

## IMPORTANT NOTICE

### NOT FOR DISTRIBUTION DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the attached final prospectus (the "document") and you are therefore advised to read this carefully before reading, accessing or making any other use of the attached document. In accessing the document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended only for you and **you agree you will not forward, reproduce or publish this electronic transmission or the attached document to any other person.**

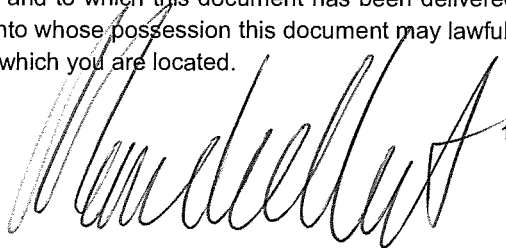
The document and the offer when made are only addressed to and directed at persons in member states of the European Economic Area ("EEA") who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") ("**Qualified Investors**"). In addition, in the United Kingdom ("**UK**"), this document is being distributed only to, and is directed only at, Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") and Qualified Investors falling within Article 49 of the Order, and (ii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on (i) in the UK, by persons who are not relevant persons, and (ii) in any member state of the EEA other than the UK, by persons who are not Qualified Investors. Any investment or investment activity to which this document relates is available only to (i) in the UK, relevant persons, and (ii) in any member state of the EEA other than the UK, Qualified Investors, and will be engaged in only with such persons.

THIS DOCUMENT MAY ONLY BE DISTRIBUTED IN "OFFSHORE TRANSACTIONS" TO PERSONS OTHER THAN U.S. PERSONS AS DEFINED IN, AND AS PERMITTED BY, REGULATION S UNDER THE US SECURITIES ACT OF 1933 (THE "**SECURITIES ACT**"). ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

**Confirmation of your representation:** The attached document is delivered to you at your request and on the basis that you have confirmed to J.P. Morgan Securities Ltd., Rabobank International and BNP Paribas, London Branch (the "**Joint Lead Managers**") and the Issuer that (i) you are located outside United States; and (ii) if you are in the UK, you are a relevant person; (iii) if you are in any member state of the EEA other than the UK, you are a Qualified Investor; (iv) if you are acting a financial intermediary (as that term is used in Article 3(2) of the Prospectus Directive), the securities acquired by you as a financial intermediary in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, any person in circumstances which may give rise to an offer of any securities to the public other than their offer or resale in any member state of the EEA which has implemented the Prospectus Directive to Qualified Investors (as defined in the Prospectus Directive); or (v) you are outside of the UK or EEA (and the electronic mail addresses that you gave us and to which this document has been delivered are not located in such jurisdictions) or (vi) you are a person into whose possession this document may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

**Marieke Hut  
Proxy Holder**



This document has been made available to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Issuer, the Joint Lead Managers nor any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version. By accessing the attached document, you consent to receiving it in electronic form.

A hard copy of the document will be made available to you only upon request to the Joint Lead Managers.

You are reminded that you have accessed the attached document on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver this document, electronically or otherwise, to any other person.

**Restriction:** Nothing in this electronic transmission constitutes an offer of securities for sale to persons other than the specified Qualified Investors described above and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

Neither the Joint Lead Managers nor any of their respective affiliates accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by any of them, or on any of their behalf, in connection with the Issuer or the offer. The Joint Lead Managers and their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by any of the Joint Lead Managers or their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this document.

The Joint Lead Managers are acting exclusively for the Issuer and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as its client in relation to the offer and will not be responsible to anyone other than the Issuer for providing the protections afforded to its clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

**You are responsible for protecting against viruses and other destructive items.** Your receipt of the electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

PROSPECTUS DATED 11 APRIL 2011

**SAECURE 10 B.V.**

(incorporated with limited liability in the Netherlands)

EUR 375,000,000 Senior Class A1 Mortgage-Backed Notes 2011 due 2094, issue price 100 per cent.  
EUR 1,125,000,000 Senior Class A2 Mortgage-Backed Notes 2011 due 2094, issue price 100 per cent.  
EUR 50,800,000 Mezzanine Class B Mortgage-Backed Notes 2011 due 2094, issue price 100 per cent.  
EUR 24,100,000 Mezzanine Class C Mortgage-Backed Notes 2011 due 2094, issue price 100 per cent.  
EUR 16,000,000 Junior Class D Mortgage-Backed Notes 2011 due 2094, issue price 100 per cent.  
EUR 16,200,000 Junior Class E Mortgage-Backed Notes 2011 due 2094, issue price 100 per cent.  
EUR 16,100,000 Subordinated Class F Notes 2011 due 2094, issue price 100 per cent.

