefit of the Secured Creditors under which the Issuer shall, by way of parallel debt, undertake to pay to the Security Trustee an amount equal to the aggregate amount, from time to time due by it to the Secured Creditors, in order to create a claim of the Security Trustee thereunder which can be validly secured by the rights of pledge created by the Pledge Agreements.

**Paying Agency Agreement**

On the Closing Date the Issuer and the Security Trustee will enter into the Paying Agency Agreement with the Principal Paying Agent and the Paying Agent (together the Paying Agents) and the Reference Agent pursuant to which the Paying Agent undertake, *inter alia*, to perform certain payment services on behalf of the Issuer towards the Noteholders.

**Listing**

Application has been made to Euronext Amsterdam for the Notes other than the Class F Notes to be admitted to the official list and trading on its regulated market.

**Use of proceeds of the Notes**

The Issuer will use part of the net proceeds from the issue of the Mortgage-Backed Notes to pay to the Seller (part of) the Initial Purchase Price for the Mortgage Receivables to be purchased by the Issuer on the Closing Date, pursuant to the Mortgage Receivables Purchase Agreement.

An amount equal to the aggregate Construction Deposits will be withheld from the Initial Purchase Price by the Issuer and be deposited on the Construction Deposit Account. See section 7.1 (*Purchase, Repurchase and Sale*) below.

The Issuer will credit the net proceeds from the issue of the Class F Notes to the Reserve Account. See section 5 (*Credit Structure*) below.

**Governing law**

The Notes, and any non-contractual obligations arising out of or in relation to the Notes, will be governed by and construed in accordance with the laws of the Netherlands.

**Selling restrictions**

There are selling restrictions in relation to the European Economic Area, the Netherlands, Italy, France, the United Kingdom, Japan and the United States and such other restrictions as may be required in connection with the offering and sale of the Notes. See section 4.3 (*Subscription and Sale*).

## 1.5 Credit Structure

### Available Funds

The Issuer will use receipts of principal and interest in respect of the Mortgage Receivables together with amounts it receives under the Cash Advance Facility Agreement, the Swap Agreement and the Issuer Collection Account, to make payments of, *inter alia*, principal and interest, if any, due in respect of the Notes.

### Priorities of Payments

The obligations of the Issuer in respect of the Notes will rank subordinated to the obligations of the Issuer in respect of certain items set forth in the applicable priority of payments (see section 5 (*Credit Structure*) below) and the right to payment of interest, if any, and principal on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be subordinated to the Class A Notes and limited as more fully described herein under sections 5 (*Credit Structure*) and 4.1 (*Terms and Conditions of the Notes*).

The Class A2 Notes do not purport to provide credit enhancement to the Class A1 Notes.

### Swap Agreement

On or before the Closing Date, the Issuer will enter into the Swap Agreement with the Swap Counterparty to hedge the interest rate risk between (a) the rates of interest to be received by the Issuer on the Mortgage Receivables and the interest received on the Issuer Collection Account and (b) the rates of interest payable by the Issuer on the relevant Class of Mortgage-Backed Notes (such agreement between the Issuer and the Swap Counterparty or its successor(s) or a replacement swap counterparty, the **Swap Agreement** (see section 5 (*Credit Structure*))).

### Cash Advance Facility

On the Closing Date, the Issuer will enter into the Cash Advance Facility Agreement under which the Issuer will be entitled to make drawings in order to meet certain shortfalls in its available revenue receipts. See further section 5 (*Credit Structure*).

### Seller Collection Account

The Seller maintains the Seller Collection Account with The Royal Bank of Scotland N.V.

The Seller has outsourced the administration of the Seller Collection Account to Stater Nederland B.V.

### Issuer Accounts

The Issuer shall maintain with the Issuer Account Bank the following accounts:

- (i) the Issuer Collection Account, to which on each Mortgage Collection Payment Date all amounts of interest, prepayment penalties and principal received under the Mortgage Receivables will be transferred;
- (ii) the Reserve Account on which the Reserve Fund will be deposited; and
- (iii) the Cash Advance Facility Standby-Drawing Account; and

- (iv) the Construction Deposit Account, which will only be debited for (i) payments to the Seller in accordance with the Mortgage Receivables Purchase Agreement, and (ii) transfer to the Issuer Collection Account in case the Issuer has no obligation to pay any such part of the Initial Purchase Price.

If certain triggers are met, the Issuer will also open a Swap Collateral Account to which only collateral pursuant to the Swap Agreement will be transferred. This account will be opened with a bank with the Requisite Credit Rating.

**Issuer Account Agreement**

The Issuer, the Security Trustee and the Issuer Account Bank will enter into the Issuer Account Agreement on the Closing Date. The Issuer Account Bank will agree to pay a guaranteed rate of interest determined by reference to (i) EONIA minus a margin on the balances standing from time to time to the credit of the Issuer Collection Account and the Cash Advance Facility Stand-by Drawing Account and (ii) three-month EURIBOR minus a margin on the balance standing from time to time to the credit of the Construction Deposit Account and the Reserve Account. Should the interest drop below zero, the Issuer would be required to make interest payments to the Issuer Account Bank; such payments may be made on other dates than the Notes Payment Dates. The Issuer will undertake pursuant to the Trust Deed not to withdraw or apply amounts from the Issuer Transaction Accounts other than in accordance with the Trust Deed.

**Administration, calculation and cash management**

Under the terms of the Servicing Agreement, the Issuer Administrator will agree to provide certain administration, calculation and cash management services for the Issuer on a day-to-day basis, including without limitation, all calculations to be made pursuant to the Conditions in connection with the Notes.

**Subordinated Loan Agreement**

On the Closing Date, the Issuer will enter into the Subordinated Loan Agreement with the Subordinated Loan Provider and the Security Trustee for an amount of euro 2,600,000. The proceeds of the Subordinated Loan will be used to pay certain start-up costs and expenses incurred by the Issuer in connection with the issue of the Notes.

## 1.6 Portfolio Information

### Key Characteristics of the Mortgage Receivables per the Cut-Off Date

The numerical information set out below relates to the Final Pool which was selected on 1 December 2012.

Outstanding Principal Balance	€	720,039,461.65
Outstanding Savings Balance	€	20,067,019.07
Net Outstanding Principal Balance (Net Loan)	€	699,972,442.58
Outstanding construction deposits	€	897,739.55
Number of Mortgages		3,215
Number of Mortgage Loan Parts		7,201
Average Loan Balance		
Average Net Loan	€	217,720.82
WALT Foreclosure Value (%)		99.22
WA Loan to Market Value (%)		89.22
WA Loan to Indexed Foreclosure Value (%)*		106.09
WA Loan to Indexed Market Value (%)*		95.33
WA Seasoning (months)		51.14
WA Remaining Maturity (months)		285.78
WA Coupon		4.76
WA Remaining Period until Reset (months)		91.70

\* Indexation is based on figures from Kadaster (Land Registry) on a province basis as of September 2012

<p><b>Mortgage Receivables</b></p>	<p>The Mortgage Receivables will result from Mortgage Loans secured by first-ranking mortgage rights over the Mortgaged Assets, situated in the Netherlands and entered into by the Seller and the relevant Borrowers which meet criteria set forth in the Mortgage Receivables Purchase Agreement and which will be selected prior to or on the Closing Date.</p> <p>The Mortgage Loans will consist of (i) Interest-only Mortgage Loans (<i>aflossingsvrije hypotheken</i>), (ii) Savings Mortgage Loans (<i>spaarhypotheken</i>), (iii) Bank Savings Mortgage Loans (<i>bankspaarhypotheken</i>), (iv) Linear Mortgage Loans (<i>lineaire hypotheken</i>), (v) Annuity Mortgage Loans (<i>annuïteitenhypotheken</i>), (vi) Investment Mortgage Loans (<i>beleggingshypotheken</i>) and (vii) Life Mortgage Loans (<i>levenhypotheken</i>) or combinations of any of these types of mortgage loans (<i>combinatiehypotheken</i>).</p> <p>The Mortgage Receivables have the characteristics that demonstrate the capacity to produce funds to service any payments due and payable under the Notes.</p>
<p><b>Mortgage Loans</b></p>	<p>All Mortgage Loans are secured by a first ranking Mortgage which was vested for a principal sum which is at least equal to the principal sum of the Mortgage Loan when originated, increased with interest, penalties, costs and any insurance premium. Mortgage Loans may consist of one or more loan parts (<i>leningdelen</i>), each of which normally constitutes a different mortgage type agreed with the relevant Borrower. If a Mortgage Loan consists of one or more of such loan parts, the Seller shall sell and assign and the Issuer shall purchase and accept the assignment of all, but not some, loan parts of such Mortgage Loan.</p>

	See for a description of the various Mortgage Loan types section 6.2 ( <i>Description of Mortgage Loans</i> ).
<b>Beneficiary Rights</b>	The Seller has the benefit of the Beneficiary Rights, which entitle the Seller to receive the final payout ( <i>einduitkering</i> ) under the relevant Insurance Policies, and such payment shall be applied towards redemption of the relevant Mortgage Receivables. Under the Mortgage Receivables Purchase Agreement, the Seller will assign, to the extent legally possible and required, such Beneficiary Rights to the Issuer and the Issuer will accept such assignment.
<b>NHG Guarantees</b>	Certain Mortgage Loans are NHG Mortgage Loans. The aggregate Outstanding Principal Amount of the NHG Mortgage Loan Receivables at Closing amounts to euro 222,603,334.57. See further sections 6.2 ( <i>Description of Mortgage Loans</i> ) and 6.5 ( <i>NHG Guarantee Programme</i> ).
<b>Construction Deposits</b>	<p>Pursuant to the Mortgage Conditions, a Borrower has the right to request that a part of the Mortgage Loan will be withheld and will be applied towards construction of or improvements to the Mortgaged Asset. Such amounts including any interest accrued thereon will only be paid to the Borrower in case certain conditions are met. The aggregate amount of the Construction Deposits on the Cut-Off Date is euro 897,739.55.</p> <p>Pursuant to the Mortgage Conditions, Construction Deposits have to be paid out within 12 months (for refurbishments) or 24 months (for newly built properties) after the relevant Mortgage Loan has been granted to the relevant Borrower. However, the Seller may agree with a Borrower to extend the relevant period for a maximum of 6 months. After such period, any remaining Construction Deposits will (i) if the relevant remaining Construction Deposit is (A) less than euro 12,000 and (B) less than euro 2,500 with respect to NHG Mortgage Loans, be paid out by the Seller to the relevant Borrower and consequently, the remaining part of the Initial Purchase Price will be paid out by the Issuer to the Seller and (ii) if the relevant remaining Construction Deposit (A) exceeds euro 12,000 and (B) exceeds euro 2,500 with respect to NHG Mortgage Loans, be set-off by the Seller against the relevant Mortgage Receivable up to the amount of such Construction Deposit, in which case, the Issuer shall have no further obligation towards the Seller to pay the remaining part of the relevant Initial Purchase Price and the relevant balance standing to the credit of the Construction Deposit Account will be transferred to the Issuer Collection Account, and form part of the Available Principal Funds.</p> <p>If any of the events set forth in items (d) and (e) of the definition of Assignment Notification Events has occurred, the Issuer will no longer be under the obligation to pay such remaining part of the Initial Purchase Price. See further section 7.1 (<i>Purchase, Repurchase and Sale</i>).</p>

## 1.7 Portfolio Documentation

**Mortgage Receivables Purchase Agreement** Under the Mortgage Receivables Purchase Agreement, the Issuer will, purchase on the Signing Date and accept the assignment of the Mortgage Receivables on the Closing Date, together with the Beneficiary Rights of the Seller which entitle the Seller to receive the final payout (*einduitkering*) under the relevant Insurance Policies, which payment is to be applied towards redemption of the Mortgage Receivables.

**Repurchase of Mortgage Receivables** In the Mortgage Receivables Purchase Agreement, the Seller has undertaken to repurchase and accept re-assignment of any Mortgage Receivable:

- (a) if in respect of such Mortgage Receivable any of the representations and warranties given by the Seller in respect of the Mortgage Loans and the Mortgage Receivables, including the representation and warranty that the Mortgage Loans or, as the case may be, the Mortgage Receivables meet the Mortgage Loan Criteria, are untrue or incorrect in any material respect, on the Mortgage Collection Payment Date immediately following the expiration of the relevant remedy period (as provided in the Mortgage Receivables Purchase Agreement);
- (b) on the Mortgage Collection Payment Date immediately following the date on which the Seller agrees with a Borrower to grant a Further Advance in respect of such Mortgage Receivable;
- (c) on the immediately succeeding Mortgage Collection Payment Date after the Seller agrees with a Borrower to switch the Mortgage Loan from which such Mortgage Receivable arises, from a Savings Mortgage Loan or Life Mortgage Loan with a Savings Element or a Bank Savings Mortgage Loan into (a part of) any type of Mortgage Loan other than a Savings Mortgage Loan or Life Mortgage Loan with a Savings Element or a Bank Savings Mortgage Loan, as applicable; or
- (d) on the Mortgage Collection Payment Date immediately following the date on which the Seller agrees with the Borrower under the relevant Mortgage Loan, to a Mortgage Loan Amendment, provided that if such Mortgage Loan Amendment is made as part of the enforcement procedures to be complied with upon a default by the Borrower under the Mortgage Loan or is otherwise made as part of a restructuring or renegotiation of such Mortgage Loan due to a deterioration of the credit quality of the relevant Borrower under the Mortgage Loan, the Seller shall not repurchase the Mortgage Receivable; and
- (e) if such Mortgage Receivable is a NHG Mortgage Loan Receivable: (a) if prior to foreclosure of the relevant NHG Mortgage Loan, such NHG Mortgage Loan no longer has the

benefit of an NHG Guarantee or if (b) following foreclosure of the relevant NHG Mortgage Loan, the amount actually reimbursed under the NHG Guarantee is lower than the amount claimable had the terms of the NHG Guarantee been met, each time as a result of an action taken or omitted to be taken by the Seller or the Servicer, on the Mortgage Collection Payment Date immediately following the date on which such NHG Mortgage Loan Receivable ceases to have the benefit of the NHG Guarantee or the payment under the NHG Guarantee has been received by the Issuer, as the case may be, on (i) the immediately following Mortgage Collection Payment Date or (ii) if such Mortgage Collection Payment Date referred to under (i) falls within fourteen (14) days of such date, the second Mortgage Collection Payment Date following such date.

The purchase price for the relevant Mortgage Receivable to be repurchased in any such event payable by the Seller will be at least equal to (i) the Outstanding Principal Amount of the Mortgage Receivable, together with due and overdue interest, accrued up to (but excluding) the date of repurchase and re-assignment of the repurchased Mortgage Receivable, and (ii) reasonable costs, if any (including any costs incurred by the Issuer in effecting and completing such repurchase and re-assignment) save that in the event of a repurchase set forth in item (v)(b) above, the purchase price shall be equal to the amount that was not reimbursed under the NHG Guarantee as a result of an action taken or omitted to be taken by the Seller or the relevant Servicer and (iii) the amount (if any) due by the Issuer to the Swap Counterparty to the extent the repurchase and re-assignment results in the termination of the Swap Agreement, unless the Issuer has other available funds to make such payment to the Swap Counterparty. The proceeds of such repurchase and re-assignment shall be applied by the Issuer towards redemption of the Mortgage-Backed Notes in accordance with Condition 6(b) and subject to Condition 9(b).

**Sale of Mortgage Receivables on an Optional Redemption Date**

Under the terms of the Trust Deed, the Issuer will have the right to sell and assign all but not some of the Mortgage Receivables on each Optional Redemption Date to a third party, provided in any case that the Issuer shall apply the proceeds of such sale to redeem the Mortgage-Backed Notes (see *Condition 6(e) (Redemption – Optional Redemption)* in section 4.1 (*Terms and Conditions of the Notes*) below.

The Issuer may only sell and assign all but not some of the Mortgage Receivables, provided that in accordance with Condition 6(e) the purchase price of such Mortgage Receivables shall be (i) sufficient to redeem the Class A Notes at their Principal Amount Outstanding and the other Classes of Mortgage-Backed Notes at their Principal Amount Outstanding less the relevant Principal Shortfall, (ii) sufficient to make any payment due by the Issuer to the Swap Counterparty in connection with the termination of the Swap Agreement unless the Issuer has other available funds to make such payment to the Swap Counterparty and (iii) equal to at least the Outstanding Principal Amount of the relevant Mortgage Receivable, together with accrued interest due but unpaid and, if the Mortgage Receivables are repurchased and re-assigned by

the Seller, any costs, fees and expenses incurred by the Issuer in effecting and completing such repurchase and re-assignment, if any, except that with respect to Mortgage Receivables which are in arrears for a period exceeding 90 calendar days or in respect of which an instruction has been given to the civil-law notary to start foreclosure proceedings, the purchase price shall be at least the lesser of (a) the sum of the Outstanding Principal Amount, together with accrued interest due but unpaid, if any, and any other amount due under the Mortgage Conditions up to the relevant date of such sale and assignment or repurchase and re-assignment and (b) an amount equal to the foreclosure value of the Mortgaged Assets or, if no valuation report of less than 12 months old is available, the indexed foreclosure value plus any other collateral, including the relevant Participation, if any.

If the Mortgage Receivables are purchased by a third party, any costs, fees and expenses incurred by the Issuer in effecting and completing the sale and assignment of the Mortgage Receivables, if any, will be for the account of such party, as agreed with such party.

**Sale of Mortgage Receivables**

The Issuer may not dispose of any Mortgage Receivables, except to comply with its obligations under the Notes in certain circumstances as further provided in the Trust Deed and in connection with a repurchase obligation of the Seller as provided in the Mortgage Receivables Purchase Agreement. If the Issuer decides to offer for sale (part of) the Mortgage Receivables it will first offer such Mortgage Receivables to the Seller. The Seller shall within a period of 15 business days from such offer inform the Issuer whether or not it wishes to repurchase the Mortgage Receivables. After such period, the Issuer may offer such Mortgage Receivables for sale to any third party. The proceeds of any sale and assignment by the Issuer (whether to the Seller or a third party), shall be applied by the Issuer towards redemption of the Mortgage-Backed Notes in accordance with Condition 6 and subject to Condition 9(b).

**Sale of Mortgage Receivables if the Regulatory Call Option is exercised**

On each Notes Payment Date following the occurrence of a Regulatory Change, the Seller has the option (but not the obligation) to exercise the Regulatory Call Option and repurchase the Mortgage Receivables. The purchase price of the Mortgage Receivables will be calculated as described in the paragraph *Sale of Mortgage Receivables on an Optional Redemption Date* above. The proceeds of such sale and assignment shall be applied by the Issuer towards redemption of the Mortgage-Backed Notes in accordance with Condition 6(b) and subject to Condition 9(b).

**Sale of Mortgage Receivables upon the occurrence of a Tax Change**

On any Notes Payment Date following the occurrence of a Tax Change the Issuer has the option (but not the obligation) to redeem the Notes in accordance with Condition 6(f) and subject to Condition 9(b). The purchase price of Mortgage Receivables sold in connection with the redemption, will be calculated in the same manner as described in the paragraph *Sale of Mortgage Receivables on an Optional Redemption Date* above. The proceeds of such sale and assignment shall be applied by the Issuer towards redemption of the Mortgage-Backed Notes in accordance with Condition 6(f) and subject to Condition 9(b).

**Sale of Mortgage Receivables if the Clean-up Call Option is exercised**

On each Notes Payment Date, the Seller has the option (but not the obligation) to exercise the Clean-up Call Option. The purchase price of the Mortgage Receivables will be calculated as described in the paragraph *Sale of Mortgage Receivables on an Optional Redemption Date* above. The proceeds of such sale and assignment shall be applied by the Issuer towards redemption of the Mortgage-Backed Notes in accordance with Condition 6(b) and subject to Condition 9(b).

**Clean-up Call Option**

On each Notes Payment Date, the Seller has the option (but not the obligation) to repurchase the Mortgage Receivables if on the Notes Calculation Date immediately preceding such Notes Payment Date the aggregate Outstanding Principal Amount of the Mortgage Receivables is not more than 10 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables on the Cut-Off Date.

The Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Mortgage Receivables to the Seller, or any third party appointed by the Seller at its sole discretion, in case the Seller exercises the Clean-up Call Option. The proceeds of such sale and assignment shall be applied by the Issuer towards redemption of the Notes subject to and in accordance with Condition 6(b) and subject to Condition 9(b). The purchase price will be as described in section 7.1 (*Purchase, Repurchase and Sale*).

**Insurance Savings Participation Agreement**

Under the terms of the Insurance Savings Participation Agreement with the Savings Insurance Company, the Savings Insurance Company will acquire participations in each Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element equal to amounts of Savings Premium paid by the relevant Borrower to the Savings Insurance Company in respect of the Savings Insurance Policy or Savings Investment Insurance Policy, as the case may be, relating to the relevant Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element. In the Insurance Savings Participation Agreement, the Savings Insurance Company will undertake to pay to the Issuer amounts equal to all amounts received as Savings Premium on the relevant Savings Insurance Policies or Savings Investment Insurance Policies. In return, the Savings Insurance Company is entitled to receive the Insurance Savings Participation Redemption Available Amount from the Issuer. The amount of the Insurance Savings Participations consists of (a) the Initial Insurance Savings Participations, being an amount equal to euro 12,265,275.69, increased on a monthly basis with (b) the sum of (i) amounts equal to the Savings Premium received by the Savings Insurance Company and paid to the Issuer and (ii) a *pro rata* part, corresponding to the Insurance Savings Participation in each Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element, of the interest paid by the Borrower in respect of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element. See further section 7.6 (*Participation Agreements*).

**Bank Savings Participation Agreement**

Under the terms of the Bank Savings Participation Agreement with the Bank Savings Participant, the Bank Savings Participant will acquire participations in the Bank Savings Mortgage Receivables in consideration for the undertaking of the Bank Savings Participant to pay to the Issuer all amounts received as Bank Savings Deposits. In return, the Bank Savings Participant is entitled to receive the Bank Savings Participation Redemption Available Amount from the Issuer. The amount of the Bank Savings Participation with respect to a Bank Savings Mortgage Receivable consists of (a) the Initial Bank Savings Participation, being an amount equal to euro 7,801,743.38, increased on a monthly basis with (b) the sum of (i) the monthly Bank Savings Deposit Instalments received by the Bank Savings Participant in relation to the Bank Savings Mortgage Receivables and paid to the Issuer and (ii) a *pro rata* part, corresponding to the Bank Savings Participation in the Bank Savings Mortgage Receivable, of the interest received paid by the Borrower in respect of such Bank Savings Mortgage Receivable. See section 7.6 (*Participation Agreements*).

**Servicing Agreement**

Under the terms of the Servicing Agreement, the Servicer will agree (i) to provide to the Issuer administration and management services in relation to the Mortgage Loans on a day-to-day basis, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the Mortgage Receivables and, in its capacity as Non-performing Mortgage Loan Servicer, the implementation of arrears procedures including, if applicable, the enforcement of mortgages (see further section 6.3 (*Origination and Servicing by the Seller*)); and (ii) to communicate with the relevant Borrowers in respect of the Mortgage Loans.

**Management Agreements**

Each of the Issuer, the Seller, the Security Trustee and the Shareholder have entered into Management Agreements with the relevant Director, under which the relevant Director will undertake to act as director of the Issuer, the Security Trustee or the Shareholder, respectively, and to perform certain services in connection therewith.

## 1.8 General

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## **2. RISK FACTORS**

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risk associated with the Notes are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons not known to the Issuer or not deemed to be material enough and the Issuer does not represent that the statements below regarding the risks of investing in any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

### **RISK FACTORS REGARDING THE NOTES**

#### **The Notes will be the obligations of the Issuer only**

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any of the transaction parties (other than the Issuer). No person other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes.

#### **The Issuer has limited resources available to meet its payment obligations**

The ability of the Issuer to meet its obligations in full to pay principal and interest on the Notes and its operating and administrative expenses will be dependent solely on:

- (a) receipts of payments under the Mortgage Receivables;
- (b) the proceeds of the sale of any Mortgage Receivables;
- (c) receipts under the Swap Agreement;
- (d) receipts under the Participation Agreements;
- (e) amounts standing to the credit of the Reserve Account;
- (f) receipts under the Cash Advance Facility Agreement; and
- (g) receipts of interest in respect of the balances standing to the credit of the Issuer Transaction Accounts.

The Issuer does not have other resources available. There can be no assurance that the Issuer will have sufficient funds to meet its payment obligations and expenses. If such funds are insufficient, the Issuer may not be able to repay the Noteholders in full.

#### **Noteholders have limited recourse against the Issuer**

Each of the Noteholders will only have recourse against the Issuer through the Security Trustee in accordance with the relevant Priority of Payments set out in this Prospectus and the Trust Deed. In case the Security has been fully enforced and the proceeds are insufficient to pay in full all amounts whatsoever due in respect of a Class of Notes, the Noteholders of such Class will have no further claim against the Issuer or the Security Trustee in respect of such amounts.

## **Credit Risk**

The Issuer is subject to the risk of default in payment by the Borrowers and the failure by any of the Servicer and the Non-performing Mortgage Loan Servicer to realise or recover sufficient funds under the arrears and default procedures in respect of the relevant Mortgage Loans in order to discharge all amounts due and owing by the relevant Borrowers under the relevant Mortgage Loans. This risk may affect the Issuer's ability to make payments on the Notes, but is mitigated to some extent by certain credit enhancement features which are described in section 5 (*Credit Structure*). There is no assurance that these measures will protect the holders of any Class against all risks of losses.

## **Liquidity Risk**

The Issuer is subject to the risk of a shortfall of funds on any Notes Payment Date as a result of payments being made late by Borrowers. This risk may adversely affect the Issuer's ability to make payments on the Notes. This risk is mitigated to some extent by the provision of liquidity pursuant to the Cash Advance Facility Agreement and the Reserve Account. There can be no assurance that this mitigation will protect the Noteholder in full against this risk. See section 5 (*Credit Structure*). Repayment of drawn amounts under the Cash Advance Facility Agreement ranks higher than the Notes, subject to certain exceptions.

## **Considerations relating to yield and prepayments of the Mortgage Loans**

The yield to maturity of the Notes will depend on, among other things, the amount and timing of payment of principal and interest on the Mortgage Loans (including full and partial prepayments, foreclosure proceeds and repurchases by the Seller under the Mortgage Receivables Purchase Agreement due to breaches of representations and warranties) and the price paid by the holders of the Notes of each Class. The yield to maturity of the Notes of any Class may be adversely affected by, amongst other things, a higher or lower than anticipated rate of prepayments on the Mortgage Loans.

The rate of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing interest rates, changes in tax law (including, but not limited to, amendments to mortgage interest tax deductibility) and local and regional economic conditions. No certainty can be given as to the level of prepayment that the Mortgage Loans may experience. A variation in the level of prepayments by the Borrowers could result in an average life of the Notes which is shorter or longer than anticipated.

## **Risk that the Issuer will not exercise its right to redeem the Notes on an Optional Redemption Date**

There can be no assurance that the Issuer will redeem the Mortgage-Backed Notes on the first Optional Redemption Date or on any subsequent Optional Redemption Date pursuant to Condition 6(e). The exercise of such right will, *inter alia*, depend on the ability of the Issuer to have sufficient funds available for example through a sale of Mortgage Receivables. The Issuer shall first offer such Mortgage Receivables for sale to the Seller. The purchase price of the Mortgage Receivables will be calculated as described in the paragraph Sale of Mortgage Receivables in section 5 (*Credit Structure*) below and must be an amount which is not less than the aggregate of (a) the Principal Amount Outstanding of the Mortgage-Backed Notes and (b) an amount equal to any payment that may be due by the Issuer to the Swap Counterparty in connection with the termination of the Swap Agreement unless the Issuer has other available funds to make such payment to the Swap Counterparty. However, there is no guarantee that such a purchase of the Mortgage Receivables at such or any other price will take place.

## **Risk of early redemption as a result of Clean-up Call Option, Regulatory Call Option and Redemption upon a Tax Change**

Should the Seller exercise its Clean-up Call Option or its Regulatory Call Option on any Notes Payment Date, the Issuer will redeem the Mortgage-Backed Notes by applying the proceeds of the sale of the Mortgage Receivables towards redemption of the Notes in accordance with Condition 6(b) and subject to

Condition 9(b) on such Notes Payment Date, whether falling before or after the first Optional Redemption Date. The Issuer will have the option to redeem the Mortgage-Backed Notes upon the occurrence of a Tax Change in accordance with Condition 6(f) and subject to Condition 9(b). If the Issuer exercises any of such options, the Mortgage-Backed Notes will be redeemed prior to the Final Maturity Date.

The Class F Notes will only be subject to redemption in accordance with and subject to Condition 6(c) and Condition 9(b).

### **Subordination**

The Classes of Notes, other than the Class A Notes, are subordinated, meaning that Noteholders of any Classes of Notes with a lower payment priority bear a greater risk than any Class of Notes with a higher payment priority than such Class of Notes. To the extent set forth in Condition 9, payments on any Class of Notes are subordinated to payments of higher ranking Classes of Notes as more fully described herein under section 5 (*Credit Structure*) and section 4.1 (*Terms and Conditions of the Notes*) below.

The Class A Notes comprise of the Class A1 Notes and the Class A2 Notes and the Class A1 Notes and the Class A2 Notes rank *pari passu* and *pro rata* in accordance with the respective amounts outstanding thereunder without any preference or priority among all Notes of such Class in respect of the Security and payments of interest. Provided that no Enforcement Notice has been given, payments of principal on the Class A Notes are applied firstly to the Class A1 Notes and then to the Class A2 Notes. To the extent that the Available Principal Funds are insufficient to redeem the Class A1 Notes and/or the Class A2 Notes in full when due in accordance with the Conditions for a period of fifteen days or more, this will constitute an Event of Default in accordance with Condition 10(a). The Class A2 Notes do not therefore purport to provide credit enhancement to the Class A1 Notes. If, on any date, the security for the obligations of the Issuer towards the Noteholders (the **Security**) is to be enforced and the proceeds of the enforcement would be insufficient to fully redeem the Class A Notes in full, such loss will be borne, *pro rata* in accordance with the respective amounts outstanding thereunder, and *pari passu*, by the holders of the Class A Notes. If the Class A1 Notes have been redeemed (in part or in full) at such time, this will result in the Class A2 Notes bearing a greater loss than that borne by the Class A1 Notes.

If, upon default by the Borrowers, the Issuer does not receive the full amount due in respect of such Mortgage Loans from the Borrowers, Noteholders may receive by way of principal repayment on the Notes an amount less than the Principal Amount Outstanding on their Notes and the Issuer may be unable to pay in full interest due on the Notes, to the extent set forth in Condition 9. On any Notes Payment Date, any such losses on the Mortgage Loans will be allocated as described in section 5 (*Credit Structure*) below.

### **Interest Rate Risk**

The Issuer is exposed to the risk that the interest received on the Mortgage Loans is not sufficient to pay the interest on the relevant Mortgage-Backed Notes. This risk is mitigated by the Swap Agreement. The Swap Counterparty will be obliged to make payments under the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will be equal to the full amount that the Issuer would have received had no such withholding or deduction been required. The Swap Agreement will provide, however, that if due to any change in tax law, after the date of the Swap Agreement, the Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay to the Issuer additional amounts for or on account of tax (a **Tax Event**), the Swap Counterparty will within 30 days use all reasonable efforts to remedy that Tax Event and may otherwise terminate the Swap Agreement.

The Swap Agreement will be terminable by one party if *inter alia* (i) an event of default (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Swap Agreement or (iii) an Enforcement Notice is served. Events of default in relation to the Issuer in

the Swap Agreement will be limited to (i) non-payment under the Swap Agreement, and (ii) insolvency events. The Swap Agreement will terminate automatically on the earlier of the Final Maturity Date and the date on which the relevant Classes of Mortgage-Backed Notes have been redeemed or written-off in full in accordance with certain Conditions. If the Swap Agreement terminates early, the Issuer may be obliged to make a termination payment to the Swap Counterparty which could be substantial. If such a payment is due to the Swap Counterparty (other than where it constitutes a Swap Counterparty Default Payment) it will rank in priority to payments due from the Issuer under the Notes under the applicable Priority of Payments, and could affect the availability of sufficient funds of the Issuer to make payments of amounts due from it under the Notes in full, including its ability to redeem the Mortgage-Backed Notes on an Optional Redemption Date. Furthermore if the Swap Counterparty fails to make its payments under the Swap Agreement or the Swap Agreement terminates, the Issuer will be exposed to changes in the relevant rates of interest. As a result, unless a replacement swap is entered into on terms similar to the Swap Agreement, the Issuer may have insufficient funds to make interest payments under the Mortgage-Backed Notes.

The interest payable (if any) on the Class F Notes will not be hedged. The interest rate accrued on the Reserve Account may not be sufficient for the Issuer to pay interest (if any) on the Class F Notes and it is not certain that the Notes Interest Available Amount will be sufficient to pay the accrued interest (if any) due on the Class F Notes on a Notes Payment Date.

### **Insolvency proceedings and subordination provisions**

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a hedging counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty (so-called "flip clauses"). Such provisions are similar in effect to the terms which will be included in the Transaction Documents relating to the subordination of Swap Counterparty Default Payment.

The English Supreme Court has held that a flip clause as described above is valid under English law. The Issuer has been advised that such a flip clause would be valid under Dutch law. Contrary to this, however, the U.S. Bankruptcy Court has held that such a subordination provision is unenforceable under U.S. bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a U.S. bankruptcy of the counterparty. The implications of this conflicting judgment are not yet known, particularly as the U.S. Bankruptcy Court approved, in December 2010, the settlement of the case to which the judgment relates and subsequently the appeal was dismissed.

If a creditor of the Issuer (such as the Swap Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales or the Netherlands (including, but not limited to, the United States), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English and Dutch law governed Transaction Documents (such as a provision of each of the Revenue Priority of Payments and the Post-Enforcement Priority of Payments which refers to the ranking of the Swap Counterparty's payment rights in respect of Swap Counterparty Default Payment). In particular, based on the decision of the U.S. Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under U.S. bankruptcy laws. Such laws may be relevant in certain circumstances with respect to the Swap Counterparty given that the Swap Counterparty has assets and/or operations in the U.S. and notwithstanding that the Swap Counterparty is a non-US established entity (and/or with respect to any replacement counterparty, depending on certain matters in respect of that entity). In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales or the Netherlands and any relevant foreign judgment or order was recognised by the English or Dutch courts, there can be no assurance that such actions would not adversely affect the rights

of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Lastly, given the general relevance of the issues under discussion in the judgments referred to above and that the Transaction Documents will include terms providing for the subordination of Swap Counterparty Default Payment, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English or Dutch courts) may result in negative rating pressure in respect of the Notes. If any rating assigned to the Notes is lowered, the market value of the Notes may reduce.

#### **Absence of secondary market**

There is not, at present, any active and/or liquid secondary market for any Class of Notes. There can be no assurance that such market will develop, or if a secondary market will develop, that it will provide the holders of the Notes with liquidity or that such liquidity will continue. A decrease in liquidity of the Notes may cause an increase in the volatility associated with the price of the Notes. Investors may not be able to sell their Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

#### **Lack of liquidity in the secondary market may adversely affect the market value of the Notes**

As at the date of this Prospectus, the secondary market for mortgage-backed securities is illiquid resulting from reduced investor demand for such securities. This has had a material adverse impact on the market value of mortgage-backed securities and resulted in the secondary market for mortgage-backed securities experiencing very limited liquidity. These conditions may continue or worsen in the future.

Limited liquidity in the secondary market has had and may continue to have an adverse effect on the market value of mortgage-backed securities. Consequently, an investor in the Notes may not be able to sell or acquire credit protection on its Notes readily and market values of the Notes are likely to fluctuate and may be difficult to determine. Any of these fluctuations may be significant and could result in significant losses to an investor.

#### **Risks of weaker economic conditions in certain geographic regions in the Netherlands may ultimately result in losses to the Noteholders**

To the extent that specific geographic regions within the Netherlands have experienced or may experience in the future weaker economic conditions and housing markets than other regions, a concentration of the loans in such a region may be expected to exacerbate all of the risks relating to the Mortgage Loans. The economy of each geographic region within the Netherlands is dependent on different mixtures of industries. Any downturn in a local economy or particular industry may adversely affect the regional employment levels and consequently the repayment ability of the borrowers in that region or the region that relies most heavily on that industry. Any natural disasters in a particular region may reduce the value of affected mortgaged properties. This may result in a loss being incurred upon the sale of the Mortgaged Assets. These circumstances could affect receipts on the Mortgage Loans and ultimately result in losses on the Notes.

#### **Counterparties may default**

Counterparties to the Issuer under the Transaction Documents may not properly perform their obligations under the Transaction Documents, including the Seller, which may result in the Issuer not being able to meet its obligations under the Notes.

Due to the dependency on the performance of the relevant counterparties of their obligations in connection with this transaction, a deterioration of the credit quality of any of these counterparties might have an adverse effect on the rating of one or all Classes of the Mortgage-Backed Notes.

### **Noteholders may have exposure on the Security Trustee**

Any payments in respect of the Parallel Debt and any proceeds received by the Security Trustee are, in the case of the bankruptcy (*faillissement*) or (preliminary) suspension of payments (*surseance van betaling*) of the Security Trustee, not separated from the Security Trustee's other assets. The Secured Creditors therefore have a credit risk on the Security Trustee. This credit risk has been mitigated by setting the Security Trustee up as a bankruptcy remote entity, however there remains a risk that the Security Trustee is declared bankrupt or is subjected to (preliminary) suspension of payments and as a consequence the Noteholders may not receive (full) payment from the Security Trustee in respect of the Parallel Debt or otherwise.

### **Certain modifications, amendments, consents and waivers in respect of the Conditions and Transaction Documents may only be made with the Swap Counterparty's prior consent**

The Swap Counterparty's prior consent is required for modifications, amendments, consents or waivers by the Security Trustee in respect of any Condition or any Transaction Document if: (i) it would cause, in the reasonable opinion of the Swap Counterparty (A) the Swap Counterparty to pay more or receive less under the Swap Agreement or (B) a decrease (from the Swap Counterparty's perspective) in the value of the Swap Transaction under the Swap Agreement; (ii) it would result in any of the Issuer's obligations to the Swap Counterparty under the Swap Agreement to be further contractually subordinated, relative to the level of subordination of such obligations as of the Closing Date, to the Issuer's obligations to any other Secured Creditor; or (iii) if the Swap Counterparty were to replace itself as swap counterparty under the Swap Agreement it would be required to pay more or receive less in the reasonable opinion of the Swap Counterparty, in connection with such replacement, as compared to what the Swap Counterparty would have been required to pay or would have received had such amendment not been made unless either (x) the Swap Counterparty has provided its prior written consent, such consent not to be unreasonably withheld or delayed or (y) the Swap Counterparty has failed to provide its written consent or to make the determinations required to be made by it under (i) or (iii) above within 15 Business Days of written request by the Security Trustee. Therefore, the Swap Counterparty effectively can veto certain proposed modifications, amendments or waivers or consents in respect of the Conditions and the Transaction Documents.

### **The Security Trustee may agree to modifications without the Noteholders' prior consent**

Pursuant to the terms of the Trust Deed, the Security Trustee may agree without the consent of the Noteholders, to (i) any modification of any of the provisions of the Transaction Documents which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification, (except if prohibited in the Transaction Documents) and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Transaction Documents and any consent, to the transfer of rights and obligations under a Transaction Document by the relevant counterparty to a successor, which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders provided the Security Trustee (i) has notified the Credit Rating Agencies and (ii) the Credit Rating Agencies have provided a Credit Rating Agency Confirmation in connection with such modification, authorisation, waiver or consent. Any such modification, authorisation, waiver or consent shall be binding on the Noteholders and, if the Security Trustee so requires, such modification, authorisation, waiver or consent shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter. Any such modification, authorisation, waiver or consent shall be binding on the Noteholders and, if the Security Trustee so requires, such modification, authorisation, waiver or consent shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

In addition, the Security Trustee may agree, without the consent of the Noteholders, to (a) the entering into a Transaction Document by the Issuer with a successor (including by way of novation) of the relevant counterparty or (b) the transfer of the rights and obligations under a Transaction Document by the relevant counterparty to any such successor, provided that (i) the Security Trustee has notified the Credit Rating Agencies and (ii) the Credit Rating Agencies have provided a Credit Rating Agency Confirmation in connection with such transfer or contracting and (iii) if the relevant counterparty will be a Secured Creditor,

the relevant successor will accede to the Parallel Debt Agreement and (iv) the Security Trustee has complied with the consent requirements of the Swap Counterparty set out in Clause 19 of the Trust Deed.

**Implementation of and/or changes to the Basel Capital Accord and Solvency II may affect the capital requirements and/or the liquidity of the Notes**

The capital accord promulgated by the Basel Committee on Banking Supervision (**Basel Capital Accord**) under the title "Basel II: International Convergence of Capital Measurement and Capital Standards: a Revised Framework" published on 26 June 2004 by the Basel Committee on Banking Supervision (**Basel II**) has not been fully implemented in all participating countries. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes for investors who are or may become subject to capital adequacy requirements that follow the framework.

It should also be noted that the Basel Committee has approved significant changes to the Basel II framework (such changes being commonly referred to as **Basel III**), including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. In particular, the changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio, respectively). Member States will be required to implement the new capital standards as from January 2013, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general. It is uncertain when the European Commission's corresponding proposals to implement the changes (through amendments to the CRD known as CRD IV) will be implemented. The changes approved by the Basel Committee may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

Furthermore, pursuant to the proposed Solvency II rules, more stringent rules will apply for European insurance companies from January 2014 in respect of instruments such as the Notes.

In general, investors should consult their own advisers as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of any changes to the Basel II framework (including the Basel III changes described above) and the relevant implementing measures as well as the application of Solvency II, to their holding of any Notes. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

**Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes**

In Europe, the United States and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Arranger, the Managers or the Seller makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Closing Date or at any time in the future.

In particular, in Europe, investors should be aware of Article 122a of the CRD, as implemented in the Netherlands by the Dutch Regulation Securitisation of 26 October 2010 (*Regeling securitisaties Wft 2010*) which applies in general to new securitisations issued on or after 1 January 2011 and, after 31 December 2014, to existing securitisations where new underlying exposures are added or substituted after 31 December 2014. Article 122a restricts an EU regulated credit institution from investing in asset-backed securities unless

the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the EU regulated credit institution that it will retain, on an ongoing basis, a net economic interest of not less than 5 per cent. in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 122a. Article 122a also requires an EU regulated credit institution to be able to demonstrate that it has undertaken certain due diligence in respect of, amongst other things, its note position and the underlying exposures and that procedures are established for such activities to be conducted on an on-going basis. Failure to comply with one or more of the requirements set out in Article 122a will result in the imposition of a penal capital charge on the notes acquired by the relevant investor.

Article 122a applies in respect of the Notes. Investors should therefore make themselves aware of the requirements of Article 122a, where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. With respect to the commitment of the Seller to retain a material net economic interest in the securitisation as contemplated by Article 122a and with respect to the information to be made available by the Issuer or another relevant party (or, after the Closing Date, by the Seller or the Issuer Administrator on the Issuer's behalf) in relation to the due diligence requirements under Article 122a, please read section 4.4 (*Regulatory & Industry Compliance*). Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with Article 122a and none of the Issuer, the Seller, the Issuer Administrator, the Arranger nor the Managers makes any representation that the information described above is sufficient in all circumstances for such purposes.

There remains considerable uncertainty with respect to Article 122a and it is not clear what will be required to demonstrate compliance to national regulators. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non compliance with Article 122a should seek guidance from their regulator. Similar requirements to those set out in Article 122a are expected to be implemented for other EU regulated investors (such as investment firms, insurance and reinsurance undertakings and certain hedge fund managers) in the future.

Article 122a of the CRD and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

In addition, Article 135 of the Solvency II Framework Directive requires the adoption by the European Commission of implementing measures laying down the requirements that will need to be met by originators of asset-backed securities in order for insurance and reinsurance companies located within the EU to be allowed to invest in such instruments following implementation of the Solvency II Framework Directive, which may be as early as 1 January 2014. Without limitation to the matters which may be laid down in such implementing measures, Article 135 of the Solvency II Framework Directive states such measures will require that originators of asset-backed securities retain a net economic interest of no less than 5% and will specify the qualitative requirements that must be met by insurance or reinsurance undertakings that invest in asset-backed securities. The terms of the implementing measures which will be adopted by the European Commission are not yet finalised, but it is expected such measures will require insurance and reinsurance undertakings to carry out due diligence prior to investing in asset-backed securities and that failure to comply with the requirements set out in the implementing measures will result in a penal capital charge to the insurance or reinsurance company. In addition, the availability of transitional relief or "grandfathering" in respect of investments in asset-backed securities remains uncertain.

Article 135 of the Solvency II Framework Directive and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

## **US Foreign Account Tax Compliance Withholding**

Pursuant to (i) sections 1471 to 1474 of the US Internal Revenue Code of 1986, or any associated regulations or other official guidance; (ii) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of (i) above; or (iii) any agreement pursuant to the implementation of (i) or (ii) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction (**FATCA**), the Issuer and other non-US financial institutions through which payments on the Notes are made may be required to withhold US tax at a rate of 30% on all, or a portion of, payments made after 31 December 2016. This withholding tax may be triggered if (i) the Issuer is a foreign financial institution as defined by FATCA (an **FFI**), which enters into and complies with an agreement with the US Internal Revenue Service to provide certain information on its account holders (a term which includes the holders of its debt or equity interests that are not regularly traded on an established securities market), making the Issuer a "participating FFI", (ii) the Issuer has a positive "passthru percentage" (as defined by FATCA), and (iii)(A) an investor does not provide information sufficient for the participating FFI to determine whether the investor is a United States person or should otherwise be treated as holding a "United States account" of such Issuer or (B) any FFI to which (or through which) payment on such Notes is made is not a participating FFI.

In addition, if the Issuer is an FFI but does not comply with the relevant provisions of FATCA, US withholding tax may apply to payments made to the Issuer under certain Transaction Documents by a relevant participating FFI counterparty thereby reducing amounts available to the Issuer to make payments under the Notes.

The application of FATCA to interest, principal or other amounts paid with respect to the Notes is not clear. If an amount in respect of US withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of a holder's failure to comply with these rules or as a result of the presence in the payment chain of a non-participating FFI, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, holders may, if FATCA is implemented as currently proposed by the US Internal Revenue Service, receive less interest or principal than expected. Holders of Notes should consult their own tax advisors on how these rules may apply to payments they receive under the Notes.

## **EU Savings Directive**

Under the EU Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to (or secured for) an individual (or certain other persons) resident in that other Member State. For a transitional period, currently Luxembourg and Austria are instead required (unless they elect otherwise during that period) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries), subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld. A number of non-EU countries and territories have adopted similar measures and the Member States have entered into reciprocal arrangements with certain of those countries or territories. The European Commission has proposed certain amendments to the EU Council Directive 2003/48/EC, which may, if implemented, amend or broaden the scope of the above-mentioned provisions.

The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the EU Savings Directive. Noteholders who are in any doubt as to their position should consult their professional advisers.

### **Risk that Class A Notes will not be eligible as collateral for Eurosystem monetary policy**

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria as specified by the European Central Bank. The Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes are not intended to be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem.

The Governing Council of the European Central Bank decided in December 2010 to implement loan-level data reporting requirements for asset-backed securities as part of the Eurosystem's collateral framework. For residential mortgage-backed securities, this will be mandatory as of 1 December 2012. Accordingly, if loan-level data reporting requirements are not complied with, Eurosystem eligibility of the Class A Notes may not, or may not continue to be, recognised.

### **The Notes may not be a suitable investment for all investors**

The Notes are complex financial instruments. A potential investor should not invest in notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the investor's overall investment portfolio.

Potential investors in the Notes must therefore make an informed assessment of the Notes, based upon full knowledge and understanding of the facts and risks. A potential investor must determine the suitability of an investment in Notes 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 and the merits 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, the significance of these risk factors 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, but not limited to, where the currency for principal or interest payments is different from the investor's base currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices in the financial markets (including, but not limited to, the risks associated thereof) as an investor who is not familiar with such behaviour is more vulnerable to any fluctuations in the financial markets generally; 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.