**AEGON Levensverzekering N.V. as Seller**

Application has been made to list the EUR 375,000,000 Senior Class A1 Mortgage-Backed Notes 2011 due 2094 (the "Senior Class A1 Notes") and the EUR 1,125,000,000 Senior Class A2 Mortgage-Backed Notes 2011 due 2094 (the "Senior Class A2 Notes") and together with the Senior Class A1 Notes, the "Senior Class A Notes") on NYSE Euronext in Amsterdam ("Euronext Amsterdam"). The EUR 50,800,000 Mezzanine Class B Mortgage-Backed Notes 2011 due 2094 (the "Mezzanine Class B Notes"), the EUR 24,100,000 Mezzanine Class C Mortgage-Backed Notes 2011 due 2094 (the "Mezzanine Class C Notes"), the EUR 16,000,000 Junior Class D Mortgage-Backed Notes 2011 due 2094 (the "Junior Class D Notes"), the EUR 16,200,000 Junior Class E Mortgage-Backed Notes 2011 due 2094 (the "Junior Class E Notes") and the EUR 16,100,000 Subordinated Class F Notes 2011 due 2094 (the "Subordinated Class F Notes") and together with the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Junior Class E Notes, the "Notes") will not be listed. The Notes are expected to be issued on 13 April 2011 in denominations of EUR 100,000. This prospectus (the "Prospectus") has been approved by the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) and constitutes a prospectus for the purposes of Directive 2003/71/EC (the "Prospectus Directive").

The Notes will carry floating rates of interest, payable quarterly in arrear on each Quarterly Payment Date (as defined herein). The rate of interest will be equal to three-months Euribor (as defined in the terms and conditions of the Notes, the "Conditions") plus, in respect of the Senior Class A Notes only, a margin per annum which will be 0.95 per cent. for the Senior Class A1 Notes and 1.35 per cent. for the Senior Class A2 Notes. If on the Quarterly Payment Date falling in February 2016 (the "First Optional Redemption Date") the Senior Class A Notes have not been redeemed in full, the margin for the Senior Class A Notes will increase and the interest applicable to the Senior Class A Notes will then be equal to three-months Euribor, plus a margin per annum which will be for the Senior Class A1 Notes 1.90 per cent. and for the Senior Class A2 Notes 2.70 per cent.

Payments of principal on the Notes will be made quarterly in arrear on each Quarterly Payment Date in the circumstances set out in, and subject to and in accordance with the Conditions. The Notes will mature on the Quarterly Payment Date falling in February 2094. On the First Optional Redemption Date and each Quarterly Payment Date thereafter (each an "Optional Redemption Date") the Issuer will have the option to redeem all of the Notes (other than the Subordinated Class F Notes), in whole but not in part, at their Principal Amount Outstanding, subject to and in accordance with the Conditions.

It is a condition precedent to issuance that, on issue, the Senior Class A1 Notes be assigned an 'Aaa (sf)' rating by Moody's Investors Service Limited ("Moody's") and an 'AAA (sf)' rating by Standard & Poor's Credit Market Services Europe Limited ("S&P"), the Senior Class A2 Notes, on issue, be assigned an 'Aaa (sf)' rating by Moody's and an 'AAA (sf)' rating by S&P, the Mezzanine Class B Notes, on issue, be assigned an 'Aa2 (sf)' rating by Moody's and an 'AA (sf)' rating by S&P, the Mezzanine Class C Notes, on issue, be assigned an 'A1 (sf)' rating by Moody's, the Junior Class D Notes, on issue, be assigned an 'A3 (sf)' rating by Moody's, the Junior Class E Notes, on issue, be assigned an 'Baa2 (sf)' rating by Moody's. The Mezzanine Class C Notes, the Junior Class D Notes and the Junior Class E Notes will not, on issue, be assigned a rating by S&P. The Subordinated Class F Notes will not, on issue, be assigned a rating. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. For a discussion of some of the risks associated with an investment in the Notes, see section *Risk Factors* herein.