### **Notes in global form**

For so long as the Notes of a particular Class are represented by a Global Note, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular Principal Amount Outstanding of that Class of Notes will be treated by the Issuer and the Security Trustee as

a holder of such Principal Amount Outstanding of that Class of Notes. Any statement in writing issued by Euroclear or Clearstream, Luxembourg as to the persons shown in its records as being entitled to such Notes and the respective Principal Amount Outstanding of such Notes held by them shall be conclusive for all purposes. Therefore for payment of principal and interest, investors must look solely at the holder of the relevant Global Note.

### **Conflict between Noteholders**

The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of holders of the highest ranking Class of Notes in case of a conflict between two or more Classes. Therefore, the rights of Noteholders of a Class of Notes ranking subordinated to the Class A Notes are subordinated to the rights of Noteholders of Classes of Notes ranking higher than the Class of Notes of such Noteholder.

### **Structural/legal risk relating to the underlying assets**

There is a risk that the Issuer will not have the (full) benefit of the security over the Mortgaged Assets, the Borrower Insurance Pledges, an NHG Guarantee and/or the Beneficiary Rights. There is a risk a Borrower sets off amounts due to it by the Seller against its payment obligation under the Mortgage Loan. If a Borrower successfully invokes a right of set-off, the Seller is obliged to reimburse the Issuer for such shortfalls. However, there is a risk that the Seller does not comply with such obligation. In case of a default by an Insurance Company under an Insurance Policy, there is a risk that the Issuer does not benefit from the Insurance Policy and/or that the Issuer may not be able to collect the Mortgage Receivables, whether in part or in full, as a result of set-off or defences invoked by the Borrower. Should these risks materialise, the ability of the Issuer to perform its obligations under the Notes could be adversely affected. For a general discussion of these legal considerations see further the paragraphs *Risk that the Issuer does not have the benefit of the Security Rights, Risks related to Insurance Policies and Set-off by Borrowers may affect the proceeds under the Mortgage Receivables*.

### **Changes of law**

The structure of the transaction and the issue of the Notes and the ratings which are to be assigned to the Mortgage-Backed Notes are based on the laws of the Netherlands in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to laws of the Netherlands or administrative practice in the Netherlands after the date of this Prospectus nor whether such change would adversely affect the ability of the Issuer to make payments under the Notes.

### **No Gross-up for Taxes**

As provided in Condition 7, if withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature are imposed by or on behalf of the Netherlands or any other jurisdiction or any political subdivision or any authority therein or thereof having power to tax, the Issuer or the Paying Agents (as applicable) will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not be obliged to compensate the Noteholders for such withholding or deduction.

### **Credit ratings may not reflect all risks**

The ratings of each Class of the Mortgage-Backed Notes addresses the assessment made by the Credit Rating Agencies of the likelihood of full and timely payment of interest and ultimate payment of principal on or before the Final Maturity Date.

A rating or an outlook on such rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation if in its judgement, the circumstances in the future so require. A deterioration of the credit quality of any of the

Issuer's counterparties (including a reduction in the credit rating of any entity belonging to the same group as the Seller or the Swap Counterparty) might have an adverse effect on the rating of one or all Classes of the Mortgage-Backed Notes.

The Class F Notes will not be rated.

### **Risk that the rating of a Class of Notes changes**

The ratings to be assigned to the Notes, other than the Class F Notes, by the Credit Rating Agencies are based, *inter alia*, on the value and cash flow generating ability of the Mortgage Receivables and other relevant structural features of the transaction, and reflect only the view of each of the Credit Rating Agencies. There is no assurance that any such rating will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Credit Rating Agencies if, in any of the Credit Rating Agencies' judgement, circumstances so warrant.

## **RISK FACTORS REGARDING THE MORTGAGE RECEIVABLES**

### **Risks of losses associated with declining values of Mortgaged Assets**

The security created in favour of the Security Trustee under the Issuer Mortgage Receivables Pledge Agreement may be affected by, among other things, a decline in the value of the Mortgaged Assets. No assurance can be given that values of the Mortgaged Assets remained or will remain at the level at which they were on the date of origination of the related Mortgage Loans. Currently the Dutch housing market is experiencing declining values of Mortgaged Assets. In addition, a forced sale of the Mortgaged Assets may, compared to a private sale, result in a lower value of the Mortgaged Assets. A decline in value may result in losses to the Noteholders if such security is required to be enforced. The Seller will not be liable for any losses incurred by the Issuer in connection with the Mortgage Receivables.

### **Loan to Foreclosure Value Ratio**

The Mortgage Receivables have a loan to foreclosure value ratio (**LTFV**) of up to and including 125 per cent. The appraisal foreclosure value (*executiewaarde*) of the Mortgaged Assets on which a mortgage right is vested is normally lower than the market value (*vrije verkoopwaarde*) of the relevant Mortgaged Assets. There can be no assurance that, on enforcement, all amounts owed by a Borrower under a Mortgage Receivables can be recovered from the proceeds of the foreclosure on the relevant Mortgaged Asset or that the proceeds upon foreclosure will be at least equal to the estimated foreclosure value of such Mortgaged Asset.

### **Transfer of legal title to Mortgage Receivables - commingling risk**

Assignment of legal title to the Mortgage Receivables will be effected by means of a deed of assignment and registration thereof with the Division Enterprises of the Tax Department, without notification of the assignment to the debtors being required (*stille cessie*). The assignment will only be notified to the Borrowers upon the occurrence of an Assignment Notification Event in respect of the Seller.

Until notification of the assignment, the Borrowers under the Mortgage Loans can validly pay (*bevrijdend betalen*) to the Seller amounts in respect of the Mortgage Receivables and the Seller has undertaken to on-pay to the Issuer such amounts received by it. The Issuer thus has a credit risk against the Seller in respect of such amounts. Notification of the assignment can validly be made after insolvency of the Seller. However, in case of the Seller's bankruptcy or (preliminary) suspension of payments prior to making such payments, the Issuer has no proprietary right or right of preference in respect of such amounts. The Issuer will have a non preferred claim (*concurrente vordering*) against the Seller's estate in respect of amounts received by the Seller from the Borrower prior to its bankruptcy, (preliminary) suspension of payments or emergency regulations. In respect of amounts received after bankruptcy, (preliminary) suspension of payments or

emergency regulations, but prior to notification of assignment of Mortgage Receivables to the debtors, the Issuer would be a creditor of the estate (*boedelschuldeiser*) and would receive payments prior to (unsecured) creditors with ordinary claims, but after preferred creditors of the estate. There is thus a risk that in case of bankruptcy or suspension of payments involving the Seller, the Issuer will not receive the proceeds under the Mortgage Receivables timely and in full, which could affect its ability to meet its obligations under the Notes.

### **Risk that the Issuer does not have the benefit of the Security Rights**

Under Dutch law, as a rule mortgages and pledges are "accessory rights" (*afhankelijke rechten*) and as such automatically follow the receivables they secure. This means that upon assignment of a receivable, the assignee automatically gets the benefit of any security right which secures such receivable, unless the ancillary right by its nature is, or has been construed as, a purely personal right of the assignor or such transfer is prohibited by law.

The Mortgages and Borrower Pledges securing the Mortgage Receivables qualify as All Moneys Security Rights securing all present and future receivables of the Seller, in general (*bankzekerheden*) (in case of the Mortgage Loans originated after 8 September 2005) or, in respect of Mortgage Loans originated prior to such date, under any and all present and future credit agreements up to a certain maximum (*kredietzekerheden*)

In the past, uncertainty existed in Dutch legal literature as to whether a transfer or pledge of a receivable secured by All Moneys Security Rights results in a transfer of the All Moneys Security Rights, or a share therein, to the assignee.

The Supreme Court (HR 16 September 1988, *NJ* 1989, 10) confirmed that, like any other mortgage or pledge, an All Moneys Security Right is in principle an accessory right and that in principle, the assignee will also become entitled to such All Moneys Security Right by operation of law. In its decision, the Supreme Court ruled that the main rule is that any mortgage right will, as an accessory right, automatically transfer together with the receivable it secures. The exception to this rule is when the mortgage was stipulated as a strictly personal right. The Supreme Court held that it is a question of interpreting the relevant clause in the mortgage deed whether the definition of the secured receivable means that it exclusively vests the mortgage as a strictly personal right, in deviation of the main rule. The wording of the relevant mortgage deed constitutes *prima facie* evidence of whether the intention of the parties was to create the relevant mortgage as a personal right, although it is not inconceivable that evidence to the contrary is brought forward.

The Seller represents and warrants in the Mortgage Receivables Purchase Agreement that the relevant mortgage or pledge contain either (a) no specific wording regarding the transfer of any right of mortgage or pledge securing the Mortgage Receivable or (b) an explicit confirmation that upon assignment of the relevant Mortgage Receivable, the All Moneys Security Rights will (partially follow *pro rata*) such Mortgage Receivable.

The Issuer has been advised that in the absence of circumstances giving an indication to the contrary, the All Moneys Security Rights (partially) follow the Mortgage Receivables as an accessory and ancillary right upon its assignment, but that there is no case law explicitly supporting this advice.

Should the All Moneys Security Right not (partially) follow the Mortgage Receivables upon their assignment, the Issuer, or the Security Trustee as the case may be, would not have the benefit of the Mortgaged Assets and would thus have an unsecured claim against the Borrowers in respect of the Mortgage Receivables. This could materially affect the recourse ability of the Issuer under the Mortgage Loans and its ability of the Issuer to meet its payment obligations under the Notes if the Borrowers were to default.

## **Risk related to co-owned All Moneys Security Rights by the Seller, the Issuer and the Security Trustee**

If the All Moneys Security Rights have indeed (partially) followed the Mortgage Receivables upon their assignment, the Security Rights would be co-owned by the Issuer and the Seller and would secure both the Mortgage Receivables held by the Issuer (or the Security Trustee, as pledgee) and any Other Claim and certain risks relating to the enforcement and distribution of foreclosure proceeds apply as discussed below.

### ***Ability to enforce***

If the All Moneys Security Rights are co-owned, the rules applicable to co-ownership (*gemeenschap*) apply. In the Mortgage Receivables Purchase Agreement the Seller, the Issuer and the Security Trustee will agree that the Issuer and/or the Security Trustee (as applicable) will manage and administer such co-owned rights. Certain acts, including acts concerning the day-to-day management (*beheer*) of the co-owned rights, may under Dutch law be transacted by each of the participants (*deelgenoten*) in the co-owned rights (without consent of the others). It is, however, uncertain whether the foreclosure of the security rights will be considered as day-to-day management, and, consequently, whether the consent of the Seller, or the Seller's bankruptcy trustee (in case of bankruptcy) or administrator in case of (preliminary) suspension of payments or emergency regulations) may be required for such foreclosure. The Issuer has been advised that, if the Seller has no Other Claims, there is no reason to assume such consent would be withheld.

### ***Allocation of foreclosure proceeds***

The Seller will represent and warrant that on the Cut-Off Date it had no Other Claims and it will undertake in the Mortgage Receivables Purchase Agreement that, until the Notes have been redeemed in accordance with the Conditions and the Issuer has no further obligation under any of the other Transaction Documents, it will repurchase and accept re-assignment of a Mortgage Receivable, if it obtains an Other Claim which is secured by the same All Moneys Security Rights as the Mortgage Receivable, including resulting from a Further Advance. If the Seller has no Other Claim at the time of foreclosure of the All Moneys Security Rights, the full foreclosure proceeds will de facto be available to satisfy the Mortgage Receivable. There is, however, a risk that the Seller will not comply with the repurchase obligation referred to above, in which case the All Moneys Security Rights would secure both the Mortgage Receivables and any Other Claim the Seller might have at the time of foreclosure. To address that risk, the Seller, the Issuer and/or the Security Trustee (as applicable) will agree in the Mortgage Receivables Purchase Agreement that in case of foreclosure the share (*aandeel*) in each co-owned security interest of the Security Trustee and/or the Issuer will be equal to the Outstanding Principal Amount of the Mortgage Receivables, increased with interest and costs, if any, and the Seller's share will be equal to the Net Foreclosure Proceeds less the Outstanding Principal Amount in respect of the Mortgage Receivables, increased with interest and costs, if any. It is uncertain whether this arrangement will be enforceable against the Seller or, in case of bankruptcy, (preliminary) suspension of payments or emergency regulations, the Seller's bankruptcy trustee or administrator. The arrangement may also not be effective against the Borrower, in particular in respect of the Mortgage Receivables originated after 8 September 2005, as the form of mortgage deed used stipulates that the shares of the Seller and any assignee respectively will be *pro rata* the size of the claim they have against the Borrower.

### ***Compensation for breach***

The Seller, the Issuer and the Security Trustee will also agree that the Seller shall compensate the Issuer and/or the Security Trustee (as applicable) forthwith for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee (as applicable) incurs as a result of a breach by the Seller of its obligations in respect of this arrangement (including enforcing the All Moneys Security Rights notwithstanding the above arrangement) or if such arrangement is dissolved, declared void, nullified or ineffective for any reason in respect of the Seller. Receipt of such amount by the Issuer and/or the Security Trustee is subject to the ability of the Seller to actually make such payments. There is a risk that the Seller is not able to make such payment which would affect the ability of the Issuer to perform its payment obligations under the Notes.

## **Risks related to Insurance Policies**

The Life Mortgage Loans have the benefit of Life Insurance Policies and Savings Mortgage Loans and Life Mortgage Loans with a Savings Element have the benefit of Savings Insurance Policies and Savings Investment Insurance Policies, respectively. Investors should be aware that the Issuer may not (i) benefit from the Insurance Policies and/or (ii) be able to recover any amounts from the Borrower in case the relevant Insurance Company defaults in its obligations as further described in the paragraphs below. As a consequence thereof the Issuer may not have a claim on the Borrower and may, therefore, not have the benefit of the mortgage right. In such case the rights of the Security Trustee will be similarly affected.

### **Risk that the Borrower Pledges will not be effective**

The Issuer has been advised that it is probable that the right to receive payment, including the commutation payment (*afkoopsom*) under the Insurance Policies will be regarded by a Dutch court as a future right. Under Dutch law the pledge of a future right is not effective if the pledgor is declared bankrupt or is granted a suspension of payments or been made subject to a debt restructuring scheme pursuant to the Dutch Bankruptcy Act (*Failisementswet*), prior to the moment such right coming into existence. Consequently, it is uncertain whether such right of pledge will be effective. The same uncertainty applies to any Borrower Pledge on the rights of the relevant Borrower in connection with the Investment Accounts to the extent the rights of the Borrower qualify as future claims, such as options (*opties*), in respect of Investment Mortgage Loans, and any rights of pledge on the rights of the relevant Borrower in connection with the Bank Savings Accounts, in respect of Bank Savings Mortgage Loans.

### **Risks relating to Beneficiary Rights under the Insurance Policies**

In addition to the Borrower Insurance Pledge, either:

- (a) the Seller was made beneficiary of the Beneficiary Rights; or
- (b) the Borrower Insurance Proceeds Instruction was given by the third party beneficiary in favour of the Seller.

### **Beneficiary Rights**

As explained below, it is uncertain whether the Issuer will have the benefit of the Beneficiary Rights. In respect of the Beneficiary Rights of the Seller, under Dutch law it is uncertain whether the Beneficiary Rights will follow the Mortgage Receivables upon assignment thereof. Therefore, the Beneficiary Rights will themselves be assigned by the Seller to the Issuer and pledged by the Issuer to the Security Trustee. However, the Issuer has been advised that it is uncertain whether this assignment and pledge will be effective.

Insofar as the transfer of the Beneficiary Rights is ineffective, the Issuer and the Security Trustee will enter into the Beneficiary Waiver Agreement with the Seller and the Savings Insurance Company under which the Seller will:

- (a) subject to the condition precedent (*opshortende voorwaarde*) of the occurrence of an Assignment Notification Event, waive its rights as beneficiary under the Insurance Policies with the Savings Insurance Company and appoint as first beneficiary (i) the Issuer subject to the dissolving condition (*ontbindende voorwaarde*) of a Pledge Notification Event and (ii) the Security Trustee under the condition precedent of the occurrence of a Pledge Notification Event. It is, however, uncertain whether such waiver and/or appointment will be effective; and

- (b) to cover against the risk that the conditional waiver and appointment are (indeed) not effective the Seller and the Savings Insurance Company (but only in respect of Insurance Policies with the Savings Insurance Company) will in the Beneficiary Waiver Agreement undertake that they will use their best efforts upon the occurrence of an Assignment Notification Event to obtain the co-operation from all relevant parties, in particular the Borrowers, (a) to terminate the appointment of the Seller as beneficiary under the Insurance Policies and (b) to appoint as first beneficiary under the Insurance Policies up to the relevant Outstanding Principal Amount of the relevant Mortgage Receivable (i) the Issuer subject to the dissolving condition of a Pledge Notification Event and (ii) the Security Trustee under the condition precedent of the occurrence of a Pledge Notification Event.

It is noted that all receivables under the relevant Insurance Policies have been pledged and notification thereof has been made to the relevant Insurance Company. To the extent the waiver is effective but the appointment is not and the Borrower consequently will have become the beneficiary, the Borrower's rights will in principle (see above) be covered by the Borrower Insurance Pledge.

### **Borrower Insurance Proceeds Instruction**

In the scenario in which a Borrower Insurance Proceeds Instruction has been given, the Seller and the Savings Insurance Company (but only in respect of Insurance Policies with the Savings Insurance Company) will in the Beneficiary Waiver Agreement undertake to use their best efforts following an Assignment Notification Event to withdraw the Borrower Insurance Proceeds Instruction in favour of the Seller and to issue such instruction up to the relevant Outstanding Principal Amount of the relevant Mortgage Receivable in favour of (i) the Issuer subject to the dissolving condition of a Pledge Assignment Notification Event and (ii) the Security Trustee under the condition precedent of the occurrence of a Pledge Assignment Notification Event, and to obtain the co-operation from all relevant Borrowers and the relevant beneficiary where required.

The termination and appointment of a beneficiary under the Insurance Policies and the withdrawal and the issue of the Borrower Insurance Proceeds Instruction will require the co-operation of all relevant parties involved, including the relevant Life Insurance Company and the Borrowers. It is uncertain whether such co-operation will be forthcoming.

If all of the above measures are ineffective, any proceeds under the Insurance Policies will be payable to the Seller or to another beneficiary rather than to the Issuer or the Security Trustee, as the case may be, up to the amount of any claims the Seller may have on the relevant Borrower. If the proceeds are paid to the Seller, it will, pursuant to the Mortgage Receivables Purchase Agreement, be obliged to pay the amount involved to the Issuer or the Security Trustee, as the case may be. There is a risk that the Seller is not able to make such payment which would affect the ability of the Issuer to perform its payment obligations under the Notes. If the proceeds are paid to the Seller and the Seller does not pay such amount to the Issuer or the Security Trustee, as the case may be, e.g. in case of bankruptcy, (preliminary) suspension of payments or emergency regulations of the Seller, or if the proceeds are paid to another beneficiary instead of the Issuer or the Security Trustee, as the case may be, this may result in the amount paid under the Insurance Policies not being applied in reduction of the relevant Mortgage Receivables. This may lead to the Borrower invoking set-off or defences against the Issuer or, as the case may be, the Security Trustee for the amounts so received by the Seller or another beneficiary, as the case may be. See risk factor *Risk of set-off or defences in case of insolvency of any of the Insurance Companies* below, which may adversely affect the payment of the Notes.

### **Set-off by Borrowers may affect the proceeds under the Mortgage Receivables**

The Issuer is exposed to the risk of receiving reduced amounts due to set-off rights of the Borrowers. As a result of a successful invocation of a right of set-off, the Mortgage Receivable would, partially or fully, be extinguished (*gaat teniet*) without the Issuer actually having received a cash payment in respect thereof which it could use towards satisfaction of its obligations under, *inter alia*, the Notes. Set-off by Borrowers could thus lead to losses under the Notes.

Under Dutch law a debtor has a right of set-off if it has a claim which corresponds to its debt to the same counterparty and it is entitled to pay its debt as well as to enforce payment of its claim. Parties may contractually limit such statutory set-off right. The conditions applicable to the Mortgage Loans contractually prohibit set-off by the Borrowers. However, under Dutch law it is uncertain whether such prohibition (or waiver) included in general conditions will be enforceable. Should such be prohibition (or waiver) be unenforceable, the Borrowers will have the statutory set-off rights described below in this paragraph.

A distinction should be made between (statutory) set-off prior to notification of assignment and set-off thereafter. Prior to notification, subject to the statutory requirements being met, each Borrower will be entitled to set-off amounts it owes in respect of the Mortgage Loan with amounts the Seller owes to such Borrower. Amounts due by the Seller could, *inter alia*, result from current account balances held or deposits made with the Seller or from (investment) services, including in connection with Investment Mortgage Loans, for which the Seller is responsible or held liable. After notification of assignment to a Borrower, the Borrower will also have set-off rights *vis-à-vis* the Issuer, provided that (i) the legal requirements for set-off are met (see above) and (ii) either (a) the counterclaim of the Borrower against the Seller results from the same legal relationship as the relevant Mortgage Loan or (b) the counterclaim of the Borrower does not result from the same legal relationship but has been originated (*opgekomen*) and become due and payable (*opeisbaar*) prior to notification of the assignment to the relevant Borrower. The question whether a court will conclude that the Mortgage Loan and the claim of the Borrower on the Seller result from the same legal relationship will depend on all relevant facts and circumstances involved.

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

The Mortgage Receivables Purchase Agreement provides that if a Borrower sets off amounts due to it by the Seller or in respect of interest and premium deposits (*rente- en premiedepots*) against the relevant Mortgage Receivable the Seller will pay to the Issuer an amount equal to the difference between the amount which the Issuer would have received in respect of the relevant Mortgage Receivable if no set-off had taken place and the amount actually received by the Issuer in respect of such Mortgage Receivable. There is a risk that the Seller is not able to make such payment which would affect the ability of the Issuer to perform its payment obligations under the Notes.

Furthermore, the Seller will represent and warrant in the Mortgage Receivables Purchase Agreement that no deposits have been accepted from any of its Borrowers (except for (i) certain amounts of interest and premium deposits (*rente- en premiedepots*) held by the Savings Insurance Company of which the aggregate amount does not exceed euro 414,346.30 and (ii) the aggregate Construction Deposits), and that it currently does not have any current account relationship with its Borrowers. Furthermore, the Seller will covenant in the Mortgage Receivables Purchase Agreement that it will not accept any deposits from a Borrower (other than Construction Deposits) and it will not enter into a current account relationship with a Borrower. In the absence of such relationships, the scope of the set-off risk would primarily be contained to counterclaims under the Mortgage Loans owed by the Borrowers against the Seller. If the Seller breaches the representations and warranties and/or the covenants in the Mortgage Receivables Purchase Agreement and as a result a debtor successfully exercises a right of set-off, and as a consequence does not pay the Seller, then if the Seller does not make the payment to the Issuer as set out above (e.g. in case of its bankruptcy), there is a material risk that the Issuer's ability to perform its obligations under the Notes will be adversely affected.

Specific set-off issues relating to Life Mortgage Loans, Savings Mortgage Loans, Investment Mortgage Loans and Bank Savings Mortgage Loans, will be discussed in the following paragraphs.

### **Set-off risks or defences relating to counterclaims under Life Mortgage Loans, Savings Mortgage Loans, Investment Mortgage Loans and Bank Savings Mortgage Loans**

#### ***Life Mortgage Loans and Savings Mortgage Loans***

##### *General*

As described above in (Risk Factor) *Set-off by Borrowers may affect the proceeds under the Mortgage Receivables*, in order for a Borrower to have a successful claim on the grounds of set-off, a Borrower would (i) first need to successfully argue that the waiver of its set-off right is invalid and (ii) would then need to successfully argue that the Dutch law requirements for set-off have been met. As described above, one of these requirements is that the Borrower should have a claim against the same counterparty. However, the Insurance Policies are contracts between any of the Insurance Companies and the Borrowers on the one hand and the Mortgage Receivables are claims of the Seller on the relevant Borrower on the other hand. Therefore, in order to invoke a right of set-off the Borrowers would have to establish that the Borrower was led to believe that he was not entering into two separate relationships but one interrelated relationship. The Borrower's defence in such case is likely to focus on information provided by or on behalf of the Seller which may have led the Borrower to (erroneously) believe that he was not entering into two relationships.

Even if the Borrowers cannot invoke a right of set-off, they may invoke defences *vis-à-vis* the Seller, the Issuer and/or the Security Trustee. The Borrowers will have all defences afforded by Dutch law to debtors in general. Such defence would be based upon interpretation of the mortgage documentation and the promotional materials. Borrowers could argue that the Mortgage Loan and the relevant Insurance Policy are to be regarded as one interrelated legal relationship and could, on this basis, claim a right of annulment (*vernietiging*) or dissolution (*ontbinding*) of the Mortgage Loans or possibly suspension of their obligations thereunder. The Borrowers could also argue that it was the intention of the parties involved or that they could at least rightfully interpret the mortgage documentation and the promotional materials in such manner that the Mortgage Receivable would be (fully or partially) repaid by means of the proceeds of the Insurance Policy and that, failing such proceeds being so applied, the Borrower is not obliged to repay the (corresponding) part of the Mortgage Receivable. Also, Borrowers could argue that it is contrary to principles of reasonableness and fairness (*redelijkheid en billijkheid*) for the Borrower to be obliged to repay the Mortgage Receivable to the extent that it has failed to receive the proceeds of the Insurance Policy. The Borrower could also base a defence on "error" (*dwaling*), i.e. that the Mortgage Loan and the Insurance Policies would be entered into as a result of "error". If this defence would be successful, this could lead to annulment of the Mortgage Loan, which would have the result that the Issuer no longer holds the Mortgage Receivable.

##### *Risk of set-off or defences in case of insolvency of any of the Insurance Companies*

In respect of Life Mortgage Loans, Savings Mortgage Loans or Life Mortgage Loans with a Savings Element, the intention is that at maturity the principal proceeds of the Insurance Policy can be used to repay the Mortgage Loan in whole or in part following payout by the Insurance Company. It is possible that any of the Insurance Companies does not (fully) pay out the proceeds (e.g. in case it is declared bankrupt or has become subject to emergency regulations). If the Borrower is then requested to repay the Mortgage Loan in full, the Borrower may try to invoke set-off rights and defences purporting to establish that an amount equal to the lost proceeds is deducted from the Mortgage Receivable it owes to the Issuer. A successful claim could lead to losses under the Notes.

### *Set-off or defences regarding Life Mortgage Loans*

In respect of Life Mortgage Loans with Life Insurance Policies taken out by a Borrower with a Life Insurance Company, the Issuer has been advised that if (i) there is no connection, whether from a legal or a commercial point of view, between the Life Mortgage Loan and the relevant Life Insurance Policy other than a Borrower Insurance Pledge granted on the rights under such policy in favour of the Seller and (ii) the Mortgage Loan and the Life Insurance Policy are not offered as one product or under one name and (iii) the Borrowers are free to enter into a life insurance policy with any insurance company and (iv) none of the Life Insurance Companies is a group entity (within the meaning of Section 2:24b of the Netherlands Civil Code) of the Seller, it is unlikely that a court would honour set-off defences of the Borrowers. However, should any of the aforementioned elements under (i) up to and including (iv) not be met, the Issuer has been advised that the risk will be higher.

In respect of Life Mortgage Loans between the Seller and a Borrower with a Life Insurance Policy between the Savings Insurance Company and such Borrower, whereby the other elements set out above are met, the Issuer has been advised that the possibility cannot be disregarded (*kan niet worden uitgesloten*) that the courts will honour set-off or defences of Borrowers if the Borrowers will not be able to recover their claims under their Life Insurance Policies. However, it should be noted that this will depend on the factual circumstances at the time of origination of such Life Mortgage Loans (excluding the Life Mortgage Loans with the option of a Savings Element). If the Life Mortgage Loans to which Life Insurance Policies with the Savings Insurance Company is connected are marketed as a package offered as one product under one name and without clear distinction being made between the Seller as provider of the Life Mortgage Loans and the Savings Insurance Company as insurer under the Life Insurance Policies, which may, as the Issuer has been informed, be the case, the Issuer has been advised that the possibility can certainly not be disregarded (*kan zeker niet worden uitgesloten*) that the courts will honour set-off or defences by Borrowers, as described above, if in case of bankruptcy or emergency regulations of the Savings Insurance Company the Borrowers will not be able to recover their claims under their Life Insurance Policies, however, this will depend on the factual circumstances at the time of origination of such Life Mortgage Loans.

### *Set-off or defences regarding Savings Mortgage Loans and Life Mortgage Loans with a Savings Element*

In respect of Savings Mortgage Loans and Life Mortgage Loans with a Savings Element between the Seller and a Borrower, the Issuer has been advised that in view, *inter alia*, of the close connection between (i) the Savings Mortgage Loan or Life Mortgage Loan with a Savings Element and the Savings Insurance Policy or Savings Investment Insurance Policy, as the case may be, there is a considerable risk (*een aanmerkelijk risico*) that such a set-off or defence would be successful. In view hereof, on the Closing Date, the Insurance Savings Participation Agreement will be entered into between the Issuer, the Security Trustee, the Seller and the Savings Insurance Company. All Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element will be subject to the Insurance Savings Participation Agreement.

Moreover, the Insurance Savings Participation Agreement will provide that if (i) in respect of a Savings Mortgage Loan or Life Mortgage Loan with a Savings Element, a Borrower invokes a defence, including but not limited to a right of set-off or counterclaim against any person in respect of such Savings Mortgage Loan or Life Mortgage Loan with a Savings Element or if, for whatever reason, the Savings Insurance Company does not pay the insurance proceeds when due and payable, whether in full or in part, under the relevant Savings Insurance Policy or Savings Investment Insurance Policy and (ii) the Seller fails to pay any amount due by it to the Issuer pursuant to the Mortgage Receivables Purchase Agreement in respect of a Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element, and, as a consequence thereof, the Issuer will not have received any amount which was outstanding prior to such event in respect of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element, the Insurance Savings Participation of the Savings Insurance Company in respect of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element will be reduced by an amount equal to the amount which the Issuer has failed to receive as a result of such defence or default to pay. The amount of the Insurance Savings Participation is equal to the amount of Savings Premiums received by the Issuer plus the accrued yield on

such amount (see section 7.6 (*Participation Agreements*) below), provided that the Savings Insurance Company will have paid all Savings Premiums received from the relevant Borrowers to the Issuer. Therefore, normally the Issuer would not suffer any damages if the Borrower would invoke any such right of set-off or defences, if and to the extent that the amount for which the Borrower would invoke set-off or defence does not exceed the amount of the relevant Insurance Savings Participation. The amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the relevant Insurance Savings Participation.

For the avoidance of doubt, the Insurance Savings Participation Agreement does not apply to Life Mortgage Loans to which a Life Insurance Policy with a Unit-Linked Alternative is connected.

***Risk of set-off or defences in respect of investments under Investment Mortgage Loans***

The Seller has represented that under the Investment Mortgage Loans, the securities are purchased by the Seller for the account of the Borrowers and these securities are held in custody by an admitted institution of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. in accordance with the Securities Giro Act (*Wet Giraal Effectenverkeer*, the **Wge**) or, if they do not qualify to be held in accordance with the Wge, by a separate depository vehicle in accordance with Section 6:18 of the Further Regulation on Conduct Supervision of Financial Enterprises (*Nadere regeling gedragstoezicht financiële ondernemingen Wfi*). However, if this is not the case and the investments were to be lost, this may lead to the Borrowers trying to invoke set-off rights or defences against the Issuer on similar grounds as discussed under the paragraph *Risk of set-off or defences in case of insolvency of any of the Insurance Companies* below and the paragraph *Risks related to offering of Investment Mortgage Loans and Life Insurance Policies*.

***Risk of set-off or defences in case of Mortgage Receivables resulting from Bank Savings Mortgage Loans***

Each Bank Savings Mortgage Loan has the benefit of the balance standing to the credit of the relevant Bank Savings Account which is held with the Bank Savings Participant. In respect of the balances standing to the credit of the Bank Savings Account, it is the intention that at the maturity of the relevant Bank Savings Mortgage Loan, such balances will be used to repay the relevant Bank Savings Mortgage Loan, whether in full or in part. If the Bank Savings Participant is no longer able to meet its obligations in respect of the relevant Bank Savings Account, for example as a result of bankruptcy, this could result in the balance standing to the credit of the relevant Bank Savings Account either not, or only partly, being available for application in reduction of the Mortgage Receivable resulting from the relevant Bank Savings Mortgage Loan. This may lead to the Borrower trying to invoke set-off rights and defences against the Seller, the Issuer or the Security Trustee, as the case may be, which may result in the Mortgage Receivables being, fully or partially, extinguished (*tenietgaan*) or not being recovered for other reasons, which could lead to losses under the Notes.

The analysis for such set-off or defences by Borrowers is similar to the risk described in the paragraph *Risk of set-off or defences in case of insolvency of any of the Insurance Companies* above under the paragraph *Set-off or defences regarding Savings Mortgage Loans and Life Mortgage Loans with a Savings Element* and, consequently, in our opinion there is a considerable risk (*een aanmerkelijk risico*) that such a set-off or defence would be successful. In view hereof, on the Closing Date, the Bank Savings Participation Agreement will be entered into, which will be materially in the same form as the Insurance Savings Participation Agreement, except that the Bank Savings Participation Agreement is entered into between the Issuer, the Security Trustee and the Bank Savings Participant (see also section 7.6 (*Participation Agreements*) below). Therefore, normally the Issuer would not suffer any damages if the Borrower would invoke any such right of set-off or defences, if and to the extent that the amount for which the Borrower would invoke set-off or defence does not exceed the amount of the relevant Bank Savings Participation. The amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the relevant Bank Savings Participation.

## **Risks related to investment advice**

In the case of Investment Mortgage Loans, certain services, for example investment advice to the Borrowers, are provided for which the Seller may be responsible or held liable. A Borrower may hold the Seller liable for any damages if it does not meet its obligations towards such Borrower, including its services as investment adviser. In particular liability could arise if the value of the Investment Portfolio is not sufficient to repay the Investment Mortgage Loan at maturity. This may lead to set-off by the Borrower under the Mortgage Receivable (see the paragraph *Set-off by Borrowers may affect the proceeds under the Mortgage Receivables*) and thus to losses under the Notes.

## **Risks related to Construction Deposits**

Pursuant to the Mortgage Conditions, the Borrowers have the right to request to withhold the Construction Deposit to be paid out if certain conditions are met. The aggregate amount of the Construction Deposits on (the opening of business of) the Cut-Off Date is euro 897,739.55. The Issuer and the Seller will agree in the Mortgage Receivables Purchase Agreement that the Issuer is entitled to withhold from the Initial Purchase Price an amount equal to such aggregate Construction Deposits. Such amount will be deposited on the Construction Deposit Account. On each Mortgage Collection Payment Date the Issuer will release from the Construction Deposit Account such part of the Initial Purchase Price which equals the difference between the aggregate Construction Deposits and the balance standing to the credit of the Construction Deposit Account and pay such amount to the Seller.

Pursuant to the Mortgage Conditions, Construction Deposits have to be paid out within 12 months (for refurbishments) or 24 months (for newly built properties) after the relevant Mortgage Loan has been granted. However, the Seller may agree with a Borrower to extend the relevant period for a maximum of 6 months. After such period, any remaining Construction Deposits will (i) if the relevant remaining Construction Deposit is less than euro 12,000 or less than euro 2,500 in case of NHG Mortgage Loans, be paid out by the Seller to the relevant Borrower and consequently the remaining part of the Initial Purchase Price will be paid out by the Issuer to the Seller and (ii) if the relevant remaining Construction Deposit exceeds euro 12,000 or euro 2,500 in case of NHG Mortgage Loans, be set-off against the relevant Mortgage Receivable up to the amount of such Construction Deposit. The Issuer shall have no further obligation towards the Seller to pay the remaining part of the Initial Purchase Price in such case and any balance standing to the credit of the Construction Deposit Account will be transferred to the Issuer Collection Account and form part of the Available Principal Funds.

If any of the events set forth in items (d) and (e) of the definition of the Assignment Notification Events has occurred, the Issuer will no longer be under the obligation to pay such remaining part of the Initial Purchase Price. See section 7.1 (*Purchase, Repurchase and Sale*) below.

Under Dutch law the distinction between 'existing' (*bestaande*) receivables and 'future' (*toekomstige*) receivables is relevant. If receivables are to be regarded as future receivables, an assignment and/or pledge thereof will not be effective to the extent the receivable comes into existence after or on the date on which the assignor or, as the case may be, the pledgor has been declared bankrupt, granted a (preliminary) suspension of payments or subjected to emergency regulations. If, however, receivables are to be considered as existing receivables, the assignment and/or pledge thereof are not affected by the bankruptcy, (preliminary) suspension of payments, or emergency regulations of the assignor/pledgor. The Issuer has been advised that based on case law and Dutch legal literature uncertainty remains whether on the basis of the applicable terms and conditions that part of the Mortgage Receivables relating to the Construction Deposit can be considered to be existing receivables. It could be argued that such part of the Mortgage Loan comes into existence only when and to the extent the Construction Deposit is paid out. If the part of the Mortgage Receivable relating to the Construction Deposit is to be regarded as a future receivable, the assignment and/or pledge of such part will not be effective if the Construction Deposit is paid out on or after the date on which the Seller is declared bankrupt or is granted a (preliminary) suspension of payments or subjected to

emergency regulations. In that event, the Issuer will have no further obligation to pay to the Seller the remaining part of the Initial Purchase Price.

### **Risk related to the value of investments under Investment Mortgage Loans or Life Insurance Policies**

The value of investments made under the Investment Mortgage Loans or in connection with the Life Insurance Policies may not be sufficient for the Borrower to fully redeem the related Mortgage Receivables at its maturity.

### **Risks related to offering of Investment Mortgage Loans and Life Insurance Policies**

Apart from the general obligation of contracting parties to provide information, there are several provisions of Dutch law applicable to offerors of financial products, such as Investment Mortgage Loans and Mortgage Loans to which Life Insurance Policies are attached. In addition, several codes of conduct apply on a voluntary basis. On the basis of these provisions, offerors of these products and intermediaries in these products have a duty, *inter alia*, to provide customers with accurate, complete and non-misleading information about the product, the costs and the risks involved. These requirements have become more strict over time. A breach of these requirements may lead to a claim for damages from a Borrower on the basis of breach of contract or tort. In addition the relevant contract may be dissolved (*ontbonden*) or nullified (*vernietigd*) or a Borrower may claim set-off or defences against the Seller or the Issuer (or the Security Trustee). The merits of such claims will, to a large extent, depend on the manner in which the product was marketed and the promotional material provided to the Borrower. Depending on the relationship between the offeror and any intermediary involved in the marketing and sale of the product, the offeror may be liable for actions of the intermediaries which have led to a claim. The offeror may be held liable for the advice given by an intermediary, even though the offeror has no control over the intermediary. The risk of such claims being made increases if the value of investments made under Life Insurance Policies or the Investment Mortgage Loans is not sufficient to redeem the relevant Mortgage Receivables.

With respect to these risks, the Seller has informed the Issuer as follows. On the topic of transparency (particularly with respect to costs) of unit-linked insurance policies (such as part of the Life Insurance Policies) in the past years there has been public debate and investigation relating to (individual) unit-linked insurance policies. Unit-linked insurance products were developed and launched in the 1990s when stock markets – compared with stock prices in the past – were strong and continuing to grow. With unit-linked insurance products, gains in securities markets benefited the policyholder and as such were very popular. However, as markets began to stagnate and decline beginning in 2007, unit-linked insurance products became less advantageous compared to traditional life insurance as lower returns were passed on to policyholders. In September 2006, a large group of policyholders and consumer organisations began to investigate the lack of transparency of the structure of these contracts (particularly in respect of costs). A mediation process initiated by the AFM at the beginning of 2007 led to the recommendation in March 2008 that Dutch insurers compensate customers for excessive costs, and that insurers retroactively cap the costs of the policies.

As a result of the AFM investigation and complaints from consumer groups, the Group, thus including Delta Lloyd Life, sought to reach an out-of-court settlement of these complaints. In September 2008, the Group became the first Dutch insurer to reach an agreement with consumer organisations on compensation for policyholders of individual unit-linked products. The Group has given and will give effect to this agreement in its payouts at the end of the term of the existing policies. Individual policyholders are not bound by the agreement. Any of them could still decide to sue and claim a higher amount from Delta Lloyd Life if they disagree with the agreement or with the way the Group has given or will give effect to it.

In view of the above, if Life Insurance Policies connected to Investment Mortgage Loans and/or Life Mortgage Loans would be dissolved or nullified, this would affect the collateral granted to secure these Mortgage Loans (the Borrower Investment Pledge, the Borrower Insurance Pledge and the Life Beneficiary Rights respectively). The Issuer has been advised that, depending on the particular circumstances involved,

in such case the Life Mortgage Loans or the Investment Mortgage Loans connected to such Life Insurance Policies can also be dissolved or nullified. Even if the Mortgage Loan is not affected, the Borrower may invoke set-off or defences against the Issuer. The analysis in that situation is similar to the situation in the event of bankruptcy or emergency regulations having been instituted against the Insurance Companies (see the paragraph *Risk of set-off or defences in case of insolvency of any of the Insurance Companies*), except if the Seller is liable itself, whether jointly with the insurer or separately, *vis-à-vis* the Borrower. In this situation, depending on the involvement of the Seller in the marketing and sale of the insurance policy, set-off or defences against the Issuer may be invoked, which will probably only become relevant if the insurer and/or the Seller will not indemnify the Borrower.

The Issuer has been advised that the above risks largely depend on which specific information has been provided to the relevant Borrower through sales people and/or sales materials and that in this respect it is also relevant whether applicable statutory and contractual duties, including statutory duties to provide information to prospective Borrowers, have been complied with. Any such set-off or defences may effect the value of the Mortgage Receivables which may lead to losses under the Notes.

### **Risk that interest rate reset rights will not follow Mortgage Receivables**

The interest rate of the fixed rate Mortgage Loans resets from time to time. The Issuer has been advised that a good argument can be made that the right to reset the interest rate on the Mortgage Loans should be considered as an ancillary right which follows the Mortgage Receivables upon their assignment to the Issuer and the pledge to the Security Trustee, but that in the absence of case law or Dutch legal literature this is not certain. To the extent the interest rate reset right passes upon the assignment of the Mortgage Receivables to the Issuer or upon the pledge of the Mortgage Receivables to the Security Trustee, such assignee or pledgee will be bound by the contractual provisions relating to the reset of interest rates. If the interest reset right remains with the Seller, in the case of the bankruptcy or (preliminary) suspension of payments or emergency regulations of the Seller, the co-operation of the bankruptcy trustee or the administrator would be required to reset the interest rates.

### **Risk that the valuations may not accurately reflect the value of Mortgaged Assets**

There is a risk that the value of a Mortgaged Asset, as determined by external valuers, does not accurately reflect the value of such Mortgaged Asset, either at the time of origination or at any time thereafter. The actual market or foreclosure values realised in respect of a Mortgage Asset may be lower than those reflected in the valuations.

### **Risk that the mortgage rights on long lease cease to exist**

The mortgage rights securing the Mortgage Loans may be vested on a long lease (*erfpacht*), as further described in section 6.2 (*Description of Mortgage Loans*).

A long lease will, *inter alia*, end 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 (*in ernstige mate tekortschieten*) other obligations under the long lease. In case the long lease ends, the landowner will have the obligation to compensate the leaseholder. In such event the mortgage right will, by operation of law, be replaced by a right of pledge on the claim of the (former) leaseholder 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.

When granting a Mortgage Loan to be secured by a mortgage right on a long lease, the Seller will take into consideration the conditions, including the term, of the long lease. The acceptance conditions used by the Seller provide that the Mortgage Loan may have a maturity that is longer than the term of the long lease,

provided that certain conditions are met. The general terms and conditions of the Mortgage Loans provide that the Mortgage Loan becomes immediately due and payable in the event that, *inter alia*, (i) the leaseholder has not paid the remuneration for the long lease, (ii) the conditions of the long lease are changed, (iii) the leaseholder breaches any obligation under the long lease or (iv) the long lease is dissolved or terminated.

### **Changes to tax deductibility of interest may result in an increase of defaults**

In the Netherlands, subject to a number of conditions, mortgage loan interest payments are (partly or wholly) deductible from the income of the Borrowers for income tax purposes. The period allowed for deductibility is restricted to a term of 30 years and it only applies to mortgage loans secured by owner occupied properties. It is however uncertain if and to what extent such deductibility will remain in force and for how long (particularly as it is increasingly the subject of political debate in the Netherlands).

As of 2004, the tax deductibility of mortgage interest payments has been restricted under the so-called Additional Borrowing regulation (*Bijleenregeling*). On the basis of this regulation, if a home owner acquires a new home and realises a profit on the sale of his old home, the home owner is considered to invest this net profit into the new home. Broadly speaking, the net profit is deducted from the value of the new home and mortgage loan interest deductibility is limited to the interest that relates to a maximum loan equal to the value of the new home less the net profit of the old home. Special rules apply to moving home owners that do not (immediately) sell their previous home. On 26 April 2012, the Dutch Minister of Finance published a draft report for the European Commission, called Stability Programme for the Netherlands 2012 (*Nederlandse Stabiliteitsprogramma 2012*) which proposed, among others, a further restriction on interest deductibility for mortgage loans to be originated as from 1 January 2013. As of such date, interest deductibility in respect of newly originated mortgage loans will only be available in respect of mortgage loans which amortise over 30 years or less and are being amortised on at least an annuity basis. On 29 October 2012 the coalition agreement (*Regeerakkoord*) was published, in which the coalition proposes a gradual reduction of tax deductibility of 0.5% per year for existing, and new origination as per 2014, to a maximum of 38 per cent. (*derde schijf*).

It is not certain whether all currently proposed changes in the tax deductibility will be implemented as proposed and there can be no assurance whether or not other or further changes will be implemented.

Any such change or any other or further change to such deductibility and the right to deduct mortgage loan interest payments may among other things have an adverse effect on house prices and the rate of recovery on mortgage loans and, also depending on whether changes will be proposed to treatment of existing mortgage loans, may result in an increase of defaults and/or an increase or decrease of prepayments and repayments.

### **Risks related to the NHG Guarantee**

All NHG Mortgage Loan Receivables will have the benefit of an NHG Guarantee. Pursuant to the terms and conditions (*voorwaarden en normen*) of the NHG Guarantee the *Stichting Waarborgfonds Eigen Woningen* (**Stichting WEW**) has no obligation to pay any loss (in whole or in part) incurred by a lender after a private or a forced sale of the mortgaged property if such lender has not complied with the terms and conditions of the NHG Guarantee. The Seller will on the Closing Date represent and warrant that (i) each NHG Guarantee connected to a Mortgage Loan constitutes legal, valid and binding obligations of Stichting WEW, enforceable in accordance with its terms, (ii) all terms and conditions applicable to the NHG Guarantee at the time of origination of the Mortgage Loan were complied with, and (iii) the Seller is not aware of any reason why any claim under any NHG Guarantee should not be met in full and in a timely matter. Furthermore, it will covenant that if a Mortgage Loan no longer has the benefit of a NHG Guarantee as a result of any action taken or omitted to be taken by the Seller or any of the Servicer and the Non-performing Mortgage Loan Servicer, the Seller shall purchase and accept re-assignment of the relevant NHG Mortgage Loan Receivable on the Mortgage Collection Payment Date immediately following the date on which the Seller or any of the Servicer and the Non-performing Mortgage Loan Servicer has become aware or has been notified hereof.

The terms and conditions of the NHG Guarantee (irrespective of the type of redemption of the mortgage loan) stipulate that the guaranteed amount is reduced on a monthly basis by an amount which is equal to the amount of the monthly repayments plus interest as if the mortgage loan were to be repaid on a thirty year annuity basis. The actual redemption structure of a Mortgage Loan can be different (see section 6.2 (*Description of the Mortgage Loans*)). This may result in the Issuer not being able to fully recover any loss incurred with Stichting WEW under the NHG Guarantee and may lead to a Realised Loss in respect of such Mortgage Receivable and consequently in the Issuer not being able to fully repay the Notes.

### **Rating of the Dutch State**

The rating of the Mortgage-Backed Notes by the Credit Rating Agencies takes into account the NHG Guarantee granted in connection with each of the NHG Mortgage Loans. The NHG Guarantee is ultimately guaranteed by the Dutch State (see section 6.5 (*NHG Guarantee Programme*)) which is currently rated 'Aaa' by Moody's, 'AAA' by S&P and 'AAA' by Fitch. In the event that the Netherlands State ceases to be rated 'Aaa' by Moody's, 'AAA' by S&P and/or 'AAA' by Fitch, this may result in a review by the Credit Rating Agencies of the Notes other than the Class F Notes and could potentially result in a corresponding downgrade of the Notes other than the Class F Notes.

### **Licence requirement under the Wft**

Under the Wft, as a general rule a special purpose vehicle which services (*beheert*) and administers (*uitvoert*) loans granted to consumers such as the Issuer, must have a licence under the Wft. As the Mortgage Loans are granted to consumers, the Issuer must also have a licence under the Wft. However, an exemption from the licence requirement is available, if the special purpose vehicle outsources the servicing of the loans and the administration thereof to an entity holding a licence under the Wft. The Issuer has outsourced the servicing and administration of the Mortgage Loans to the Servicer and the implementation of arrears procedures to the Non-performing Mortgage Loan Servicer, Delta Lloyd Bank as the Servicer and the Non-performing Mortgage Loan Servicer holds a licence as a bank under the Wft and the Issuer thus benefits from the exemption to the licence requirement. However, if the appointment of Delta Lloyd Bank as the Servicer and/or the Non-performing Mortgage Loan Servicer under the Servicing Agreement is terminated, the Issuer will need to outsource the servicing and administration of the Mortgage Receivables to another licensed entity or it needs to apply for and hold a licence itself. In the latter case, the Issuer will have to comply with the applicable requirements under the Wft. If such appointment(s) under the Servicing Agreement is (are) terminated and the Issuer has not outsourced the servicing and administration of the Mortgage Loans to a licensed entity and does not hold a licence itself, the Issuer will have to terminate its activities and settle (*afwickelen*) its existing agreements. This may result, among others, in early redemption of the Notes.

### **The Dutch Intervention Act could affect the Noteholders**

On 13 June 2012 (with retro-active effect as of 20 January 2012) the Dutch act granting additional powers to the Dutch Minister of Finance and DNB to deal with ailing banks and insurance companies came into force in the Netherlands (*Interventiewet*) (the **Dutch Intervention Act**). The act is inspired by a consultation launched by the European Commission on 6 January 2011 on a comprehensive framework to deal with ailing banks and insurance companies (the **EU Banking Proposal**). A draft EU Directive on the basis of that EU Banking Proposal was published in June 2012. The EU Banking Proposal contains a number of legislative proposals, some (but not all) of which are reflected in the Dutch Intervention Act. Under the Dutch Intervention Act, substantial new powers have been granted to DNB and the Minister of Finance enabling them to deal with ailing Dutch banks and insurance companies prior to insolvency. The measures would allow them to commence proceedings which may lead to: (i) the transfer of all or part of the business (including, in the case of a bank, deposits) of an ailing bank or insurance company to a private sector purchaser; (ii) the transfer of all or part of the business of an ailing bank or insurance company to a "bridge entity"; (iii) the transfer of the shares in an ailing bank or insurance company to a private sector purchaser or a "bridge entity"; (iv) immediate interventions by the Minister of Finance concerning an ailing bank or insurance company and (v) public ownership (nationalisation) of all or part of the business of an ailing bank

or insurance company or of all or part of the shares or other securities issued by an ailing bank or insurance company. The Dutch Intervention Act contains provisions prohibiting counterparties of banks and insurance companies to invoke contractual rights (such as, for instance, contractual rights to terminate or to invoke a right of set off or to require security to be posted) if such right is triggered by the intervention of DNB or the Minister of Finance based on the Dutch Intervention Act or the Wft or by a circumstance which is the consequence of such intervention. If and when the above mentioned EU Directive is promulgated and needs to be implemented, the Dutch Intervention Act will probably need to be amended to reflect the provisions of that EU Directive.

Although the exercise of powers by DNB or the Minister of Finance under the Dutch Intervention Act could not affect the transfer of legal title to the Mortgage Receivables to the Issuer, there is a risk that such exercise of powers could adversely affect the proper performance by each of the Participants, the Servicer, the Non-performing Mortgage Loan Servicer, N.V. Bank Nederlandse Gemeenten (in its capacity as Issuer Account Bank or Cash Advance Facility Provider) or Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International) (in its capacity as Swap Counterparty) of its payment and other obligations to the Issuer and enforcement thereof against the such parties under the Transaction Documents. The Seller itself does not qualify as a bank or insurance company, but its ability to perform its obligations under the Transaction Documents may be affected too if an intervention (*gebeurtenis*) occurs in respect of one or more of its group companies who do qualify.

**The performance of the Notes may be adversely affected by the recent conditions in the global financial markets and these conditions may not improve in the near future**

Global markets and economic conditions have been negatively impacted in 2010, 2011 and 2012 by market perceptions regarding the ability of certain EU Member States to service their sovereign debt obligations, including in Greece, Spain, Ireland, Italy and Portugal. The continued uncertainty over the outcome of the EU governments' financial support programs and the possibility that other EU Member States may experience similar financial troubles could further disrupt global financial markets. In particular, it has and could in the future disrupt equity markets and result in volatile bond yields on the sovereign debt of EU members. These developments could have material adverse impacts on financial markets and economic conditions throughout the world and, in turn, the market's anticipation of these impacts could have a material adverse effect on the business, financial condition and liquidity of counterparties of the Issuer to the Transaction Documents. Failure to perform obligations under the Transaction Documents may adversely affect the performance of the Notes. These factors and general market conditions could adversely affect the performance of the Notes. There can be no assurance that governmental or other actions will improve these conditions in the future

### 3. PRINCIPAL PARTIES

#### 3.1 Issuer

The Issuer was incorporated with limited liability under the laws of the Netherlands on 12 November 2012. The corporate seat (*statutaire zetel*) of the Issuer is in Amsterdam, the Netherlands. The Issuer operates on a cross-border basis when offering the Notes in certain countries. The registered office of the Issuer is at Frederik Roeskestraat 123, 1076 EE Amsterdam and its telephone number is +31 20 5771 177. The Issuer is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 56459009.

The Issuer is a special purpose vehicle, whose objects are, *inter alia*, (a) to acquire, purchase, conduct the management of, dispose of and to encumber receivables under or in connection with loans granted by a third party or by third parties and to exercise any rights connected to such receivables, (b) to acquire monies to finance the acquisition of the receivables, mentioned under a., by way of issuing notes, securities or by way of entering into loan agreements, (c) to invest and on-lend any funds held by the company, (d) to hedge interest rate and other financial risks, amongst others by entering into derivatives agreements, such as swaps and options, (e) incidental to the foregoing: (i) to borrow funds, amongst others to repay the obligations under the securities mentioned under b., and (ii) to grant security rights to third parties, or to release these security rights; and (f) to perform all activities which are, in the widest sense of the word, incidental to and/or which may be conducive to any of the foregoing.

The issued and paid up capital of the Issuer is euro 100, divided in 10 shares of euro 10 each. All shares of the Issuer are held by the Shareholder.

#### *Statement by managing director of the Issuer*

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

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

The sole managing director of the Issuer is ATC Management B.V. The managing directors of ATC Management B.V. are R. Arendsen, R. Rosenboom, R. Posthumus, R. Langelaar and A.R. van der Veen. The managing directors of ATC Management B.V. have chosen domicile at the office address of ATC Management B.V., being Frederik Roeskestraat 123, 1076 EE Amsterdam.

ATC Management B.V. is also the Director of the Shareholder. ATC Management B.V. belongs to the same group of companies as ATC Financial Services B.V., which is the Issuer Administrator. The sole shareholders of ATC Management B.V. and ATC Financial Services B.V. is ATC Group B.V.

The objects of ATC Management B.V. are (a) advising of and mediation by financial and related transactions, (b) to act as finance company, and (c) to conduct the management of legal entities.

The Director of the Issuer has entered into the Issuer Management Agreement pursuant to which the Director agrees and undertakes that, *inter alia*, (i) it shall manage the affairs of the Issuer in accordance with proper and prudent Netherlands business practice and in accordance with the requirements of Netherlands law and

Netherlands accounting practice and with the same care that it exercises or would exercise in connection with the administration of similar matters held for its own account or for the account of third parties, and (ii) it shall refrain from taking any action detrimental to the Issuer's ability to meet its obligations under any of the Transaction Documents. In addition, the Issuer's Director agrees in the Issuer Management Agreement that it shall not agree to any alteration of any agreement including, but not limited to, the Transaction Documents, except in accordance with the Trust Deed.

There are no potential conflicts of interest between: (i) the duties of the Director, when acting in its capacity as Director of the Issuer; and (ii) any private interests or other duties of the Director. The Seller does not hold an interest in any group company of the Director.

The financial year of the Issuer coincides with the calendar year. The first financial year will end on 31 December 2013.

### 3.2 Shareholder

Stichting Holding Arena 2012-I (the **Shareholder**) is a foundation (*stichting*) incorporated under the laws of the Netherlands on 12 November 2012. The objects of Stichting Holding Arena 2012-I are, *inter alia*, (a) to incorporate, acquire and to hold shares in the share capital of the Issuer, (b) to exercise all rights attached to such shares, (c) to grant loans to the Issuer, and (d) to dispose of an encumbered such share in the Issuer. The sole managing director of Stichting Holding Arena 2012-I is ATC Management B.V. The Shareholder is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 56449216.

ATC Management B.V. is also the Director of the Issuer.

The objects of ATC Management B.V. are, *inter alia*, (a) advising and mediation in respect of financial and related transactions, (b) to act as finance company, and (c) to conduct the management of legal entities.

The Director of the Shareholder has entered into the Shareholder Management Agreement pursuant to which the Director agrees and undertakes to, *inter alia*, (i) manage the affairs of the Shareholder in accordance with proper and prudent Netherlands business practice and in accordance with the requirements of Netherlands law and Netherlands accounting practices, and (ii) refrain from any action detrimental to the Issuer's ability to meet its obligations under any of the Transaction Documents.

### 3.3 Security Trustee

The Security Trustee is a foundation (*stichting*) incorporated under the laws of the Netherlands on 12 November 2012. The statutory seat of the Security Trustee is in Amsterdam and its registered office is at Claude Debussylaan 24, 1082 MD Amsterdam, the Netherlands. The Security Trustee is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 56449046.

The objects of the Security Trustee are (a) to act as security trustee for the benefit of the creditors of the Issuer, including the holders of the Notes to be issued by the Issuer; (b) to acquire, hold and administer security rights in its own name, and if necessary to enforce such security rights, for the benefit of the creditors of the Issuer, including the holders of the Notes to be issued by the Issuer, and to perform acts and legal acts, including the acceptance of a parallel debt obligation from the Issuer, which is conducive to the holding of the abovementioned security rights; (c) to borrow money; and (d) to perform any and all acts which are related, incidental or which may be conducive to the above.

The sole director of the Security Trustee is ANT Securitisation Services B.V., having its registered office at Claude Debussylaan 24, 1082 MD Amsterdam, the Netherlands. The managing directors of ANT Securitisation Services B.V. are A.G.M. Nagelmaker and H.M. van Dijk.

The Security Trustee shall not be liable for any action taken or not taken by it or for any breach of its obligations under or in connection with the Trust Deed or any other Transaction Document to which it is a party, except in the event of its wilful misconduct (*opzet*) or gross negligence (*grove nalatigheid*), and it shall not be responsible for any act or negligence of persons or institutions selected by it in good faith and with due care.

As set out in the Trust Deed, the Security Trustee Management Agreement and the Security Trustee's articles of incorporation, the Security Trustee shall not retire or be removed from its duties under the Trust Deed until all amounts payable by the Issuer to the Secured Creditors have been paid in full.

However, the Noteholders can resolve to dismiss the Director of the Security Trustee as the director of the Security Trustee by an Extraordinary Resolution, on the basis of the Trust Deed and the articles of incorporation of the Security Trustee. Moreover, the Security Trustee may terminate the appointment of the Director as managing director subject to Credit Rating Agency Confirmation having been obtained. The Director of the Security Trustee shall only resign from its position as director of the Security Trustee as soon as a suitable person, trust or administration office, reasonably acceptable to the Issuer (after having consulted the Secured Creditors, other than the Noteholders) has been contracted to act as director of the Security Trustee, subject to an Extraordinary Resolution by the Noteholders in accordance with the Trust Deed and provided that a Credit Rating Agency Confirmation has been obtained.

### 3.4 The Seller

#### 1. INTRODUCTION

##### **Amstelhuys and its position in the Group**

Amstelhuys is a wholly-owned subsidiary of Delta Lloyd N.V. (**Delta Lloyd**). Amstelhuys is fully consolidated in Delta Lloyd's annual accounts. On 7 July 1999 Delta Lloyd issued a statement of joint and several liability pursuant to Section 2:403 of the Netherlands Civil Code. As a result thereof, Delta Lloyd assumes joint and several liability for any liabilities arising from legal acts of Amstelhuys.

The statutory objects of Amstelhuys are: (i) obtaining repayable funds within a closed circle and/or from professional market parties, (ii) granting (mortgage) loans to private persons and/or companies, (iii) whether or not together with other parties, incorporating, participating in, managing, financing of and providing services to undertakings in whatever form, (iv) acquiring and disposing of or encumbering of (portfolios of) (mortgage) loans, including but not limited to, in connection with securitisations, (v) giving guarantees and granting security rights or otherwise warranting the performance or jointly or otherwise binding the company to be liable for obligations of others, including but not limited to, subsidiaries, participations or other group companies of the company, as well performing any and all acts which are related or which may (directly or indirectly) be conducive to the above, including but not limited to, entering into repo transactions, forward rate agreements and other derivative contracts, all in the in the widest sense of the word.

Amstelhuys is not a bank and therefore is not licensed as such and its operations are not subject to the general prohibition of attracting repayable funds from outside a restricted circle from other parties than professional market parties. It holds a licence under the Wft as an offeror of credit (*aanbieder van krediet*).

#### 2. HISTORY

The history of Delta Lloyd N.V. and its subsidiaries (collectively the **Group**) dates back to 1807. In that year, the Hollandsche Societeit van Levensverzekeringen N.V. was established, making the Group the oldest existing life insurer in continental Europe. Hollandsche Societeit van Levensverzekeringen N.V. strengthened its position in the insurance and investment market by merging in 1967 with Amsterdamse Maatschappij van Levensverzekering N.V. The resulting entity, Delta, then merged with the general insurance company Nedlloyd to create Delta Lloyd in 1969.

Commercial Union, a UK-based insurer with an extensive international network, became Delta Lloyd's only shareholder in 1973, while Delta Lloyd retained operational independence and continued to operate under its own brand name in the Dutch market. Commercial Union merged with General Accident in 1998 to form CGU plc, which then merged with Norwich Union plc in 2000 to create CGNU plc, which was renamed Aviva plc (**Aviva**) in 2002.

Through various acquisitions and mergers in the Netherlands, Germany and Belgium and its joint venture with ABN AMRO Bank, the Group obtained its current form; being a financial services provider offering life insurance, general insurance, asset management and banking products and services. One of the most important mergers in this regard was the merger with Nuts OHRA Beheer B.V., a Netherlands-based direct insurance writer. Nuts OHRA Beheer B.V.'s shareholder, Vereniging NutsOhra (now called Stichting Fonds NutsOhra (**Fonds NutsOhra**)) became a shareholder at the time of the merger. Following the merger, Delta Lloyd had two shareholders, Aviva held 92% of the voting rights and Fonds NutsOhra held 8% of the voting rights. The merger allowed the combined company to begin to pursue its multi-brand, multi-channel distribution strategy in the Netherlands, as distribution expanded from Intermediaries (Delta Lloyd) to include also direct sales (**OHRA**).

On 3 November 2009, Delta Lloyd obtained an official listing on NYSE Euronext in Amsterdam. As of 2 March 2010, Delta Lloyd is included in the Amsterdam Midkap Index (**AMX index**). The AMX index is a capitalization weighted index composed of the 25 funds that rank 26-50 in terms of regulated turnover on the Amsterdam Stock Exchange.

### 3. BUSINESS

#### *Overview*

The Group is a financial services provider offering life insurance, general insurance, asset management and banking products and services with its targeted markets being the Netherlands and Belgium.

The Group employs a multi-brand, multi-channel strategy in the Netherlands in order to position itself advantageously in different distribution channels and customer and pricing segments in the insurance market. The primary differences among the Group's three principal Dutch brands (Delta Lloyd, ABN AMRO Insurance and OHRA) result from the positioning, pricing, marketing and distribution of their products.

Through the Delta Lloyd brand, the Group targets retail and commercial customers in the middle to premium range of the life and general insurance markets, distributing primarily through independent intermediaries, which include independent financial advisers, underwriting agents (*volmacht*, with respect to general insurance), actuarial consulting firms (with respect to group life insurance) and brokers (together, **Intermediaries**). Through the ABN AMRO Insurance brand, the Group generally targets individuals, but has some group and commercial customers, in the middle range of the life and general insurance markets, leveraging the distribution network of ABN AMRO Bank, which includes bank branches, call centres, financial centres and bank internet platforms (together, **Bancassurance**). Through the OHRA brand, the Group offers commodity products in the life and general insurance markets, distributing primarily through direct channels such as call centres and the internet. In Belgium, the Group distributes its insurance products through Intermediaries, tied agents (agents which sell only products of the Group) and through its own network of bank branches.

The Group has extensive distribution networks with large customer bases in the Netherlands and Belgium, which it believes will provide the platform for the Group to continue to grow in mature markets. In addition, the Group has maintained a strong capital position through the recent economic downturn. The Group seeks to grow through a combination of organic growth and targeted acquisitions.

The Group also has operations in Germany, however on 30 September 2011, Delta Lloyd announced the sale of its German business to Nomura Holdings, Inc. This was in line with Delta Lloyd's stated strategy to focus on its core markets, the Netherlands and Belgium. However, Delta Lloyd has in the meanwhile withdrawn from discussions with Nomura and cancelled the sale of its German activities to Nomura. Delta Lloyd intends to continue to run its German operations as a 'run-off' business, continuing to explore strategic options in Germany.

#### *Segments*

The Group's core business lines are the following:

*Life Insurance:* The Group offers, through its multiple brands, a range of products from commodity insurance products to tailor-made and often sophisticated insurance products, as well as commodity savings and financial planning services. Its core life insurance products include pension (in particular group pension) products and administration services for group customers and traditional and unit-linked life insurance and savings products for individual customers. The Group offers individual and group life insurance in the Netherlands principally under the Delta Lloyd, ABN AMRO Insurance and OHRA brands, utilising different customer and pricing strategies through Intermediaries (Delta Lloyd), Bancassurance (ABN AMRO Insurance and Deutsche Bank) and direct (OHRA) distribution channels. Through BeFrank, Delta Lloyd's

joint venture with Binck Bank, it offers group defined contribution pension schemes (second pillar) since 2011. BeFrank is a premium pension institution (*PremiePensioen Instelling/PPI*), a new type of pension administrator that has entered the Dutch market, alongside insurers and pension funds, and offers innovative pension products at a very low cost. In Belgium, the Group sells individual and group life insurance primarily under the Delta Lloyd Belgium brand, distributed through the Group's own network of bank branches and tied agents, as well as through Intermediaries.

*General Insurance:* The Group offers a broad range of general insurance products, principally in the Netherlands, including products such as motor, fire, liability, income and absenteeism and marine/pleasure craft insurance policies. The Group's general insurance products are distributed to both private and commercial customers in the Netherlands under the Group's three principal brands using distribution channels similar to those used for its life insurance operations. Following the sale of the Group's Dutch health insurance business to CZ (with effect from 1 January 2009), the Group acts as a distributor of certain health insurance products underwritten by CZ which are sold under the Delta Lloyd and OHRA brands, for which the Group receives fees and commissions. The joint venture between Delta Lloyd Group and Friesland Bank that was established at the end of 2011 will be terminated in 2012 as a result of the takeover of Friesland Bank by Rabobank Nederland. Delta Lloyd Group and Rabobank Nederland have reached an agreement in principle that Friesland Bank will buy back Delta Lloyd's interest (51%) in the joint venture. Delta Lloyd Group retains its preferred supplier status for insurance at Rabobank. In Belgium certain general insurance products (motor, liability and fire) are offered through the Zelia brand, however, this is not a core activity. The Group does not offer its own general insurance products in Germany, but distributes insurance underwritten by third parties.

*Asset Management:* The Asset Management segment comprises the activities of Delta Lloyd Asset Management N.V. (**Delta Lloyd Asset Management**) and the asset management activities of various lines of business. Delta Lloyd Asset Management's product offering includes a range of third-party investor funds for institutional and retail customers and discretionary mandates for institutional customers. In addition, it manages real estate funds available to the Group and third-party investors, as well as a boutique fund company, Cyrte, aimed at institutions and family offices. Certain other segments of the Group also manage assets. Delta Lloyd Asset Management has in that regard an advisory role. Institutional fund sales take place primarily through the segment's dedicated sales force. For sales to retail investors, Asset Management generally relies on third-party banks in the Netherlands, Belgium and Germany, though a small portion of retail fund sales (unit-linked insurance) are distributed through the Group's own distribution channels. In the Netherlands, funds are distributed largely by Dutch retail banks, including ABN AMRO Bank, Rabobank and ING.

*Banking:* The Group's banking business line offers a range of banking products and services in the Netherlands and Belgium. Its banking products and services in the Netherlands primarily include mortgage loans, as well as savings and bank savings (*banksparen*) distributed through Intermediaries and direct channels. Customers are increasingly taking up bank savings (*banksparen*) as an alternative to individual life products. In the Netherlands, the Group uses Amstelhuys (a wholly-owned subsidiary of Delta Lloyd which is not included in the banking segment) as originator of most of its residential mortgage loans and as a funding vehicle.

In Belgium, the Group offers its services through its own network of branches, as well as through tied agents and direct channels. In 2010, Delta Lloyd Bank Belgium has announced a change in its commercial focus in Belgium. The emphasis will be shifted from the volume strategy to the target group of customers who expect extra services and appreciate a personal relationship and individual asset management advice. In pursuing this new focus, Delta Lloyd Bank Belgium will adjust its product portfolio, its branch network and its co-operation with independent intermediaries, while keeping an eye on the interests of its existing customer base.

### **3.5 Stater Nederland B.V.**

Stater Nederland B.V. (**Stater**) is the leading service provider for the Dutch mortgage market. In fulfilling this role, Stater focuses on support for mortgage funders in the sale, handling and financing of mortgage portfolios.

After starting life as part of Bouwfonds Hypotheken, Stater started its activities in January 1997 as an independent service provider in the mortgage market. Stater has since grown to become an international force in the market with circa 800 employees.

Stater Nederland B.V. is a 100 per cent subsidiary of Stater N.V., of which the shares are held for 100 per cent by ABN AMRO Bank N.V.

Stater provides activities consisting of mortgage payment transactions and ancillary activities with regard to a total of more than euro 176 billion and approximately 976,000 mortgage loans. In the Netherlands, Stater has a market share of about thirty (30) per cent.

The activities are provided in a completely automated and paperless electronic format. Stater has pioneered the use of technology through its e-transactions concept for owners of residential mortgage loan portfolios and features capabilities to enhance, accelerate and facilitate securitisation transactions.

Stater provides an origination system that includes automated underwriting, allowing loan funders to specify underwriting criteria for each product. A credit-scoring model and a fraud detection system can form part of automated underwriting.

In November 2011, Fitch affirmed Stater residential “primary servicer” rating at ‘RPS1-NL’. With this rating, which Stater received for its role as "primary servicer", Stater is the top scoring service provider in Europe. Ratings are awarded on a scale from 1 to 5, with 1 being the highest possible ranking.

In December 2011 KPMG Netherlands, Stater’s external auditor, issued an ISAE 3402 Type II assurance report on internal processes at Stater for the period 1 January 2011 until 31 October 2011. ISAE 3402 is an internationally recognized assurance standard for reporting on control processes of service organisations. The audit by external auditors is done annually.

Stater's head office is located at Podium 1, 3826 PA, Amersfoort, the Netherlands.

### 3.6 The Issuer Administrator

The Issuer has appointed ATC Financial Services B.V. to act as its Issuer Administrator in accordance with the terms of the Servicing Agreement.

ATC Financial Services B.V. will be appointed as Issuer Administrator pursuant to and under the terms of the Servicing Agreement (see further under section 7.5 (*Servicing Agreement*)). ATC Financial Services B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands on 20 June 1963. It has its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Fred. Roeskestraat 123-I, 1076 EE Amsterdam, the Netherlands. The Issuer Administrator is registered with the trade register (*Handelsregister*) of the Chambers of Commerce in the Netherlands under number 33210270.

The objects of the Issuer Administrator are (a) to represent financial, economic and administrative interests in the Netherlands and other countries, (b) to act as trust company, as well as to participate in, manage and administer other enterprises, companies and legal entities and (c) to perform any and all acts which are related, incidental or which may be conducive to the above. The managing directors of the Issuer Administrator are J.H. Scholts, F.E.M. Kuijpers, R. Posthumus and R. Rosenboom. The sole shareholder of the Issuer Administrator is ATC Group B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands, which entity is also the sole shareholder of each of the Directors.

ATC Financial Services B.V. is under supervision of and licensed by the Dutch Central Bank.

### 3.7 Other Parties

<b>Cash Advance Facility Provider</b>	N.V. Bank Nederlandse Gemeenten, incorporated under the laws of the Netherlands as a public company with limited liability ( <i>naamloze vennootschap</i> ).
<b>Swap Counterparty</b>	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., incorporated under the laws of the Netherlands as a cooperative ( <i>coöperatie</i> ), having its corporate seat in Utrecht, the Netherlands, trading as Rabobank International, acting through its London Branch
<b>Issuer Account Bank</b>	N.V. Bank Nederlandse Gemeenten, incorporated under the laws of the Netherlands as a public company with limited liability ( <i>naamloze vennootschap</i> ).
<b>Directors</b>	ATC Management B.V., the sole director of the Issuer and the Shareholder and ANT Securitisation Services B.V., the sole director of the Security Trustee, both incorporated under the laws of the Netherlands as a private company with limited liability ( <i>besloten vennootschap met beperkte aansprakelijkheid</i> ), having its corporate seat in Amsterdam, the Netherlands.
<b>Principal Paying Agent</b>	Deutsche Bank AG, London Branch incorporated under the laws of Germany as a company with limited liability, acting through its London branch.
<b>Paying Agent</b>	Deutsche Bank AG, Amsterdam Branch incorporated under the laws of Germany as a company with limited liability, acting through its Amsterdam branch.
<b>Reference Agent</b>	Deutsche Bank AG, London Branch incorporated under the laws of Germany as a company with limited liability, acting through its London branch.
<b>Listing Agent</b>	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., incorporated under the laws of the Netherlands as a cooperative ( <i>coöperatie</i> ), having its corporate seat in Utrecht, the Netherlands, trading as Rabobank International.
<b>Common Service Provider</b>	Clearstream, Luxembourg in respect of the Class A Notes and Deutsche Bank AG, London Branch in respect of the Class B, Class C, Class D, Class E and Class F Notes
<b>Common Safekeeper</b>	Clearstream, Luxembourg in respect of the Class A Notes and Deutsche Bank AG, London Branch in respect of the Class B, Class C, Class D, Class E and Class F Notes
<b>Savings Insurance Company</b>	Delta Lloyd Levensverzekering N.V., incorporated under the laws of the Netherlands as a public company with limited liability ( <i>naamloze vennootschap</i> ).

<b>Bank Savings Participant</b>	Delta Lloyd Bank N.V. incorporated under the laws of the Netherlands as a public company with limited liability ( <i>naamloze vennootschap</i> ).
<b>Arranger</b>	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., incorporated under the laws of the Netherlands as a cooperative ( <i>coöperatie</i> ), having its corporate seat in Utrecht, the Netherlands, trading as Rabobank International.
<b>Managers</b>	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., incorporated under the laws of the Netherlands as a cooperative ( <i>coöperatie</i> ), having its corporate seat in Utrecht, the Netherlands, trading as Rabobank International and Barclays Bank PLC, a public limited company organised under the laws of England and Wales, and established in London.

## 4. THE NOTES

### 4.1 Terms and Conditions of the Notes

*If Notes are issued in definitive form, the Conditions will be as set out below. The Conditions will be endorsed on each Note in definitive form if they are issued. While the Notes remain in global form, the same terms and conditions govern the Notes, except to the extent that they are not appropriate for Notes in global form. See section 4.2 (Form) below.*

The issue of the euro 154,000,000 floating rate Class A1 Mortgage-Backed Notes 2012 due 2044 (the **Class A1 Notes**), the euro 490,000,000 floating rate Class A2 Mortgage-Backed Notes 2012 due 2044 (the **Class A2 Notes**) and together with the Class A1 Notes, the **Class A Notes**), the euro 18,200,000 floating rate Class B Mortgage-Backed Notes 2012 due 2044 (the **Class B Notes**), the euro 16,100,000 Class C Mortgage-Backed Notes 2012 due 2044 (the **Class C Notes**), the euro 14,000,000 Class D Mortgage-Backed Notes 2012 due 2044 (the **Class D Notes**), the euro 7,700,000 Class E Mortgage-Backed Notes 2012 due 2044 (the **Class E Notes**, and together with the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the **Mortgage-Backed Notes**) and the euro 10,500,000 Class F Notes 2012 due 2044 (the **Class F Notes**, and together with the Mortgage-Backed Notes, the **Notes**) was authorised by a resolution of the managing director of Arena 2012-I B.V. (the **Issuer**) passed on 10 December 2012. The Notes are issued under a trust deed dated 17 December 2012 (the **Trust Deed**) between the Issuer, Stichting Holding Arena 2012-I and Stichting Security Trustee Arena 2012-I (the **Security Trustee**).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of (i) the Trust Deed, which will include the form of the Notes and the interest coupons appertaining to the Notes (the **Coupons**) and the forms of the temporary global notes (the **Temporary Global Notes**) and the permanent global notes (the **Permanent Global Notes**), (ii) a paying agency agreement (the **Paying Agency Agreement**) dated 13 December 2012 between the Issuer, the Security Trustee, Deutsche Bank AG, London Branch as principal paying agent (the **Principal Paying Agent**) and as reference agent (the **Reference Agent**) and Deutsche Bank AG, Amsterdam Branch as paying agent (the **Paying Agent** and together with the Principal Paying Agent, the **Paying Agents**), (iii) a servicing agreement (the **Servicing Agreement**) dated 13 December 2012 between the Issuer, Delta Lloyd Bank N.V. as servicer (the **Servicer**) and non-performing mortgage loan servicer (the **Non-performing Mortgage Loan Servicer**), ATC Financial Services B.V., as issuer administrator (the **Issuer Administrator**) and the Security Trustee, (iv) a parallel debt agreement (the **Parallel Debt Agreement**) dated 13 December 2012 between the Issuer, the Security Trustee and the Secured Creditors, (v) a pledge agreement (the **Issuer Rights Pledge Agreement** dated 13 December 2012 between, amongst others, the Issuer and the Security Trustee, (vi) a pledge agreement dated between the Issuer, the Security Trustee and others (the **Issuer Mortgage Receivables Pledge Agreement**, and together with the Issuer Rights Pledge Agreement, the **Pledge Agreements**).

Unless otherwise defined herein, words and expressions used in these Conditions are defined in a master definitions agreement (the **Master Definitions Agreement**) dated 13 December 2012 and signed by the Issuer, the Security Trustee, the Paying Agents and certain other parties. Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions. If the definitions in the Master Definitions Agreement would conflict with definitions used herein, the definitions of these Conditions shall prevail. As used herein, **Class** means either the Class A Notes (being the Class A1 Notes and the Class A2 Notes jointly), the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, as the case may be.

Copies of the Trust Deed, the Paying Agency Agreement, the Parallel Debt Agreement, the Pledge Agreements and the Master Definitions Agreement and certain other Transaction Documents (see section 8 (*General*)) are available for inspection, free of charge, by Noteholders and prospective noteholders at the specified office of the Security Trustee, being at the date hereof Claude Debussylaan 24, 1082 MD Amsterdam, the Netherlands. The Noteholders are entitled to the benefit of, are bound by, and are deemed to

have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement, the Parallel Debt Agreement, the Pledge Agreements and the Master Definitions Agreement.

## 1. Form, Denomination and Title

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

## 2. Status, Relationship between the Classes of Notes and Security

- (a) The Notes of each Class are direct and unconditional obligations of the Issuer and rank at all times *pari passu* and rateably without any preference or priority among Notes of the same Class. The Class A Notes comprise of the Class A1 Notes and the Class A2 Notes and the Class A1 Notes and the Class A2 Notes rank *pari passu* and *pro rata* in accordance with the respective amounts outstanding thereunder without any preference or priority among all Notes of such Class in respect of the Security and payments of interest. Provided that no Enforcement Notice has been given, payments of principal on the Class A Notes are applied firstly to the Class A1 Notes and then to the Class A2 Notes.
- (b) In accordance with and subject to the provisions of Conditions 4, 6 and 9 and the Trust Deed (i) payments of principal and interest on the Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, (ii) payments of principal and interest (if any) on the Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes and the Class B Notes, (iii) payments of principal and interest (if any) on the Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes and the Class C Notes, (iv) payments of principal and interest (if any) on the Class E Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and (v) payments of principal and interest (if any) on the Class F Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. The Class F Noteholders do not have the right to receive any amount pursuant to the Redemption Priority of Payments.
- (c) The security for the obligations of the Issuer towards the Noteholders (the **Security**) will be created pursuant to, and on the terms set out in, the Trust Deed, the Parallel Debt Agreement and the Pledge Agreements, which will create the following security rights:
- (i) a first ranking "undisclosed" pledge by the Issuer to the Security Trustee on the Mortgage Receivables and the Beneficiary Rights and ancillary rights; and
- (ii) a first ranking "disclosed" pledge by the Issuer to the Security Trustee on the Issuer's rights (a) against the Seller under or in connection with the Mortgage Receivables Purchase Agreement; (b) against the Servicer and the Non-performing Mortgage Loan Servicer and the Issuer Administrator under or in connection with the Servicing Agreement; (c) against the Swap Counterparty under or in connection with the Swap Agreement; (d) against the Cash Advance Facility Provider under or in connection with the Cash Advance Facility Agreement; (e) against the Issuer Account Bank under or in connection with the Issuer Account Agreement; (f) against the Savings Insurance Company under or in connection with

the Insurance Savings Participation Agreement; (g) against the Bank Savings Participant under or in connection with the Bank Savings Participation Agreement; and (h) against the Issuer Account Bank in respect of the Issuer Transaction Accounts;

- (d) The Notes will be secured (indirectly through the Parallel Debt) by the Security. The Class A Notes (being the Class A1 Notes and the Class A2 Notes jointly) will rank in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes; the Class B Notes will rank in priority to the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes; the Class C Notes will rank in priority to the Class D Notes, the Class E Notes and the Class F Notes, the Class D Notes will rank in priority to the Class E Notes and the Class F Notes and the Class E Notes rank in priority to the Class F Notes. The **Most Senior Class of Notes** means the Class A Notes or if there are no Class A Notes outstanding, the Class B Notes, or if there are no Class B Notes outstanding, the Class C Notes, or if there are no Class C Notes outstanding, the Class D Notes, or if there are no Class D Notes outstanding, the Class E Notes, or if there are no Class E Notes outstanding, the Class F Notes.

The Trust Deed contains provisions requiring the Security Trustee to 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**), as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise). If there is a conflict of interest between any Classes of Noteholders, the Security Trustee shall have regard only to the interest of the Most Senior Class of Noteholders. In addition, the Security Trustee shall have regard to the interests of the other Secured Creditors, provided that in case of a conflict of interest between the Secured Creditors, the Priority of Payments upon Enforcement set forth in the Trust Deed determines which interest of which Secured Creditor prevails.

### 3. Covenants of the Issuer

So long as any of the Notes remain outstanding, the Issuer shall carry out its business in accordance with proper and prudent Dutch business practice and in accordance with the requirements of Dutch law and accounting practice and shall not, except (i) to the extent permitted by the Mortgage Receivables Purchase Agreement, the Servicing Agreement, the Pledge Agreements, the Parallel Debt Agreement, the Swap Agreement, the Issuer Account Agreement, the Cash Advance Facility Agreement, the Participation Agreements, the Notes Purchase Agreement, the Notes, the Paying Agency Agreement, the Beneficiary Waiver Agreement, the Management Agreements, the Subordinated Loan Agreement, the Deed of Assignment and the Trust Deed (and together with the Master Definitions Agreement, the **Transaction Documents**) or (ii) with the prior written consent of the Security Trustee:

- (a) carry out any business other than as described in the Prospectus dated 13 December 2012 relating to the issue of the Notes and as contemplated in the Transaction Documents;
- (b) incur or permit to subsist any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness, except as contemplated in the Transaction Documents;
- (c) create or promise to create any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of or grant any options or rights to any part of its assets, except as contemplated in the Transaction Documents;

- (d) consolidate or merge with any other person or convey or transfer its properties or assets substantially or as an entirety to one or more persons;
- (e) permit the validity or effectiveness of the Trust Deed, the Parallel Debt Agreement or the Pledge Agreements and/or the priority of the Security created thereby or pursuant thereto to be amended, terminated, waived, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations except as contemplated in the Transaction Documents;
- (f) have any employees or premises or have any subsidiary or subsidiary undertaking;
- (g) have an interest in any bank account other than (i) the Issuer Transaction Accounts and the Cash Advance Facility Standby-Drawing Account or (ii) accounts in which collateral under the Swap Agreement is transferred, unless all rights in relation to such account have been pledged to the Security Trustee as provided in Condition 2(c)(ii); or
- (h) take any corporate action for its entering into a (preliminary) suspension of payments or bankruptcy or its dissolution and liquidation or for its conversion into a legal foreign entity.

#### 4. Interest

Any payments to be made pursuant to this Condition 4 are subject to Condition 9(a).

##### (a) *Period of accrual*

Each Note shall bear interest on its Principal Amount Outstanding (as defined in Condition 6(g)) 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 judgement) at the rate applicable to such Note up to but excluding the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh calendar day after notice is duly given by the Paying Agents to the holder thereof (in accordance with Condition 13) that upon presentation thereof, such payments will be made, provided that upon such presentation thereof being duly made, payment is in fact made.

Whenever it is necessary to compute an amount of interest in respect of any Note for any period, such interest shall be calculated on the basis of the actual days elapsed in such period and a 360 day year.

##### (b) *Interest Periods and Notes Payment Dates*

Interest on the Notes is payable by reference to successive interest periods (each an **Interest Period**) and will be payable quarterly in arrear in euro in respect of the Principal Amount Outstanding on the 17<sup>th</sup> day of each February, May, August and November (or, if such day is not a Business Day, the next succeeding Business Day, unless such day falls in the next succeeding calendar month in which case the Business Day immediately preceding such 17<sup>th</sup> day) (each such day being a **Notes Payment Date**). A **Business Day** means a day on which banks are open for business in Amsterdam and London, provided that such day is also a day on which the Trans-European Automated Real-Time Gross-Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 (**TARGET 2**) or any successor thereto is operating credit or transfer instructions in respect of payments in euro. Each successive Interest Period will commence on (and include) a Notes Payment Date and end on (but exclude) the next succeeding

Notes Payment Date, except for the first Interest Period, which will commence on (and include) the Closing Date and will end on (but exclude) the Notes Payment Date falling in February 2013.

(c) *Interest on the Notes up to (but excluding) the first Optional Redemption Date*

Interest on the Class A Notes and the Class B Notes for each Interest Period will accrue at a floating rate equal to the sum of the Euro Interbank Offered Rate (**Euribor**) for three month deposits in euros (or, in respect of the first Interest Period, the rate which represents the linear interpolation of Euribor for one month and two month deposits in euros, rounded, if necessary, to the 5th decimal place with 0.000005, being rounded upwards) plus, up to (but excluding) the first Optional Redemption Date:

- (i) for the Class A1 Notes a margin of 0.60 per cent. per annum;
- (ii) for the Class A2 Notes a margin of 1.15 per cent. per annum; and
- (iii) for the Class B Notes a margin of 0.01 per cent. per annum.

The Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will bear interest at a fixed rate of 0.01 per cent. per annum.

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

If on the first Optional Redemption Date any Class of Notes have not been redeemed in full, a floating rate of interest will be applicable to the Class A Notes and the Class B Notes equal to the sum of Euribor for three month deposits in euros, payable by reference to Interest Periods on each succeeding Notes Payment Date, plus:

- (i) for the Class A1 Notes, a margin of 1.20 per cent. per annum;
- (ii) for the Class A2 Notes, a margin of 2.30 per cent. per annum; and
- (iii) for the Class B Notes, a margin of 0.01 per cent. per annum.

The Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will bear interest at a fixed rate of 0.01 per cent. per annum.

Each of rates of interest set forth in Conditions 4(c) and 4(d) is hereinafter referred to an **Interest Rate**.

(e) *EURIBOR*

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

- (i) The Reference Agent will obtain for each Interest Period the rate equal to the amount of EURIBOR for three months deposits in euros. The Reference Agent shall use the EURIBOR rate as determined and published jointly by the European Banking Federation and ACI - The Financial Market Association and which appears for information purposes on the Reuters Screen EURIBOR 01 (or, if not available, any other display page on any screen service maintained by any registered information vendor for the display of the EURIBOR rate selected by the Reference Agent) as at or about 11.00 a.m. Amsterdam time on the day that is two Business Days prior to the first day of each Interest Period (each an **Interest Determination Date**);

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

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

*(f) Determination of Interest Rate and Calculation of Interest Amounts*

The Reference Agent will, as soon as practicable after 11.00 a.m. Amsterdam time on each Interest Determination Date, determine the Interest Rate for each Class of Notes and calculate the amount of interest payable on each relevant Class of Notes for the following Interest Period (the **Interest Amount**) by applying the relevant Interest Rate to the Principal Amount Outstanding of each Class of Notes respectively on the first calendar day of such Interest Period. The determination of the relevant Interest Rate and each Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.

*(g) Notification of Interest Rate and Interest Amounts*

The Reference Agent will cause the relevant Notes Payment Date, the relevant Interest Rate and the relevant Interest Amounts to be notified to the Issuer, the Security Trustee, the Paying Agents, the Issuer Administrator, the Swap Counterparty and to the holders of such Class of Notes, as long as the Notes are admitted to listing, trading and/or quotation on Euronext Amsterdam or by any other competent authority, stock exchange and/or quotation system, notice shall also be published in such other place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system, as soon as possible after the determination. The Interest Amount, the Rate of Interest and the Notes Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

(h) *Determination or Calculation by Security Trustee*

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

(i) *Reference Agent*

The Issuer will procure that, as long as any of the Notes remains outstanding, there will at all times be a Reference Agent. The Issuer has, subject to prior written consent of the Security Trustee, the right to terminate the appointment of the Reference Agent by giving at least 90 calendar days' notice in writing to that effect. Notice of any such termination will be given to the holders of the relevant Class of Notes in accordance with Condition 13. If any person shall be unable or unwilling to continue to act as a Reference Agent or if the appointment of the Reference Agent shall be terminated, the Issuer will, with the prior written consent of the Security Trustee, appoint a successor Reference Agent to act in its place, provided that neither the resignation nor removal of the Reference Agent shall take effect until a successor approved in writing by the Security Trustee has been appointed.

**5. Payment**

- (a) Payment of principal and interest in respect of Notes will be made upon presentation of the Note and against surrender of the relevant Coupon appertaining thereto, at any specified office of the Paying Agents in cash or by transfer to a euro account maintained by the payee with a bank in the Netherlands, as the holder may specify. All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment.
- (b) At the Final Maturity Date (as defined in Condition 6), or such earlier date the Notes become due and payable, the Notes must be presented for payment together with all matured Coupons appertaining thereto.
- (c) If the relevant Notes Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note or Coupon, the holder thereof shall not be entitled to payment until the next Business Day following such day, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to a euro account as referred to above, the Paying Agents shall not be obliged to credit such account until the day on which banks in the place of such account are open for business immediately following such Business Day. The name of each of the Paying Agents and of its offices are set out below.
- (d) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agents and to appoint additional or other paying agents provided that no paying agent located in the United States of America will be appointed and for as long as the Notes are listed on Euronext Amsterdam the Issuer will at all times maintain a paying agent having a specified office in the European Union, which as long as the Notes are listed on Euronext Amsterdam, shall be in the Netherlands. Notice of any termination or appointment of a Paying Agent and of any changes in the specified offices of the Paying Agents will be given to the Noteholders in accordance with Condition 13.

## 6. Redemption

Any payments to be made in accordance with this Condition 6 are subject to Condition 9(b).

### (a) Final redemption

Unless previously redeemed as provided below, the Issuer will, subject to Condition 9(b), redeem the Notes at their Principal Amount Outstanding on the Notes Payment Date falling in November 2044 (the **Final Maturity Date**).

### (b) Mandatory Redemption of the Mortgage-Backed Notes

Provided that no Enforcement Notice has been served in accordance with Condition 10, on each Notes Payment Date, the Issuer shall be obliged to apply the Available Principal Funds (as defined below), including in the case the Seller exercises the Regulatory Call Option and/or Clean-up Call Option, to redeem (or, other than in connection with the case of exercise the Regulatory Call Option and/or Clean-up Call Option, partially redeem) the Mortgage-Backed Notes at their Principal Amount Outstanding on a *pro rata* basis in accordance with their respective Principal Amounts Outstanding in the following order:

- (i) *first*, the Class A1 Notes until fully redeemed and thereafter the Class A2 Notes until fully redeemed, and thereafter
- (ii) *second*, the Class B Notes until fully redeemed, and thereafter
- (iii) *third*, the Class C Notes until fully redeemed, and thereafter
- (iv) *fourth*, the Class D Notes until fully redeemed and thereafter
- (v) *finally*, the Class E Notes until fully redeemed.

Following application of the Redemption Amount, the Principal Amount Outstanding of such Note shall be reduced accordingly.

### (c) Redemption of Class F Notes

Provided that no Enforcement Notice has been served in accordance with Condition 10, on each Notes Payment Date, the Issuer shall be obliged to apply the Class F Available Principal Funds (as defined below) to redeem (or partially redeem) the Class F Notes at their Principal Amount Outstanding on a *pro rata* basis until fully redeemed.

Following application of the Redemption Amount, the Principal Amount Outstanding of such Note shall be reduced accordingly.

### (d) Determination of Redemption Amount, Available Principal Funds, Class F Available Principal Funds and the Principal Amount Outstanding

- (i) On each Notes Calculation Date, the Issuer shall determine (or cause the Issuer Administrator to determine) (a) the Redemption Amount of each Note, (b) the Available Principal Funds, (c) the Class F Available Principal Funds and (d) the Principal Amount Outstanding of the relevant Note on the first calendar day of the next following Interest Period. Each determination by or on behalf of the Issuer of any Redemption Amount or the Principal Amount Outstanding of a Note shall in each case (in the absence of manifest error) be final and binding on all persons.

- (ii) The Issuer will cause each determination of (a) the Redemption Amount, (b) the Available Principal Funds, (c) the Class F Available Principal Funds and (d) the Principal Amount Outstanding of the Notes to be notified forthwith to the Security Trustee, the Paying Agents, the Reference Agent, the Swap Counterparty, Euroclear, Clearstream, Luxembourg, Euronext Amsterdam and to the holders of Notes and as long as the Notes are admitted to listing, trading and/or quotation on Euronext Amsterdam or by any other competent authority, stock exchange and/or quotation system, such notice is to be published in such place as may be required by the rules and regulations of Euronext Amsterdam or such competent authority, stock exchange and/or quotation system. Any such notice shall be deemed to have been given on the first date of such publication, but in any event no later than one business days prior to the relevant Notes Payment Date. If the Redemption Amount in respect of any Note on any applicable Notes Payment Date is zero, a notice to this effect will be given to the Noteholders in accordance with Condition 13.
- (iii) If the Issuer does not at any time for any reason determine (or cause the Issuer Administrator to determine) (a) the Redemption Amount, (b) the Available Principal Funds, (c) the Class F Available Principal Funds and (d) the Principal Amount Outstanding of the relevant Note, such (a) Redemption Amount, (b) Available Principal Funds, (c) Class F Available Principal Funds and (d) Principal Amount Outstanding of the relevant Note shall be determined by the Security Trustee in accordance with this paragraph (d) and paragraph (b) and (c) above (but based upon the information in its possession as to the Available Principal Funds and the Available Revenue Funds) and shall in each case (in the absence of a manifest error) be final and binding on all persons and each such determination or calculation shall be deemed to have been made by the Issuer.
- (iv) Following application of the Redemption Amount, the Principal Amount Outstanding of such Note shall be reduced accordingly.

(e) *Optional Redemption*

Unless previously redeemed in full, on the Notes Payment Date falling in November 2017 and on each Notes Payment Date thereafter (each an **Optional Redemption Date**) the Issuer may, at its option and subject to Condition 9(b), redeem all (but not some only) of the Mortgage-Backed Notes at their Principal Amount Outstanding on such date in accordance with this Condition 6(e). The Issuer shall notify the exercise of such option by giving not more than 60 nor less than 30 calendar days' written notice to the Security Trustee and the Noteholders in accordance with Condition 13, prior to the relevant Optional Redemption Date. In the event that on such Optional Redemption Date there is a Principal Shortfall (as defined in Condition 9) in respect of the Class E Notes or the Class D Notes or the Class C Notes or the Class B Notes, the Issuer may, at its option, subject to Condition 9(b), partially redeem all (but not some only) Class E Notes or Class D Notes or Class C Notes or Class B Notes respectively at their Principal Amount Outstanding less the relevant Principal Shortfall.

The Class F Notes will be subject to redemption in accordance with and subject to Condition 6(c).

(f) *Redemption for tax reasons*

The Mortgage-Backed Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Notes Payment Date, at their Principal Amount Outstanding, if the Issuer has satisfied the Security Trustee that:

- (i) the Issuer is or will be obliged to make any withholding or deduction for, or on account of, any taxes, duties, or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any change in, or amendment to, the application of the laws or

regulations (including any guidelines issued by the tax authorities) of the Netherlands or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the Closing Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it (a **Tax Change**); and

- (ii) the Issuer will have sufficient funds available on the Notes Calculation Date immediately preceding such Notes Payment Date to discharge all amounts of principal and interest (if any) due in respect of each Class of the Mortgage-Backed Notes in accordance with the Trust Deed and any amounts required to be paid in priority to or *pari passu* with each Class of Mortgage-Backed Notes.

No Class of Mortgage-Backed Notes may be redeemed under such circumstances unless all Classes of Mortgage-Backed Notes (or such of them as are then outstanding) are also redeemed in full at the same time.

The Issuer shall notify the occurrence of the Tax Change and the exercise of such option by giving not more than 60 nor less than 30 calendar days' written notice to the Noteholders and the Security Trustee prior to the relevant Notes Payment Date.

The Class F Notes will be subject to redemption in accordance with and subject to Condition 6(c).

(g) *Definitions*

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

- (i) The term **Class F Available Principal Funds** shall mean on the relevant Notes Payment Date, the amount of the Available Revenue Funds less the payments of items (a) up to and including (q) of the Revenue Priority of Payments on such Notes Payment Date;
- (ii) The term **Notes Calculation Date** means, in relation to a Notes Payment Date, the fourth business day prior to such Notes Payment Date;
- (iii) The term **Notes Calculation Period** means a period of three calendar months commencing on (and including) the first day of each February, May, August and November, except for the first Notes Calculation Period which will commence on the Cut-Off Date and end on and include the last calendar day of January 2013;
- (iv) The term **Net Foreclosure Proceeds** shall mean (i) the proceeds of a foreclosure on a Mortgage, (ii) the proceeds of foreclosure on any other collateral securing the relevant Mortgage Receivable, (iii) the proceeds, if any, of collection of any insurance policy in connection with the relevant Mortgage Receivable, including fire insurance policy and Insurance Policy, (iv) the proceeds of the NHG Guarantee and any other guarantees or sureties and (v) the proceeds of foreclosure on any other assets of the relevant Borrower, in each case after deduction of foreclosure costs in respect of such Mortgage Receivable;
- (v) The term **Available Principal Funds** shall mean on any Notes Payment Date the aggregate amount received or held by the Issuer during the immediately preceding Notes Calculation Period:
  - (A) by means of repayment and prepayment in full of principal under the Mortgage Receivables from any person, but, for the avoidance of doubt, excluding prepayment penalties, if any, less, with respect to each Savings Mortgage Receivable, Life

Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, the relevant Participation in such Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable;

- (B) as Net Foreclosure Proceeds on any Mortgage Receivable to the extent such proceeds relate to principal but up to the aggregate Outstanding Principal Amount of such Mortgage Receivables less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, the relevant Participation in such Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable;
  - (C) in connection with a repurchase of Mortgage Receivables, whether or not as a result of the exercise of the Regulatory Call Option or the Clean-up Call Option, pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, the relevant Participation in such Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable;
  - (D) in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal but up to the aggregate Outstanding Principal Amount of such Mortgage Receivables less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, the relevant Participation in such Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable;
  - (E) as amounts to be credited to the Principal Deficiency Ledger on the immediately succeeding Notes Payment Date in accordance with the Revenue Priority of Payments;
  - (F) as Monthly Bank Savings Participation Increase and Monthly Savings Insurance Participation Increase pursuant to the relevant Participation Agreement and as consideration for the relevant Initial Savings Participation;
  - (G) as partial prepayment in respect of Mortgage Receivables;
  - (H) any part of the Available Principal Funds calculated on the immediately preceding Notes Calculation Date which has not been applied towards redemption of the Mortgage-Backed Notes on the preceding Notes Payment Date; and
  - (I) any amounts received on the Issuer Collection Account from the credit balance of the Construction Deposit Account in accordance with the Mortgage Receivables Purchase Agreement;
- (vi) The term **Principal Amount Outstanding** on any Notes Payment Date of any Note shall be the principal amount of that Note upon issue less the aggregate amount of all Redemption Amounts in respect of that Note that have become due and payable prior to such Notes Payment Date provided that for the purpose of Conditions 4, 6 and 10 all Redemption

Amounts that have become due and not been paid, notwithstanding duly presentation of the relevant Note, shall not be so deducted;

- (vii) The term **Redemption Amount** shall mean on the relevant Notes Payment Date (i) the amount (if any) (rounded down to the nearest euro) of the Available Principal Funds (as applicable to each Class of Mortgage-Backed Notes, divided by the number of Notes of such Class, subject to such redemption and (ii) in respect of the Class F Notes, the Class F Available Principal Funds on that Notes Payment Date, divided by the number of Class F Notes, provided always that the Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Note.

## 7. **Taxation**

All payments in respect of the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature, unless the Issuer or the Paying Agents (as applicable) is required by applicable law to make any payment in respect of the Notes subject to the withholding or deduction of such taxes, duties, assessments or charges are required by law. In that event, the Issuer or the Paying Agents (as the case may be) shall make such payment after the required withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Paying Agents nor the Issuer will be obliged to make any additional payments to the Noteholders in respect of such withholding or deduction.

## 8. **Prescription**

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

## 9. **Subordination and Limited Recourse**

### (a) *Interest*

In the event that on any Notes Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Class A Notes on such Notes Payment Date and such interest is not paid within fifteen calendar days from the relevant Notes Payment Date, this will constitute an Event of Default in accordance with Condition 10(a).

Interest (if any) on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes shall be payable in accordance with the provisions of Conditions 4 and 5, subject to the terms of this Condition.

In the event that on any Notes Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Class B Notes on such Notes Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Notes Payment Date to the holders of the Class B Notes. In the event of a shortfall, the Issuer shall credit the Class B Interest Deficiency Ledger with an amount equal to the amount by which the aggregate amount of interest paid on the Class B Notes on any Notes Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Class B Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Class B Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these

Conditions as if it were interest due, subject to this Condition, on each Class B Note on the next succeeding Notes Payment Date.

In the event that on any Notes Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest (if any) due on the Class C Notes on such Notes Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Notes Payment Date to the holders of the Class C Notes. In the event of a shortfall, the Issuer shall credit the Class C Interest Deficiency Ledger with an amount equal to the amount by which the aggregate amount of interest paid on the Class C Notes on any Notes Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Class C Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Class C Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Class C Note on the next succeeding Notes Payment Date.

In the event that on any Notes Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest (if any) due on the Class D Notes on such Notes Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Notes Payment Date to the holders of the Class D Notes. In the event of a shortfall, the Issuer shall credit the Class D Interest Deficiency Ledger with an amount equal to the amount by which the aggregate amount of interest paid on the Class D Notes on any Notes Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Class D Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Class D Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Class D Note on the next succeeding Notes Payment Date.

In the event that on any Notes Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest (if any) due on the Class E Notes on such Notes Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Notes Payment Date to the holders of the Class E Notes. In the event of a shortfall, the Issuer shall credit the Class E Interest Deficiency Ledger with an amount equal to the amount by which the aggregate amount of interest paid on the Class E Notes on any Notes Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Class E Notes on that date for the purposes of Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Class E Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Class E Note on the next succeeding Notes Payment Date.

In the event that on any Notes Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest (if any) due on the Class F Notes on such Notes Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Notes Payment Date to the holders of the Class F Notes. In the event of a shortfall, the Issuer shall credit the Class F Interest Deficiency Ledger with an amount equal to the amount by which the aggregate amount of interest paid on the Class F Notes on any Notes Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Class F Notes on that date for the purposes of Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the

rate of interest applicable to the Class F Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Class F Note on the next succeeding Notes Payment Date.

(b) *Principal*

In the event that on any Notes Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of principal due on the Class A Notes on such Notes Payment Date and such principal is not paid within fifteen (15) calendar days from the relevant Notes Payment Date, this will constitute an Event of Default in accordance with Condition 10(a).

Any payments to be made in accordance with Condition 6 are subject to this Condition 9(b).

Until the date on which the Principal Amount Outstanding of the Class A Notes is reduced to zero, the Class B Noteholders will not be entitled to any repayment of principal in respect of the Class B Notes. If, on any Notes Payment Date, there is a balance on the Class B Principal Deficiency Ledger, then, notwithstanding any other provisions of these Conditions, the principal amount payable on redemption of each Class B Note on such Notes Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall on such Notes Payment Date. The Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class B Notes the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Issuer Transaction Accounts and the Issuer has no further rights under or in connection with any of the Transaction Documents.

Until the date on which the Principal Amount Outstanding of the Class A Notes is reduced to zero and the Principal Amount Outstanding of the Class B Notes is reduced to zero, the Class C Noteholders will not be entitled to any repayment of principal in respect of the Class C Notes. If, on any Notes Payment Date, there is a balance on the Class C Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Class C Note on such Notes Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall on such Notes Payment Date. The Class C Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class C Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Issuer Transaction Accounts and the Issuer has no further rights under or in connection with any of the Transaction Documents.

Until the date on which the Principal Amount Outstanding of the Class A Notes is reduced to zero and the Principal Amount Outstanding of the Class B Notes is reduced to zero and the Principal Amount Outstanding of the Class C Notes is reduced to zero, the Class D Noteholders will not be entitled to any repayment of principal in respect of the Class D Notes. If, on any Notes Payment Date, there is a balance on the Class D Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Class D Note on such Notes Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall on such date. The Class D Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class D Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Issuer Transaction Accounts and the Issuer has no further rights under or in connection with any of the Transaction Documents.

Until the date on which the Principal Amount Outstanding of the Class A Notes is reduced to zero and the Principal Amount Outstanding of the Class B Notes is reduced to zero and the Principal Amount Outstanding of the Class C Notes is reduced to zero and the Principal Amount Outstanding of the Class D Notes is reduced to zero, the Class E Noteholders will not be entitled to any

repayment of principal in respect of the Class E Notes. If, on any Notes Payment Date, there is a balance on the Class E Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Class E Note on such Notes Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall on such date. The Class E Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class E Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Issuer Transaction Accounts and the Issuer has no further rights under or in connection with any of the Transaction Documents.

**Principal Shortfall** shall mean an amount equal to the balance of the Principal Deficiency Ledger of the relevant Class divided by the number of Notes of the relevant Class of Notes on the relevant Notes Payment Date.

The Class F Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class F Notes after the earlier of (i) the Final Maturity Date or (ii) the date on which the Issuer no longer holds any Mortgage Receivables and there are no balances standing to the credit of the Issuer Transaction Accounts and the Issuer has no further rights under or in connection with any of the Transaction Documents.

(c) *Limited Recourse*

In the event that the Security in respect of the Notes has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking, according to the Trust Deed, in priority to the relevant Class of Notes are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of such Class of Notes, the Noteholders of such Class shall have no further claim, of whatever nature, against the Issuer or the Security Trustee in respect of any such unpaid amounts. If, on any date, the Security is to be enforced and the proceeds of the enforcement would be insufficient to fully redeem the Class A Notes in full, such loss will be borne, *pro rata* and *pari passu*, by the holders of the Class A Notes.

**10. Events of Default**

The Security Trustee at its discretion may, and, if so directed by an Extraordinary Resolution of the Class A Noteholders or if no Class A Notes are outstanding, by an Extraordinary Resolution of the holders of the Most Senior Class of Notes (subject to, in each case, being indemnified to its satisfaction) (in each case, the **Relevant Class**), shall (but in the case of the occurrence of any of the events mentioned in (b) below, only if the Security Trustee shall have certified in writing to the Issuer that such an event is, in its opinion, materially prejudicial to the Noteholders of the Relevant Class) give notice (an **Enforcement Notice**) to the Issuer that the Notes are, and each Note shall become, immediately due and payable at their or its Principal Amount Outstanding, together with accrued interest, if any of the following events shall occur (each an **Event of Default**):

- (a) default is made for a period of fifteen (15) calendar days or more in the payment on the due date of any amount due in respect of the Notes of the relevant Class; or
- (b) the Issuer fails to perform any of its other obligations binding on it under the Notes of the Relevant Class, the Trust Deed, the Paying Agency Agreement or the Pledge Agreements and, except where such failure, in the reasonable opinion of the Security Trustee, is incapable of remedy, such default continues for a period of thirty calendar days after written notice thereof was given by the Security Trustee to the Issuer requiring the same to be remedied; or

- (c) if a conservatory attachment (*conservatoir beslag*) or an executory attachment (*executoriaal beslag*) on any major part of the Issuer's assets is made and not discharged or released within a period of thirty (30) calendar days; or
- (d) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or liquidation of the Issuer or for the appointment of a liquidator or receiver of the Issuer or of all or substantially all of its assets; or
- (e) the Issuer makes an assignment for the benefit of, or enters into any general assignment (*akkoord*) with, its creditors; or
- (f) the Issuer files a petition for a (preliminary) suspension of payments (*surseance van betaling*) or for bankruptcy (*faillissement*) or has been declared bankrupt or becomes subject to any other regulation having a similar effect; or
- (g) 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,

provided that, if more than one Class of Notes is outstanding, no Enforcement Notice may or shall be given by the Security Trustee to the Issuer in respect of any Class of Notes ranking junior to the Most Senior Class of Notes irrespective of whether an Extraordinary Resolution is passed by the holders of such Class or Classes of Notes ranking junior to the Most Senior Class of Notes, unless an Enforcement Notice in respect of the Most Senior Class of Notes has been given by the Security Trustee. In exercising its discretion as to whether or not to give an Enforcement Notice to the Issuer in respect of the Most Senior Class of Notes, the Security Trustee shall not be required to have regard to the interests of the holders of any Class of Notes ranking junior to the Most Senior Class of Notes.

## **11. Enforcement**

- (a) At any time after the Notes of any Class become due and payable as a result of an Enforcement Notice, the Security Trustee may, at its discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce the terms of the Parallel Debt Agreement (including the making of a demand of payment thereunder), the Trust Deed, the Pledge Agreements and the Notes, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes and (ii) it shall have been indemnified to its satisfaction.
- (b) No Noteholder may proceed directly against the Issuer unless the Security Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.
- (c) The Noteholders and the Security Trustee may not institute against, or join any person in instituting against, the Issuer any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one (1) year after the latest maturing Note is paid in full. The Noteholders accept and agree that the only remedy against the Issuer after any of the Notes have become due and payable pursuant to Condition 10 above is to enforce the Security.

## **12. Indemnification of the Security Trustee**

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

### **13. Notices**

With the exception of the publications of the Reference Agent in Condition 4 and of the Issuer in Condition 6, (other than where specifically referred to this Condition therein), all notices to the Noteholders will only be valid if published in at least one daily newspaper of wide circulation in the Netherlands, or, if such newspaper shall cease to be published or timely publication therein shall not be practicable, in such English language newspaper as the Security Trustee shall approve having a general circulation in Europe and, as long as the Notes are admitted to listing, trading and/or quotation on Euronext Amsterdam or by any other competent authority, stock exchange and/or quotation system, notice shall also be published in such other place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system. Any such notice shall be deemed to have been given on the first date of such publication.

### **14. Meetings of Noteholders; Modification; Consents; Waiver**

The Trust Deed contains provisions for convening meetings of the Noteholders of any Class or one or more Classes jointly to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of these Conditions or any provisions of the Transaction Documents. Instead of at a general meeting, a resolution of the Noteholders of the relevant Class may be passed in writing, including by telegram, facsimile or telex transmission, or in the form of a message transmitted by any accepted means of communication and received or capable of being produced in writing, provided that all Noteholders with the right to vote have voted in favour of the proposal. The Issuer shall notify the Credit Rating Agencies of any resolutions passed by the Noteholders.

#### *(a) Meeting of Noteholders*

A meeting of Noteholders may be convened by the Security Trustee as often as it reasonably considers desirable and shall be convened by the Security Trustee at the written request of (i) the Issuer or the Seller or (ii) a meeting of Noteholders of a Class, by the Noteholders of such Class holding not less than ten (10) per cent. in Principal Amount Outstanding of the Notes of such Class.

#### *(b) Quorum and majority*

The quorum for any meeting convened to consider an Extraordinary Resolution for any Class of Notes will be one or more persons holding or representing not less than two-thirds of the Principal Amount Outstanding of the Notes of the relevant Class, as the case may be, and at such meeting an Extraordinary Resolution will be adopted with not less than a two-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including the sanctioning of a Basic Terms Change shall be one or more persons holding or representing not less than 75 per cent. of the amount of the Principal Amount Outstanding of the Notes of the relevant Class and the majority required shall be at least 75 per cent. of the validly cast votes at that Extraordinary Resolution. If at such meeting the aforesaid quorum is not represented, a second meeting of Noteholders will be held within one month, with due observance of the same formalities for convening the meeting which governed the convening of the first meeting; at such second meeting an Extraordinary Resolution is adopted with not less than a two-third majority of the validly cast votes, except that for an Extraordinary Resolution including a sanctioning of a Basic Terms Change the majority required shall be 75 per cent. of the validly cast votes, regardless of the Principal Amount Outstanding of the Notes of the relevant Class then represented.

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

**Basic Terms Change** means, in respect of the Notes of all Classes, a change (i) of the date of maturity of the relevant Notes, (ii) which would have the effect of postponing any date for payment of interest in respect of the relevant Notes, (iii) which would reduce or cancel the amount of principal payable in respect of the relevant Notes, (iv) of the rate of interest applicable in respect of the relevant Notes, (v) of the quorum or majority required to pass an Extraordinary Resolution, or (vi) of the Revenue Priority of Payments, the Redemption Priority of Payments or the Post-Enforcement Priority of Payments;

(c) *Conflicts between Classes*

An Extraordinary Resolution passed at any meeting of the Most Senior Class shall be binding upon all Noteholders of a Class other than the Most Senior Class irrespective of the effect upon them, except that an Extraordinary Resolution approving a Basic Terms Change shall not be effective for any purpose unless it shall have been approved by Extraordinary Resolutions of Noteholders of each such other Class or unless and to the extent that it shall not, in the sole opinion of the Security Trustee, be materially prejudicial to the interest of the Noteholders of each such Class.

An Extraordinary Resolution shall not be effective for any purpose unless either: (i) the Security Trustee is of the opinion that it would not be materially prejudicial to the interests of Noteholders of any Higher Ranking Class or (ii) when it is approved by Extraordinary Resolutions of Noteholders of each such Higher Ranking Class.

(d) *Voting*

Every Voter (as defined in the Trust Deed) shall have one vote in respect of (i) each euro 1.00 or (ii) such other amount as the Security Trustee may in its absolute discretion stipulate in Principal Amount Outstanding of the Notes represented or held by such Voter. The Issuer may not vote on any Notes held by it directly or indirectly. Such Notes will not be taken into account in calculating the aggregate outstanding amount of the Notes. The Seller is entitled to vote in respect of the Retained Notes or any other Note held by it.

(e) *Modifications, authorisations, waivers and consents agreed by the Security Trustee*

The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification, of any of the provisions of the Trust Deed, the Notes or any other Transaction Document which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification, and any waiver, consent or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Notes and/or any other Transaction Document which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that the Security Trustee (A) (i) has notified the Credit Rating Agencies and (ii) the Credit Rating Agencies have provided a Credit Rating Agency Confirmation in connection with such modification, authorisation, waiver or consent and (B) has complied with Clause 19 of the Trust Deed in respect of the consent rights of the Swap Counterparty. Any such modification, authorisation, waiver or consent shall be binding on the Noteholders and, if the Security Trustee so requires, such modification, authorisation, waiver or consent shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

In addition, the Security Trustee may agree, without the consent of the Noteholders, to (a) the entering into a new transaction document between the Issuer and a successor of the relevant counterparty or (b) the transfer of the rights and obligations under a Transaction Document by the relevant counterparty to a successor, provided that (i) the Security Trustee has notified the Credit Rating Agencies and (ii) the Credit Rating Agencies have provided a Credit Rating Agency Confirmation in connection with such transfer or contracting and (iii) if the relevant counterparty will be a Secured Creditor, the relevant successor will accede to the Parallel Debt Agreement and

(iv) the Security Trustee has complied with the consent requirements of the Swap Counterparty set out in Clause 19 of the Trust Deed.

(f) *Exercise of Security Trustee's functions*

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

**15. Replacements of Notes and Coupons**

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

**16. Governing Law**

The Notes and Coupons, and any non-contractual obligations arising out of or in relation to the Notes and Coupons, are governed by, and will be construed in accordance with, the laws of the Netherlands. In relation to any legal action or proceedings arising out of or in connection with the Notes and Coupons the Issuer irrevocably submits to the jurisdiction of the District Court in Amsterdam, the Netherlands. This submission is made for the exclusive benefit of the holders of the Notes and the Security Trustee and shall not affect their right to take such action or bring such proceedings in any other courts of competent jurisdiction.

## 4.2 Form

Each Class of Notes shall be initially represented by a Temporary Global Note (i) in the case of the Class A1 Notes, in the principal amount of euro 154,000,000, (ii) in the case of the Class A2 Notes, in the principal amount of euro 490,000,000, (iii) in the case of the Class B Notes, in the principal amount of euro 18,200,000, (iv) in the case of the Class C Notes, in the principal amount of euro 16,100,000, (v) in the case of the Class D Notes, in the principal amount of euro 14,000,000, (vi) in the case of the Class E Notes, in the principal amount of euro 7,700,000 and (vii) in the case of the Class F Notes, in the principal amount of euro 10,500,000. The Temporary Global Notes representing the Class A Notes will be deposited with Clearstream, Luxembourg as common safekeeper for Euroclear and Clearstream, Luxembourg on or about the Closing Date. The Temporary Global Notes representing the Notes (other than the Class A Notes) will be deposited with Deutsche Bank AG, London Branch as common safekeeper for Euroclear and Clearstream, Luxembourg on or about the Closing Date. Upon deposit of each such Temporary Global Note, Euroclear and Clearstream, Luxembourg, as the case may be, will credit each purchaser of Notes represented by such Temporary Global Note with the principal amount of the relevant Class of Notes equal to the principal amount thereof for which it has purchased and paid. On any payment, whether principal or interest, being made in respect of any of the Notes, details of such payments shall be entered *pro rata* in the records of Euroclear and/or Clearstream, Luxembourg and, upon any payment of principal being made, the nominal amount of the Notes recorded in the records of Euroclear and/or Clearstream, Luxembourg shall be reduced by the aggregate nominal amount of such payment. Interests in each Temporary Global Note will be exchangeable on the Exchange Date for interests in a Permanent Global Note in bearer form, without coupons, in the principal amount of the Notes of the relevant Class. Each person must give a certificate as to non-U.S. beneficial ownership as of the date on which the Issuer is obliged to exchange a Temporary Global Note for a Permanent Global Note, which date shall be no earlier than the Exchange Date, in order to obtain any payment due on the Notes. On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant Class of Notes, the Permanent Global Note will remain deposited with the common safekeeper.

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Class A Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria as specified by the European Central Bank. The Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes are not intended to be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem.

The Global Notes will be transferable by delivery in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate. Each Permanent Global Note will be exchangeable for notes in definitive form only in the circumstances described below. Such notes in definitive form shall be issued in denominations of euro 100,000 each or, as the case may be, in the Principal Amount Outstanding of the Notes of such Class on such date of exchange. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note will be entitled to receive any payment made in respect of that Note in accordance with the respective rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes, which must be made by the holder of a Global Note, for so long as such Global Note is outstanding. No person is entitled to receive any payment under a Temporary Global Note unless the exchange of a Temporary Global Note for a Permanent Global Note has been improperly withheld or refused.

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

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

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

- (a) Class A1 Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class A1 Notes;
- (b) Class A2 Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class A2 Notes;
- (c) Class B Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class B Notes;
- (d) Class C Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class C Notes;
- (e) Class D Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class D Notes;
- (f) Class E Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class E Notes; and
- (g) Class F Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class F Notes,

in each case within 30 calendar days of the occurrence of the relevant Exchange Event, subject in each case to certification as to non-U.S. beneficial ownership and against the surrender of the relevant Permanent Global Note to or to the order of the Paying Agents.

The Issuer will promptly give notice to Noteholders in accordance with Condition 13 upon the occurrence of an Exchange Event. In the event of the occurrence of any Exchange Event, Euroclear and/or Clearstream, Luxembourg acting on the instructions of any holder of an interest in the Global Note may give notice to the Paying Agents requesting exchange and in the event of the occurrence of an Exchange Event as described in (ii) above, the Issuer may also give notice to the Paying Agents requesting exchange. At the date hereof, Euroclear or Clearstream, Luxembourg do not regard Notes in global form as fungible with Notes in definitive form.

The following legend will appear on all Global Notes, Notes in definitive form, receipts and interest coupons (including talons) which are subject to TEFRA D selling restrictions:

'ANY UNITED STATES PERSON (AS DEFINED IN THE UNITED STATES INTERNAL REVENUE CODE OF 1986 (THE CODE)) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165 (j) AND 1287 (a) OF THE CODE.'

The sections referred to in such legend provide that a United States person who holds a Note will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

### 4.3 Subscription and Sale

The Managers have pursuant to the Notes Purchase Agreement jointly and severally agreed with the Issuer, on terms and subject to certain conditions, to purchase the Notes at their respective issue prices. There is no obligation of the Managers to purchase any Notes unless the Managers have (on)sold such Notes to third parties, including to the Seller. Each of the Managers have agreed to purchase such number of Notes of any Class as it has sold to third parties identified by the Managers at their sole discretion. The Seller has undertaken with each of the Managers that it will (i) purchase the Retained Notes and (ii) any Notes that will not be sold to third parties identified by the Managers at their sole discretion, from the Managers on the Closing Date. The Issuer and the Seller have agreed to indemnify and reimburse the Managers against certain liabilities and expenses in connection with the issue of the Notes.

#### European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (a **Relevant Member State**), each Manager has represented and agreed, and each further manager appointed under the transaction will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive was implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State: (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive; (ii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) as permitted under the Prospectus Directive, subject to obtaining the prior consent of each Manager nominated by the Issuer for any such offer; or (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or each Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an '**offer of Notes to the public**' in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

#### France

Each of the Managers and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes, and such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*) other than individuals – all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1, itself referring to articles L.533-16 and D.533-11 of the French *Code monétaire et financier*.

In addition, pursuant to article 211-3 of the *Règlement général* of the *Autorité des Marchés Financiers* (AMF), it must disclose to any investors in a private placement as described in the above that: (i) the offer does not require a prospectus to be submitted for approval to the AMF; (ii) qualified investors (*investisseurs qualifiés*) as defined in the above may take part in the offer solely for their own account, as provided in articles D. 411-1, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code monétaire et financier*; and

(iii) the financial instruments thus acquired cannot be distributed directly or indirectly to the public otherwise than in accordance with articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French *Code monétaire et financier*.

## Italy

The offering of the Notes has not been and will not be registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the Financial Services Act) and Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (Regulation No. 11971), provided that such qualified investors act in their capacity as such and not as depositaries or nominees for other noteholders; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any investor purchasing the Notes is solely responsible for ensuring that any offer or resale of the Notes by such investor occurs in compliance with applicable Italian laws and regulations. Moreover and subject to the foregoing, each individual investor will acknowledge that any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Italian Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

## United Kingdom

Each Manager has represented and agreed that:

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

## **United States**

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to for the account of benefit of U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this sub-section *United States* have the meaning given to them by Regulation S under the Securities Act.

The Notes are in bearer form and are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Manager has agreed, and each further manager appointed will be required to agree, that it will not offer, sell or deliver the Notes (i) as part of its distribution at any time and (ii) otherwise until forty (40) days after the later of the commencement of the offering on the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Notes during the distribution compliance period (as defined in Regulation S under the Securities Act) a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, US persons.

In addition, until forty (40) days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the purchase) may violate the registration requirements of the Securities Act. Terms used in these paragraphs have the meanings given to them by Regulation S and the US Internal Revenue Code and regulations thereunder.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No 25 of 1948, as amended) (the **FIEA**) and each Manager has represented and agreed, and each further manager appointed will be required to represent and agree, that it will not offer or sell Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)) or to others for re-offering or re-sale, directly or indirectly, in Japan or to or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Japanese FIEA and any other applicable laws and regulations and ministerial guidance of Japan.

## **General**

Each Manager will agree and each further Manager appointed will be required to agree, that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries.

Neither the Issuer nor any Manager shall represent, nor any further Manager appointed will be required to represent, that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Each Manager has undertaken not to offer or sell directly or indirectly any Notes, or to distribute or publish (to the best of its knowledge and beliefs) this Prospectus or any other material relating to the Notes in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

## 4.4 Regulatory and Industry Compliance

### Retention and disclosure requirements under the CRD

The Seller has undertaken to retain a material net economic interest of not less than 5% in the securitisation in accordance with Article 122a of the CRD. As at the Closing Date, such interest will in accordance with Article 122a paragraph (1)(d) of the CRD, be comprised of an interest in the first loss tranche and, if necessary, other tranches having the same or a more severe risk profile than those sold to investors. Any change in the manner in which this interest is held will be notified to investors. The Seller has provided a corresponding undertaking with respect to the interest to be retained by it during the period wherein the Notes are outstanding to the Arranger and the Managers and to the Issuer in the Notes Purchase Agreement.

In addition to the information set out herein and forming part of this Prospectus, the Seller has undertaken to make available materially relevant data with a view to complying with Article 122a paragraph (7) of the CRD, which can be obtained from the Seller upon request.

After the Closing Date, the Issuer will prepare quarterly investor reports wherein relevant information with regard to the Mortgage Loans and Mortgage Receivables will be disclosed publicly together with an overview of the retention of the material net economic interest as provided by the Seller. Such information can be obtained from [www.dutchsecuritisation.nl](http://www.dutchsecuritisation.nl).

Each prospective investor is required to independently assess and determine the sufficiency of the information described above for the purposes of complying with Article 122a of the CRD and none of the Issuer, the Seller, the Servicer and the Non-performing Mortgage Loan Servicer, the Issuer Administrator nor the Arranger or the Managers makes any representation that the information described above is sufficient in all circumstances for such purposes. The Seller accepts responsibility for the information set out in this paragraph 4.4.

In addition, each prospective noteholder should ensure that it complies with the implementing provisions in respect of Article 122a of the CRD in its relevant jurisdiction. Investors who are uncertain as to the requirement which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

### Compliance with Dutch Securitisation Standard

This Prospectus follows the template table of contents and the template glossary of defined terms (save as otherwise indicated in this Prospectus), and the investor reports to be published by the Issuer will as soon as possible follow the applicable template investor report (save as otherwise indicated in the relevant investor report), each as published by the Dutch Securitisation Association (the **DSA**) on its website [www.dutchsecuritisation.nl](http://www.dutchsecuritisation.nl) as at the date of this Prospectus. As a result the Notes comply with the standard created for residential mortgage-backed securities by the DSA (the **RMBS Standard**).

#### **4.5 Use of Proceeds**

On the Closing Date, the net proceeds of the issue of the Notes (other than the Class F Notes) will be applied to pay to the Seller (part of) the Initial Purchase Price for the Mortgage Receivables purchased under the Mortgage Receivables Purchase Agreement.

The net proceeds of the Class F Notes will be credited to the Reserve Account.

An amount of euro 897,739.55 of the Initial Purchase Price will be withheld by the Issuer and deposited in the Construction Deposit Account. Furthermore, an amount of euro 12,265,275.69 will be received by the Issuer as consideration for the Initial Insurance Savings Participation granted to the Savings Insurance Company. In addition, an amount of euro 7,801,743.38 will be received by the Issuer as consideration for the Initial Bank Savings Participation granted to the Bank Savings Participant. The Issuer will apply this amount towards payment of the remaining part of the Initial Purchase Price to be paid on the Closing Date.

The proceeds of the Subordinated Loan, in the amount of euro 2,600,000, will be used by the Issuer to pay certain initial costs and expenses in connection with the issue of the Notes.

#### 4.6 Taxation in the Netherlands

This section provides a general description of the main Netherlands tax issues and consequences of acquiring, holding, redeeming and/or disposing of the Notes. This summary provides general information only and is restricted to the matters of Netherlands taxation stated herein. It is intended neither as tax advice nor as a comprehensive description of all Netherlands tax issues and consequences associated with or resulting from any of the above-mentioned transactions. Prospective acquirers are urged to consult their own tax advisors concerning the detailed and overall tax consequences of acquiring, holding, redeeming and/or disposing of the Notes.

The summary provided below is based on the information provided in this Prospectus and on the Netherlands tax laws, regulations, resolutions and other public rules with legal effect, and the interpretation thereof under published case law, all as in effect on the date of this Prospectus and with the exception of subsequent amendments with retroactive effect.

Subject to the foregoing:

1. No registration, stamp, transfer or turnover taxes or other similar duties or taxes will be payable in the Netherlands in respect of the offering and the Issue of the Notes by the Issuer or in respect of the signing and delivery of the Documents.
2. No Netherlands withholding tax will be due on payments of principal and/or interest.
3. A holder of Notes (a **Holder**) will not be subject to Netherlands taxes on income or capital gains in respect of the acquisition or holding of Notes or any payment under the Notes or in respect of any gain realised on the disposal or redemption of the Notes, provided that:
  - (i) such Holder is neither a resident nor deemed to be a resident nor has opted to be treated as a resident in the Netherlands; and
  - (ii) such Holder does not have an enterprise or an interest in an enterprise that, in whole or in part, is carried on through a permanent establishment or a permanent representative in the Netherlands and to which permanent establishment or permanent representative the Notes are attributable;

and, if the Holder is a legal person, an opaque limited partnership (*open commanditaire vennootschap*), or another company with a capital divided into shares without legal personality or a special purpose fund (*doelvermogen*),

- (i) such Holder does not have a substantial interest\* in the share capital of the Issuer and/or Seller or in the event that such Holder does have such an interest, such interest either forms part of the assets of an enterprise or such interest is not held with the main purpose or one of the main purposes of evading income tax or dividend tax;
- (ii) such Holder does not have a deemed Netherlands enterprise to which enterprise the Notes are attributable;

and, if the Holder is a natural person,

- (i) such Holder does not derive benefits from miscellaneous activities carried out in The Netherlands in respect of the Notes, including, without limitation, activities which are beyond the scope of active portfolio investment activities; and

- (ii) such Holder or a person related to the Holder by law, contract, consanguinity or affinity to the degree specified in the tax laws of the Netherlands does not have, or is not deemed to have, a substantial interest\* in the share capital of the Issuer and/or Seller.

\*Generally speaking, an interest in the share capital of the Issuer and/or Seller should not be considered as a substantial interest if the Holder of such interest, and if the Holder is a natural person his spouse, registered partner, certain other relatives or certain persons sharing the Holder's household, do not hold, alone or together, whether directly or indirectly, the ownership of, or certain rights over, shares or rights resembling shares representing five per cent. or more of the total issued and outstanding capital, or the issued and outstanding capital of any class of shares, of the Issuer and/or Seller.

4. No Netherlands gift or inheritance taxes will arise on the transfer of the Notes by way of a gift by, or on the death of, a Holder who is neither resident nor deemed to be resident in the Netherlands, unless:

- (i) in case of a gift of the Notes under a suspensive condition by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual is resident or deemed to be resident in the Netherlands at the date
  - (a) of the fulfilment of the condition; or
  - (b) of his/her death and the condition of the gift is fulfilled after the date of his/her death.
- (ii) in case of a gift of Notes by an individual who at the date of the gift or - in case of a gift under a suspensive condition - at the date of the fulfilment of the condition was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift or the fulfilment of the condition, while being resident or deemed to be resident in the Netherlands.

#### *EU Directive on the Taxation of Savings Income*

Under the EU Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to (or secured for) an individual (or certain other persons) resident in that other Member State. For a transitional period, currently Luxembourg and Austria are instead required (unless they elect otherwise during that period) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries), subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld. A number of non-EU countries and territories have adopted similar measures and the Member States have entered into reciprocal arrangements with certain of those countries or territories. The European Commission has proposed certain amendments to the EU Council Directive 2003/48/EC, which may, if implemented, amend or broaden the scope of the above-mentioned provisions.

#### 4.7 Security

In the Parallel Debt Agreement the Issuer will irrevocably and unconditionally undertake to pay to the Security Trustee an amount equal to the aggregate amount due (*verschuldigd*) by the Issuer to the Secured Creditors (the **Parallel Debt**).

The Parallel Debt constitutes a separate and independent obligation of the Issuer and constitutes the Security Trustee's own separate and independent claim (*eigen en zelfstandige vordering*) to receive payment of the Parallel Debt from the Issuer. Upon receipt by the Security Trustee of any amount in payment of the Parallel Debt, the payment obligations of the Issuer to the Secured Creditors shall be reduced by an amount equal to the amount so received and vice versa.

To the extent that the Security Trustee irrevocably and unconditionally receives any amount in payment of the Parallel Debt, the Security Trustee shall distribute such amount among the Secured Creditors in accordance with the Priority of Payments upon Enforcement, save for amounts due to the Savings Insurance Company and the Bank Savings Participant in connection with the Participations. The amounts available to the Secured Creditors, other than the Savings Insurance Company and the Bank Savings Participant, will be the sum of (a) amounts recovered (*verhaald*) by the Security Trustee (i) on the Mortgage Receivables, other than Savings Mortgage Receivables, Life Mortgage Receivables with a Savings Element and the Bank Savings Mortgage Receivables and the Beneficiary Rights relating thereto, and (ii) on each of the Savings Mortgage Receivables, Life Mortgage Receivables with a Savings Element and Bank Savings Mortgage Receivables and the Beneficiary Rights relating thereto to the extent the amount exceeds the relevant Participation in the relevant Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, and (iii) other assets pledged pursuant to the Pledge Agreements and (b) the *pro rata* part of amounts received from any of the Secured Creditors, as received or recovered by any of them pursuant to the Parallel Debt Agreement (by reference to the proportion the sum of the relevant Participations bear to the aggregate Mortgage Receivables); less (y) any amounts already paid by the Security Trustee to the Secured Creditors (other than the Savings Insurance Company and the Bank Savings Participant) pursuant to the Parallel Debt Agreement and (z) the *pro rata* part of the costs and expenses of the Security Trustee (including, for the avoidance of doubt, any costs of, *inter alia*, the Credit Rating Agencies and any legal advisor, auditor or accountant appointed by the Security Trustee) (by reference to the proportion the sum of the relevant Participations bear to the aggregate Mortgage Receivables).

The amounts available to the Savings Insurance Company consist of, *inter alia*, (i) amounts recovered by the Security Trustee on Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element and the Beneficiary Rights related thereto provided that such amounts relate to the relevant Participation in each of the Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element and (ii) the *pro rata* part of the amounts received from any of the Secured Creditors, as received or recovered by any of them pursuant to the Parallel Debt Agreement (by reference to the proportion of the sum of the relevant Participations bear to the aggregate Mortgage Receivables); less (y) any amounts already paid to the Savings Insurance Company by the Security Trustee pursuant to the Parallel Debt Agreement and (z) the *pro rata* part of the costs and expenses of the Security Trustee (including, for the avoidance of doubt, any costs of, *inter alia*, the Credit Rating Agencies and any legal advisor, auditor or accountant appointed by the Security Trustee) (by reference to the proportion of the sum of the relevant Participations bear to the Mortgage Receivables) provided that such amount can never exceed the amount of the relevant Participation.

The amounts available to the Bank Savings Participant consist of, *inter alia*, (i) amounts recovered by the Security Trustee on the Bank Savings Mortgage Receivables provided that such amounts relate to the relevant Participation in the Bank Savings Mortgage Receivables and the Beneficiary Rights relating thereto and (ii) the *pro rata* part of the amounts received from any of the Secured Creditors, as received or recovered by any of them pursuant to the Parallel Debt Agreement (by reference to the proportion the sum of the relevant Participations bear to the aggregate Mortgage Receivables); less (y) any amounts already paid to the

Bank Savings Participant by the Security Trustee pursuant to the Parallel Debt Agreement and (z) the *pro rata* part of the costs and expenses of the Security Trustee (including, for the avoidance of doubt, any costs of, *inter alia*, the Credit Rating Agencies and any legal advisor, auditor or accountant appointed by the Security Trustee) (by reference to the proportion of the sum of the relevant Participations bear to the Mortgage Receivables) provided that such amount can never exceed the amount of the relevant Participation.

On the Closing Date the Issuer will vest a right of pledge pursuant to the Issuer Mortgage Receivables Pledge Agreement in favour of the Security Trustee on the Mortgage Receivables and the Beneficiary Rights relating thereto. The right of pledge on the Mortgage Receivables will not be notified to the Borrowers, except in case a Pledge Notification Event occurs. Prior to notification of the right of pledge to the Borrowers, the pledge will be a 'silent' right of pledge (*stil pandrecht*) within the meaning of Section 3:239 of the Netherlands Civil Code. The right of pledge on the Beneficiary Rights will also be an undisclosed right of pledge (*stil pandrecht*).

In addition, on the Closing Date the Issuer will vest a right of pledge pursuant to the Issuer Rights Pledge Agreement in favour of the Security Trustee on all rights of the Issuer under or in connection with (i) the Mortgage Receivables Purchase Agreement, (ii) the Servicing Agreement, (iii) the Issuer Account Agreement, (iv) the Cash Advance Facility Agreement, (v) the Swap Agreement, (vi) the Participation Agreements and (vii) in respect of the Issuer Transaction Accounts. This right of pledge will be notified to the relevant obligors and will, therefore, be a disclosed right of pledge (*openbaar pandrecht*). However, the Security Trustee will grant a power to collect (*bevoegdheid tot inning*) to the Issuer which will be withdrawn upon the occurrence of any of the Pledge Notification Events.

Upon the occurrence of a Pledge Notification Event and, consequently, notification to the Borrowers and the Insurance Companies and withdrawal of the power to collect, the Security Trustee will collect (*innen*) all amounts due to the Issuer whether by Borrowers, the Insurance Companies or parties to the Transaction Documents. Pursuant to the Trust Deed the Security Trustee will, until the delivery of an Enforcement Notice, for the sole purpose of enabling the Issuer to make payments in accordance with the relevant Priority of Payments prior to Enforcement, pay or procure the payment to the Issuer, whilst for that sole purpose terminating (*opzeggen*) its right of pledge.

The rights of pledge created in the Pledge Agreements secure any and all liabilities of the Issuer to the Security Trustee resulting from or in connection with the Parallel Debt Agreement and any other Transaction Documents.

The rights of pledge described above shall serve as security of the Security Trustee for the benefit of the Secured Creditors, including the Noteholders, but, *inter alia*, amounts owing to:

- (i) the Class B Noteholders will rank in priority of payment after amounts owing to the Class A Noteholders;
- (ii) the Class C Noteholders will rank in priority of payment after amounts owing to the Class A Noteholders and the Class B Noteholders;
- (iii) the Class D Noteholders will rank in priority of payment after amounts owing to the Class A Noteholders, the Class B Noteholders and the Class C Noteholders;
- (iv) the Class E Noteholders will rank in priority of payment after amounts owing to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders; and
- (v) the Class F Noteholders will rank in priority of payment after amounts owing to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders (see section 5 (*Credit Structure*) above).

The Class A Notes comprise of the Class A1 Notes and the Class A2 Notes. The Class A1 Notes and the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among all Notes of such Class in respect of the Security and payments of interest. Provided that no Enforcement Notice has been given, payments of principal on the Class A Notes are applied firstly to the Class A1 Notes and then to the Class A2 Notes. To the extent that the Available Principal Funds are insufficient to redeem the Class A1 Notes and/or the Class A2 Notes in full when due in accordance with the Conditions for a period of fifteen calendar days or more, this will constitute an Event of Default in accordance with Condition 10(a). The Class A2 Notes do not therefore purport to provide credit enhancement to the Class A1 Notes. If, on any date, the Security is to be enforced and the proceeds of the enforcement would be insufficient to fully redeem the Class A Notes in full, such loss will be borne, *pro rata* and *pari passu*, by the holders of the Class A Notes. If the Class A1 Notes have been redeemed (in part or in full) at such time, this will result in the Class A2 Notes bearing a greater loss than that borne by the Class A1 Notes.

## 5. CREDIT STRUCTURE

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

### 5.1 Available Funds

#### *Available Revenue Funds*

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated as at each Notes Calculation Date and which have been received during the Notes Calculation Period immediately preceding such Notes Calculation Date or, if specifically set out below, on the relevant Notes Payment Date, will pursuant to the terms of the Trust Deed be applied in accordance with the Revenue Priority of Payments (items (i) up to and including (xv)) will hereinafter be referred to as the **Available Revenue Funds**):

- (i) as interest on the Mortgage Receivables less, with respect to each Savings Mortgage Receivable and Bank Savings Mortgage Receivable, an amount equal to the amount received, multiplied by the relevant Participation Fraction;
- (ii) as interest accrued and received on the Issuer Collection Account, the Reserve Account and the Cash Advance Facility Stand-by Drawing Account;
- (iii) as Prepayment Penalties and penalty interest under the Mortgage Receivables;
- (iv) as Net Foreclosure Proceeds on any Mortgage Receivables to the extent such proceeds do not relate to principal less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, an amount equal to the amount of interest received multiplied by the relevant Participation Fraction;
- (v) as amounts to be drawn under the Cash Advance Facility Agreement (other than Cash Advance Facility Stand-by Drawings) and amounts to be debited from the Cash Advance Facility Stand-by Drawing Account (other than with a view to repaying a Cash Advance Facility Stand-by Drawing) on the immediately succeeding Notes Payment Date;
- (vi) as amounts to be drawn from the Reserve Account on the immediately succeeding Notes Payment Date;
- (vii) as amounts to be received from the Swap Counterparty under the Swap Agreement on the immediately succeeding Notes Payment Date, if any, excluding, (i) any collateral transferred pursuant to the Swap Agreement, and (ii) any amounts received upon early termination of the Swap Agreement (other than, in each case, as set out under (xiii) below);
- (viii) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement, or any other amounts received pursuant to the Mortgage Receivables Purchase Agreement, to the extent such amounts do not relate to principal less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, an amount equal to the amount of interest received multiplied by the relevant Participation Fraction;
- (ix) as amounts received under the Subordinated Loan Agreement;
- (x) as amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts do not relate to principal less, with respect to each Savings Mortgage

Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, an amount equal to the amount of interest received multiplied by the relevant Participation Fraction, and to the extent such amounts relate to principal, but only such part that is in excess of the relevant Outstanding Principal Amount of the relevant Mortgage Receivable;

- (xi) as amounts received as post-foreclosure proceeds on the Mortgage Receivables;
- (xii) on the Notes Payment Date on which the Mortgage-Backed Notes will be or have been redeemed in full, (a) any (remaining) amounts standing to the credit of the Issuer Collection Account which are not included in items (i) up to and including (xi), (xiii) and (xiv) on such Notes Payment Date and (b) any (remaining) amounts standing to the credit of the Reserve Account excluding any Excess Swap Collateral or Tax Credit; and
- (xiii) as amounts to be drawn from the Swap Termination Payment Ledger equal to the Available Termination Amount; and
- (xiv) any Initial Swap Payment (or, as applicable, remaining part thereof) as received by the Issuer and standing to the credit of the Issuer Collection Account on such Notes Payment Date and not used on or prior to such Notes Payment Date to satisfy any termination payment to any Swap Counterparty; less
- (xv) on the first Notes Payment Date of each year, the highest of (i) an amount equal to 10 per cent. of the annual operational expenses in the immediately preceding calendar year in accordance with items (a), (b) and (c) of the Revenue Priority of Payments, but only to the extent the amount of such expenses is not directly related to the Issuer's assets and/or liabilities, and (ii) an amount of euro 2,500.

#### ***Available Principal Funds***

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated as at any Notes Calculation Date and which have been received during the immediately preceding Notes Calculation Period will pursuant to the terms of the Trust Deed be applied in accordance with the Redemption Priority of Payments (items (i) up to and including (ix) will hereinafter be referred to as the **Available Principal Funds**):

- (i) by means of repayment and prepayment in full of principal under the Mortgage Receivables from any person, but, for the avoidance of doubt, excluding prepayment penalties, if any, less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, the relevant Participation in such Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable;
- (ii) as Net Foreclosure Proceeds on any Mortgage Receivable to the extent such proceeds relate to principal less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, the relevant Participation in such Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable;
- (iii) in connection with a repurchase of Mortgage Receivables, whether or not as a result of the exercise of the Clean-up Call Option or the Regulatory Call Option or in connection with an Optional Redemption Date, pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, the relevant

Participation in such Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable;

- (iv) in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal but up to the aggregate Outstanding Principal Amount of such Mortgage Receivables less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, the relevant Participation in such Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable;
- (v) as amounts to be credited to the Principal Deficiency Ledger on the immediately succeeding Notes Payment Date in accordance with the Revenue Priority of Payments;
- (vi) as Monthly Bank Savings Participation Increase and Monthly Insurance Savings Participation Increase pursuant to the relevant Participation Agreement and as consideration for the relevant Initial Savings Participation;
- (vii) as partial prepayment in respect of Mortgage Receivables;
- (viii) any part of the Available Principal Funds calculated on the immediately preceding Notes Calculation Date which has not been applied towards redemption of the Mortgage-Backed Notes on the preceding Notes Payment Date; and
- (ix) any amounts received on the Issuer Collection Account from the credit balance of the Construction Deposit Account in accordance with the Mortgage Receivables Purchase Agreement,

#### **Cash Collection Arrangements**

Payments by the Borrowers of interest and scheduled principal under the Mortgage Loans are due on the first day of each month, interest being payable in arrear. All payments made by Borrowers will be made into the Seller Collection Account maintained with The Royal Bank of Scotland N.V. (the **Seller Collection Account Bank**). This account is not pledged to any party other than to the Seller Collection Account Bank pursuant to the applicable terms and conditions. This account will also be used for the collection of moneys paid in respect of mortgage loans other than Mortgage Loans and in respect of any other moneys belonging to the Seller.

If (i) the rating of the short-term, unsecured and unguaranteed debt obligations of the Seller Collection Account Bank falls below, F-2 by Fitch, P-2 by Moody's or (ii) the rating of the long-term, unsecured and unguaranteed debt obligations of the Seller Collection Account Bank falls below A- by Fitch or either (x) BBB by S&P (if the short-term, unsecured and unsubordinated debt obligations are also rated at least as high as A-2 by S&P) or (y) BBB+ by S&P (if the short-term, unsecured and unsubordinated debt obligations are not rated, or are rated below A-2 by S&P) (the **Seller Collection Requisite Credit Rating**), the Seller will, within thirty (30) calendar days, in order to maintain the then current rating assigned to the Mortgage-Backed Notes, either: (i) ensure that payments to be made in respect of amounts received on the Seller Collection Account relating to the Mortgage Receivables will be guaranteed by a party having at least the Seller Collection Requisite Credit Rating in accordance with the guarantee criteria of S&P, or (ii) (a) open an escrow account in the name of the Issuer, for the Issuer's own account, with a party having at least the Seller Collection Requisite Credit Rating, and (b) transfer to the escrow account an amount equal to the highest single amount of principal, interest and prepayment penalties received since the Closing on the Issuer Collection Account during one Mortgage Calculation Period, or (iii) implement any other actions to maintain the then current ratings assigned to the Mortgage-Backed Notes.

On each Mortgage Collection Payment Date the Servicer shall transfer all amounts of principal, interest, prepayment penalties and interest penalties received by the Seller in respect of the Mortgage Receivables during the immediately preceding Mortgage Calculation Period to the Issuer Collection Account.

## 5.2 Priorities of Payments

### Revenue Priorities Payments

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

- (a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of the fees or other remuneration due and payable to the Directors in connection with the Management Agreements and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Transaction Documents;
- (b) *second*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof of fees and expenses due and payable to the Servicer, the Non-performing Mortgage Loan Servicer and the Issuer Administrator under the Servicing Agreement;
- (c) *third*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, (i) of any amounts due and payable to third parties under obligations incurred in the Issuer's business (other than under the Transaction Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax (to the extent such amounts cannot be paid out of item (xv) of the Available Revenue Funds) and sums due to the Credit Rating Agencies and fees and expenses of any legal advisor, auditor and/or accountant appointed by the Issuer and/or the Security Trustee, (ii) fees and expenses due to the Paying Agents and the Reference Agent under the Paying Agency Agreement, (iii) the Cash Advance Facility Commitment Fee (as defined therein) under the Cash Advance Facility Agreement to the Cash Advance Facility Provider, and (iv) costs, expenses and interest related to the Issuer Accounts other than the Swap Collateral Account (if any), due and payable to the Issuer Account Bank under the Issuer Account Agreement;
- (d) *fourth*, (i) in or towards satisfaction of any amounts due and payable to the Cash Advance Facility Provider under the Cash Advance Facility Agreement and to be credited to the Cash Advance Facility Stand-by Drawing Account, but excluding the Cash Advance Facility Commitment Fee payable under (c) above and any gross-up amounts or additional amounts due under the Cash Advance Facility and payable under (t) below, or (ii) following a Cash Advance Facility Stand-by Drawing, in or towards satisfaction of amounts to be credited to the Cash Advance Facility Stand-by Drawing Account;
- (e) *fifth*, in or towards satisfaction of amounts, if any, due and payable by the Issuer under the Swap Agreement including any swap termination payment (other than any Swap Counterparty Default Payment) and any Initial Swap Payment, in both cases, to the extent not paid outside the Priority of Payments and excluding, for the avoidance of doubt, the payment to the Swap Counterparty of any Excess Swap Collateral or Tax Credit;
- (f) *sixth*, in or towards satisfaction *pro rata* and *pari passu*, according to the respective amounts thereof, of all amounts of interest due or accrued but unpaid in respect of the Class A1 Notes and the Class A2 Notes;
- (g) *seventh*, in or towards making good any shortfall reflected in the Class A Principal Deficiency Ledger until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to zero;
- (h) *eighth*, in or towards satisfaction of interest due or accrued but unpaid on the Class B Notes;

- (i) *ninth*, in or towards making good any shortfall reflected in the Class B Principal Deficiency Ledger until the debit balance, if any, on the Class B Principal Deficiency Ledger is reduced to zero;
- (j) *tenth*, in or towards satisfaction of interest (if any) due or accrued but unpaid on the Class C Notes;
- (k) *eleventh*, in or towards making good any shortfall reflected in the Class C Principal Deficiency Ledger until the debit balance, if any, on the Class C Principal Deficiency Ledger is reduced to zero;
- (l) *twelfth*, in or towards satisfaction of interest (if any) due or accrued but unpaid on the Class D Notes;
- (m) *thirteenth*, in or towards making good any shortfall reflected in the Class D Principal Deficiency Ledger until the debit balance, if any, on the Class D Principal Deficiency Ledger is reduced to zero;
- (n) *fourteenth*, in or towards satisfaction of interest (if any) due or accrued but unpaid on the Class E Notes;
- (o) *fifteenth*, in or towards making good any shortfall reflected in the Class E Principal Deficiency Ledger until the debit balance, if any, on the Class E Principal Deficiency Ledger is reduced to zero;
- (p) *sixteenth*, in or towards satisfaction of any sums required to replenish the Reserve Account up to the amount of the Reserve Account Required Amount;
- (q) *seventeenth*, in or towards satisfaction of interest (if any) due or accrued but unpaid in respect of the Class F Notes;
- (r) *eighteenth*, in or towards satisfaction of principal amounts due under the Class F Notes on the relevant Notes Payment Date, including the Final Maturity Date;
- (s) *nineteenth*, in or towards satisfaction of the Swap Counterparty Default Payment payable to the Swap Counterparty under the terms of the Swap Agreement;
- (t) *twentieth*, in or towards satisfaction of gross-up amounts or additional amounts due, if any, to the Cash Advance Facility Provider under the Cash Advance Facility Agreement;
- (u) *twenty-first*, in or towards satisfaction of interest due or accrued but unpaid in respect of the Subordinated Loan;
- (v) *twenty-second*, in or towards satisfaction of principal due and payable but unpaid in respect of the Subordinated Loan; and
- (w) *twenty-third*, in or towards satisfaction of a Deferred Purchase Price Instalment to the Seller.

### **Redemption Priority of Payments**

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

- (a) *first*, in or towards satisfaction of principal amounts due under the Class A1 Notes on the relevant Notes Payment Date until fully redeemed and thereafter the Class A2 Notes on the relevant Notes Payment Date until fully redeemed;
- (b) *second*, in or towards satisfaction of principal amounts due under the Class B Notes on the relevant Notes Payment Date until fully redeemed;

- (c) *third*, in or towards satisfaction of principal amounts due under the Class C Notes on the relevant Notes Payment Date until fully redeemed;
- (d) *fourth*, in or towards satisfaction of principal amounts due under the Class D Notes on the relevant Notes Payment Date until fully redeemed; and
- (e) *fifth*, in or towards satisfaction of principal amounts due under the Class E Notes on the relevant Notes Payment Date until fully redeemed.

### **Priority of Payments upon Enforcement**

Following delivery of an Enforcement Notice any amounts collected by the Security Trustee under the Trust Deed, (other than amounts to be deducted therefrom, Excess Swap Collateral and Tax Credits and in respect of the Participations, which amounts will not be part of this Priority of Payments upon Enforcement) will be applied in the following order of priority (after deduction of costs incurred by the Security Trustee, which will include, *inter alia*, fees and expenses of the Credit Rating Agencies and any legal advisor, auditor and accountant appointed by the Security Trustee) (and in each case only if and to the extent payments of a higher priority have been made in full) (the **Post-Enforcement Priority of Payments**):

- (a) *first*, in or towards satisfaction, of the repayment of any Cash Advance Facility Stand-by Drawing and any other amount due and payable but unpaid under the Cash Advance Facility Agreement;
- (b) *second*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of (i) the fees or other remuneration due to the Directors in connection with the Management Agreements, (ii) the fees and expenses of the Paying Agents and the Reference Agent incurred under the provisions of the Paying Agency Agreement, (iii) the fees and expenses of the Servicer, the Non-performing Mortgage Loan Servicer and the Issuer Administrator under the Servicing Agreement, and (iv) costs, expenses and interest related to the Issuer Accounts other than the Swap Collateral Account, due and payable to the Issuer Account Bank under the Issuer Account Agreement;
- (c) *third*, in or towards satisfaction of any amounts due and payable but unpaid under the Cash Advance Facility Agreement but excluding any Cash Advance Facility Stand-by Drawing payable under (a) above and including any gross-up amounts or additional amounts due under the Cash Advance Facility Agreement;
- (d) *fourth*, in or towards satisfaction of any amounts due and payable to the Swap Counterparty under the Swap Agreement, including any swap termination payment (other than any Swap Counterparty Default Payment) and excluding, for the avoidance of doubt, the payment to the Swap Counterparty of any Excess Swap Collateral or Tax Credit;
- (e) *fifth*, *pro rata* and *pari passu*, according to the respective amounts thereof, in or towards satisfaction of all amounts of interest due or accrued but unpaid in respect of the Class A1 Notes and the Class A2 Notes;
- (f) *sixth*, *pro rata* and *pari passu*, according to the respective amounts thereof, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class A1 Notes and the Class A2 Notes;
- (g) *seventh*, in or towards satisfaction of all amounts of interest due or accrued but unpaid in respect of the Class B Notes;
- (h) *eighth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class B Notes;

- (i) *ninth*, in or towards satisfaction of all amounts of interest (if any) due or accrued but unpaid in respect of the Class C Notes;
- (j) *tenth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class C Notes;
- (k) *eleventh*, in or towards satisfaction of all amounts of interest (if any) due or accrued but unpaid in respect of the Class D Notes;
- (l) *twelfth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class D Notes;
- (m) *thirteenth*, in or towards satisfaction of all amounts of interest (if any) due or accrued but unpaid in respect of the Class E Notes;
- (n) *fourteenth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class E Notes;
- (o) *fifteenth*, in or towards satisfaction of all amounts of interest (if any) due or accrued but unpaid in respect of the Class F Notes;
- (p) *sixteenth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class F Notes;
- (q) *seventeenth*, in or towards satisfaction of the Swap Counterparty Default Payment payable to the Swap Counterparty under the terms of the Swap Agreement;
- (r) *eighteenth*, in or towards satisfaction of all amounts of interest due or accrued and principal due but unpaid in respect of the Subordinated Loan; and
- (s) *nineteenth*, in and towards satisfaction of any Deferred Purchase Price Instalment to the Seller.

#### **Subordinated Loan Agreement**

On the Closing Date the Seller will make available to the Issuer the Subordinated Loan. The Subordinated Loan will be in an amount of euro 2,600,000 and will be used by the Issuer to pay certain initial costs and expenses in connection with the issue of the Notes.

### 5.3 Loss Allocation

#### Principal Deficiency Ledger

A Principal Deficiency Ledger comprising six sub-ledgers, known as the Class A1 Principal Deficiency Ledger, the Class A2 Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger, the Class D Principal Deficiency Ledger and the Class E Principal Deficiency Ledger, respectively, will be established by or on behalf of the Issuer in order to record any Realised Losses on the Mortgage Receivables as Principal Deficiency upon completion of the foreclosure, such that there is no more collateral securing the Mortgage Receivable. On any Notes Calculation Date, any Realised Losses shall be debited to the Class E Principal Deficiency Ledger (such debit items being reccredited at item (o) of the Revenue Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Class E Notes and thereafter such amounts shall be debited to the Class D Principal Deficiency Ledger (such debit items being reccredited at item (m) of the Revenue Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Class D Notes and thereafter such amounts shall be debited to the Class C Principal Deficiency Ledger (such debit items being reccredited at item (k) of the Revenue Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Class C Notes and thereafter such amounts shall be debited to the Class B Principal Deficiency Ledger (such debit items being reccredited at item (i) of the Revenue Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Class B Notes and thereafter such amounts shall be debited, *pro rata* and *pari passu* according to the Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes on the relevant Notes Calculation Date, to the Class A Principal Deficiency Ledger (such debit items being reccredited at item (g) of the Revenue Priority of Payments).

**Realised Losses** means, on any Notes Payment Date, the sum of:

- (a) the balance between (i) the aggregate Outstanding Principal Amount in respect of Mortgage Receivables less, with respect to Savings Mortgage Receivables, Life Mortgage Receivables with a Savings Element and the Bank Savings Mortgage Receivables, the relevant Participations, on which the Seller or the Non-performing Mortgage Loan Servicer or the Issuer has foreclosed during the immediately preceding Notes Calculation Period, and (ii) the sum of (x) the Net Foreclosure Proceeds on such Mortgage Receivables other than Savings Mortgage Receivables, Life Mortgage Receivables with a Savings Element and the Bank Savings Mortgage Receivables and (y) the Net Foreclosure Proceeds on such Savings Mortgage Receivables, Life Mortgage Receivables with a Savings Element and Bank Savings Mortgage Receivables up to the amount of the relevant Savings Mortgage Receivables, Life Mortgage Receivables with a Savings Element or Bank Savings Mortgage Receivables less the relevant Participations; and
- (b) with respect to Mortgage Receivables sold by the Issuer during the immediately preceding Notes Calculation Period, the balance, if any, between (x) the aggregate Outstanding Principal Amount, less with respect to such Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivables, the relevant Participations, and (y) the purchase price received in respect of such Mortgage Receivables to the extent relating to the principal less, with respect to Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and the Bank Savings Mortgage Receivables, the relevant Participations; and
- (c) with respect to the Mortgage Receivables in respect of which the Borrower has successfully invoked set-off or defences to payments or (p)repaid any amounts, the amount by which the Mortgage Receivables have been extinguished (*teniet gegaan*) as a result thereof unless and to the extent such amount is received from the Seller or otherwise pursuant to any items (i) and (iii) of the Available Principal Funds.

## 5.4 Hedging

The Mortgage Loan Criteria require that all Mortgage Receivables bear a floating rate or a fixed rate of interest, subject to a reset from time to time. The interest rate payable by the Issuer with respect to the Class A Notes and the Class B Notes is calculated as Euribor plus a margin or, in respect of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, as a fixed rate of 0.01 per cent. The margin on the Class A Notes and the Class B Notes will be reset on the First Optional Redemption Date.

The Issuer will mitigate the interest rate exposure on the Mortgage-Backed Notes by entering into the Swap Agreement with the Swap Counterparty. The interest rate exposure in respect of the Class F Notes will not be mitigated by the Swap Agreement.

Under the Swap Agreement, the Issuer will agree to pay on each Notes Payment Date the sum of:

- (a) the aggregate amount of interest on the Mortgage Receivables scheduled to be paid during the immediately preceding three Mortgage Calculation Periods less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and each Bank Savings Mortgage Receivable, an amount equal to the scheduled interest multiplied by the relevant Participation Fraction (the **Scheduled Interest**); and
- (b) the interest accrued and received on the Issuer Collection Account which will mean zero if such amount is negative; and
- (c) the aggregate amount of the penalty interest and any prepayment penalties received during the immediately preceding Notes Calculation Period; less
- (d) an excess margin of 0.50 per cent. per annum applied to the aggregate Principal Amount Outstanding of the Mortgage-Backed Notes (for the avoidance of doubt as reduced by any outstanding debit balances on the respective sub-ledgers of the Principal Deficiency Ledger) on the first calendar day of the relevant Interest Period multiplied by the applicable day count fraction (the **Excess Margin**); less
- (e) the operating expenses set out in items (a) up to and including (c) of the Revenue Priority of Payments payable on the Notes Payment Date and (without duplication or double counting) any negative interest paid by the Issuer to the Issuer Account Bank during the relevant Interest Period in respect of the Issuer Accounts other than in respect of the Swap Collateral Account (if any).

The Swap Counterparty will agree to pay to the Issuer on each Notes Payment Date amounts equal to the scheduled interest due under the Mortgage-Backed Notes on such Notes Payment Date, and calculated by reference to the Interest Rate applied to the Principal Amount Outstanding of the relevant Class of Notes (as reduced by any outstanding debit balances on the respective sub-ledgers of the Principal Deficiency Ledger, whereby in the event of a balance on the Class A Principal Deficiency Ledger, such balance will be subdivided between the Class A1 Notes and the Class A2 Notes *pro rata* by reference to the Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes) on the first calendar day of the relevant Interest Period.

### *Adjustment of Swap Amounts*

If on any Notes Payment Date, the amount of interest actually received and interest (excluding penalties) recovered on the Mortgage Receivables during the immediately preceding Notes Calculation Period, less in case of a Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and a Bank Savings Mortgage Receivable, the amount received multiplied by the relevant Participation Fraction (the **Interest Received**), falls short of Scheduled Interest, the payment obligation of the Issuer will be reduced with an amount equal to such shortfall. In such event the payment of the Swap Counterparty on such Notes

Payment Date will be adjusted accordingly on a euro for euro basis. Such reduction could result in the Issuer not having sufficient funds available to meet its payment obligations in accordance with the priorities described above on such Notes Payment Date. For the avoidance of doubt, there will be no adjustment if the amount of Interest Received exceeds the amount of Scheduled Interest.

The Swap Agreement provides for payment netting in respect of payments to be made by the Issuer and the Swap Counterparty respectively on a Notes Payment Date and provides for close-out netting upon termination of the Swap Agreement.

The Swap Agreement will be documented under an ISDA master agreement. The Swap Agreement may be terminated in accordance with events of default and termination events commonly found in standard ISDA documentation for swap transactions. The Swap Agreement will be terminable by one party if (i) an applicable event of default or termination event occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Swap Agreement, (iii) an Enforcement Notice is served or (iv) all Mortgage-Backed Notes are redeemed prior to the Final Maturity Date pursuant to Condition 6(b) (*Mandatory Redemption of the Mortgage-Backed Notes*), as a result of the exercise of a Clean-up Call Option or a Regulatory Call Option, or pursuant to 6(e) (*Optional Redemption*) or 6(f) (*Redemption for tax reasons*) (an **Early Redemption Event**). Events of default under the Swap Agreement in relation to the Issuer will be limited to (i) non-payment under the Swap Agreement, and (ii) certain insolvency events. If the Swap Agreement is terminated as a result of an event of default in respect of the Issuer, the service of an Enforcement Notice or an Early Redemption Event, the Swap Counterparty will calculate the termination amount payable by or to the Issuer as a result of the termination of the Swap Agreement, in accordance with the terms of the Swap Agreement.

Upon the early termination of the Swap Agreement, including on termination as a result of an Early Redemption Event, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party. The amount of any termination payment will be based on the market value of the Swap Agreement. The market value will be based on market quotations of the cost of entering into a transaction with the same terms and conditions and that would have the effect of preserving the respective full payment obligations of the parties (or based upon loss in the event that no market quotation can be obtained).

In the event that the Issuer is required to withhold or deduct an amount in respect of tax from payments due from it to the Swap Counterparty, the Issuer will not be required pursuant to the terms of the Swap Agreement to pay the Swap Counterparty such amounts as would otherwise have been required to ensure that the Swap Counterparty received the same amounts that it would have received had such withholding or deduction not been made.

In the event that the Swap Counterparty is required to withhold or deduct an amount in respect of tax from payments due from it to the Issuer, the Swap Counterparty will be required pursuant to the terms of the Swap Agreement to pay to the Issuer such additional amounts as are required to ensure that the Issuer receives the same amounts that it would have received had such withholding or deduction not been made.

In either event, the Swap Counterparty will at its own cost, if it is unable to transfer its rights and obligations under the Swap Agreement to another branch, or otherwise remedy such event, have the right to terminate the Swap Agreement. Upon such termination, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party.

The Issuer will pay any termination payment (including any Swap Counterparty Default Payment) to the Swap Counterparty on a Notes Payment Date pursuant to the Priority of Payments from the Available Revenue Funds. The Issuer may also pay any termination payment, including any Swap Counterparty Default Payment, to the Swap Counterparty on any date other than a Notes Payment Date outside of any Priority of Payments provided that the Issuer has received such amount as an Initial Swap Payment from the relevant replacement swap counterparty. For the avoidance of doubt, to the extent such Initial Swap Payment exceeds such termination amount, such excess amount will form part of the Available Revenue Funds.

Any amounts received by the Issuer from the Swap Counterparty (whether or not through application of any collateral standing to the credit of the Swap Collateral Account) upon early termination of the Swap Agreement will be held on the Issuer Transaction Account with a corresponding credit to the Swap Termination Payment Ledger. Amounts standing to the credit of the Swap Termination Payment Ledger will be available to make an Initial Swap Payment to a replacement swap counterparty on any date other than a Notes Payment Date outside of the Priority of Payments. The Available Termination Amount will be drawn from the Swap Termination Payment Ledger on a Notes Payment Date and will form part of the Available Revenue Funds.

If the Swap Counterparty ceases to have the Swap Required Ratings by the Credit Rating Agencies, the Swap Counterparty will be required to take certain remedial measures which may include (i) the provision of collateral for its obligations under the Swap Agreement pursuant to the credit support annex to the Swap Agreement entered into by the Issuer and the Swap Counterparty on the basis of the standard ISDA documentation (which provides for requirements relating to the providing of collateral by the Swap Counterparty), or (ii) arranging for its obligations under the Swap Agreement to be transferred to an entity with the required ratings, or (iii) procuring another entity with at least the swap required ratings to become joint-obligor or a guarantor in respect of its obligations under the Swap Agreement, or (iv) taking such other action as it may agree with the Credit Rating Agencies. A failure to take such steps, subject to certain conditions, will give the Issuer the right to terminate the Swap Agreement.

Any Excess Swap Collateral will, when due pursuant to the Swap Agreement, be returned to such Swap Counterparty outside the Revenue Priority of Payments or the Priority of Payments upon Enforcement. If the Issuer receives any Tax Credit resulting from the payment of any withholding tax by the Swap Counterparty, the Issuer shall pay the cash benefit of such Tax Credit to the Swap Counterparty outside the Revenue Priority of Payments or the Priority of Payments upon Enforcement.

## 5.5 Liquidity Support

### *Cash Advance Facility*

On the Closing Date, the Issuer will enter into the Cash Advance Facility Agreement with the Cash Advance Facility Provider. The Issuer will be entitled on any Notes Payment Date (other than on (i) a Notes Payment Date if and to the extent the Mortgage-Backed Notes are redeemed in full on such Notes Payment Date, or (ii) the Final Maturity Date) to make drawings under the Cash Advance Facility Agreement up to the Cash Advance Facility Maximum Amount.

The Cash Advance Facility Agreement is for a maximum term of 364 days. The commitment of the Cash Advance Facility Provider is extendable at the request of the Issuer. Any drawing under the Cash Advance Facility Agreement by the Issuer shall only be made on a Notes Payment Date if and to the extent that, after the application of amounts available on the Reserve Account and without taking into account any drawing under the Cash Advance Facility, there is a shortfall in the Available Revenue Funds to meet items (a) to (n) (inclusive), but not items (g), (i), (k) and (m), in the Revenue Priority of Payments in full on that Notes Payment Date, provided that no drawing may be made to meet item (h) if there is a debit balance on the Class B Principal Deficiency Ledger and no drawing may be made to meet item (j) if there is a debit balance on the Class C Principal Deficiency Ledger and no drawing may be made to meet item (l) if there is a debit balance on the Class D Principal Deficiency Ledger and no drawing may be made to meet item (n) if there is a debit balance on the Class E Principal Deficiency Ledger. Certain payments to the Cash Advance Facility Provider will rank in priority in respect of payments and security to *inter alia* the Notes. If a Cash Advance Facility Stand-by Drawing is to be repaid by the Issuer, such repayment shall be made by the Issuer from the Cash Advance Facility Stand-by Drawing Account directly to the Cash Advance Facility Provider (outside of the Revenue Priority of Payments).

If, (a) at any time, (i) the Cash Advance Facility Provider is assigned a credit rating of less than the Requisite Credit Rating or any such credit rating is withdrawn, and (ii) within 30 calendar days of such downgrading the Cash Advance Facility Provider is not replaced with an alternative Cash Advance Facility Provider who has been assigned with at least a credit rating equal to the Requisite Credit Rating or alternatively the Cash Advance Facility Provider has procured that a guarantee for its obligations in favour of the Issuer has been issued in accordance with the guarantee criteria of the relevant Rating Agencies, or (b) the Cash Advance Facility Provider has refused to extend the Cash Advance Facility Agreement upon the Issuer's request, or (c) the Issuer has requested that the Cash Advance Facility Provider transfers its rights and obligations under the Cash Advance Facility Agreement to a third party, and the Cash Advance Facility Provider has not immediately been replaced with a Cash Advance Facility Provider having the Requisite Credit Rating, the Issuer will be required forthwith to draw down the entirety of the undrawn portion under the Cash Advance Facility Agreement (a **Cash Advance Facility Stand-by Drawing**) and credit such amount to the Cash Advance Facility Stand-by Drawing Account maintained with the Issuer Account Bank. Amounts so credited to the Cash Advance Facility Stand-by Drawing Account may be utilised by the Issuer in the same manner as a drawing under the Cash Advance Facility Agreement.

## **5.6 Issuer Transaction Accounts**

### ***Issuer Collection Account***

The Issuer will maintain with the Issuer Account Bank the Issuer Collection Account to which all amounts received (i) in respect of the Mortgage Receivables and (ii) from the Savings Insurance Company and the Bank Savings Participant under the Participation Agreements and (iii) from the other parties to the Transaction Documents will be paid.

The Issuer Administrator will identify all amounts paid into the Issuer Collection Account by crediting such amounts to ledgers established for such purpose. Payments received on or before each Mortgage Collection Payment Date in respect of the Mortgage Loans will be identified as principal or revenue receipts and credited to a Principal Ledger or a Revenue Ledger, as the case may be. Further ledgers will be maintained to record amounts held in the Issuer Account Agreement in connection with the Financial Cash Collateral Agreement and in connection with certain drawings made under the Cash Advance Facility.

Payments may be made from the Issuer Collection Account other than on a Notes Payment Date only to satisfy (i) amounts due to third parties (other than pursuant to the Transaction Documents) and payable in connection with the Issuer's business, (ii) amounts due under the Participation Agreements, (iii) the repayment of any Cash Advance Facility Stand-by Drawing in accordance with the Cash Advance Facility Agreement, and (iv) the payment to the Swap Counterparty of any Tax Credit. In addition, the Issuer may pay any termination payment to the Swap Counterparty on any date other than a Notes Payment Date provided that the Issuer has received such amount as initial swap payment from the relevant replacement swap counterparty (see *Swap Agreement* below).

If, at any time, the Issuer Account Bank is assigned a credit rating of less than the Requisite Credit Rating or any such credit rating is withdrawn, the Issuer will be required within 30 calendar days or, in the case of a downgrade or loss only of the rating given by S&P, within a period of sixty (60) calendar days which may be extended for another thirty (30) calendar days (subject to confirmation from S&P that the then current ratings on the Notes be maintained) of such reduction or withdrawal of such credit rating to (i) transfer the balance standing to the credit of the Issuer Accounts to an alternative Issuer Account Bank having the Requisite Credit Rating or (ii) find any other solution to maintain the then current credit ratings assigned to the Notes.

### ***Swap Collateral Account***

Upon certain triggers being met as set out in the Swap Agreement, the Issuer will open with the Issuer Account Bank the Swap Collateral Account to which any collateral in the form of cash may be credited by the Swap Counterparty pursuant to the Swap Agreement. If any collateral in the form of securities is provided to the Issuer by the Swap Counterparty, the Issuer will be required to open a custody account in which such securities will be held.

No withdrawals may be made in respect of the Swap Collateral Account or such other account in relation to securities other than:

- (a) to effect the return of Excess Swap Collateral to the Swap Counterparty (which return shall be effected by the transfer of such Excess Swap Collateral directly to the Swap Counterparty without deduction for any purpose outside the Revenue Priorities of Payments) or
- (b) following the termination of the Swap Agreement where an amount is owed by the Swap Counterparty to the Issuer, which will form part of the Swap Termination Payment Ledger with a corresponding credit to the Issuer Collection Account (for the avoidance of doubt, after any close out netting has taken place) provided that such amount may be first applied towards, or reserved for, an upfront payment to a replacement swap counterparty outside the Revenue Priorities of Payments and

provided that on any Notes Payment Date such amount may be first applied towards an amount equal to the Available Termination Amount which will form part of the Available Revenue Funds.

### ***Construction Deposit Account***

The Issuer will maintain with the Issuer Account Bank the Construction Deposit Account. The Issuer and the Seller will agree in the Mortgage Receivables Purchase Agreement that the Issuer will be entitled to withhold from the Initial Purchase Price an amount equal to the aggregate Construction Deposits on the Cut-Off Date. Such amount will be deposited in the Construction Deposit Account. On each Mortgage Collection Payment Date, the Issuer will release from the Construction Deposit Account such part of the Initial Purchase Price which equals the amount by which the aggregate Construction Deposits has been reduced during the preceding Notes Calculation Period and pay such amount to the Seller.

An amount corresponding to the aggregate Construction Deposits relating to the Mortgage Receivables will be credited to the Construction Deposit Account on the Closing Date. Payments may be made from the Construction Deposit Account on a Notes Payment Date only to satisfy payment by the Issuer to the Seller of (part of) the Initial Purchase Price as a result of the distribution of (part of) the Construction Deposit by the Seller to the relevant Borrowers. In addition, the Construction Deposit Account will be debited with the amount Borrowers have set-off against the relevant Mortgage Receivables in connection with the Construction Deposits and as a result of which the Issuer has no further obligation to pay (such part of) the Initial Purchase Price. Such debited amount will be transferred to the Issuer Collection Account and form part of the Available Principal Funds. The interest accrued and received on the Construction Deposit Account shall be for the benefit of the Seller and paid to the Seller outside the Priorities of Payments.

### ***Reserve Account***

The Issuer will maintain with the Issuer Account Bank the Reserve Account, to which the net proceeds of the Class F Notes will be credited. Amounts credited to the Reserve Account will be available on any Notes Payment Date to meet items (a) to (o) (inclusive) of the Revenue Priority of Payments in the event that the Available Revenue Funds are not sufficient to meet such payment obligations on a Notes Payment Date, before application of any funds drawn under the Cash Advance Facility Agreement.

If and to the extent that the Available Revenue Funds on any Notes Payment Date exceed the aggregate amounts payable under items (a) to (o) (inclusive) in the Revenue Priority of Payments, such excess amount will be used to deposit in or, as the case may be, to replenish the Reserve Account by crediting such amount to the Reserve Account up to the Reserve Account Required Amount. The Reserve Account Required Amount shall on any Notes Payment Date be equal to (i) 1.5 per cent. of the aggregate Principal Amount Outstanding of the Mortgage-Backed Notes on the Closing Date, or (ii) zero, on the Notes Payment Date on which the Mortgage-Backed Notes have been or are to be redeemed in full, subject to and in accordance with the Conditions.

To the extent that the balance standing to the credit of the Reserve Account on any Notes Payment Date exceeds the Reserve Account Required Amount, such excess shall be drawn from the Reserve Account on such immediately succeeding Notes Payment Date and shall form part of the Available Revenue Funds on that Notes Payment Date and, after all payments of the Revenue Priority of Payments ranking higher in priority have been made, will be available to redeem or partially redeem, as the case may be, the Class F Notes.

On the Notes Payment Date on which all amounts of principal due in respect of the Mortgage-Backed Notes have been or will be paid, any amount remaining to be standing to the credit of the Reserve Account will on such date form part of the Available Revenue Funds and will be applied by the Issuer in or towards satisfaction of all items in the Revenue Priority of Payments in accordance with the priority set out therein, if applicable including for redemption of principal of the Class F Notes.

***Cash Advance Facility Stand-by Drawing Account***

If the Issuer is required to draw a Cash Advance Facility Stand-by Drawing, it shall credit such amount to the Cash Advance Facility Stand-by Drawing Account maintained with the Issuer Account Bank. Amounts so credited to the Cash Advance Facility Stand-by Drawing Account may be utilised by the Issuer in the same manner as a drawing under the Cash Advance Facility Agreement.

## 6. PORTFOLIO INFORMATION

### 6.1 Stratification Tables

The numerical information set out below relates to the Final Pool which was selected on 1 December 2012.

Outstanding Principal Balance	€	720,039,461.65
Outstanding Savings Balance	€	20,067,019.07
Net Outstanding Principal Balance (Net Loan)	€	699,972,442.58
Outstanding construction deposits	€	897,739.55
Number of Mortgages		3,215
Number of Mortgage Loan Parts		7,201
Average Loan Balance		
Average Net Loan	€	217,720.82
WALT Foreclosure Value (%)		99.22
WA Loan to Market Value (%)		89.22
WA Loan to Indexed Foreclosure Value (%)*		106.09
WA Loan to Indexed Market Value (%)*		95.33
WA Seasoning (months)		51.14
WA Remaining Maturity (months)		285.78
WA Coupon		4.76
WA Remaining Period until Reset (months)		91.70

\* *Indexation is based on figures from Kadaster (Land Registry) on a province basis as of September 2012*

*Distribution of the Pod of Portfolio Mortgage Loans by Loan-to-Foreclosure Value*

	number of loans	Net outstanding	% of pool	WAC	WA LtFV	
ltfv <= 25%	34	€ 2,286,404.73	0.33%		4.84	20
25% < ltfv <= 50%	189	€ 19,420,781.63	2.77%		4.77	40
50% < ltfv <= 60%	190	€ 27,096,785.51	3.87%		4.74	56
60% < ltfv <= 70%	223	€ 37,273,012.94	5.32%		4.73	65
70% < ltfv <= 80%	307	€ 57,979,938.25	8.28%		4.76	75
80% < ltfv <= 90%	359	€ 72,036,382.02	10.29%		4.77	85
90% < ltfv <= 100%	425	€ 86,561,360.75	12.37%		4.73	95
100% < ltfv <= 105%	156	€ 40,819,938.13	5.83%		4.80	103
105% < ltfv <= 110%	195	€ 52,036,548.52	7.43%		4.80	108
110% < ltfv <= 115%	291	€ 77,432,306.11	11.06%		4.78	113
115% < ltfv <= 120%	369	€ 96,833,014.84	13.83%		4.81	118
120% < ltfv <= 125%	477	€ 130,195,969.15	18.60%		4.71	123
<b>Grand Total</b>	<b>3,215</b>	<b>€ 699,972,442.58</b>	<b>100.00%</b>		<b>4.76</b>	<b>99</b>

*Distribution of the Pod of Portfolio Mortgage Loans by Loan Size*

	number of loans	Net outstanding	% of pool	WAC	WA LtFV	
loan size <= 50,000	27	€ 1,085,145.97	0.16%		4.90	31
50,000 < loan size <= 100,000	242	€ 20,338,745.77	2.91%		4.81	53
100,000 < loan size <= 150,000	557	€ 72,153,651.71	10.31%		4.77	80
150,000 < loan size <= 200,000	726	€ 127,681,952.66	18.24%		4.80	92
200,000 < loan size <= 250,000	679	€ 152,696,797.42	21.81%		4.76	101
250,000 < loan size <= 300,000	487	€ 132,596,941.08	18.94%		4.73	107
300,000 < loan size <= 400,000	344	€ 117,288,656.64	16.76%		4.76	109
400,000 < loan size <= 500,000	103	€ 45,702,772.31	6.53%		4.70	112
500,000 < loan size <= 750,000	46	€ 27,187,083.73	3.88%		4.76	110
750,000 < loan size <= 1,000,000	4	€ 3,240,695.29	0.46%		4.62	110
<b>Grand Total</b>	<b>3,215</b>	<b>€ 699,972,442.58</b>	<b>100.00%</b>		<b>4.76</b>	<b>99</b>

*Distribution of the Pod of Portfolio Mortgage Loans by Interest Rates (specified on the basis of Loan Parts)*

	number of loan parts	Net outstanding	% of pool	WAC	WA LtFV	
3% < Interest <= 3.25%	80	€ 5,624,337.21		0.80%	3.09	94
3.25% < Interest <= 3.5%	14	€ 663,123.41		0.09%	3.41	83
3.5% < Interest <= 3.75%	223	€ 21,708,068.47		3.10%	3.64	112
3.75% < Interest <= 4%	226	€ 20,537,369.73		2.93%	3.92	110
4% < Interest <= 4.25%	407	€ 39,436,600.40		5.63%	4.16	101
4.25% < Interest <= 4.5%	1,363	€ 139,341,112.37		19.91%	4.41	99
4.5% < Interest <= 4.75%	1,515	€ 146,939,476.36		20.99%	4.65	93
4.75% < Interest <= 5%	1,233	€ 125,226,010.10		17.89%	4.89	99
5% < Interest <= 5.25%	789	€ 79,233,131.23		11.32%	5.14	99
5.25% > Interest	1,351	€ 121,263,213.30		17.32%	5.54	103
<b>Grand Total</b>	<b>7,201</b>	<b>€ 699,972,442.58</b>		<b>100.00%</b>	<b>4.76</b>	<b>99</b>

*Distribution of the Pod of Portfolio Mortgage Loans by Redemption Types (specified on the basis of Loan Parts)*

	number of loan parts	Net outstanding	% of pool	WAC	WA LtFV	
Annuity	241	€ 10,741,812.59		1.53%	4.69	93
Interest only	4,086	€ 392,123,350.42		56.02%	4.70	96
Investment	150	€ 14,006,535.90		2.00%	4.80	115
Life	838	€ 101,086,718.80		14.44%	4.69	110
Linear	31	€ 2,213,045.07		0.32%	4.70	88
Savings	1,474	€ 137,388,800.29		19.63%	4.95	98
Savings/Life	381	€ 42,412,179.51		6.06%	4.85	101
<b>Grand Total</b>	<b>7,201</b>	<b>€ 699,972,442.58</b>		<b>100.00%</b>	<b>4.76</b>	<b>99</b>

*Distribution of the Pod of Portfolio Mortgage Loans by Year of Origination (specified on the basis of Loan Parts)*

	number of loan parts	Net outstanding	% of pool	WAC	WA LtFV	
2003	625	€ 74,256,775.02		10.61%	4.85	98
2004	910	€ 95,727,863.93		13.68%	4.96	96
2005	588	€ 59,026,493.27		8.43%	4.50	101
2006	253	€ 26,319,545.39		3.76%	4.53	105
2007	244	€ 24,179,955.76		3.45%	4.82	111
2008	444	€ 41,145,859.65		5.88%	5.26	106
2009	294	€ 25,222,172.94		3.60%	4.81	105
2010	555	€ 54,348,059.08		7.76%	4.48	106
2011	2,030	€ 192,639,148.14		27.52%	4.74	100
2012	1,258	€ 107,106,569.40		15.30%	4.68	88
<b>Grand Total</b>	<b>7,201</b>	<b>€ 699,972,442.58</b>		<b>100.00%</b>	<b>4.76</b>	<b>99</b>

*Geographical Distribution of the Pool of Portfolio Mortgage Loans*

	number of loans	Net outstanding	% of pool	WAC	WA LtFV	
Drenthe	90	€ 17,647,042.31		2.52%	4.75	99
Flevoland	82	€ 17,627,500.66		2.52%	4.82	107
Friesland	110	€ 22,000,008.55		3.14%	4.70	98
Gelderland	367	€ 75,750,482.18		10.82%	4.75	96
Groningen	86	€ 15,881,686.38		2.27%	4.76	102
Limburg	142	€ 26,396,792.60		3.77%	4.85	99
Noord-Brabant	452	€ 96,747,696.41		13.82%	4.76	96
Noord-Holland	650	€ 147,141,808.60		21.02%	4.75	99
Overijssel	206	€ 43,370,466.91		6.20%	4.66	98
Utrecht	272	€ 66,388,965.67		9.48%	4.74	100
Zeeland	87	€ 17,848,596.14		2.55%	4.77	96
Zuid-Holland	671	€ 153,171,396.17		21.88%	4.79	103
<b>Grand Total</b>	<b>3,215</b>	<b>€ 699,972,442.58</b>		<b>100.00%</b>	<b>4.76</b>	<b>99</b>

*Distribution of the Pod of Portfolio Mortgage Loans by Interest Reset Dates (specified on the basis of Loan Parts)*

	number of loan parts	Net outstanding	% of pool	WAC	WA LtFV	
2013	1902	€ 104,196,771.91	14.89%		4.30	105
2014	744	€ 76,270,636.48	10.90%		4.79	98
2015	326	€ 31,444,417.91	4.49%		4.32	103
2016	324	€ 29,778,071.90	4.25%		4.65	110
2017	410	€ 40,343,476.97	5.76%		4.97	111
2018	486	€ 45,075,287.47	6.44%		5.18	104
2019	214	€ 19,348,550.83	2.76%		5.23	97
2020	393	€ 39,905,111.25	5.70%		4.63	109
2021	1,072	€ 97,112,296.27	13.87%		4.74	93
2022	779	€ 66,217,195.34	9.46%		4.67	85
2023	214	€ 25,153,384.70	3.59%		5.12	93
2024	93	€ 10,603,383.67	1.51%		5.14	87
2025	91	€ 11,118,864.19	1.59%		4.48	97
2026	70	€ 6,769,696.79	0.97%		4.94	96
2027	34	€ 2,894,428.13	0.41%		5.28	96
2028	52	€ 5,032,183.65	0.72%		5.58	101
2030	62	€ 7,551,173.43	1.08%		5.02	113
2031	211	€ 21,619,133.26	3.09%		5.33	97
2032	70	€ 6,630,868.31	0.95%		5.33	80
2033	10	€ 1,279,225.48	0.18%		5.68	106
2034	28	€ 3,705,161.14	0.53%		5.27	95
2035	196	€ 22,632,503.28	3.23%		4.39	100
2036	78	€ 9,120,105.75	1.30%		4.55	103
2037	21	€ 1,748,570.93	0.25%		5.13	100
2038	79	€ 7,451,599.84	1.06%		5.47	103
2039	3	€ 274,591.97	0.04%		5.77	84
2040	9	€ 876,916.01	0.13%		5.28	109
2041	41	€ 3,886,399.48	0.56%		5.61	93
2042	18	€ 1,932,436.24	0.28%		5.46	84
<b>Grand Total</b>	<b>7,201</b>	<b>€ 699,972,442.58</b>	<b>100.00%</b>		<b>4.76</b>	<b>99</b>

*Distribution of the Pod of Portfolio Mortgage Loans by Property Type*

	number of loans	Net outstanding	% of pool	WAC	WA LtFV	
Condominium	432	€ 77,086,545.63	11.01%		4.74	103
Condominium with garage	20	€ 3,804,447.29	0.54%		4.66	95
Single family house	2,445	€ 544,573,166.39	77.80%		4.76	99
Single family house with garage	318	€ 74,508,283.27	10.64%		4.77	95
<b>Grand Total</b>	<b>3,215</b>	<b>€ 699,972,442.58</b>	<b>100.00%</b>		<b>4.76</b>	<b>99</b>

*Distribution of the Pod of Portfolio Mortgage Loans by Age of the Main Borrower*

	number of loans	Net outstanding	% of pool	WAC	WA LtFV	
10 < Age <= 20	2	€ 220,916.49	0.03%		4.69	83
20 < Age <= 30	312	€ 53,632,539.96	7.66%		4.75	102
30 < Age <= 40	1,007	€ 240,430,699.46	34.35%		4.75	108
40 < Age <= 50	1,140	€ 266,803,379.73	38.12%		4.76	98
50 < Age <= 60	553	€ 110,501,308.75	15.79%		4.79	91
60 < Age <= 70	160	€ 23,721,020.22	3.39%		4.80	72
70 < Age <= 80	38	€ 4,382,502.97	0.63%		4.68	60
Age > 80	3	€ 280,075.00	0.04%		4.54	46
<b>Grand Total</b>	<b>3,215</b>	<b>€ 699,972,442.58</b>	<b>100.00%</b>		<b>4.76</b>	<b>99</b>

*Distribution of the Pod of Portfolio Mortgage Loans by Employment Type*

	number of loans	Net outstanding	% of pool	WAC	WA LtFV	
Employed	2,913	€ 636,256,858.56	90.90%		4.76	100
Other	121	€ 15,187,558.38	2.17%		4.69	66
Self-employed	181	€ 48,528,025.64	6.93%		4.83	96
<b>Grand Total</b>	<b>3,215</b>	<b>€ 699,972,442.58</b>	<b>100.00%</b>		<b>4.76</b>	<b>99</b>

Distribution of the Pod of Portfolio Mortgage Loans by Income

	number of loans	Net outstanding	% of pool	WAC	WA LtFV	
10,000 < income <= 20,000	27	€ 2,143,443.22	0.31%		4.69	73
20,000 < income <= 30,000	241	€ 27,746,624.76	3.96%		4.71	83
30,000 < income <= 40,000	554	€ 82,244,685.39	11.75%		4.78	93
40,000 < income <= 50,000	627	€ 116,015,792.76	16.57%		4.78	97
50,000 < income <= 60,000	637	€ 139,407,308.38	19.92%		4.76	99
60,000 < income <= 70,000	454	€ 112,949,046.80	16.14%		4.76	102
70,000 < income <= 80,000	282	€ 77,972,300.90	11.14%		4.74	102
80,000 < income <= 90,000	167	€ 52,006,249.88	7.43%		4.78	105
90,000 < income <= 100,000	96	€ 33,285,162.16	4.76%		4.73	104
100,000 < income <= 250,000	128	€ 55,646,238.78	7.95%		4.76	105
250,000 > income	2	€ 555,589.55	0.08%		4.72	123
<b>Grand Total</b>	<b>3,215</b>	<b>€ 699,972,442.58</b>	<b>100.00%</b>		<b>4.76</b>	<b>99</b>

Distribution of the Pod of Portfolio Mortgage Loans by Mortgage Loan Parts with the benefit of an NHG Guarantee (specified on the basis of Loan Parts)

	number of loan parts	Net outstanding	% of pool	WAC	WA LtFV	
NHG	2,545	€ 216,957,742.01	31.00%		4.70	91
Non-NHG	4,656	€ 483,014,700.57	69.00%		4.79	103
<b>Grand Total</b>	<b>7,201</b>	<b>€ 699,972,442.58</b>	<b>100.00%</b>		<b>4.76</b>	<b>99</b>

Distribution of the Pod of Portfolio Mortgage Loans by indexed Loan-to-Foreclosure Value

	number of loans	Net outstanding	% of pool	WAC	WA LtFV	
0 < iLTFV <= 10	2	€ 31,301.23	0.00%		4.53	7.10
10 < iLTFV <= 20	14	€ 808,187.67	0.12%		4.84	15.82
20 < iLTFV <= 30	46	€ 3,850,582.03	0.55%		4.81	26.58
30 < iLTFV <= 40	49	€ 4,469,976.28	0.64%		4.77	35.49
40 < iLTFV <= 50	83	€ 8,867,632.31	1.27%		4.76	43.25
50 < iLTFV <= 60	153	€ 21,059,457.56	3.01%		4.80	53.59
60 < iLTFV <= 70	207	€ 33,220,801.50	4.75%		4.71	62.53
70 < iLTFV <= 80	247	€ 45,194,369.14	6.46%		4.81	72.71
80 < iLTFV <= 90	306	€ 61,282,445.18	8.75%		4.77	80.63
90 < iLTFV <= 100	345	€ 68,417,261.07	9.77%		4.74	90.14
100 < iLTFV <= 110	429	€ 98,514,891.04	14.07%		4.74	101.34
110 < iLTFV <= 120	408	€ 106,828,703.65	15.26%		4.77	110.28
120 < iLTFV <= 125	211	€ 57,003,990.49	8.14%		4.76	115.15
iLTFV > 125	715	€ 190,422,843.43	27.20%		4.76	120.09
<b>Grand Total</b>	<b>3,215</b>	<b>€ 699,972,442.58</b>	<b>100.00%</b>		<b>4.76</b>	<b>99</b>

\* Indexation is based on figures from Kadaster (Land Registry) on a province basis as of September 2012

Distribution of the Pod of Portfolio Mortgage Loans by Loan-to-Market Value

	number of loans	Net outstanding	% of pool	WAC	WA LtFV	
ltmv <= 25%	48	€ 3,416,609.26	0.49%		4.80	22
25% < ltmv <= 50%	297	€ 34,829,976.87	4.98%		4.73	47
50% < ltmv <= 60%	224	€ 36,427,466.75	5.20%		4.75	62
60% < ltmv <= 70%	333	€ 59,999,029.82	8.57%		4.74	74
70% < ltmv <= 80%	406	€ 80,268,289.14	11.47%		4.76	85
80% < ltmv <= 90%	400	€ 83,983,739.84	12.00%		4.73	95
90% < ltmv <= 100%	389	€ 101,508,557.52	14.50%		4.81	106
100% < ltmv <= 105%	387	€ 100,073,264.67	14.30%		4.81	114
105% < ltmv <= 110%	440	€ 117,579,242.56	16.80%		4.76	119
110% < ltmv <= 115%	266	€ 74,379,755.35	10.63%		4.70	122
115% < ltmv <= 120%	23	€ 6,879,380.13	0.98%		4.60	123
120% < ltmv <= 125%	2	€ 627,130.67	0.09%		4.69	124
<b>Grand Total</b>	<b>3,215</b>	<b>€ 699,972,442.58</b>	<b>100.00%</b>		<b>4.76</b>	<b>99</b>

Distribution of the Pool of Portfolio Mortgage Loans by indexed Loan-to-Market Value

	number of loans	Net outstanding	% of pool	WAC	WALtFV
iltmv <= 25%	48	€ 3,304,165.29	0.47%	4.84	22.56
25% < iltmv <= 50%	233	€ 25,795,341.24	3.69%	4.76	44.48
50% < iltmv <= 60%	210	€ 31,952,543.92	4.56%	4.75	59.30
60% < iltmv <= 70%	278	€ 48,952,305.99	6.99%	4.75	70.64
70% < iltmv <= 80%	330	€ 66,013,350.46	9.43%	4.77	79.87
80% < iltmv <= 90%	386	€ 74,998,944.48	10.71%	4.74	90.06
90% < iltmv <= 100%	409	€ 96,846,548.14	13.84%	4.79	101.55
100% < iltmv <= 105%	227	€ 60,411,782.50	8.63%	4.75	109.15
105% < iltmv <= 110%	233	€ 62,360,166.57	8.91%	4.81	113.89
110% < iltmv <= 115%	292	€ 75,847,237.73	10.84%	4.76	116.08
115% < iltmv <= 120%	249	€ 66,025,845.04	9.43%	4.66	119.22
120% < iltmv <= 125%	191	€ 52,474,302.95	7.50%	4.80	121.18
125% < iltmv <= 130%	96	€ 25,878,373.46	3.70%	4.80	122.08
iltmv > 130%	33	€ 9,111,534.81	1.30%	4.82	123.76
<b>Grand Total</b>	<b>3,215</b>	<b>€ 699,972,442.58</b>	<b>100.00%</b>	<b>4.76</b>	<b>99</b>

\* Indexation is based on figures from Kadaster (Land Registry) on a province basis as of September 2012

## 6.2 Description of Mortgage Loans

The Mortgage Receivables to be sold and assigned to the Issuer on the Closing Date represent the rights (whether actual or contingent) of the Seller against any Borrower under or in connection with the Mortgage Loans (the **Final Portfolio**) selected by agreement between the Seller and the Issuer.

The Mortgage Loans are loans secured by a mortgage, evidenced by notarial mortgage deeds (*notariële akten van hypotheekstelling*) each entered into by the Seller and the relevant Borrowers. The Mortgage Loans are all in the form of All Moneys Mortgages. See *Risk that the All Moneys Security Rights will not follow the Mortgage Receivables upon assignment to the Issuer* in Risk Factors above.

The Mortgage Loans in the Final Portfolio will be selected on the Closing Date from a Provisional Pool of mortgage loans that have been selected in accordance with the criteria set forth in the Mortgage Receivables Purchase Agreement. The Final Portfolio will have the same general characteristics as the Provisional Pool.

For a description of the representations and warranties given by the Seller reference is made to section 8.2 (*Representations and Warranties*).

Based on the numerical information set out in section 6.1 (*Stratification Tables*), but subject to what is set out in section 2 (*Risk Factors*), the Mortgage Receivables backing the issue of the Notes have characteristics that demonstrate capacity to produce funds to service payments due and payable on the Notes.

General information on the Mortgage Receivables can be obtained from [www.dutchsecuritisation.nl](http://www.dutchsecuritisation.nl).

### Mortgage Loan Types

The Mortgage Loans (or any loan parts comprising a Mortgage Loan) may consist of any of the following types of redemption:

- linear mortgage loans (*lineaire hypotheek*);
- annuity mortgage loans (*annuïteitenhypotheek*);
- interest-only mortgage loans (*aflossingsvrije hypotheek*);
- investment mortgage loans (*beleggingshypotheek*);
- savings mortgage loans (*spaarhypotheek*);
- bank savings mortgage loans (*bankspaarhypotheek*);

- (g) unit-linked mortgage loans (*unit-linked hypotheek*);
- (h) universal life mortgage loans (*universeel levenhypotheek*);
- (i) life mortgage loans with the option to choose between the Savings Element and the Unit-linked Alternative (*levenhypotheek*); and/or
- (j) traditional life and with an external insurance policy mortgage loans (*levenhypotheek op basis van traditioneel gemengde verzekering*).

<b>Mortgage Loan Type</b>	<b>Description</b>
<b>Linear Mortgage Loans</b>	A portion of the Mortgage Loans (or parts thereof) will be in the form of Linear Mortgage Loans. Under a Linear Mortgage Loan, the Borrower pays a decreasing monthly payment, made up of an initially high and subsequently decreasing interest portion and a fixed principal portion, and calculated in such a manner that the Linear Mortgage Loan will be fully redeemed at the maturity.
<b>Annuity Mortgage Loans</b>	A portion of the Mortgage Loans (or parts thereof) will be in the form of Annuity Mortgage Loans. Under an Annuity Mortgage Loan, the Borrower pays a constant total monthly payment, made up of an initially high and subsequently decreasing interest portion and an initially low and subsequently increasing principal portion, and calculated in such a manner that the Annuity Mortgage Loan will be fully redeemed at the maturity.
<b>Interest-only Mortgage Loans</b>	A portion of the Mortgage Loans (or parts thereof) will be in the form of Interest-only Mortgage Loans ). Under an Interest-only Mortgage Loan, the Borrower is only required to pay interest until maturity and is not required to pay principal until maturity. A bullet payment for the (remainder of the) principal is due upon maturity.
<b>Investment Mortgage Loans</b>	A portion of the Mortgage Loans (or parts thereof) will be in the form of Investment Mortgage Loans. The Borrower is only required to pay interest until maturity and is not required to pay principal until maturity. The Borrower undertakes to invest, whether on a lump sum basis or on an instalment basis, by means of an investment account ( <b>Investment Account</b> ), defined amounts in (a) selected investment funds or (b) placing these amounts in his Investment Account or (c) a combination of options a and b. A bullet payment for the (remainder of the) principal is due upon maturity. Depending on the type of Investment Mortgage Loan, it is envisaged that the Borrower pays (part of) either the bullet payment or (part of) the interest with funds which have been accumulated through investments. The Seller has represented that under the Investment Mortgage Loans, the securities are purchased on behalf of the relevant Borrower by the Seller for the account of the Borrowers and these securities are held in custody by an admitted institution of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. in accordance with the Wge or, if they do not qualify as such, by a separate depository vehicle in accordance with Section 6:18 of the Further Regulation on Conduct Supervision of Financial Enterprises ( <i>Nadere regeling gedragstoezicht financiële ondernemingen Wft</i> ). The Investment Accounts are pledged to the Seller. See <i>Risk of set-off</i>

<b>Mortgage Loan Type</b>	<b>Description</b>
	<i>or defences in respect of investments under Investment Mortgage Loans in section 2 (Risk Factors) above.</i>
<b>Savings Mortgage Loans</b>	A portion of the Mortgage Loans (or parts thereof) will be in the form of Savings Mortgage Loans whereby a Borrower builds up capital under a related Savings Insurance Policy. In relation to the Savings Insurance Policies the Savings Premium is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Insurance Policy due by the Savings Insurance Company to the relevant Borrower is equal to the amount due by the Borrower to the Seller at maturity. Under a Savings Mortgage Loan, the Borrower is only required to pay interest until maturity and is not required to pay principal until maturity. A bullet payment for the (remainder of the) principal towards redemption is due upon maturity of such Savings Mortgage Loan. The Savings Insurance Policies are pledged to the Seller. See <i>Risk of set-off or defences in case of insolvency of any of the Insurance Companies</i> in section 2 (Risk Factors) above.
<b>Bank Savings Mortgage Loans</b>	A portion of the Mortgage Loans (or parts thereof) will be in the form of Bank Savings Mortgage Loans, which consist of Mortgage Loans combined with a blocked savings account, the Bank Savings Account, held with the Bank Savings Participant. Under a Bank Savings Mortgage Loan, the Borrower is only required to pay interest until maturity and is not required to pay principal until maturity. The Borrower undertakes to pay a monthly deposit in the Bank Savings Account. Each such Bank Savings Deposit Instalment is calculated in such a manner that, on an annuity basis, the Bank Savings Deposit is equal to the amount due by upon maturity of the Bank Savings Mortgage Loan. The Bank Savings Deposit is pledged to the Seller. See <i>Risk of set-off or defences with respect to Mortgage Receivables resulting from Bank Savings Mortgage Loans</i> in section 2 (Risk Factors).
<b>Life Mortgage Loans</b>	A portion of the Mortgage Loans (or parts thereof) will be in the form of Life Mortgage Loans i.e. Mortgage Loans which have the benefit of combined risk and capital insurance policies taken out by Borrowers with a Life Insurance Company. Under a Life Mortgage Loan, the Borrower is only required to pay interest until maturity and is not required to pay principal until maturity. A bullet payment for the (remainder of the) principal is due upon maturity. The Life Insurance Policies connected to such Life Mortgage Loans are offered by a Life Insurance Company in several alternatives. The Borrower has the choice between (i) a guaranteed amount to be received when the Life Insurance Policy pays out, (ii) the Unit-Linked Alternative or (iii), a combination of (i) and (ii), in which case the Borrower has the option to switch between the Unit-Linked Alternative and the Savings Alternative.
	<b>Unit-Linked Alternative</b> means the alternative under which the amount to be received upon payout of the Life Insurance Policy depends on the performance of certain investment funds chosen by the Borrower.
	<b>Savings Alternative</b> means the alternative under which a certain pre-agreed amount to be received upon payout of the Life Insurance Policy with, in such case, the relevant Insurance Company and the Savings Premium thereof is calculated in such a manner that, on an annuity basis,

**Mortgage Loan Type****Description**

the proceeds of the Savings Alternative is equal to the amount due by the Borrower to the Seller at maturity of (part of) the relevant Life Mortgage Loan. The Insurance Policies are pledged to the Seller. See *Risk of set-off or defences in case of insolvency of any of the Insurance Companies* in *Risk Factors* in section 2 (*Risk Factors*) above.

**Mortgaged Assets and certain characteristics**

The mortgage rights securing the Mortgage Loans are vested on:

- (a) real estate (*onroerende zaak*);
- (b) an apartment right (*appartementsrecht*) and/or
- (c) a long lease (*erfpacht*).

If a Mortgage Loan consists of one or more loan parts, the Seller will sell and assign and the Issuer shall purchase and accept the assignment of all rights associated with all, but not some, loan parts of such Mortgage Loan at the Closing Date.

The Mortgage Loans have a maturity up to a maximum of 30 years.

Savings accounts, (proceeds of) investments and Life Insurance Policies are always pledged to the Seller.

The final payout (*einduitkering*) under a Life Insurance Policy, as forms part of the types (vii) up to and including (x) will be determined on the basis of the return on the investments/savings made under such Life Insurance Policy and will thus not necessarily equal the bullet payment due upon maturity of the Mortgage Loan. The same applies with respect to the investments made in relation to Investment Mortgage Loans.

**Product names**

These types of Mortgage Loans are offered by the Seller, *inter alia*, under the following product names:

- (a) EffectPlusHypotheek/WoonPlusHypotheek (Investment Mortgage Loans);
- (b) Hypotheek Totaal Plan (Savings Mortgage Loans);
- (c) ZekerPlusHypotheek (Bank Savings Mortgage Loans);
- (d) Meerkeuzeplan (Life Mortgage Loans with a policy with the Unit-Linked Alternative);
- (e) Financieel Vrijheidsplan (Life Mortgage Loans);
- (f) CombiPlusHypotheek (Life Mortgage Loans with a policy with a combination of the Unit-Linked Alternative and the Savings Element); and
- (g) Levenhypotheek op basis van traditioneel gemengde verzekering (Traditional Life Mortgage Loan and Life Mortgage Loan with an external Insurance Policy).

**Investment Mortgage Loans (*EffectPlusHypotheek / WoonPlusHypotheek*)**

Under an "EffectPlusHypotheek" the Borrower undertakes to invest, via an Investment Account, on an instalment basis or up front, defined amounts:

- (a) in selected Delta Lloyd, Triodos, BNP Paribas, Robeco, Rolinco, Rorento, Kempen and/or ING investment funds;
- (b) by keeping such amounts in the Investment Account; or
- (c) a combination of the above.

Borrowers are entitled to switch their investments among the investment funds and to and from the investment account. It is envisaged that (part of) the bullet payment upon maturity of the Mortgage Loan is made from the proceeds on the investments.

Under a "WoonPlusHypotheek", a Borrower is required to invest (part of) its own funds in the same manner as described above. The maximum principal of such Mortgage Loan is higher than the maximum principal allowed without such investment. It is envisaged that the proceeds of these investments are used by the Borrower to pay the interest due on that part of the principal exceeding the principal allowed based on his earnings.

#### **Savings Mortgage Loans (*Hypotheek Totaal Plan*)**

This type of loan offers the Borrower fixed monthly payments. These consist of interest on the principal and a savings/risk premium (*spaar/risico-premie*) for the Savings Insurance Policy taken out with the Savings Insurance Company. If mortgage interest rates have increased at the end of the chosen fixed-rate period, the interest charge on the principal will increase but the savings/risk premium will decrease and vice versa. The reinvestment rate on accumulated mortgage principal is guaranteed at the mortgage rate, as a result of which the payout at the end of such Savings Insurance Policy (or earlier if the Borrower deceases) equals the principal of the Mortgage Loan.

#### **Bank Savings Mortgage Loans (*ZekerPlusHypotheek*)**

The Borrower pays each Bank Savings Deposit Instalment in a (tax-efficient) Bank Savings Account held with the Bank Savings Participant. The Monthly Bank Savings Deposit Instalment is calculated in such a manner that, on an annuity basis, the balance standing to the credit of the Bank Savings Account is equal to the amount due upon maturity of the Bank Savings Mortgage Loan. The balance standing to the credit of the Bank Savings Account (the Bank Savings Deposit) is pledged to the Seller.

#### **Unit-linked Mortgage Loans (*Meerkeuzeplan*)**

The Borrower takes out a unit-linked Life Insurance Policy with the Savings Insurance Company. The Life Insurance Policy provides for an amount at maturity of the Life Insurance Policy (or earlier if the Borrower deceases). Investments under the Life Insurance Policy are made in Delta Lloyd ProfielMix investment funds, chosen by the Borrower.

#### **Universal Life Mortgage Loans (*Financieel Vrijheidsplan*)**

The Borrower takes out a very flexible Life Insurance Policy, which is effectively an improved unit-linked Life Insurance Policy, with the Savings Insurance Company, whereby monthly premiums on the Life Insurance Policy are invested in one of five Delta Lloyd ProfielMix investment funds.

#### **Life Mortgage Loans with the option to choose between the Savings Element and the Unit-linked Alternative (*CombiPlusHypotheek*)**

The Life Insurance Policy attached to this type of loan allows the Borrower to choose the apportionment between the Savings Element and the Unit-linked Alternative and to amend this apportionment prior to maturity of the Mortgage Loan.

## **Traditional life Mortgage Loans and Life Mortgage Loans with an external Insurance Policy** (*levenhypotheek op basis van traditioneel gemengde verzekering*)

The Borrower takes out a Life Insurance Policy with an Insurance Company other than Delta Lloyd Life. The reinvestment rate on the accumulated premium on the Life Insurance Policy is not guaranteed.

### **6.3 Origination and Servicing by the Seller**

#### **Introduction**

The Mortgage Loans are originated by the Seller and are distributed through the channel of intermediaries including insurance brokers, banks, real estate agents and specialised mortgage brokers.

Delta Lloyd Bank has entered into an agreement with a leading provider of activities consisting of mortgage payment transactions and ancillary activities, Stater Nederland B.V. (**Stater**), established on 1 January 1997. Pursuant to this agreement Stater provides the Group with origination systems and certain other activities (including mortgage payment transactions and ancillary activities). These systems and activities are used amongst others on a day-to-day basis by Delta Lloyd Bank in relation to the Seller's origination process and the administration of mortgage loans originated by the Seller.

The Group's mortgage activities comprise all commercial activities leading to the granting of mortgage loans and the technical administrative control of the portfolio and the handling of mortgage loans with arrears exceeding the average. Payment transactions between the lender and the borrower relating to mortgages, are undertaken by Stater.

#### **Origination**

Stater provides an origination system, providing both manual (for overrules) and automated underwriting, incorporating the specific Delta Lloyd rules for the underwriting process. Therefore Stater provides financial and portfolio performance reports and information. After an initial physical check of Transaction Documents is performed, the process is to a large extent paperless and is conducted on a computer system developed by Stater specifically to allow underwriting rules and controls to be encoded in an automated underwriting system and to provide performance information. Direct contact with clients, however, is exclusively maintained by Delta Lloyd Bank.

New mortgage loans are accepted on the basis of a fixed underwriting protocol. The application is sent to Delta Lloyd Bank by email, regular mail, fax or HDN (the Mortgage Data Network: the *Hypotheek Data Netwerk*). The Delta Lloyd Bank underwriter then enters the application data in the iSHS system (*internationaal Stater Hypotheek Systeem*), which applies the conditions and assesses the application automatically, including a credit check with BKR, a credit score with iSHS, a check whether the identity card is stolen or missing with VIS (*Verificatie Informatie Systeem*) and a fraud check with SFH and Sheriff (cooperation on fraud detection between lenders). If the system approves, a conditional offer is sent out, subject to verification of the application input such as salary, employment and property details. Delta Lloyd Bank has authorised several buying associations (*inkoopcombinaties*) to enter applications for new mortgage loans in the iSHS system.

#### **Overrules**

Until 1 August 2011 overruling the Stater system was possible on the condition that a good explanation and supporting documents (e.g. proof of future income increase) are available. In addition, the following rules apply:

1. if there are minor deviations from the underwriting policy; approval by senior underwriter/team manager is required;

2. if there are major deviations from the underwriting policy; management approval is required;
3. any mortgage loan exceeding euro 500,000; management approval and/or approval by senior credit adviser/investment advisor is required;
4. each individual overrule is discussed;
5. periodically, all overrules and overrule requests are reviewed by Delta Lloyd Bank; and
6. any mortgage loan exceeding euro 800,000 has to be approved by a special credit commission of Delta Lloyd Bank.

Since 1 August 2011, no overruling is allowed.

### **Description of the Origination Department**

The principal items in the underwriting protocol are:

#### *(a) Maximum amounts*

If the mortgage loan is guaranteed by Stichting WEW, the maximum amount of the mortgage loan which will be granted is euro 320,000 (this was 365,000, until 1 July 2012) at the date of this Prospectus. Higher amounts are only possible without NHG and to be approved by the relevant credit approving authorities within Delta Lloyd Bank. The minimum amount at Delta Lloyd Bank is euro 10,000. The interest-only part of any Mortgage Loan has a maximum 50% of Market Value.

#### *(b) Creditworthiness*

The process of verifying the creditworthiness is set up to determine whether the prospective borrower has sufficient monthly income available to meet its payments on the requested mortgage loan as well as to support other financial obligations and monthly living expenses. A check on the income is conducted by requesting a recent employer's declaration. NHG rules and Code of Conduct are followed.

#### *(c) Collateral*

With each application, the potential borrower has to send an original appraisal called "valuation report" (*taxatierapport*), which is drawn up by an external valuer or an assessment by the Dutch tax authorities on the basis of the WOZ. The latter is only allowed if the amount of the mortgage loan expressed as a percentage of the market value of the mortgaged asset is below 100 per cent. on the basis of such assessment. For newly built property no valuation is required if the property is built by professional builders unless the Mortgage Loan to be granted exceeds 104 per cent. (this was 108 per cent. until 1 August 2011). of the purchase and construction costs of the property involved. A valuation is however required if the maximum amount of the mortgage loan exceeds euro 500,000 and/or the additional construction costs (*meerwerk*) exceed 20% of the aggregate purchase/construction costs. A valuation is also required in respect of refurbishments initiated by the borrower for existing buildings (*onder eigen beheer*). Since 1 January 2010, all valuations are performed by a Stichting WEW recognised validation institution.

#### *(d) Market Value*

As from 1 of August 2011, mortgage loans that do not have the benefit of a Municipality Guarantee or an NHG Guarantee are granted up to a maximum of 104% of the Market Value plus transfer tax.

Until 1 August 2011 these mortgage loans were granted up to a maximum of 125% of the foreclosure value. The appraised foreclosure value (*executiewaarde*) is approximately 85% of the Market Value (*vrije verkoopwaarde*) at the time of loan origination.

(e) *Other underwriting conditions*

Apart from the principal underwriting factors already mentioned, the following rules apply: (i) mortgage loans are granted only to individuals, (ii) joint and several liability for the mortgage loan (all owners are joint and several debtors) and (iii) mortgage loans are only granted on the basis of owner occupancy (no investment mortgaged assets).

## **Mortgage Processing Procedures**

### *Payment Collections (inningen) Procedures*

At origination, the borrower always agrees with the Seller that monthly payments will be automatically withdrawn from its bank account by direct debit. All borrowers of the Seller pay this way. Direct debit will not be successful if the balance of the borrowers' account is not sufficient to cover the full amount of the scheduled monthly payment. If the balance is insufficient for the full drawing on the payment date, then, depending on the borrower's bank, there will be more than one attempt to withdraw the full amount of the scheduled payment. If the balance is insufficient for the full drawing on the payment date, then, in case the borrower has an ING Bank N.V. (previously Postbank) account, there will be more than one attempt to withdraw the full amount of the scheduled payment. Other banks do not provide this service.

Payments are due on the first calendar day of each month (*vervaldag*). The direct debit has to take place at the latest one calendar day before the last business day of the previous month.

Stater, on behalf of the Seller, draws the monthly payments from the borrower's bank account and is obliged to transfer these payments directly onto the Seller's accounts. The Stater computer system automatically collects the payments, and the related information is also automatically monitored daily by Stater.

### *Arrears Procedures*

As of 14 December 2003, all arrears are detected and signalled on a daily basis. For each loan in arrears, an Automatic Arrears Processing procedure (*Automatische Afhandeling Achterstanden*) is initiated. If the total amount in arrears is more than euro 5, a first reminder letter is automatically generated by the system and sent out to the borrower within fourteen calendar days after the arrear has been signalled. This letter includes a specification of the arrears. Penalty interest is due as of the missed payment date, and is incorporated in the letters after the monthly closing has passed.

In case no payment is received within fourteen calendar days after the first reminder letter has been sent, a second, more firm letter is automatically sent to the borrower. If the borrower does not respond within two weeks the loan of such a borrower is given an active treatment status in the Stater system. A distinction is made between the borrowers based upon the previous payment-behaviour: (i) *normaal* (normal), (ii) *sleper* (meaning the borrower has had an irregular payment pattern during a longer period) or (iii) *recidivist* (a borrower who is or has been more than three months in arrears in the last twelve months period or who has previously been in a recovery phase).

### *Defaults Procedures*

All loans in arrears are treated by a special servicing team (*Team Bijzonder Beheer*) at Delta Lloyd Bank. The members of this team have an average of 5 (several more than 10) years' experience in the mortgage business and it currently employs 14 people.

Within the first two months of arrear Delta Lloyd Bank will contact the borrower directly to gather as much background information as possible. Payment arrangements can be made, within a maximum timeframe of 6 months.

After two months Delta Lloyd Bank investigates whether a solution to the payment problem can be reached. This can range from payment arrangements, rescheduling the arrears to a voluntary sale of the property by the borrower. Delta Lloyd is very reserved on proceeding to sale by public auction. If no solution can be found, the foreclosure process will start.

From the decision to foreclose until actual foreclosure and receipt of the foreclosure proceeds generally takes no more than 3 to 4 months. Delta Lloyd Bank continues to exert pressure on the borrower for any losses that remain after foreclosure, ensuring that all obligations are met to the fullest possible extent.

## 6.4 Dutch Residential Mortgage Market

Compared to other mortgage markets in Europe, the Dutch residential mortgage market is typified by a wide range of mortgage loan products. The latter has recently been questioned by consumer organisations. In their view margins have become too high due to government interference. Banks who received government support were restricted in the sense that they are not allowed to be a price leader. The Dutch competition authority concluded that this was not the case.<sup>1</sup> Furthermore, historic practices, culture and most importantly tax legislation (especially those pertaining to the deductibility of mortgage interest) have shaped the Dutch residential mortgage market.

Dutch mortgage loans predominantly carry fixed rates of interest that are typically set for a period of between 5 and 10 years. The historically low mortgage loan interest rates in the last decade provided an incentive for households to refinance their mortgage loans with a long-term fixed interest rate (up to as much as 30 years, which gives people almost life-long certainty).<sup>2</sup>

Even though Dutch house prices have declined since 2008, the principal amount outstanding of Dutch mortgage loans has continued to increase until the second quarter of 2011. Since then the aggregate outstanding mortgage debt of Dutch households is stabilising (Chart 1)<sup>3</sup>. The Dutch mortgage market is still supported by a gradual increase in the levels of owner-occupation and an environment of low mortgage loan interest rates.

In the period prior to the credit crisis increased competition and deregulation of the Dutch financial markets resulted in the development of tailor-made mortgage loans consisting of different loan parts and features, including mortgage loans involving investment risks for borrowers. The relatively risky mortgage loan products have since the start of the credit crisis in 2007 lost their attraction and are nowadays no longer provided.<sup>4</sup>

### Tax deductibility and regulation

The mortgage loan products offered by lenders reflect the tax deductibility of mortgage loan interest (which was deductible in full until 2001, see next paragraph) and enable borrowers to defer repayment of principal so as to have maximum tax deductibility. This is evidenced by relatively high loan to foreclosure values and the extensive use of interest-only mortgage loans (which need only be redeemed at maturity). For borrowers wanting to redeem their mortgage loan without losing tax deductibility, alternative products such as ‘bank saving mortgage loans’ were introduced (in 2008). The main feature of a bank savings mortgage loan is that the borrower opens a deposit account which accrues interest at the same interest rate that the borrower pays on the linked mortgage loan. At maturity, the bank savings are used to redeem (part of) the mortgage loan.

As from January 2001, mortgage loan interest tax deductibility is restricted in three ways. Firstly, deductibility applies only to mortgage loans on the borrower’s primary residence (and not to secondary homes such as holiday homes). Secondly, deductibility is only allowed for a period of up to 30 years. Lastly, the top tax rate has been reduced from 60% to 52%. However, these tax changes did not have a significant impact on the rate of mortgage loan origination, mainly because of the ongoing decrease of mortgage interest rates at that time.

On top of the limitations that came into force in 2001, tax deductibility of mortgage loan interest payments has been further restricted as from 1 January 2004 for borrowers that relocate to a new house and refinance their mortgage loan. Under the new tax regulation (*Bijleenregeling*), tax deductibility in respect of interest on

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<sup>1</sup> NMA, Sectorstudie Hypotheekmarkt, 30 May 2011

<sup>2</sup> Dutch Central Bank, statistiek, statistieken DNB, financiële markten, rentes, T1.2.2 (31 October 2012)

<sup>3</sup> Dutch Central Bank, statistiek, statistieken DNB, huishoudens T11.1 (31 October 2012)

<sup>4</sup> Boonstra and Treur (2012) “Reactie op: Hollands hoge hypotheekrentes” ESB, 12 October 2012

the mortgage loan pertaining to the new house is available only for that part of the mortgage loan that equals the purchase price of the new house less the realised net profit on the previous house.

Since 1 August 2011, the requirements for mortgage lending have been tightened by the AFM leading to a revised Code of Conduct for Mortgage Lending (*Gedragcode Hypothecaire Financieringen*). Under those tightened requirements, the principal amount of a mortgage loan may not exceed 104% of the market value of the mortgaged property plus transfer tax. In addition, only a maximum of 50% of the market value of the mortgaged property may be financed by way of an interest-only mortgage loan. In addition, the revised Code of Conduct provides less leeway for exceptions using the 'explain' clause.<sup>5</sup> Consequence is that banks are less willing to deviate from the rules set by the revised Code of Conduct. This will make it more difficult for especially first-time buyers to raise financing as they used to be overrepresented as borrowers of mortgage loans subject to an explain clause. In practice, expected income rises of first-time buyers were frequently included, which led to additional borrowing capacity.<sup>6</sup>

### **Recent changes in regulation**

On 26 April 2012, five political parties agreed on an austerity package to reduce the Dutch budget deficit to less than 3% in 2013. As part of the agreement (referred to as the Spring Agreement), from 1 January 2013 new mortgage loans will only qualify for tax deductibility if the relevant borrower redeems his mortgage loan on an amortisation basis or faster. Furthermore, the maximum loan-to-value (mortgage loan versus the market value of the house) will be gradually lowered to 100%. The transfer tax that was already temporarily lowered from 6% to 2% on 1 July 2011 with effect from 15 June 2011, will remain at 2%.<sup>7</sup> In the coalition agreement (*Regeerakkoord*) that was agreed on 29 October 2012, the Spring Agreement is left intact. However, certain additional measures are proposed in the coalition agreement, such as the lowering of the income tax rate which may be used for mortgage tax deductibility from 52% to 38% over 28 years, so a 0.5 per cent reduction per year. In addition, interest paid on any outstanding debt remaining from a mortgage loan after the sale of a home could be deducted for up to five years. This measure will be in place from 2013 up to and including 2017. Both the Spring Agreement and coalition agreement are not incorporated into legislation yet. It is likely that the impact on the house price level will be negative<sup>8</sup>, but the extent is uncertain and depends amongst other things on the overall confidence level and the real disposable income development.

### **Recent trend in house prices and transactions<sup>9</sup>**

The Dutch residential property market is still not showing any signs of recovery. In the third quarter of 2012 the average house price fell by 8.0% as compared to the same period last year (Chart 2). A lack of consumer confidence among house buyers has sapped momentum from the market. From peak-to-trough the price decline amounts to 15.6% (Chart 3). Residential property sales went down in the third quarter and still fluctuate at a low level. On a twelve-month basis, the number of transactions amounts to 113,637 which is around 45% lower than pre-crisis (Chart 4).<sup>10</sup>

### **Foreclosures**

The number of arrears and involuntary sales of residential property by public auction (“forced sale”) in the Netherlands is traditionally very low compared to international standards.<sup>11</sup> Especially in the second half of the 1990s, when the demand for residential property was exceptionally strong, house sales by auction, even in the event of a forced sale, almost never occurred or were required. Moreover, the 1990s were

<sup>5</sup> Under the “explain” clause it is in exceptional cases possible to deviate from the loan-to-income and loan-to-value rules set forth in the Code of Conduct

<sup>6</sup> M.T. van der Molen, 2012, Aanschaffen woning is makkelijker, January 2012

<sup>7</sup> Rijksoverheid, 2012, Stabiliteitsprogramma Nederland, April 2012 actualisatie

<sup>8</sup> CPB, 2012, Analyse economische effecten financieel kader Regeerakkoord, 29 October 2012

<sup>9</sup> Rabobank Economic Research Department - Dutch Housing Market Quarterly August 2012

<sup>10</sup> Statistics Netherlands, cijfers, cijfers per thema, bouwen en wonen, verkochte woningen (31 October 2012)

<sup>11</sup> Comparison of S&P 90+ day delinquency data,

characterised by very good employment conditions and a continuing reduction of mortgage interest rates. In the years before 2001, the total number of foreclosures was therefore limited compared to the number of owner-occupied houses.<sup>12</sup>

The relatively prolonged economic downturn from 2001 to 2005 led to a significant rise in the amount of mortgage loan payment arrears and correspondingly forced house sales (Chart 5). The number of foreclosures in the Netherlands reported by the Land Registry (*Kadaster*) rose from 695 in 2002 to about 2,000 forced sales from 2005 onwards. This increase was mainly the result of a structural change in the Dutch mortgage loan market during the nineties: instead of selling single income mortgage loans only, lenders were allowed to issue double income mortgage loans. The subsequent credit crisis and the related upswing in unemployment led to a rise of the number of forced sales. The Land Registry (*Kadaster*) recorded 2,811 forced sales in 2011. In the third quarter of 2012 the number of foreclosures amounted to 520, compared to 432 in the same period in 2011 (Chart 5). Recent research confirms that the number of households in payment difficulties in the Netherlands is low from an international perspective and that problems mainly have 'external' causes such as divorce or unemployment as opposed to excessively high mortgage debt.<sup>13</sup>

The proportion of forced sales is of such size that it is unlikely to have a significant impact on house prices. The Dutch housing market is characterised by a large discrepancy between demand and supply, which mitigates the negative effect of the economic recession on house prices. In the unforeseen case that the number of foreclosures were to increase significantly, this could have a negative effect on house prices. Decreasing house prices could in turn increase loss levels should a borrower default on his mortgage loan payment obligations.

Even though in a relative sense the increase over the last years is substantial, the absolute number of forced<sup>14</sup> sales is obviously still small compared to the total number of residential mortgage loans outstanding. There is no precise data of the number of residential mortgage loans outstanding in the Netherlands. However, based on the published total amount of residential mortgage debt outstanding<sup>15</sup> and the current average mortgage loan principal amount it is estimated that the total number of residential mortgage loans outstanding in the Netherlands exceeds 3 million. A total of approximately 2,500 foreclosures per year since 2005 therefore corresponds to approximately 0.1% of the total number of residential mortgage loans outstanding.

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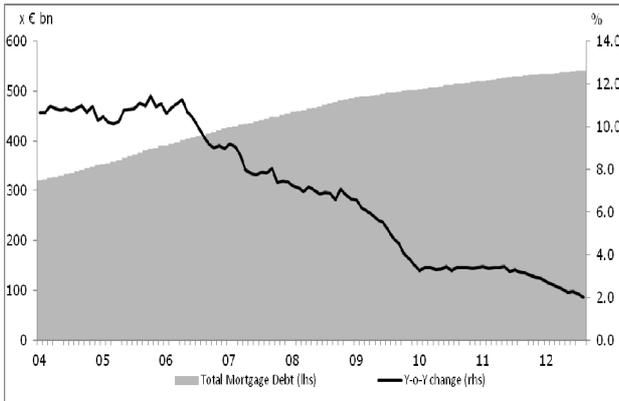
<sup>12</sup> Kadaster and CBS, cijfers, cijfers per thema, bouwen en wonen, verkochte woningen (31 October 2012)

<sup>13</sup> Standard & Poor's, 2010, Mortgage lending business supports some European banking systems

<sup>14</sup> Kadaster

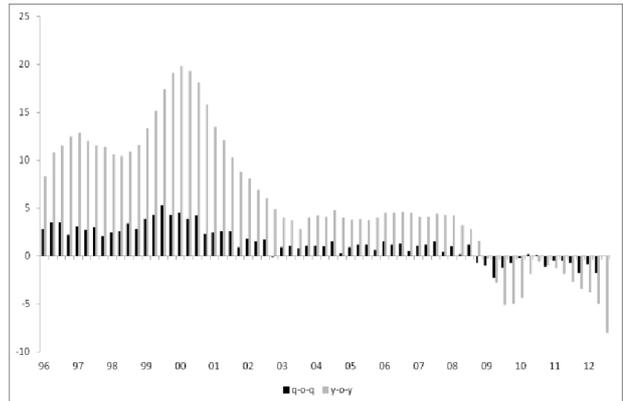
<sup>15</sup> Dutch Central Bank, statistiek, statistieken DNB, huishoudens T11.1 (31 October 2012)

Chart 1: Total mortgage debt



Source: DNB

Chart 2: Dutch property price development



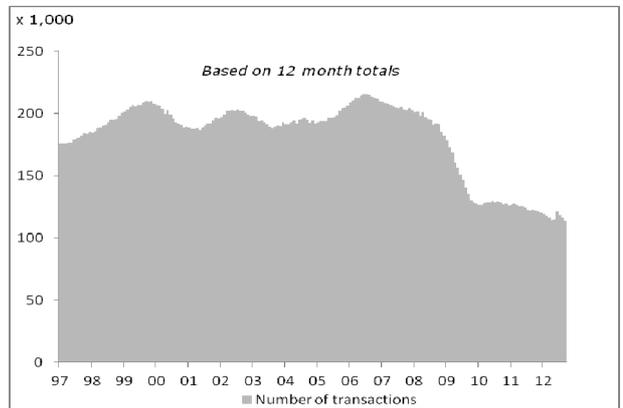
Source: NVM

Chart 3: Development house price index



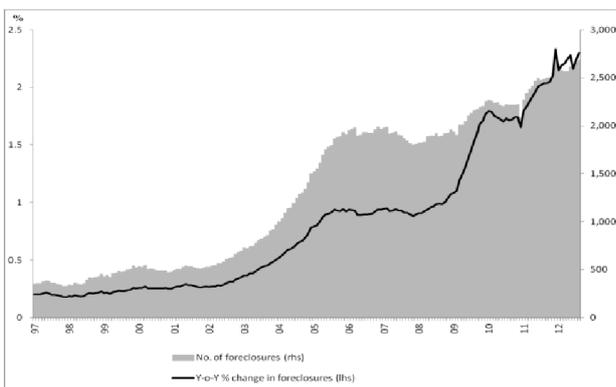
Source: Statistics Netherlands/State Registry

Chart 4: Number of house sale transactions



Source: Land Registry

Chart 5: Number of foreclosures



Source: Land Registry

## **6.5 NHG Guarantee Programme**

### **NHG Guarantee**

In 1960, the Netherlands government introduced the 'municipal government participation scheme', an open ended scheme in which both the Dutch State and the municipalities guaranteed, according to a set of defined criteria, residential mortgage loans made by authorised lenders to eligible borrowers to purchase a primary family residence. The municipalities and the Dutch State shared the risk on a 50/50 basis. If a municipality was unable to meet its obligations under the municipality guarantee, the Dutch State would make an interest free loan to the municipality to cover its obligations. The aim was to promote house ownership among the lower income groups.

Since 1 January 1995 Stichting WEW (a central privatised entity) is responsible for administration and granting of the NHG Guarantee under a set of uniform rules. The NHG Guarantee covers the outstanding principal, accrued unpaid interest and disposal costs. Irrespective of scheduled repayments or prepayments made on the mortgage loans, the NHG Guarantee reduces on a monthly basis by an amount which is equal to the monthly payments (principal and interest) as if the mortgage loan were being repaid on a thirty year annuity basis. In respect of each mortgage loan, the NHG Guarantee reduces further to take account of scheduled repayments and prepayments under such mortgage loan. Also, amounts paid as savings or investment premium under savings insurance policies or life insurance policies, respectively, are deducted from the amount outstanding on such mortgage loans for purposes of the calculation of the amount guaranteed under the NHG Guarantee (See section 2 (*Risk Factors*)).

### **Financing of Stichting WEW**

Stichting WEW finances itself, inter alia, by a one-off charge to the borrower of 0.70 per cent. of the principal amount of the mortgage loan. Besides this, the NHG scheme provides for liquidity support to Stichting WEW from the Dutch State and the participating municipalities. Should Stichting WEW not be able to meet its obligations under guarantees issued, the Dutch State will provide subordinated interest free loans to Stichting WEW of up to 50 per cent. of the difference between Stichting WEW's own funds and a pre-determined average loss level. Municipalities participating in the NHG scheme will provide subordinated interest free loans to Stichting WEW of the other 50 per cent. of the difference. Both the keep well agreement between the Dutch State and Stichting WEW and the keep well agreements between the municipalities and the WEW contain general 'keep well' undertakings of the Dutch State and the municipalities to enable the Stichting WEW at all times (including in the event of bankruptcy (*faillissement*), suspension of payments (*surseance van betaling*) or liquidation (*ontbinding*) of Stichting WEW) to meet its obligations under guarantees issued.

### **Terms and conditions of the NHG Guarantee**

Under the NHG scheme, the lender is responsible for ensuring that the guarantee application meets the NHG terms and conditions. If the application qualifies, various reports are produced that are used in the processing of the application, including the form that will eventually be signed by the relevant lender and forwarded to the NHG to register the mortgage and establish the guarantee. Stichting WEW has, however, no obligation to pay any loss (in whole or in part) incurred by a lender after a private or a forced sale of the mortgaged property if such lender has not complied with the terms and conditions of the NHG Guarantee, which were applicable at the date of origination of the mortgage loan, unless such non-payment is unreasonable towards the lender.

The specific terms and conditions for the granting of NHG Guarantees, such as eligible income, purchasing or building costs etc., are set forth in published documents by Stichting WEW.

The NHG has specific rules for the level of credit risk that will be accepted. The credit worthiness of the applicant must be verified with the BKR, a central credit agency used by all financial institutions in the Netherlands. All financial commitments over the past five years that prospective borrowers have entered into with financial institutions are recorded in this register. In addition, as of 1 January 2008 the applicant itself must be verified with the Foundation for Fraud Prevention of Mortgages (*Stichting Fraudepreventie Hypotheken*; SFH). If the applicant has been recorded in the SFH system, no NHG Guarantee will be granted.

To qualify for a NHG Guarantee various conditions relating to valuation of the property must be met. In addition, the mortgage loan must be secured by a first ranking mortgage right (or a second ranking mortgage right in case of a further advance). Furthermore, the borrower is required to take out insurance in respect of the mortgaged property against risk of fire, flood and other accidental damage for the full restitution value thereof. The borrower is also required to create a right of pledge in favour of the lender on the rights of the relevant borrower against the insurance company under the relevant life insurance policy connected to the mortgage loan or to create a right of pledge in favour of the lender on the proceeds of the investment funds. The terms and conditions also require a risk insurance policy which pays out upon the death of the borrower/insured for the period that the amount of the mortgage loan exceeds 80 per cent. of the value of the property.

The Mortgage Conditions should include certain provisions, among which the provision that any proceeds of foreclosure on the mortgage right and the right of pledge on the life insurance policy or the investment funds shall be applied firstly towards repayment of the mortgage loan guaranteed under the NHG scheme.

### **Claiming under the NHG Guarantees**

When a borrower is in arrears with payments under the mortgage loan for a period of four months, a lender informs Stichting WEW in writing within 30 days of the outstanding payments, including the guarantee number, borrower's name and address, information about the underlying security, the date of start of late payments and the total of outstanding payments. When the borrower is in arrears Stichting WEW may approach the lender and/or the borrower to attempt to solve the problem and make the borrower aware of the consequences. If an agreement cannot be reached, Stichting WEW reviews the situation with the lender to endeavour to generate the highest possible proceeds from the property. The situation is reviewed to see whether a private sale of the property, rather than a public auction, would generate proceeds sufficient to cover the outstanding mortgage loan. Permission of Stichting WEW is required in case of a private sale unless sold for an amount higher than the foreclosure value. A forced sale of the mortgaged property is only allowed in case the borrower is in arrears with payments under the mortgage loan for a period of seven or more monthly instalments, unless Stichting WEW has agreed that the forced sale may take place for other reasons or within a period of seven months.

Within three months of the private or forced sale of the property, the lender must make a formal request to Stichting WEW for payment, using standard forms, which request must include all of the necessary documents relating to the original loan and the NHG Guarantee. After receipt of the claim and all the supporting details, Stichting WEW must make payment within two months. If the payment is late, provided the request is valid, Stichting WEW must pay interest for the late payment period.

In the event that a borrower fails to meet its obligation to repay the mortgage loan and no or no full payment is made to the lender under the NHG Guarantee by Stichting WEW because of the lender's culpable negligence, the lender must act *vis-à-vis* the borrower as if Stichting WEW were still guaranteeing the repayment of the Mortgage Loan during the remainder of the term of the Mortgage Loan. In addition, the lender is not entitled to recover any amounts due under the mortgage loan from the borrower in such case. This is only different if the borrower did not act in good faith with respect to his inability to repay the mortgage loan and has failed to render his full cooperation in trying to have the mortgage loan repaid to the lender to the extent possible.

## **Additional Loans**

Furthermore, on 1 July 2005 provisions were added to the NHG Conditions pursuant to which a borrower who is or threatens to be in arrears with payments under the existing mortgage loan may have the right to request Stichting WEW for a second guarantee to be granted by it in respect of an additional mortgage loan to be granted by the relevant lender. The monies drawn down under the additional loan have to be placed on deposit with the relevant lender and may, up to a maximum period of two years, be used for, inter alia, payment of the amounts which are due and payable under the existing mortgage loan, interest due and payable under the additional mortgage loan and the costs made with respect to the granting of the additional mortgage loan. The relevant borrower needs to meet certain conditions, including, inter alia, the fact that the financial difficulties are caused by a divorce, unemployment, disability or death of the partner.

## **Main NHG Underwriting Criteria (*Normen*) per 1 January 2012**

With respect to a borrower, the underwriting criteria include but are not limited to:

1. The lender has to perform a BKR check. "A" and "A1" registrations are allowed in certain circumstances.
2. As a valid source of income the following applies: indefinite contract of employment, temporarily contract of employment if the employer states that the employee will be provided an indefinite contract of employment in case of equal performance of the employee and equal business circumstances, for flexworkers or during a probational period (*proeftijd*) a three year history of income statements, for self employed three year annual statements.
3. The maximum loan based on the income will be based on the "woonquote" tables and an annuity style redemption (even if the actual loan is (partially) interest only). The mortgage lender shall calculate the borrowing capacity of a borrower of a mortgage loan with a fixed interest terms of less than 10 years on the basis of a percentage determined by the Dutch Association of Mortgage Lenders (*Contactorgaan Hypothecair Financiers* or *CHF*) which is in turn based on the market interest on loans to the Dutch State of the Netherlands with a remaining life of 10 years, plus such margin as may be determined by the CHF. This margin is fixed for the time being at 1 percentage point. The mortgage lender may also apply a higher notional interest rate when calculating the borrowing capacity of the borrower. The mortgage lender shall calculate the borrowing capacity for a mortgage loan with a fixed interest term of 10 years or more on the basis of the interest rate actually charged by the mortgage lender during that fixed interest term.

With respect to the mortgage loan, the underwriting criteria include but are not limited to:

4. As of 1 July 2012 the absolute maximum loan amount is euro 320,000 (this was euro 365,000). The loan amount is also limited by the amount of income and the market value of the property. With respect to the latter:
  - (a) For the purchase of existing properties, the loan amount is broadly based on the sum of (i) the lower of the purchase price and the market value based on a valuation report, (ii) the costs of improvements, (iii) 8 per cent. of the amount under (i) plus (ii). In case an existing property can be bought without paying transfer taxes (*vrij op naam*), the purchase amount under (i) is multiplied by 97 per cent.
  - (b) For the purchase of a property to be built, the maximum loan amount is broadly based on the sum of (i) purchase-/construction cost increased with a number of costs such as the cost of construction interest, VAT and architects (to the extent not included already in the purchase-/construction cost), (ii) 8 per cent. of the amount under (i).

5. The maximum loan amount that is interest-only is 50% of the original value of the property.
6. The risk insurance policy should at a minimum cover the loan amount in excess of 80% of the market value.

## **7. PORTFOLIO DOCUMENTATION**

### **7.1 Purchase, Repurchase and Sale**

Under the Mortgage Receivables Purchase Agreement, the Issuer will purchase the Mortgage Receivables and will accept the assignment of the Mortgage Receivables and the Beneficiary Rights relating thereto from the Seller by means of a registered deed of assignment as a result of which legal title to the Mortgage Receivables and the Beneficiary Rights relating thereto is transferred to the Issuer. The assignment of the Mortgage Receivables and the Beneficiary Rights relating thereto from the Seller to the Issuer will not be notified to the Borrowers, except that notification of the assignment of the Mortgage Receivables may be made upon the occurrence of any of the Assignment Notification Events. (see paragraph *Assignment Notification Events* below). Until such notification the Borrowers will only be entitled to validly pay (*bevrjndend betalen*) to the relevant Seller. The Issuer will be entitled to all proceeds in respect of the Mortgage Receivables as of the Cut-Off Date.

#### ***Purchase Price***

The purchase price for the Mortgage Receivables shall consist of the Initial Purchase Price and the Deferred Purchase Price. The Initial Purchase Price payable by the Issuer for the Mortgage Receivables assigned to it on the Closing Date will be euro 720,039,461.65. Of the Initial Purchase Price, an amount equal to the aggregate Construction Deposits, being euro 897,739.55, will be withheld by the Issuer and will be deposited in the Construction Deposit Account.

The Deferred Purchase Price shall be equal to the sum of all Deferred Purchase Price Instalments (see section 5 (*Credit Structure*) above).

#### ***Repurchase of Mortgage Receivables***

##### *General*

Other than in the events set out below, the Seller will not be obliged to repurchase any Mortgage Receivables from the Issuer. See under paragraph *Sale of Mortgage Receivables* below for a description of the calculation of the repurchase price of the Mortgage Receivables in the case of a sale of Mortgage Receivables to the Seller.

##### *Repurchase in case of breach of representations and warranties*

If at any time after the Closing Date any of the representations and warranties relating to a Mortgage Loan or a Mortgage Receivable or the Beneficiary Rights relating thereto proves to have been untrue or incorrect in any material respect, the Seller shall within 30 calendar days of having knowledge of such breach or receipt of written notice thereof from the Issuer or the Security Trustee remedy the matter giving rise thereto and if such matter is not capable of being remedied or is not remedied within the aforementioned period of 30 calendar days, the Seller shall on the immediately succeeding Mortgage Collection Payment Date or such earlier date as practically possible repurchase and accept re-assignment of such Mortgage Receivable and the Beneficiary Rights relating thereto.

#### *Repurchase in case of Other Claim(s)*

On the Mortgage Collection Payment Date immediately following the date on which the Seller has obtained any Other Claim(s) *vis-à-vis* any Borrower including resulting from a Further Advance, it shall repurchase and accept re-assignment of the Mortgage Receivable on the terms and conditions set forth above on such Mortgage Collection Payment Date.

#### *Repurchase in case of Amendment of Terms*

The Seller shall also undertake to repurchase and accept re-assignment of a Mortgage Receivable if it agrees with a Borrower to either amend the terms of the Mortgage Loan and such amendment is not in accordance with the conditions set out in the Mortgage Receivables Purchase Agreement, which include the condition that after such amendment the Mortgage Loan continues to meet each of the Mortgage Loan Criteria (as set out below in section 7.3 (*Mortgage Loan Criteria*)) and the representations and warranties of the Mortgage Receivables Purchase Agreement (as set out below in section 7.2 (*Representations and Warranties*)), unless such amendment is made as part of the enforcement procedures to be complied with upon a default by the Borrower under the relevant Mortgage Loan or is otherwise made as part of a restructuring or renegotiation of the relevant Mortgage Loan due to a deterioration of the credit quality of the Borrower of such Mortgage Loan on the immediately succeeding Mortgage Collection Payment Date.

#### *Repurchase in case of Switches*

The Seller shall also undertake to repurchase and accept re-assignment of a Mortgage Receivable if it agrees with a Borrower to switch a Savings Mortgage Loan or Life Mortgage Loan with a Savings Element, as the case may be, or a Bank Savings Mortgage Loan into (a part of) any type of Mortgage Loan other than a Savings Mortgage Loan or Life Mortgage Loan with a Savings Element or a Bank Savings Mortgage Loan on the immediately succeeding Mortgage Collection Payment Date.

#### *Repurchase in case of breach of NHG Conditions*

If the relevant Mortgage Loan from which an NHG Mortgage Loan Receivable results no longer has the benefit of the NHG Guarantee as a result of action taken or omitted to be taken by the Seller or any of the Servicer and the Non-performing Mortgage Loan Servicer, the Seller shall also repurchase and accept re-assignment of such NHG Mortgage Loan Receivable on the Mortgage Collection Payment Date immediately following the date on which the Seller or any of the Servicer and the Non-performing Mortgage Loan Servicer has become aware or has been notified hereof.

#### **Clean-up Call Option**

On each Notes Payment Date the Seller may exercise the Clean-up Call Option. The Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Mortgage Receivables to the Seller or any third party appointed by the Seller in its sole discretion, in case of the exercise of the Clean-up Call Option.

#### **Regulatory Call Option**

On each Notes Payment Date, the Seller has the option but not the obligation to repurchase the Mortgage Receivables upon the occurrence of a **Regulatory Change** (the **Regulatory Call Option**). A **Regulatory Change** means a change which (a) is published on or after the Closing Date in (i) the Basel Capital Accord promulgated by the Basel Committee on Banking Supervision (the **Basel Accord**), the European Parliament legislative resolution of 22 April 2009 on the amended proposal for a directive of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (the **Solvency II Framework Directive**) or (ii) the international, European or Dutch regulations, rules and instructions (which includes rules on solvency requirements) (the **Bank Regulations**) applicable to the Seller (including

any change in the Bank Regulations enacted for purposes of implementing a change to the Basel Accord) or (iii) the manner in which the Basel Accord, Basel II Accord, the Solvency II Framework Directive 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 regulatory or supervisory authority) and (b) in the opinion of the Seller, has the effect of adversely affecting the rate of return on capital of the Seller or increasing the cost or reducing the benefit to the Seller with respect to the transaction contemplated by the Notes.

The Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Mortgage Receivables to the Seller, or any third party appointed by the Seller at its sole discretion, in case the Seller exercises the Regulatory Call Option. The purchase price will be calculated as described in paragraph *Sale of Mortgage Receivables* below. If the Seller exercises its Regulatory Call Option, then the Issuer will redeem the Mortgage-Backed Notes by applying the proceeds of the sale of the Mortgage Receivables towards redemption of the Mortgage-Backed Notes in accordance with Condition 6(b).

### **Sale of Mortgage Receivables**

The Issuer may not dispose of any Mortgage Receivables, except to comply with its obligations under the Notes in certain circumstances as further provided in the Trust Deed and in connection with a repurchase obligation of the Seller as provided in the Mortgage Receivables Purchase Agreement. If the Issuer decides to offer for sale (part of) the Mortgage Receivables it will first offer such Mortgage Receivables to the Seller. The Seller shall within a period of 15 business days of such offer inform the Issuer whether it wishes to repurchase the Mortgage Receivables. After such 15 business day period, the Issuer may offer such Mortgage Receivables for sale to any third party.

### **Assignment Notification Events**

If:

- (a) a default is made by the Seller in the payment on the due date of any amount due and payable by the Seller under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party and such failure is not remedied within 10 business days after the Seller having knowledge of such failure or notice thereof has been given by the Issuer or the Security Trustee to the Seller; or
- (b) the Seller fails duly to perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party and, if such failure is capable of being remedied, such failure is not remedied within 10 business days after the Seller having knowledge of such failure or notice thereof has been given by the Issuer or the Security Trustee to the Seller; or
- (c) any representation, warranty or statement made or deemed to be made by the Seller in the Mortgage Receivables Purchase Agreement, other than those relating to the Mortgage Loans and the Mortgage Receivables (which the Seller consequently repurchases), or under any of the Transaction Documents to which the Seller is a party or in any notice or other document, certificate or statement delivered by it pursuant thereto proves to have been, and continues to be after the expiration of any applicable grace period provided for in any Relevant Document, untrue or incorrect in any material respect; or
- (d) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution (*ontbinding*) and liquidation (*vereffening*) or legal demerger (*juridische splitsing*) involving a substantial part of its assets or for its conversion (*conversie*) into a foreign legal entity or its assets are placed under administration (*onder bewind gesteld*); or

- (e) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for the Seller becoming subject to (preliminary) suspension of payments, emergency regulations or for bankruptcy, as referred to in the Dutch Bankruptcy Act or for any analogous insolvency proceedings under applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (f) at any time it becomes unlawful for the Seller to perform all or a material part of its obligations under any of the Transaction Documents; or
- (g) the Seller has given materially incorrect information or not given material information which was essential for the Issuer and the Security Trustee in connection with the entering into the Mortgage Receivables Purchase Agreement and/or any of the other Transaction Documents; or
- (h) a Pledge Notification Event occurs,

then the Seller, provided that the Security Trustee (i) has notified the Credit Rating Agencies and (ii) in its reasonable opinion does not expect that the then current ratings assigned to the Mortgage-Backed Notes, will be adversely affected as a result of not giving notice as described below, and unless the Security Trustee instructs it otherwise, shall forthwith notify the relevant Borrowers, the Insurance Companies and any other relevant parties indicated by the Issuer and/or the Security Trustee of the assignment of the Mortgage Receivables and the Beneficiary Rights to the Issuer or, at its option, the Issuer shall be entitled to make such notifications itself.

In addition, pursuant to the Beneficiary Waiver Agreement, the Seller and the Savings Insurance Company (but only in respect of Insurance Policies with the Savings Insurance Company) will use their best efforts to obtain the co-operation from the Borrower and all other parties to (a) waive its rights as first beneficiary under the Insurance Policies up to the Outstanding Principal Amount of the relevant Mortgage Receivable, (b) appoint as first beneficiary (x) the Issuer until the occurrence of a Pledge Notification Event and (y) the Security Trustee upon the occurrence of a Pledge Notification Event, and (c) with respect to Insurance Policies whereby the initial appointment of the first beneficiary has remained in force as a result of a Borrower Insurance Proceeds Instruction in favour of the Seller to the Savings Insurance Company, withdraw such Borrower Insurance Proceeds Instruction and to issue a Borrower Insurance Proceeds Instruction up to the Outstanding Principal Amount of the relevant Mortgage Receivable in favour of (x) the Issuer until the occurrence of a Pledge Notification Event and (y) the Security Trustee upon the occurrence of a Pledge Notification Event.

## 7.2 Representations and Warranties

The Seller will represent and warrant on the Closing Date with respect to the Mortgage Receivables and the Mortgage Loans and the Beneficiary Rights relating thereto, that, *inter alia*:

- (a) each of the Mortgage Receivables and the Beneficiary Rights relating thereto is duly and validly existing and is not subject to annulment (*vernietiging*) or dissolution (*ontbinding*) as a result of circumstances which have occurred prior to or on the Closing Date;
- (b) it has full right and title (*titel*) to the Mortgage Receivables and the Beneficiary Rights relating thereto and power (*beschikkingsbevoegdheid*) to sell and assign the Mortgage Receivables and the Beneficiary Rights relating thereto and no restrictions on the sale and assignment of the Mortgage Receivables and the Beneficiary Rights relating thereto are in effect and the Mortgage Receivables and the Beneficiary Rights relating thereto are capable of being assigned and pledged;
- (c) the Mortgage Receivables and the Beneficiary Rights relating thereto are free and clear of any encumbrances and attachments (*beslagen*) and no option rights (*opties*) to acquire the Mortgage Receivables and the Beneficiary Rights relating thereto have been granted in favour of any third party;
- (d) the mortgage deeds in respect of the Mortgage Loans originated by the Seller prior to 8 September 2005, (i) contain the provision that the mortgage right will partially follow, *pro rata*, the receivable upon its assignment and (ii) do not contain, nor any other agreements between the Seller and the relevant Borrower in respect of the relevant Mortgage Receivables contain, any explicit provision on the issue whether (x) the rights of pledge follow the receivable upon its assignment or pledge and (y) the mortgage right follows the receivable upon its pledge;
- (e) the mortgage deeds in respect of the Mortgage Loans originated by the Seller after 8 September 2005, contain the provision that the mortgage right and the rights of pledge will partially follow, *pro rata*, the receivable upon its assignment and pledge;
- (f) each Mortgaged Asset concerned was appraised when application for the relevant Mortgage Loan was made by an external valuer, except that no valuation was required if (i) the Mortgage Loan secured by such Mortgaged Asset did not exceed 100 per cent. of the value based upon an assessment by the Dutch tax authorities on the basis of the WOZ at the time of application for a Mortgage Loan or (ii) such Mortgaged Asset was to be constructed or in construction at the time of application for a Mortgage Loan, provided that the Mortgage Loan to be granted did not exceed 104 per cent. (until 1 August 2011 108 per cent.) of the purchase and construction costs (*koop-/aanneemsom*) of the property involved. A valuation was however required if the maximum amount of the Mortgage Loan exceeded euro 500,000 and/or the additional construction costs (*het meerwerk*) exceeded 20% of the aggregate purchase and construction costs (*koop-/aanneemsom*). A valuation was also required in respect of refurbishments initiated by the borrower for existing buildings (*onder eigen beheer*).
- (g) each Mortgage Receivable, the mortgage right and the rights of pledge, if any, securing such receivable constitute legal, valid, binding and enforceable obligations of the relevant Borrower *vis-à-vis* the Seller;
- (h) all mortgage rights and all rights of pledge securing the Mortgage Loans (i) constitute valid mortgage rights (*hypotheekrechten*) and rights of pledge (*pandrechten*) respectively on the assets identified to be Mortgaged Assets and the assets which are identified to be the subject of the rights of pledge, (ii) are governed by Dutch law and, to the extent relating to the mortgage rights to secure the Mortgage Receivables, have been entered into the appropriate public register (*Dienst van het*

*Kadaster en de Openbare Registers*), (iii) have first priority (*eerste in rang*) or first and sequentially lower ranking priority, and (iv) were vested for an outstanding principal amount which is at least equal to the Outstanding Principal Amount when originated, increased with interest, penalties, costs and insurance premium, together up to an amount equal to at least 140 per cent. of the Outstanding Principal Amount in respect of the Mortgage Receivables upon origination;

- (i) each of the Mortgage Loans has been granted, and each of the mortgage rights and rights of pledge has been vested, subject to the general terms and conditions and materially in the forms of mortgage deeds as attached to the Mortgage Receivables Purchase Agreement;
- (j) each of the Mortgage Loans and, to the extent offered by the Seller, the relevant Insurance Policy (i) has been granted in accordance with applicable legal requirements prevailing at the time of origination in all material respects, including, after coming into force, the Code of Conduct on Mortgage Loans (*Gedragscode Hypothecaire Financieringen*) including borrower income requirements, (ii) met in all material respects (x) the Seller's underwriting criteria and procedures (including those relating to manual overrules) prevailing at that time, which do not materially differ from the criteria and procedures set forth in the Handbook Delta Lloyd Hypotheken (*Handboek Delta Lloyd Hypotheken*) as attached to the Mortgage Receivables Purchase Agreement and (y) in respect of the NHG Mortgage Loan Receivables, the NHG Underwriting Criteria, and (iii) are in a form as may reasonably be expected from a prudent lender of Dutch residential mortgages;
- (k) to the best of the Seller's knowledge, the Borrowers are not in any material breach of any provision of their Mortgage Loans on the Cut-Off Date;
- (l) each Mortgage Loan was granted by the Seller to a private individual only;
- (m) on the Cut-Off Date, no amounts due and payable under any of the Mortgage Loans, were in arrears;
- (n) each of the Mortgage Loans meets the Mortgage Loan Criteria as set forth below;
- (o) with respect to each of the Mortgage Receivables secured by a mortgage right on a long lease (*erfpacht*), the relevant Outstanding Principal Amount, including interest, will become immediately due and payable if the long lease terminates, if the leaseholder materially breaches or ceases to perform its payment obligation under the long lease (*canon*) or if the leaseholder in any other manner breaches the conditions of the long lease;
- (p) other than the aggregate Construction Deposits in respect of construction mortgage loans (*bouwhypotheke*), all Mortgage Loans have been fully disbursed, whether or not through the civil law notary, and no amounts are held in deposit with respect to the Mortgage Loans as premiums and interest payments (*rente- en premiedepot*) by the Savings Insurance Company in excess of an aggregate amount of euro 414,346.30 as at the Cut-Off Date;
- (q) other than the aggregate Construction Deposits in respect of construction mortgage loans (*bouwhypotheke*), it has not accepted any deposits from the Borrowers and it currently does not have any current account relationship with the Borrowers;
- (r) in respect of each of the Savings Mortgage Receivables and the Life Mortgage Receivables, the Seller has the benefit of a valid right of pledge on the rights under the Savings Insurance Policy and the Life Insurance Policy, respectively, and either (i) the Seller has been validly appointed as beneficiary (*begunstigde*) under such Insurance Policies, upon the terms of the relevant Mortgage Loans and the relevant Insurance Policies, which has been notified to the Insurance Company or (ii) the relevant Insurance Company has been given a Borrower Insurance Proceeds Instruction;
- (s) it has no Other Claims;

- (t) it can be determined in its administration without any uncertainty which Beneficiary Rights belong to which Mortgage Receivables;
- (u) each Mortgage Loan constitutes the entire mortgage loan granted to the relevant Borrower and not merely one or more loan parts (*leningdelen*);
- (v) there is no relationship between the Mortgage Loans and any Investment Portfolio, other than the right of pledge thereof granted by the relevant Borrower to the Seller;
- (w) with respect to Investment Mortgage Loans, the relevant investments held in the name of the relevant Borrower have been validly pledged to the Seller and the securities are purchased on behalf of the relevant Borrower by the Seller for the account of the Borrowers and these securities are held in custody by an admitted institution of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. in accordance with the Wge or, if they do not qualify as securities within the meaning of the Wge, by a separate depository vehicle in accordance with Section 6:18 of the Further Regulation on Conduct Supervision of Financial Enterprises;
- (x) it has not been notified and is not aware of anything affecting the Seller's title to the Mortgage Receivables;
- (y) the Mortgage Conditions provide that all payments by the relevant Borrowers should be made without any deduction or set-off;
- (z) it has accounted for and distinguished between all interest and principal payments relating to the Mortgage Loans and the Beneficiary Rights;
- (aa) all Bank Savings Accounts are held with the Bank Savings Participant;
- (bb) in the Mortgage Conditions no further drawings and/or further credits have been agreed or anticipated;
- (cc) in respect of each NHG Mortgage Loan Receivable: (i) it has the benefit of an NHG Guarantee which has been granted for the full Outstanding Principal Amount in respect of the Mortgage Loan at origination and constitutes legal, valid and binding obligations of Stichting WEW enforceable in accordance with its terms, (ii) all terms and conditions (*voorwaarden en normen*) applicable to the NHG Guarantee at the time of origination of the Mortgage Loans were complied with and (iii) the Seller is not aware of any reason why any claim under the NHG Guarantee granted by Stichting WEW in respect of any NHG Mortgage Loan Receivable should not be met in full and in a timely manner;
- (dd) the aggregate Outstanding Principal Amount of the NHG Mortgage Loan Receivables on the Cut-Off Date was equal to euro 222,603,334.57;
- (ee) at the time of origination, all mortgage rights in respect of the Mortgage Loans were secured against an owner-occupied first residence;
- (ff) except for the aggregate Construction Deposits in respect of construction mortgage loans (*bouwhypotheken*) the Seller does not offer any current (savings) accounts or savings deposits to Borrowers;
- (gg) other than in respect of any Bank Savings Mortgage Loan, (i) Delta Lloyd Bank does not offer current savings accounts or savings deposits as products which are in any way connected with the relevant Mortgage Loans, (ii) the relevant Mortgage Loan is not offered in combination with a current account or a savings deposit with the Seller or Delta Lloyd Bank and (iii) no rights under a

current account or savings deposit with Delta Lloyd Bank will be pledged to the Seller as security for the relevant Mortgage Loan;

- (hh) other than in respect of any Bank Savings Mortgage Loan, any current account or savings deposit of the Borrower held with Delta Lloyd Bank and the relevant Mortgage Loan are offered in such manner that it should be clear to the Borrower that (i) the current account or savings deposit is held with Delta Lloyd Bank, (ii) the relevant Mortgage Loan is granted by the Seller, (iii) Delta Lloyd Bank and the Seller are different legal entities and (iv) the conditions pertaining to the Bank Savings Mortgage Loans and the current accounts or saving deposits do not contain contractual provisions entitling the Borrower to set-off claims under these legal relationships against each other; and
- (ii) as at the time of application, the relevant Borrower did either (i) not have a record of any negative registration with the BKR; or (ii) the Seller has received confirmation that such registration was onerous and has been removed from the BKR register prior to the granting of the relevant Mortgage Loan or (iii) in respect of NHG Mortgage Loans, such registration was allowed under the NHG Conditions applicable at the time of origination.

### 7.3 Mortgage Loan Criteria

Each of the Mortgage Loans will meet the following Mortgage Loan Criteria:

- (i) the Mortgage Loans are in the form of:
  - (a) linear mortgage loans (*lineaire hypotheek*);
  - (b) annuity mortgage loans (*annuïteitenhypotheek*);
  - (c) interest-only mortgage loans (*aflossingsvrije hypotheek*);
  - (d) investment mortgage loans (*beleggingshypotheek*);
  - (e) savings mortgage loans (*spaarhypotheek*);
  - (f) bank savings mortgage loans (*bankspaarhypotheek*);
  - (g) unit-linked mortgage loans (*unit-linked hypotheek*);
  - (h) universal life mortgage loans (*universeel levenhypotheek*);
  - (i) life mortgage loans with the option to choose between the Savings Element and the Unit-linked Alternative (*levenhypotheek*); and/or
  - (j) traditional life and with an external insurance policy (*levenhypotheek op basis van traditioneel gemengde verzekering*);
- (ii) the Borrower is not an employee of the Seller or of any other company belonging to the same group of companies as the Seller and is a resident of the Netherlands;
- (iii) the interest rate of each Mortgage Loan is floating or fixed, subject to a reset from time to time;
- (iv) the Mortgaged Assets are not the subject of residential letting and are occupied by the relevant Borrower at origination;
- (v) interest payments and, to the extent applicable, principal payments with respect to each Mortgage Loan are scheduled to be made monthly;
- (vi) the Outstanding Principal Amount of each Mortgage Loan, or of all Mortgage Loans secured on the same Mortgaged Asset together does not exceed euro 1,000,000;
- (vii) the Principal Amount of each NHG Mortgage Loan does not exceed the maximum loan amount as stipulated by the relevant NHG Underwriting Criteria at origination;
- (viii) each Mortgage Loan was originated on or after 1 January 2003;
- (ix) the legal final maturity of each Mortgage Loan, does not extend beyond November 2042;
- (x) the Outstanding Principal Amount of each Mortgage Loan did not equal or exceed 125 per cent. of the foreclosure value of the Mortgaged Asset as per the most recent foreclosure value of the relevant Mortgaged Asset in respect of all Mortgage Receivables;

- (xi) each Mortgage Loan is secured by a first ranking mortgage right or, in case of Mortgage Loans secured on the same Mortgaged Asset, as the case may be, first and sequentially lower ranking mortgage rights;
- (xii) the Mortgage Loan or part thereof does not qualify as a bridge loan (*overbruggingshypotheek*);
- (xiii) the Mortgaged Asset is located in the Netherlands and is used for residential purposes by the Borrower;
- (xiv) the maximum amount deposited on a Construction Deposit under a Mortgage Loan does not exceed euro 50,000; and
- (xv) in respect of each Mortgage Loan at least one (interest) payment has been received prior to the Closing Date.

## 7.4 Portfolio Conditions

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## **7.5 Servicing Agreement**

### **Mortgage Loan Services**

In the Servicing Agreement (i) the Servicer will agree to provide mortgage payment transactions and other services to the Issuer on a day-to-day basis in relation to the Mortgage Loans and the Mortgage Receivables, including, without limitation, the collection and recording of payments of principal, interest and other amounts in respect of the Mortgage Receivables, and including the direction of amounts received by the Seller to the Issuer Collection Account and the production of monthly reports in relation thereto, and prepare and provide the Issuer Administrator with certain statistical information regarding the Issuer, as required by law, for submission to the relevant regulatory authorities, and (ii) the Non-performing Mortgage Loan Servicer will agree to provide the implementation of arrears procedures including the enforcement of mortgage rights (see further section 6.3 (*Origination and Servicing by the Seller*) above) and to provide information on the relevant Participation in the Savings Mortgage Loan or Life Mortgage Loan with a Savings Element and the Bank Savings Mortgage Loans

### **Issuer Administration Services**

In the Servicing Agreement the Issuer Administrator will agree to provide certain administration, calculation and cash management services to the Issuer, including (i) drawings (if any) to be made by the Issuer under the Cash Advance Facility and from the Reserve Account, (ii) all payments to be made by the Issuer under the Swap Agreement and under the other Transaction Documents, (iii) all payments to be made by the Issuer under the Notes in accordance with the Paying Agency Agreement and the Conditions, (iv) all payments to be made by the Issuer under the Participation Agreements, (v) the maintaining of all required ledgers in connection with the above, (vi) all calculations to be made pursuant to the Conditions under the Notes and (vii) the submission of certain statistical information regarding the Issuer as referred to above to certain governmental authorities if and when requested. The Issuer Administrator will also provide the Swap Counterparty with all information necessary in order to perform its role as calculation agent under the Swap Agreement.

### **Exemption under Wft**

The Issuer has outsourced the servicing and administration of the Mortgage Loans and the implementation of arrears procedures, respectively, to Delta Lloyd Bank NV as the Servicer and the Non-performing Mortgage Loan Servicer. Delta Lloyd Bank NV holds a banking licence under the Wft. As a result, the Issuer benefits from an exemption from the licence requirement pursuant to the Wft (see also the paragraph *Licence requirement under the Wft* in section 2 (*Risk factors*)). Pursuant to the Servicing Agreement, in its role as the Servicer and the Non-performing Mortgage Loan Servicer, Delta Lloyd Bank N.V. will be obliged to administer the Mortgage Loans and the Mortgage Receivables with the same level of skill, care and diligence as it administers mortgage loans in its own portfolio.

### **Sub-delegation**

The Servicer will, in accordance with the Servicing Agreement, appoint Stater as its Sub MPT Provider to carry out certain of the activities of the Servicer as provided for in the Servicing Agreement. Stater will accept this appointment and will commit itself, in favour of the Issuer, to carry out certain activities of the Servicer as provided for in the Servicing Agreement subject to and on the terms agreed with Stater. The Issuer and the Security Trustee have consented to the appointment of Stater as Sub MPT Provider. The appointment of Stater as Sub MPT Provider of the Servicer is without prejudice to the obligations of the Servicer under the Servicing Agreement and the Servicer shall continue to be liable as if no such appointment had been made and as if the acts and omissions of Stater were the acts and omissions of the Servicer.

## Termination

The appointment of the Servicer, the Non-performing Mortgage Loan Servicer and/or the Issuer Administrator under the Servicing Agreement may be terminated by the Security Trustee or the Issuer (with the consent of the Security Trustee) in certain circumstances, including (a) a default by the relevant party in the payment on the due date of any payment due and payable by it under the Servicing Agreement, without being remedied within the agreed period, (b) a default by the relevant party in the performance or observance of any of its other covenants and obligations under the Servicing Agreement without being remedied within the agreed period or (c) the relevant party has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into (preliminary) suspension of payments (only in respect of the Issuer Administrator) or emergency regulations as referred to in Chapter 3 of the Wft (only in respect of the Servicer and the Non-performing Mortgage Loan Servicer) or for any analogous insolvency proceedings under any applicable law or for bankruptcy or for the appointment of a receiver or a similar officer of its or any or all of its assets or (d) (only in respect of the Servicer and/or the Non-performing Mortgage Loan Servicer) the Servicer and/or Non-performing Mortgage Loan Servicer no longer holds a licence as intermediary (*bemiddelaar*) or offeror of credit (*aanbieder van krediet*) under the Wft.

The Security Trustee and the Issuer shall use their best efforts to appoint a substitute servicer, non-performing mortgage loan servicer and/or issuer administrator (as the case may be) to the extent possible prior to the termination of the appointment of the relevant party under the Servicing Agreement, and such substitute servicer, non-performing mortgage loan servicer and/or issuer administrator shall enter into an agreement with the Issuer and the Security Trustee substantially on the terms of the Servicing Agreement, provided that such substitute servicer, non-performing mortgage loan servicer and/or issuer administrator shall have the benefit of a fee at a level then to be determined. Any such substitute servicer and/or non-performing mortgage loan servicer is obliged to (i) have experience of administering mortgage loans and mortgages of residential property in the Netherlands and (ii) hold a licence under the Wft. The Issuer shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Security Trustee on the terms of the Issuer Rights Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

The appointment of the Servicer, the Non-performing Mortgage Loan Servicer and/or the Issuer Administrator under the Servicing Agreement may be terminated by the relevant party, the Issuer and/or the Security Trustee upon the expiry of not less than 12 months' notice of termination given by the relevant party to each of the Issuer and the Security Trustee provided that – *inter alia* – (a) the Security Trustee consents in writing to such termination and (b) a substitute servicer, non-performing mortgage loan servicer and/or issuer administrator shall be appointed, such appointment to be effective not later than the date of termination of the Servicing Agreement and the relevant party shall not be released from its obligations under the Servicing Agreement until such substitute servicer and/or non-performing mortgage loan servicer and/or issuer administrator has entered into such new agreement.

## 7.6 Participation Agreements

### Insurance Savings Participation Agreement

Under the Insurance Savings Participation Agreement the Issuer will grant to the Savings Insurance Company an Insurance Savings Participation in the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element.

### Insurance Savings Participation

In the Insurance Savings Participation Agreement the Savings Insurance Company will undertake to pay to the Issuer:

- (a) on the Closing Date, the Initial Insurance Savings Participation in relation to each of the Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element; and
- (b) on each Mortgage Collection Payment Date an amount equal to the amount received by the Savings Insurance Company as Savings Premium during the Mortgage Calculation Period then ended in respect of the relevant Savings Insurance Policies and Savings Investment Insurance Policies;

provided that no amounts will be paid to the extent that, as a result thereof, the Insurance Savings Participation in such relevant Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element would exceed the Outstanding Principal Amount of the relevant Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element

As a consequence of such payments, the Savings Insurance Company will acquire the Insurance Savings Participation in each of the relevant Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element, which is equal to the Initial Savings Participation in respect of the relevant Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element increased during each Mortgage Calculation Period with the Insurance Savings Participation Increase.

In consideration for the undertakings of the Savings Insurance Company described above, the Issuer will undertake to pay to the Savings Insurance Company on each Mortgage Collection Payment Date an amount equal to the Insurance Savings Participation in each of the Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element in respect of which amounts have been received during the relevant Mortgage Calculation Period or, in the case of the first Mortgage Collection Payment Date, during the period which commences on the Cut-Off Date and ends on the last day of the Mortgage Calculation Period immediately preceding such first Mortgage Collection Payment Date (i) by means of repayment and prepayment under the relevant Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element, but excluding any prepayment penalties and interest penalties, if any, and, furthermore, excluding amounts paid as partial prepayments on the relevant Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element, (ii) in connection with a repurchase of Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, (iii) in connection with a sale of Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element pursuant to the Trust Deed to the extent such amounts relate to principal and (iv) as Net Foreclosure Proceeds on any Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element to the extent such amounts relate to principal (the **Insurance Savings Participation Redemption Available Amount**).

### **Reduction of Insurance Savings Participation**

If a Borrower invokes a defence, including but not limited to a right of set-off or counterclaim against any person in respect of a Savings Mortgage Receivable or a Life Mortgage Receivable with a Savings Element if, for whatever reason, the Savings Insurance Company does not pay the insurance proceeds when due and payable, whether in full or in part, under the relevant Savings Insurance Policy or the Savings Investment Insurance Policy, respectively, and, as a consequence thereof, the Issuer will not have received any amount outstanding prior to such event in respect of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element, the Insurance Savings Participation of the Savings Insurance Company in respect of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element, will be reduced by an amount equal to the amount which the Issuer has failed to so receive.

### **Enforcement Notice**

If an Enforcement Notice is given by the Security Trustee to the Issuer, then and at any time thereafter the Security Trustee on behalf of the Savings Insurance Company may, and if so directed by the Savings Insurance Company shall, by notice to the Issuer:

- (a) declare that the obligations of the Savings Insurance Company under the Insurance Savings Participation Agreement are terminated; and
- (b) declare the Insurance Savings Participation to be immediately due and payable, whereupon it shall become so due and payable, but such payment obligations shall be limited to the Insurance Savings Participation Redemption Available Amount received or collected by the Issuer or, in case of enforcement, the Security Trustee under the Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element.

### **Termination**

If one or more of the Savings Mortgage Receivables and Life Mortgage Receivable with a Savings Element are (i) repurchased by the relevant Seller from the Issuer pursuant to the Mortgage Receivables Purchase Agreement or (ii) sold by the Issuer to a third party pursuant to the Trust Deed, and the Issuer has sufficient funds available to repay the Insurance Savings Participation, the Insurance Savings Participation in such Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element will terminate and the Insurance Savings Participation Redemption Available Amount in respect of the relevant Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element will be paid by the Issuer to the Savings Insurance Company. If so requested by the Savings Insurance Company, the Issuer will use its best efforts to ensure that the acquirer of the relevant Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element will enter into an insurance savings participation agreement with the Savings Insurance Company in a form similar to the Insurance Savings Participation Agreement. Furthermore, the Insurance Savings Participation envisaged in the Insurance Savings Participation Agreement shall terminate if at the close of business of any Mortgage Collection Payment Date the Savings Insurance Company has received the Insurance Savings Participation in respect of the relevant Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element.

### **Bank Savings Participation Agreement**

Under the Bank Savings Participation Agreement the Issuer will grant to the Bank Savings Participant a Participation in the Bank Savings Mortgage Receivables.

## **Bank Savings Accounts**

The conditions applicable to the Bank Savings Mortgage Loans stipulate that amounts paid by the Borrowers will be deposited by the Bank Savings Participant on the relevant Bank Savings Account held with Delta Lloyd Bank.

## **Bank Savings Participation**

In the Bank Savings Participation Agreement the Bank Savings Participant will undertake to pay to the Issuer:

- (a) on the Closing Date, the Initial Bank Savings Participation in relation to each of the Bank Savings Mortgage Receivables; and
- (b) on each Mortgage Collection Payment Date an amount equal to the amount received by the Bank Savings Participant on the relevant Bank Savings Account in relation to the Bank Savings Mortgage Receivables during the Mortgage Calculation Period immediately preceding such Mortgage Collection Payment Date,

provided that no amounts will be paid to the extent that, as a result thereof, the Bank Savings Participation in the Bank Savings Mortgage Receivable would exceed the Outstanding Principal Amount of the Bank Savings Mortgage Receivable.

As a consequence of such payments, the Bank Savings Participant will acquire a Bank Savings Participation in each of the Bank Savings Mortgage Receivables, which is equal to the Initial Bank Savings Participation in respect of the Bank Savings Mortgage Receivables, increased during each Mortgage Calculation Period with the Bank Savings Participation Increase.

In consideration for the undertakings of the Bank Savings Participant described above, the Issuer will undertake to pay to the Bank Savings Participant on each Mortgage Collection Payment Date an amount equal to the Bank Savings Participation in each of the Bank Savings Mortgage Receivables in respect of which amounts have been received by the Issuer during the relevant Mortgage Calculation Period or, in the case of the first Mortgage Collection Payment Date, during the period which commences on the Cut-Off Date and ends on the last day of the Mortgage Calculation Period immediately preceding such first Mortgage Collection Payment Date (i) by means of repayment and prepayment under the Bank Savings Mortgage Receivables, but excluding any prepayment penalties and interest penalties, if any, and, furthermore, excluding amounts paid as partial prepayments on the Bank Savings Mortgage Receivable, (ii) in connection with a repurchase of Bank Savings Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, (iii) in connection with a sale of Bank Savings Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal and (iv) as Net Foreclosure Proceeds on any Bank Savings Mortgage Receivables to the extent such amounts relate to principal (the **Bank Savings Participation Redemption Available Amount**).

## **Reduction of Bank Savings Participation**

If a Borrower invokes a defence, including but not limited to a right of set-off or counterclaim against any person in respect of a Bank Savings Mortgage Receivable if, for whatever reason, any Bank Savings Participant does not pay the amounts due under the Bank Savings Mortgage Receivable, whether in full or in part, and, as a consequence thereof, the Issuer will not have received any amount outstanding prior to such event in respect of such Bank Savings Mortgage Receivable, the Bank Savings Participation of the Bank Savings Participant in respect of such Bank Savings Mortgage Receivable, will be reduced by an amount equal to the amount which the Issuer has failed to so receive.

## **Enforcement Notice**

If an Enforcement Notice is given by the Security Trustee to the Issuer, then and at any time thereafter the Security Trustee on behalf of the Bank Savings Participant may, and if so directed by the Bank Savings Participant shall, by notice to the Issuer:

- (a) declare that the obligations of the relevant Bank Savings Participant under the Bank Savings Participation Agreement are terminated; and
- (b) declare the Bank Savings Participation in relation to the Bank Savings Mortgage Receivables to be immediately due and payable, whereupon it shall become so due and payable, but such payment obligations shall be limited to the Bank Savings Participation Redemption Available Amount received or collected by the Issuer or, in case of enforcement, the Security Trustee under the Bank Savings Mortgage Receivables.

## **Termination**

If one or more of the Bank Savings Mortgage Receivables are (i) repurchased by the relevant Seller from the Issuer pursuant to the Mortgage Receivables Purchase Agreement, or (ii) sold by the Issuer to a third party pursuant to the Trust Deed and the Issuer has sufficient funds available to repay the Bank Savings Participation, the Bank Savings Participation in such Bank Savings Mortgage Receivables will terminate and the Bank Savings Participation Redemption Available Amount in respect of the Bank Savings Mortgage Receivables will be paid by the Issuer to the Bank Savings Participant. If so requested by the Bank Savings Participant, the Issuer will use its best efforts to ensure that the acquirer of the Bank Savings Mortgage Receivables will enter into a bank savings participation agreement with the Bank Savings Participant in a form similar to the Bank Savings Participation Agreement. Furthermore, the Bank Savings Participation envisaged in the Bank Savings Participation Agreement shall terminate if at the close of business of any Mortgage Collection Payment Date the Bank Savings Participant has received the Bank Savings Participation in respect of the Bank Savings Mortgage Receivables.

## **8. GENERAL**

1. The issue of the Notes has been authorised by a resolution of the managing director of the Issuer passed on 10 December 2012.
2. Application has been made to list the Notes (other than the Class F Notes) on Euronext Amsterdam on the Closing Date. The estimated total costs involved with such admission amount to euro 50,000.
3. The Class A1 Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 085768417, ISIN Code XS0857684178 and WKN Code A1HC00.
4. The Class A2 Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 085768522, ISIN Code XS0857685225 and WKN Code A1HC01.
5. The Class B Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 085768573, ISIN Code XS0857685738 and WKN Code A1HC02.
6. The Class C Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 085768611, ISIN Code XS0857686116 and WKN Code A1HC03.
7. The Class D Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 085768620, ISIN Code XS0857686207 and WKN Code A1HC04.
8. The Class E Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 085768654, ISIN Code XS0857686546 and WKN Code A1HC05.
9. The Class F Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 085768697, ISIN Code XS0857686975 and WKN Code A1HC06.
10. The addresses of the clearing systems are: Euroclear, 1 Boulevard de Roi Albert II, 1210 Brussels, Belgium and Clearstream Luxembourg, 42 Avenue J.F. Kennedy, L-1855 Luxembourg.
11. Since its incorporation, the Issuer is not involved in any legal, arbitration or governmental proceedings which may have a significant effect on the Issuer's financial position or profitability nor are any such proceedings pending or, as far as the Issuer is aware, threatened against the Issuer.
12. Hard copies of the following documents may be inspected at the specified offices of the Security Trustee and the Paying Agents free of charge during normal business hours as long as the Notes are outstanding:
  - (a) the Deed of Incorporation dated 12 November 2012, including the articles of association of the Issuer, the Security Trustee and the Shareholder;
  - (b) the Mortgage Receivables Purchase Agreement;
  - (c) the Deed of Assignment;

- (d) the Notes Purchase Agreement;
- (e) the Paying Agency Agreement;
- (f) the Trust Deed;
- (g) the Parallel Debt Agreement;
- (h) the Issuer Mortgage Receivables Pledge Agreement;
- (i) the Issuer Rights Pledge Agreement;
- (j) the Servicing Agreement;
- (k) the Issuer Account Agreement;
- (l) the Swap Agreement;
- (m) the Cash Advance Facility Agreement;
- (n) the Participation Agreements;
- (o) the Beneficiary Waiver Agreement;
- (p) the Subordinated Loan Agreement;
- (q) the Management Agreements; and
- (r) the Master Definitions Agreement.

13. The articles of association of the Issuer are incorporated herein by reference. The Issuer's articles of association will be available free of charge at the registered office of the Issuer as long as any Notes are outstanding.

14. A copy of the Prospectus will be available, free of charge, at the registered offices of the Issuer, the Security Trustee and the Paying Agents as long as any Notes are outstanding.

15. US taxes:

The Notes will bear a legend to the following effect: 'any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Section 165(j) and 1287(a) of the Internal Revenue Code'.

The sections referred to in such legend provide that a United States person who holds a Note will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

16. The audited financial statements of the Issuer prepared annually will be made available, free of charge, at the specified offices of the Issuer. The Issuer's auditors are Ernst & Young Accountants LLP, whose auditors are a member of the Royal Dutch Institute for registered accountants (Koninklijk Nederlands Instituut van Registeraccountants (NIVRA)).

17. A quarterly report on the performance, including the arrears and the losses, of the transaction can be obtained at: [www.dutchsecuritisation.nl](http://www.dutchsecuritisation.nl).

## 18. Responsibility Statements

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

In addition to the Issuer, the Seller and Stater are responsible for the information referred to in the respective paragraphs below.

The Seller is responsible solely for the information contained in the following sections of this Prospectus Retention and disclosure requirements under the CRD in section 1.4 (*The Notes*), 1.6 (*Portfolio Information*) 3.4 (*The Seller*), 4.4 (*Regulatory and Industry Compliance*), 6.1 (*Stratification Tables*), 6.2 (*Description of Mortgage Loans*), 6.3 (*Origination and Servicing by the Seller*), 6.4 (*Dutch Residential Mortgage Market*) and 6.5 (*NHG Guarantee Programme*) and any disclosure in this Prospectus in respect of Article 122a of the CRD. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in such sections is in accordance with the facts and does not omit anything likely to affect the import of such information. The Seller is not responsible for information contained in any section other than the sections mentioned above, and consequently does not assume any liability with respect to the information contained in any other section. Any information from third parties contained and specified as such in aforementioned sections has been accurately reproduced and as far as the Seller is aware and is able to ascertain from information published by such third parties, does not omit anything likely to render the reproduced information inaccurate or misleading (having taken all reasonable care to ensure that such is the case). The Seller accepts responsibility accordingly.

Stater Nederland B.V. is responsible solely for the information contained in section 3.5 (*Stater Nederland B.V.*) of this Prospectus and not for the information contained in any other section and consequently, Stater does not assume any liability in respect of the information contained in any other section other than Stater Nederland B.V. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in section 3.5 (*Stater Nederland B.V.*) is in accordance with the facts and does not omit anything likely to effect the import of such information. Stater accepts responsibility accordingly.

Market data and other statistical information used in this Prospectus is based on a number of sources, including independent industry publications, government publications, reports by market research firms or other independent publications (each an **Independent Source**). The most recent available information from Independent Sources has been included in this Prospectus. Some data are based on good faith estimates, which are derived in part from a review of internal surveys of Delta Lloyd, as well as the Independent Sources. Although these Independent Sources are believed to be reliable, the information has not independently been verified and its accuracy and completeness cannot be guaranteed. The information in this Prospectus that has been sourced from Independent Sources has been accurately reproduced and, as far as this could be ascertained from the information published by the relevant Independent Source, no facts have been omitted which would render the reproduced information inaccurate or misleading (having taken all reasonable care to ensure that such is the case).

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

## 9. GLOSSARY OF DEFINED TERMS

### 1. DEFINITIONS

*The defined terms used in this Glossary of Defined Terms, to the extent applicable, conform to the standard published by the Dutch Securitisation Association on (See section 4.4 (Regulatory and Industry Compliance) (the RMBS Standard). However, certain deviations from the defined terms used in the RMBS Standard are denoted in the below as follows:*

- *if the defined term is not included in the RMBS Standard definitions list and is an additional definition, by including the symbol '+' in front of the relevant defined term;*
- *if the defined term deviates from the definition as recorded in the RMBS Standard definitions list, by including the symbol '\*' in front of the relevant defined term;*
- *if the defined term is not between square brackets in the RMBS Standard definitions list and is not used in this Prospectus, by including the symbol 'NA' in front of the relevant defined term;*

Except where the context otherwise requires, the following defined terms used in this Prospectus have the meaning set out below:

**AFM** means the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*);

**All Moneys Mortgage** means any mortgage right (*hypotheekrecht*) which secures not only the loan granted to the Borrower to purchase the mortgaged property, but also any other liabilities and moneys that the Borrower, now or in the future, may owe to the relevant Originator either (i) regardless of the basis of such liability or (ii) under or in connection with the credit relationship (*kredietrelatie*) of the Borrower and the Originator;

**All Moneys Pledge** means any right of pledge (*pandrecht*) which secures (i) not only the loan granted to the Borrower to purchase the mortgaged property, but also any other liabilities and moneys that the Borrower, now or in the future, may owe to the relevant Originator either (i) regardless of the basis of such liability or (ii) under or in connection with the credit relationship (*kredietrelatie*) of the Borrower and the Originator;

**All Moneys Security Rights** means any All Moneys Mortgages and All Moneys Pledges jointly;

+ **Amstelhuys** means Amstelhuys N.V.;

**Annuity Mortgage Loan** means a mortgage loan or part thereof in respect of which the Borrower pays a fixed monthly instalment, made up of an initially high and thereafter decreasing interest portion and an initially low and thereafter increasing principal portion, and calculated in such manner that such mortgage loan will be fully redeemed at its maturity;

**Annuity Mortgage Receivable** means the Mortgage Receivable resulting from an Annuity Mortgage Loan;

**Arranger** means Rabobank International;

**Assignment Notification Event** means any of the events set out in section 7.1 (*Purchase, Repurchase and Sale*);

**Available Principal Funds** has the meaning ascribed thereto in section 5.1 (*Available Funds*) of this Prospectus;

**Available Revenue Funds** has the meaning ascribed thereto in section 5.1(*Available Funds*) of this Prospectus;

+ **Available Termination Amount** means on any Notes Payment Date:

(i) if (x) a new replacement swap agreement has been entered into prior to such Notes Payment Date and the Initial Swap Payment due from the Issuer has been paid in full or (y) the Mortgage-Backed Notes have been redeemed in full, the full amount standing to the credit of the Swap Termination Payment Ledger; or

(ii) if (x) an Initial Swap Payment is due and payable to a replacement Swap Counterparty on such Notes Payment Date and/or (y) the Available Revenue Funds are insufficient to satisfy items (a) up to and including (f) of the Revenue Priority of Payments on such Notes Payment Date, an amount equal to the sum of the amount payable under (ii)(x) and the shortfall under (ii)(y) (subject to a maximum of the amount standing to the credit of the Swap Termination Payment Ledger on such Notes Payment Date);

**Bank Savings Account** means, in respect of a Bank Savings Mortgage Loan, a blocked savings account in the name of a Borrower held with the Bank Savings Participant;

**Bank Savings Deposit** means, in relation to a Bank Savings Mortgage Loan, the balance standing to the credit of the relevant Bank Savings Account;

+ **Bank Savings Deposit Instalment** means any instalment by a Borrower into the relevant Bank Savings Account;

**Bank Savings Mortgage Loan** means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity but instead makes a deposit into the relevant Bank Savings Account on a monthly basis;

**Bank Savings Mortgage Receivable** means the Mortgage Receivable resulting from a Bank Savings Mortgage Loan;

**Bank Savings Participant** means Delta Lloyd Bank N.V.;

**Bank Savings Participation** means, on any Mortgage Calculation Date, in respect of each Bank Savings Mortgage Receivable an amount equal to the Initial Bank Savings Participation in respect of such Bank Savings Mortgage Receivable increased with each Bank Savings Participation Increase up to (and including) the Mortgage Calculation Period immediately preceding such Mortgage Calculation Date, but not exceeding the Outstanding Principal Amount of such Bank Savings Mortgage Receivable;

**Bank Savings Participation Agreement** means the bank savings participation agreement between the Issuer, the Bank Savings Participant and the Security Trustee dated the Signing Date;

\* **Bank Savings Participation Increase** means an amount calculated for each Mortgage Calculation Period on the relevant Mortgage Calculation Date by application of the following formula:  $(P \times I) + S$ , whereby:

P = the Participation Fraction in respect of such Bank Savings Mortgage Receivable;

S = the amount received by the Issuer pursuant to the Bank Savings Participation Agreement on the Mortgage Collection Payment Date immediately succeeding the relevant Mortgage Calculation Date in respect of the relevant Bank Savings Mortgage Receivable from the Bank Savings Participant; and

I = the amount of interest due by the Borrower on the relevant Bank Savings Mortgage Receivable and actually / scheduled to be] received by the Issuer in respect of such Mortgage Calculation Period;

**Bank Savings Participation Redemption Available Amount** has the meaning ascribed thereto in section 7.6 (*Participation Agreements*) of this Prospectus;

**Basic Terms Change** has the meaning set forth as such in Condition 14(b);

**Beneficiary Rights** means all rights which the Seller has *vis-à-vis* the relevant Insurance Company in respect of an Insurance Policy, under which the Seller has been appointed by the Borrower in connection with the relevant Mortgage Receivable;

**Beneficiary Waiver Agreement** means the beneficiary waiver agreement between, amongst others, the Seller, the Security Trustee and the Issuer dated the Signing Date;

**BKR** means National Credit Register (*Bureau Krediet Registratie*);

**Borrower** means the debtor or debtors, including any jointly and severally liable co-debtor or co-debtors, of a Mortgage Loan;

**Borrower Insurance Pledge** means a right of pledge (*pandrecht*) created in favour of the Seller on the rights of the relevant pledgor against the relevant Insurance Company under the relevant Insurance Policy securing the relevant Mortgage Receivable;

**Borrower Insurance Proceeds Instruction** means the irrevocable instruction by the beneficiary under an Insurance Policy to the relevant Insurance Company to apply the insurance proceeds towards repayment of the same debt for which the relevant Borrower Insurance Pledge was created;

**Borrower Investment Account** means, in respect of an Investment Mortgage Loan, an investment account in the name of the relevant Borrower;

**Borrower Pledge** means a right of pledge (*pandrecht*) securing the relevant Mortgage Receivable, including a Borrower Insurance Pledge;

\* **Business Day** means a TARGET 2 Settlement Day, provided such day is also a day on which banks are generally open for business in Amsterdam and London;

+ **Cash Advance Facility** means the cash advance facility referred to in Clause 3.1 of the Cash Advance Facility Agreement;

**Cash Advance Facility Agreement** means the cash advance facility agreement between the Cash Advance Facility Provider, the Issuer and the Security Trustee dated the Signing Date;

**Cash Advance Facility Drawing** means a drawing under the Cash Advance Facility;

\* **Cash Advance Facility Maximum Amount** means (a) on each Notes Calculation Date, the higher of (i) 2.0 per cent. of the aggregate Principal Amount Outstanding of the Mortgage-Backed Notes, on

such date or (ii) 1.5 per cent. of the aggregate Principal Amount Outstanding of the Mortgage-Backed Notes, on the Closing Date;

**Cash Advance Facility Provider** means NV Bank Nederlandse Gemeenten;

**Cash Advance Facility Stand-by Drawing** means the drawing by the Issuer of the entire undrawn portion under the Cash Advance Facility Agreement if a Cash Advance Facility Stand-by Drawing Event occurs;

**Cash Advance Facility Stand-by Drawing Account** means the bank account of the Cash Advance Facility Provider for the purpose of the Cash Advance Facility Stand-by Drawing;

\* **Cash Advance Facility Stand-by Drawing Event** means any of the following events: if (a) the rating on any day of the debt obligations of the Cash Advance Facility Provider is below the Requisite Credit Rating or any rating is withdrawn; or (b) the Cash Advance Facility Provider refuses to comply with an Extension Request made pursuant to Clause 3.2 (and as defined therein) of the Cash Advance Facility Agreement; or (c) the Issuer requests that the Cash Advance Facility Provider transfer its rights and obligations under the Cash Advance Facility Agreement to a third party;

**Class** means either 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;

**Class A Notes** means the Class A1 Notes and the Class A2 Notes;

**Class A1 Notes** means the EUR 154,000,000 class A1 mortgage-backed notes due 2044;

**Class A2 Notes** means the EUR 490,000,000 class A2 mortgage-backed notes due 2044;

**Class B Notes** means the EUR 18,200,000 class B mortgage-backed notes due 2044;

**Class C Notes** means the EUR 16,100,000 class C mortgage-backed notes due 2044;

**Class D Notes** means the EUR 14,000,000 class D mortgage-backed notes due 2044;

**Class E Notes** means the EUR 7,700,000 class E mortgage-backed notes due 2044;

**Class F Notes** means the EUR 10,500,000 class F Notes due 2044;

**Clean-up Call Option** means the right of the Seller to repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables which are outstanding which right may be exercised on any Notes Payment Date on which the aggregate Principal Amount Outstanding of the Notes (in the case of a Principal Shortfall in respect of any Class of Notes, less such aggregate Principal Shortfall) is not more than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes on the Closing Date;

**Clearstream, Luxembourg** means Clearstream Banking, société anonyme;

**Closing Date** means 17 December 2012 or such later date as may be agreed between the Issuer and the Seller;

**Code of Conduct** means the Mortgage Code of Conduct (*Gedragcode Hypothecaire Financieringen*) introduced in January 2007 by the Dutch Association of Banks (*Nederlandse Vereniging van Banken*) as amended from time to time;

**Conditions** means the terms and conditions of the Notes set out in Schedule 5 to the Trust Deed as from time to time modified in accordance with the Trust Deed and, with respect to any Notes represented by a Global Note, as modified by the provisions of the relevant Global Note;

**Construction Deposit** means in relation to a Mortgage Loan, that part of the Mortgage Loan which the relevant Borrower requested to be disbursed into a blocked account held in his name with the relevant Seller, the proceeds of which may be applied towards construction of, or improvements to, the relevant Mortgaged Asset;

**Construction Deposit Account** means the bank account of the Issuer designated as such in the Issuer Account Agreement;

**Coupons** means the interest coupons appertaining to the Notes;

+ **CRA Regulation** means Regulation (EU) No 1060/2009;

**CRD** means directive 2006/48/EC of the European Parliament and of the Council (as amended by directive 2009/111/EC) and shall include any statements of interpretation or practice, or guidelines, issued by the Committee of European Banking Supervision, the European Banking Association, or, in each case, any successor body;

**Credit Rating Agency** means any credit rating agency (including any successor to its rating business) who, at the request of the Issuer, assigns, and for as long as it assigns, one or more ratings to the Notes, from time to time, which as at the Closing Date includes Fitch, Moody's and S&P;

**Credit Rating Agency Confirmation** means, with respect to a matter which requires Credit Rating Agency Confirmation under the Transaction Documents and which has been notified to each Credit Rating Agency with a request to provide a confirmation, receipt by the Security Trustee, in form and substance satisfactory to the Security Trustee, of:

- (a) a confirmation from each Credit Rating Agency that its then current ratings of the Notes will not be adversely affected by or withdrawn as a result of the relevant matter (a “**confirmation**”);
- (b) if no confirmation is forthcoming from any Credit Rating Agency, a written indication, by whatever means of communication, from such Credit Rating Agency that it does not have any (or any further) comments in respect of the relevant matter (an “**indication**”); or
- (c) if no confirmation and no indication is forthcoming from any Credit Rating Agency and such Credit Rating Agency has not communicated that the then current ratings of the Notes will be adversely affected by or withdrawn as a result of the relevant matter or that it has comments in respect of the relevant matter:
  - (i) a written communication, by whatever means, from such Credit Rating Agency that it has completed its review of the relevant matter and that in the circumstances (x) it does not consider a confirmation required or (y) it is not in line with its policies to provide a confirmation; or
  - (ii) if such Credit Rating Agency has not communicated that it requires more time or information to analyse the relevant matter, evidence that 30 days have passed since such Credit Rating Agency was notified of the relevant matter and that reasonable efforts were made to obtain a confirmation or an indication from such Credit Rating Agency;

**Cut-Off Date** means 1 December 2012;

**Deed of Assignment** means a deed of assignment in the form set out in the Mortgage Receivables Purchase Agreement;

**Deferred Purchase Price** means part of the purchase price for the Mortgage Receivables equal to the sum of all Deferred Purchase Price Instalments;

**Deferred Purchase Price Instalment** means, after application of the relevant available amounts in accordance with the relevant Priority of Payments, any amount remaining after all items ranking higher than the item relating to the Deferred Purchase Price have been satisfied;

**Definitive Notes** means Notes in definitive bearer form in respect of any Class of Notes;

**Directors** means ATC Management B.V. as the sole director of each of the Issuer and the Shareholder and ANT Securitisation Services B.V. as the sole director of the Security Trustee collectively;

**DNB** means the Dutch central bank (*De Nederlandsche Bank N.V.*);

**Enforcement Date** means the date of an Enforcement Notice;

**Enforcement Notice** means the notice delivered by the Security Trustee to the Issuer pursuant to Condition 10 (*Events of Default*);

**EONIA** means the Euro Overnight Index Average as published jointly by the European Banking Federation and ACI/The Financial Market Association;

**EUR** or **euro** means the lawful currency of the Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended from time to time;

**Euribor** has the meaning ascribed to it in Condition 4(e) (*Interest*);

**Euroclear** means Euroclear Bank SA/NV as operator of the Euroclear System;

**Euronext Amsterdam** means NYSE Euronext in Amsterdam;

**Eurosystem Eligible Collateral** means collateral recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem;

**Events of Default** means any of the events specified as such in Condition 10 (*Events of Default*);

+ **Excess Swap Collateral** means (x) in respect of the date the Swap Agreement is terminated an amount equal to the amount by which (i) the value of the Credit Support Balance (as defined in the credit support annex forming part of the Swap Agreement) exceeds (ii) the value of the amounts owed by the Swap Counterparty (if any) to the Issuer pursuant to Section 6(e) of the Swap Agreement, provided that for the purposes of this calculation under this limb (x)(ii) only, the value of the Credit Support Balance (as defined in the credit support annex forming part of the Swap Agreement) shall be deemed to zero and (y) in respect of any other valuation date under the Swap Agreement an amount equal to the amount by which the Credit Support Balance exceeds the Swap Counterparty's collateral posting requirements under the credit support annex forming part of the Swap Agreement on such date;

**Exchange Date** means the date, not earlier than forty (40) days after the issue date of the Notes on which interests in the Temporary Global Notes will be exchangeable for interests in the Permanent Global Notes;

\* **Extraordinary Resolution** means a resolution adopted at a meeting of Noteholders of a Class duly convened and held by the Noteholders of a Class by a majority of not less than two-thirds of the validly cast votes, except that in case of an Extraordinary Resolution approving a Basic Terms Change the majority required shall be at least seventy-five (75) per cent of the validly cast votes;

**Final Maturity Date** means the Notes Payment Date falling in November 2044;

**Final Portfolio** has the meaning ascribed thereto in Section 6.2 (*Description of Mortgage Loans*);

**First Optional Redemption Date** means the Notes Payment Date falling in November 2017;

**Fitch** means Fitch Ratings Ltd., and includes any successor to its rating business;

**Foreclosure Value** means the foreclosure value of the Mortgaged Asset;

**Further Advance** means a loan or a further advance to be made to a Borrower under a Mortgage Loan, which is secured by the same Mortgage;

**Further Advance Receivable** means the Mortgage Receivable resulting from a Further Advance;

**Global Note** means any Temporary Global Note or Permanent Global Note;

+ **Higher Ranking Class** means, in relation to a Class, each Class which has not been previously redeemed or written of and ranks higher in priority to it in the Redemption Priority of Payments than such Class;

**Initial Bank Savings Participation** means (a) on the Closing Date in respect of a Bank Savings Mortgage Receivable assigned to the Issuer on such date, or (b) on the relevant Mortgage Collection Payment Date following a switch from any other type of Mortgage Loan into a Bank Savings Mortgage Loan, an amount equal to the relevant Bank Savings Deposit with accrued interest up to the first calendar day of the month of the Closing Date or the relevant Mortgage Collection Payment Date, as the case may be;

**Initial Insurance Savings Participation** means (a) on the Closing Date in respect of a Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element assigned to the Issuer on such date, or (b) on the relevant Mortgage Collection Payment Date following a switch from any type of Mortgage Loan, other than a Savings Mortgage Loan or Life Mortgage Loan with a Savings Element, into a Savings Mortgage Loan or Life Mortgage Loan with a Savings Element, an amount equal to the sum of the Savings Premiums received by the Savings Insurance Company with accrued interest up to the first calendar day of the month of the Closing Date or the relevant Mortgage Collection Payment Date, as the case may be;

\* **Initial Purchase Price** means, in respect of any Mortgage Receivable, its Outstanding Principal Amount on the Cut-Off Date;

**Initial Savings Participation** means an Initial Bank Savings Participation and/or an Initial Insurance Savings Participation;

+ **Initial Swap Payment** means any premium payment to be made by the Issuer to or received by the

Issuer from a replacement swap counterparty (as applicable) upon entry into a replacement swap agreement;

**Insurance Company** means (a) the Savings Insurance Company or (b) any insurance company established in the Netherlands, other than the Savings Insurance Company;

**Insurance Policy** means a Life Insurance Policy, Savings Insurance Policy or Savings Investment Insurance Policy;

**Insurance Savings Participation** means, on any Mortgage Calculation Date, in respect of each Savings Mortgage Receivable and each Life Mortgage Receivable with a Savings Element, an amount equal to the Initial Insurance Savings Participation in respect of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element increased with the Insurance Savings Participation Increase up to (and including) the Mortgage Calculation Period immediately preceding such Mortgage Calculation Date, but not exceeding the Outstanding Principal Amount of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element;

**Insurance Savings Participation Agreement** means the insurance savings participation agreement between the Issuer, the Savings Insurance Company and the Security Trustee dated the Signing Date;

\* **Insurance Savings Participation Increase** means an amount calculated for each Mortgage Calculation Period on the relevant Mortgage Calculation Date by application of the following formula:  $(P \times I) + S$ , whereby:

P = Participation Fraction in respect of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element;

S = the amount received by the Issuer pursuant to the Insurance Savings Participation Agreement on the Mortgage Collection Payment Date immediately succeeding the relevant Mortgage Calculation Date in respect of the relevant Savings Mortgage Receivable or the relevant Life Mortgage Receivable with a Savings Element from the Savings Insurance Company; and

I = the amount of interest due by the Borrower on the relevant Savings Mortgage Receivable or the relevant Life Mortgage Receivable with a Savings Element and actually received by the Issuer in respect of such Mortgage Calculation Period;

**Insurance Savings Participation Redemption Available Amount** has the meaning ascribed thereto in section 7.6 (*Participation Agreements*) of the Prospectus;

**Interest Period** means the period from (and including) the Closing Date to (but excluding) the Notes Payment Date falling in February 2013 and each successive period from (and including) a Notes Payment Date to (but excluding) the next succeeding Notes Payment Date;

**Interest Rate** means the rate of interest applicable from time to time to a Class of Notes as determined in accordance with Condition 4(e) (*Interest*);

**Interest-only Mortgage Loan** means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity;

**Interest-only Mortgage Receivable** means the Mortgage Receivable resulting from an Interest-only Mortgage Loan;

**Investment Mortgage Loan** means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity, but undertakes to invest defined amounts

through a Borrower Investment Account;

**Investment Mortgage Receivable** means the Mortgage Receivable resulting from an Investment Mortgage Loan;

**ISDA** means the International Swaps and Derivatives Association, Inc.;

**Issuer** means Arena 2012-I B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law and established in Amsterdam, the Netherlands;

**Issuer Account Agreement** means the issuer account agreement between the Issuer, the Security Trustee and the Issuer Account Bank dated the Signing Date;

**Issuer Account Bank** means NV Bank Nederlandse Gemeenten;

**Issuer Accounts** means any of the Construction Deposit Account, the Swap Collateral Account, Issuer Collection Account, the Reserve Account and the Cash Advance Facility Stand-by Drawing Account;

**Issuer Administrator** means ATC Financial Services B.V.;

**Issuer Collection Account** means the bank account of the Issuer designated as such in the Issuer Account Agreement;

**Issuer Management Agreement** means the issuer management agreement between the Issuer, ATC Management B.V., the Security Trustee and the Seller dated the Signing Date;

**Issuer Mortgage Receivables Pledge Agreement** means the mortgage receivables pledge agreement entered into by the Issuer (as pledgor) and the Security Trustee (as pledgee) dated the Signing Date;

**Issuer Rights** means any and all rights of the Issuer under and in connection with the Mortgage Receivables Purchase Agreement *vis-à-vis* the Sellers, the Issuer Account Agreement (except for any rights in respect of the Swap Collateral Account) including the Issuer Account Funds *vis-à-vis* the Issuer Account Bank, the Servicing Agreement *vis-à-vis* the Servicer, the Non-performing Mortgage Loan Servicer and the Issuer Administrator, the Cash Advance Facility Agreement *vis-à-vis* the Cash Advance Facility Provider and the Swap Agreement *vis-à-vis* the Swap Counterparty and the Participation Agreements *vis-à-vis* the Bank Savings Participant and the Savings Insurance Company, respectively;

\* **Issuer Rights Pledge Agreement** means the pledge agreement to be entered into by the Issuer, the Security Trustee, the Issuer Administrator, the Non-performing Mortgage Loan Servicer, the Swap Counterparty, the Savings Insurance Company, the Bank Savings Participant, the Servicer, the Seller, the Issuer Account Bank and the Cash Advance Facility Provider on the Closing Date;

**Issuer Transaction Account** means any of the Issuer Collection Account, the Construction Deposit Account and the Reserve Account;

**Land Registry** means the Dutch land registry (*het Kadaster*);

**Life Insurance Policy** means an insurance policy taken out by any Borrower comprised of a risk insurance element and a capital insurance element which pays out a certain amount on an agreed date or, if earlier, upon the death of the insured life;

**Life Mortgage Loan** means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity, but instead pays on a monthly basis a premium to the relevant Insurance Company;

+ **Life Mortgage Loan with a Savings Element** means a Life Mortgage Loan of which the relevant Borrower has opted for a Savings Alternative;

**Life Mortgage Receivable** means the Mortgage Receivable resulting from a Life Mortgage Loan;

**Life Mortgage Receivable with a Savings Element** means a Mortgage Receivable resulting from a Life Mortgage Loan with a Savings Element;

**Linear Mortgage Loan** means a mortgage loan or part thereof in respect of which the Borrower each month pays a fixed amount of principal towards redemption of such mortgage loan (or relevant part thereof) until maturity;

**Linear Mortgage Receivable** means the Mortgage Receivable resulting from a Linear Mortgage Loan;

**Listing Agent** means Rabobank International;

**Loan to Foreclosure Value Ratio** means, in case of a sale of a Mortgage Receivable by the Issuer in accordance with Clause 22 of the Trust Deed on any date, if the foreclosure value was assessed within one year prior to such date, such foreclosure value or, if the foreclosure value was assessed more than one year prior to such date, such foreclosure value indexed to median price levels of the year in which the relevant Quarterly Payment Date falls as reported by the "*Nederlandse Vereniging van Makelaars*" or, in case no such report is available, as reported by any other authoritative organisation in this field;

**Loan Parts** means one or more of the loan parts (*leningdelen*) of which a Mortgage Loan consists;

**Management Agreement** means any of (i) the Issuer Management Agreement, (ii) the Shareholder Management Agreement and (iii) the Security Trustee Management Agreement;

**Manager** means each of Rabobank International and Barclays Bank PLC;

**Market Value** means (i) the market value (*marktwaarde*) of the relevant Mortgaged Asset based on (a) if available, the most recent valuation by an external valuer, or (b) if no valuation is available, the assessment by the Dutch tax authorities on the basis of the WOZ at the time of application by the Borrower or (ii) in respect of a Mortgaged Asset to be constructed or in construction at the time of application by the Borrower, the construction costs of such Mortgaged Asset plus the purchase price of the relevant building lot provided that construction costs which do not qualify as a refurbishment or enlargement of the building lot, are capped at 20% of the total construction costs;

**Master Definitions Agreement** means the master definitions agreement between, amongst others, the Seller, the Issuer and the Security Trustee dated the Signing Date;

**Moody's** means Moody's Investors Service Ltd., and includes any successor to its rating business;

**Mortgage** means a mortgage right (*hypotheekrecht*) securing the relevant Mortgage Receivables;

+ **Mortgage-Backed Notes** means the Notes other than the Class F Notes;

**Mortgage Calculation Date** means, in relation to a Mortgage Collection Payment Date, the 2nd day prior to such Mortgage Collection Payment Date or, in case such day is not a Business Day, the next succeeding Business Day;

**Mortgage Calculation Period** means the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of such calendar month except for the first mortgage calculation period, which commences on (and includes) the Cut-Off Date and ends on (and includes) the last day of December 2012;

**Mortgage Collection Payment Date** means the 12th day of each calendar month or, in case such day is not a Business Day, the next succeeding Business Day;

**Mortgage Conditions** means the terms and conditions applicable to a Mortgage Loan, as set forth in the relevant mortgage deed and/or in any loan document, offer document or any other document, including any applicable general terms and conditions for mortgage loans as amended or supplemented from time to time;

+ **Mortgage Loan Amendment** means an amendment by the Seller and the relevant Borrower of the terms of a Mortgage Loan, or part of such Mortgage Loan, as a result of which such Mortgage Loan no longer meets certain criteria set forth in the Mortgage Receivables Purchase Agreement;

**Mortgage Loan Criteria** means the criteria relating to the Mortgage Loans set forth as such in section 7.3 (*Mortgage Loan Criteria*) of this Prospectus;

**Mortgage Loan Services** means the services to be provided by the Servicer to the Issuer and the Security Trustee with respect to the Mortgage Loans, as set out in the Servicing Agreement;

**Mortgage Loans** means the mortgage loans granted by the Seller to the relevant borrowers which may consist of one or more loan parts (*leningdelen*) as set forth in the list of loans attached to the Mortgage Receivables Purchase Agreement, to the extent not retransferred or otherwise disposed of by the Issuer;

**Mortgage Receivable** means any and all rights of the Seller (and after assignment of such rights to the Issuer, of the Issuer) against the Borrower under or in connection with a Mortgage Loan, including any and all claims of the Seller (or the Issuer after assignment) on the Borrower as a result of the Mortgage Loan being terminated, dissolved or declared null and void;

**Mortgage Receivables Purchase Agreement** means the mortgage receivables purchase agreement between the Seller, the Issuer and the Security Trustee dated the Signing Date;

**Mortgaged Asset** means (i) a real property (*onroerende zaak*), (ii) an apartment right (*appartementsrecht*) or (iii) a long lease (*erfpachtsrecht*) situated in the Netherlands on which a Mortgage is vested;

+ **Most Senior Class** means the Class A Notes or if there are no Class A Notes outstanding, the Class B Notes, or if there are no Class B Notes outstanding, the Class C Notes, or if there are no Class C Notes outstanding, the Class D Notes, or if there are no Class D Notes outstanding, the Class E Notes, or if there are no Class E Notes outstanding, the Class F Notes;

**Net Foreclosure Proceeds** means (i) the proceeds of a foreclosure on a Mortgage, (ii) the proceeds of foreclosure on any other collateral securing the relevant Mortgage Receivable, (iii) the proceeds, if any, of collection of any insurance policy in connection with the relevant Mortgage Receivable, including fire insurance policy and Insurance Policy, (iv) the proceeds of the NHG Guarantee and

any other guarantees or sureties and (v) the proceeds of foreclosure on any other assets of the relevant Borrower, in each case after deduction of foreclosure costs in respect of such Mortgage Receivable;

**NHG Conditions** means the terms and conditions (*voorwaarden en normen*) of the NHG Guarantee as set by Stichting WEW and as amended from time to time;

**NHG Guarantee** means a guarantee (*borgtocht*) under the NHG Conditions granted by Stichting WEW;

**NHG Mortgage Loan Receivable** means the Mortgage Receivable resulting from a NHG Mortgage Loan;

**NHG Mortgage Loan** means a Mortgage Loan that has the benefit of a NHG Guarantee;

+ **Non-performing Mortgage Loan Servicer** means Delta Lloyd Bank N.V.;

**Non-performing Mortgage Loan Services** means the services to be provided by the Non-performing Mortgage Loan Servicer to the Issuer and the Security Trustee with respect to the Mortgage Loans in arrears, as set out as such in the Servicing Agreement;

**Noteholders** means the persons who for the time being are the holders of the Notes;

**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;

**Notes Calculation Date** means, in relation to a Notes Payment Date, the fourth Business Day prior to such Notes Payment Date;

**Notes Calculation Period** means, in relation to a Notes Calculation Date, the three successive Mortgage Calculation Periods immediately preceding such Notes Calculation Date except for the first Notes Calculation Period which will commence on the Cut-Off Date and ends on and includes the last day of January;

**Notes Payment Date** means the 17th day of February, May, August and November of each year or, if such day is not a Business Day, the immediately succeeding Business Day unless it would as a result fall in the next calendar month, in which case it will be the Business Day immediately preceding such day;

**Notes Purchase Agreement** means the purchase agreement relating to the Notes, between the Issuer, the Seller and the Managers, dated the Signing Date;

**NVM** means the Dutch Association of Real Estate Brokers and Immovable Property Experts (*Nederlandse Vereniging van Makelaars en vastgoeddeskundigen*);

**Optional Redemption Date** means any Notes Payment Date from (and including) the First Optional Redemption Date up to (and excluding) the Final Maturity Date;

**Other Claim** means any claim the Seller has against the Borrower, other than a Mortgage Receivable, which is secured by the Mortgage and/or Borrower Pledge;

\* **Outstanding Principal Amount** means, at any moment in time, (i) the outstanding principal amount of a Mortgage Receivable at such time and (ii), after a Realised Loss of the type (a) and (b), zero;

**Parallel Debt** has the meaning ascribed thereto in section 4.7 (*Security*) of this Prospectus;

**Parallel Debt Agreement** means the parallel debt agreement between, amongst others, the Issuer, the Security Trustee and the Secured Creditors (other than the Noteholders) dated the Signing Date;

**Participant** means each of the Bank Savings Participant and the Savings Insurance Company;

**Participation** means, in respect of each Savings Mortgage Receivable and each Life Mortgage Receivable with a Savings Element, the Insurance Savings Participation and in respect of each Bank Savings Mortgage Receivable, the Bank Savings Participation;

**Participation Agreement** means the Bank Savings Participation Agreement or the Insurance Savings Participation Agreement;

**Participation Fraction** means in respect of each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and/or Bank Savings Mortgage Receivable, an amount equal to the relevant Participation on the first day of the relevant Mortgage Calculation Period divided by the Outstanding Principal Amount of such Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and/or Bank Savings Mortgage Receivable, as the case may be, on the first day of the relevant Mortgage Calculation Period;

**Paying Agency Agreement** means the paying agency agreement between the Issuer, the Paying Agents, the Reference Agent, and the Security Trustee dated the Signing Date;

**Paying Agent** means Deutsche Bank AG, Amsterdam Branch incorporated under the laws of Germany as a company with limited liability, acting through its Amsterdam Branch;

+ **Paying Agents** means each of Deutsche Bank AG, London Branch and Deutsche Bank AG, Amsterdam Branch, each in their respective capacities as Principal Paying Agent and Paying Agent under the Paying Agency Agreement or its successor or successors;

**Permanent Global Note** means a permanent global note in respect of a Class of Notes;

**Pledge Agreements** means the Issuer Mortgage Receivables Pledge Agreement and the Issuer Rights Pledge Agreement;

**Pledge Notification Event** means any of the events specified in Clause 5.1 of the Issuer Mortgage Receivables Pledge Agreement;

**Prepayment Penalties** means any prepayment penalties (*boeterente*) to be paid by a Borrower under a Mortgage Loan as a result of the Mortgage Receivable being repaid (in whole or in part) prior to the maturity date of such Mortgage Loan other than (i) on a date whereon the interest rate is reset or (ii) as otherwise permitted pursuant to the Mortgage Conditions;

**Principal Amount Outstanding** has the meaning ascribed to it in Condition 6(g)(vi) (*Definitions*);

**Principal Deficiency** means the debit balance, if any, of the relevant Principal Deficiency Ledger;

**Principal Deficiency Ledger** means the principal deficiency ledger relating to the relevant Classes of Notes and comprising sub-ledgers for each such Class of Notes;

**Principal Paying Agent** means Deutsche Bank AG, London Branch incorporated under the laws of Germany as a company with limited liability, acting through its London Branch;

**Principal Shortfall** means an amount equal to the balance on the relevant sub-ledger of the Principal Deficiency Ledger on a Notes Payment Date divided by the number of the Notes of the relevant

Class on such Notes Payment Date;

**Priority of Payments** means any of the Revenue Priority of Payments, Redemption Priority of Payments or Post-Enforcement Priority of Payments;

**Professional Market Party** means a professional market party (*professionele marktpartij*) as defined in the Wft;

**Prospectus** means this prospectus dated 13 December 2012 relating to the issue of the Notes;

**Prospectus Directive** means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended by the Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010, as the same may be further amended;

+ **Provisional Pool** means a provisional pool of mortgage loans which forms the basis for the Final Portfolio

**Realised Loss** has the meaning ascribed thereto in section 5.3 (*Loss allocation*) of this Prospectus;

**Redemption Amount** means the principal amount redeemable in respect of a Note as defined in Condition 6(g)(vii) (*Definitions*);

**Redemption Priority of Payments** means the priority of payments set out as such in section 5.2 (*Priorities of Payments*) of this Prospectus;

**Reference Agent** means Deutsche Bank AG, London Branch;

+ **Regulatory Call Option** has the meaning given thereto in section 7.1 (*Purchase Repurchase and Sale*);

**Regulatory Change** has the meaning given thereto in section 7.1 (*Purchase Repurchase and Sale*);

**Regulation S** means Regulation S of the Securities Act;

\* **Retained Notes** means the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes;

**Requisite Credit Rating** means (i) a rating of the short-term, unsecured, unsubordinated and unguaranteed debt obligations of the relevant entity are assigned a rating of no less than F1 by Fitch, P-1 by Moody's or A-1 by S&P, (ii) a long-term issuer default rating of at least A by Fitch and (iii) such other lower rating or ratings as may be agreed by the relevant Credit Rating Agency as would maintain the then current ratings of the Notes or the long-term unsecured, unsubordinated and unguaranteed debt obligations of either (x) A by S&P (if the short-term, unsecured and unsubordinated debt obligations are also rated at least as high as A-1 by S&P) or (y) A+ by S&P (if the short-term, unsecured and unsubordinated debt obligations are not rated, or are rated below A-1 by S&P);

**Reserve Account** means the bank account of the Issuer, designated as such in the Issuer Account Agreement;

**Reserve Account Required Amount** means on any Notes Calculation Date a level equal (a) 1.5% of the aggregate Principal Amount Outstanding of the Mortgage-Backed Notes, on the Closing Date or (b) zero, on the Notes Payment Date on which the Notes have been or are to be redeemed in full;

\* **Reserve Fund** means, at any time, the amount standing to the credit of the Reserve Account;

**Revenue Priority of Payments** means the priority of payments set out in Section 5.2 (*Revenue Priority of Payments*) of this Prospectus;

**S&P** means Standard & Poor's Credit Market Services Europe Limited, and includes any successor to its rating business;

+ **Savings Alternative** means, in respect of the alternative under a Savings Investment Policy under which a certain pre-agreed amount to be received upon payout of the policy with, in such case, the Savings Insurance Company and the Savings Premium thereof is calculated in such a manner that, on an annuity basis, the proceeds of investment are equal to the amount due by the Borrower to the Seller at maturity of (part of) the relevant Life Mortgage Loan.

**Savings Insurance Company** means Delta Lloyd Levensverzekering N.V., incorporated under the laws of the Netherlands as a public company with limited liability (*naamloze vennootschap*);

**Savings Insurance Policy** means an insurance policy taken out by any Borrower, in connection with a Savings Mortgage Loan, comprised of a risk insurance element and a capital insurance element which pays out a certain amount on an agreed date or, if earlier, upon the death of the insured life;

**Savings Investment Insurance Policy** means an insurance policy taken out by any Borrower, in connection with a Life Mortgage Loan with a Savings Element, comprised of a risk insurance element and a capital insurance element which pays out a certain amount on an agreed date or, if earlier, upon the death of the insured life;

**Savings Mortgage Loan** means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity, but instead pays on a monthly basis a premium to the relevant Savings Insurance Company;

**Savings Mortgage Receivable** means the Mortgage Receivable resulting from a Savings Mortgage Loan;

\* **Savings Premium** means the savings part of the premium due and any extra saving mounts paid by the relevant Borrower, if any, to the relevant Savings Insurance Company on the basis of the Savings Insurance Policy or the Savings Investment Insurance Policy and to be paid to the Issuer under the Insurance Savings Participation Agreement;

**Secured Creditors** means (a) the Noteholders under the Notes (b) the Directors under the Management Agreements, (c) the Servicer, the Non-performing Mortgage Loan Servicer and the Issuer Administrator under the Servicing Agreement, (d) the Paying Agents and the Reference Agent under the Paying Agency Agreement, (e) the Cash Advance Facility Provider under the Cash Advance Facility Agreement, (f) the Swap Counterparty under the Swap Agreement, (g) the Seller under the Mortgage Receivables Purchase Agreement, (h) the Subordinated Loan Provider under the Subordinated Loan Agreement, (i) the Savings Insurance Company under the Insurance Savings Participation Agreement, (j) the Bank Savings Participant under the Bank Savings Participation Agreement, and (k) the Issuer Account Bank under the Issuer Account Agreement.

**Securities Act** means the United States Securities Act of 1933 (as amended);

**Security** means any and all security interest created pursuant to the Pledge Agreements;

**Security Trustee** means Stichting Security Trustee Arena 2012-I, a foundation (*stichting*) organised under Dutch law and established in Amsterdam, the Netherlands;

**Security Trustee Management Agreement** means the security trustee management agreement between the Security Trustee, ANT Securitisation Services B.V., the Issuer and the Seller dated the Signing Date;

**Seller** means Amstelhuys N.V., incorporated under the laws of the Netherlands as a public company with limited liability (*naamloze vennootschap*);

**Seller Collection Account** means the bank account maintained by the Seller with the Seller Collection Account Bank to which payments made by the relevant Borrowers under or in connection with the Mortgage Receivables will be paid;

**Seller Collection Account Bank** means The Royal Bank of Scotland N.V.;

**Servicer** means Delta Lloyd Bank N.V. incorporated under the laws of the Netherlands as a public company with limited liability (*naamloze vennootschap*);

**Servicing Agreement** means the servicing agreement between the Servicer, the Non-performing Mortgage Loan Servicer, the Issuer and the Security Trustee dated the Signing Date;

**Shareholder** means Stichting Holding Arena 2012-I, a foundation (*stichting*) organised under Dutch law and established in Amsterdam, the Netherlands;

**Shareholder Management Agreement** means the shareholder management agreement between the Shareholder, ATC Management B.V., the Security Trustee and the Seller dated the Signing Date;

**Signing Date** means 13 December 2012 or such later date as may be agreed between the Issuer and the Seller;

+ **Stater** means Stater Nederland B.V., incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*);

**Stichting WEW** means Stichting Waarborgfonds Eigen Woningen;

+ **Sub MPT Provider** means Stater or any subsequent sub-agent of the Servicer;

**Subordinated Loan Agreement** means the subordinated loan agreement between the Subordinated Loan Provider, the Issuer and the Security Trustee dated the Signing Date;

**Subordinated Loan Provider** means Amstelhuys N.V.;

**Swap Agreement** means the swap agreement (documented under a 1992 ISDA master agreement, including the schedule thereto, a credit support annex and a confirmation) between, the Issuer, the Swap Counterparty and the Security Trustee dated the Signing Date;

**Swap Collateral** means, at any time, any asset (including cash and/or securities) which is paid or transferred by the Swap Counterparty to the Issuer as collateral to secure the performance by the Swap Counterparty of its obligations under the Swap Agreement together with any income or distributions received in respect of such asset and any equivalent of such asset into which such asset is transformed;

**Swap Collateral Account** means any bank account or securities account opened by the Issuer in respect of any Swap Collateral;

**Swap Counterparty** means Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., trading as

Rabobank International, acting through its London Branch;

- + **Swap Counterparty Default Payment** means any termination payment due and payable as a result of the occurrence of an Event of Default (as defined in the Swap Agreement) where the Swap Counterparty is the defaulting party or an Additional Termination Event (as defined in the Swap Agreement) relating to the credit rating of the Swap Counterparty;
- + **Swap Required Ratings** means the ratings that each of Moody's, Fitch and S&P require the Swap Counterparty to hold in respect of its long-term unsecured, unsubordinated and unguaranteed debt obligations, its long-term issuer default rating and short-term unsecured, unsubordinated and unguaranteed debt obligations in order to perform the role of Swap Counterparty without posting collateral or obtaining a guarantor or co-obligor, in accordance with the highest rating afforded to any Class of Notes outstanding from time to time and, as at the Closing Date, meaning that the Swap Counterparty is required to have (i) in respect of its long-term unsecured, unsubordinated and unguaranteed debt obligations, a rating of at least A2 by Moody's and A by S&P, (ii) in respect of its long-term issuer default rating of at least A by Fitch and (iii) in respect of its short-term unsecured, unsubordinated and unguaranteed debt obligations, a rating of least Prime-1 by Moody's, F1 by Fitch and A-1 by S&P;
- + **Swap Termination Payment Ledger** means the ledger created in the Issuer Collection Account for the purpose of recording any amounts received by the Issuer from the Swap Counterparty upon early termination of the Swap Agreement (whether or not through application of any collateral standing to the credit of the Swap Collateral Account);

**Swap Transaction** means the swap transaction entered into under the Swap Agreement;

**TARGET 2** means the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 System;

**TARGET 2 Settlement Day** means any day on which TARGET 2 is open for the settlement of payments in euro;

**Tax Change** has the meaning given thereto in Condition 6(f);

- + **Tax Credit** means the cash benefit of any tax credit, allowance, set-off or repayment from the tax authorities of any jurisdiction obtained by the Issuer relating to any deduction or withholding giving rise to a payment made by the Swap Counterparty in accordance with the Swap Agreement, the cash benefit in respect of which shall be paid directly (i.e., outside of any Priority of Payments) by the Issuer to the Swap Counterparty pursuant to the terms of the Swap Agreement;

**Temporary Global Note** means a temporary global note in respect of a Class of Notes;

**Transaction Documents** means the Mortgage Receivables Purchase Agreement, the Deed of Assignment, the Master Definitions Agreement, the Servicing Agreement, the Pledge Agreements, the Notes Purchase Agreement, the Notes, the Paying Agency Agreement, the Trust Deed, the Swap Agreement, the Participation Agreements, the Issuer Account Agreement, the Cash Advance Facility Agreement, the Management Agreements, the Beneficiary Waiver Agreement, the Subordinated Loan Agreement and the Parallel Debt Agreement;

**Trust Deed** means the trust deed entered into by, amongst others, the Issuer and the Security Trustee dated the Closing Date;

**Unit-Linked Alternative** has the meaning ascribed thereto in section 6.2 (*Description of Mortgage Loans*) of this Prospectus;

**Wft** means the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and its subordinate and implementing decrees and regulations as amended from time to time; and

**WOZ** means the Valuation of Immovable Property Act (*Wet waardering onroerende zaken*) as amended from time to time.

## 2. INTERPRETATION

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

2.2 Any reference in this Prospectus to:

a “Class” of Notes shall be construed as a reference to the Class A Notes or, Class B, Class C, Class D, Class E or Class F Notes, as applicable;

a “Class A” or “Class B”, “Class C”, “Class D”, “Class E” or “Class F” Noteholder, Principal Deficiency, Principal Deficiency Ledger, Principal Deficiency Limit or Redemption Amount shall be construed as a reference to a Noteholder of, or a Principal Deficiency, a Principal Deficiency Limit, the Principal Deficiency Ledger or a Redemption pertaining to, as applicable, the relevant Class of Notes;

“holder” means the bearer of a Note and related expressions shall (where appropriate) be construed accordingly;

“including” or “include” shall be construed as a reference to “including without limitation” or “include without limitation”, respectively;

“indebtedness” shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

a “law” shall be construed as any law (including common or customary law), statute, constitution, decree, judgement, treaty, regulation, directive, bye-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court and shall be construed as a reference to such law, statute or treaty as the same may have been, or may from time to time be, amended;

a “month” means a period beginning in one calendar month and ending in the next calendar month on the day numerically corresponding to the day of the calendar month on which it commences or, where there is no date in the next calendar month numerically corresponding as aforesaid, the last day of such calendar month, and “months” and “monthly” shall be construed accordingly;

the “Notes”, the “Conditions”, any “Transaction Document” or any other agreement or document shall be construed as a reference to the Notes, the Conditions, such Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, restated, varied, novated, supplemented or replaced;

a “person” shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing or any successor or successors of such party;

a reference to “preliminary suspension of payments”, “suspension of payments” or “moratorium of payments” shall, where applicable, be deemed to include a reference to the suspension of payments (*voorlopige surséance van betaling*) as meant in the Dutch Bankruptcy Act (*faillissementswet*) or any emergency regulation (*noodregeling*) on the basis of the Wft; and, in respect of a private individual, any debt restructuring scheme (*schuldsanering natuurlijke personen*);

“principal” shall be construed as the English translation of *hoofdsom* or, if the context so requires, *pro resto hoofdsom* and, where applicable, shall include premium;

“repay”, “redeem” and “pay” shall each include both of the others and “repaid”, “repayable” and “repayment”, “redeemed”, “redeemable” and “redemption” and “paid”, “payable” and “payment” shall be construed accordingly;

a “statute”, “directive”, “regulation” or “treaty” shall be construed as a reference to such statute, directive or regulation or treaty as the same may have been, or may from time to time be, amended or, in the case of a statute, re-enacted;

a “successor” of any party shall be construed so as to include an assignee, transferee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party or otherwise replaced such party (by way of novation or otherwise), under or in connection with a Transaction Document or to which, under such laws, such rights and obligations have been transferred; and

any “Transaction Party” or “party” or a party to any Transaction Document (however referred to or defined) shall be construed so as to include its successors and any subsequent successors in accordance with their respective interests.

- 2.3 In this Prospectus, save where the context otherwise requires, words importing the singular number include the plural and vice versa.
- 2.4 Headings used in this Prospectus are for ease of reference only and do not affect the interpretation of this Prospectus.

## REGISTERED OFFICES

### ISSUER

**Arena 2012-I B.V.**  
Frederik Roeskestraat 123  
1076 EE Amsterdam  
The Netherlands

### SELLER

**Amstelhuys N.V.**  
Omval 300  
1096 HP Amsterdam  
The Netherlands

### SECURITY TRUSTEE

**Stichting Security Trustee Arena 2012-I**  
Claude Debussylaan 24  
1082 MD Amsterdam  
The Netherlands

### SERVICER and NON-PERFORMING MORTGAGE

#### LOAN SERVICER

**Delta Lloyd Bank N.V.**  
Omval 300  
1096 HP Amsterdam  
The Netherlands

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