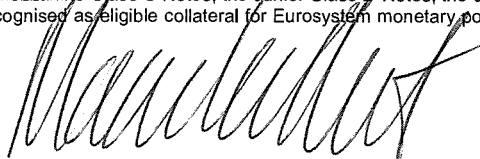
The holders of the Notes (the "Noteholders") and the other Security Beneficiaries (as defined in *Description of Security*) will benefit from the security provided to the Security Trustee in the form of a pledge over the Mortgage Receivables and the Beneficiary Rights (both as defined herein) and a pledge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

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

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

The Senior Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Senior Class A Notes are intended upon issue to be deposited with one of the International Central Securities Depositories (the "ICSDs") and/or Central Securities Depositories (the "CSDs") that fulfils the minimum standard established by the European Central Bank, as common safekeeper and does not necessarily mean that the Senior 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. The Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes are not intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem.

**Marieke Hut  
Proxy Holder**



An affiliate of J.P. Morgan Securities Ltd. ("J.P. Morgan") intends to purchase EUR 250,000,000 of the Senior Class A1 Notes and EUR 750,000,000 of the Senior Class A2 Notes on the Closing Date and in that respect may exercise voting rights in respect of the Senior Class A1 Notes and the Senior Class A2 Notes that may be prejudicial to other Noteholders. An affiliate of J.P. Morgan entered into a forward commitment with AEGON Levensverzekering N.V. to subscribe for such notes based upon the prevailing market on 1 March 2011. J.P. Morgan will also be a Joint Lead Manager in respect of the Senior Class A Notes.

The Joint Lead Managers (or their affiliates), will agree to subscribe on the Closing Date the Senior Class A Notes and AEGON Levensverzekering N.V. (in such capacity the "Notes Purchaser") will on the Closing Date purchase all of the Mezzanine Class B Notes, Mezzanine Class C Notes, Junior Class D Notes, Junior Class E Notes and Subordinated Class F Notes (all such Notes initially purchased by the Notes Purchaser, the "Retained Notes").

To the fullest extent permitted by law, none of the Arranger and the Joint Lead Managers accepts any responsibility for the contents of this Prospectus or for any statement or information contained in or consistent with this Prospectus. The Arranger and each Joint Lead Manager accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Prospectus or any such statement or information.

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, acting in whatever capacity, including, without limitation, the Seller, the Arranger, the Joint Lead Managers, the Servicer, the Company Administrator, the Floating Rate GIC Provider, the Liquidity Facility Provider, the Swap Counterparty, the Paying Agents, the Listing Agent, the Savings Mortgage Participant, the Conversion Participant, the Insurance Company, the Reference Agent or the Directors (each as defined herein), or, except for certain limited obligations of the Security Trustee under the Trust Deed (as defined herein) to - *inter alia* - the Noteholders. Furthermore, none of the Seller, the Arranger, the Joint Lead Managers, the Servicer, the Company Administrator, the Floating Rate GIC Provider, the Liquidity Facility Provider, the Swap Counterparty, the Paying Agents, the Listing Agent, the Savings Mortgage Participant, the Conversion Participant, the Insurance Company, the Reference Agent, the Directors or any other person, acting in whatever capacity, other than the Security Trustee in respect of limited obligations under the Trust Deed, will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. None of the Seller, the Arranger, the Joint Lead Managers, the Servicer, the Company Administrator, the Floating Rate GIC Provider, the Liquidity Facility Provider, the Swap Counterparty, the Paying Agents, the Listing Agent, the Savings Mortgage Participant, the Conversion Participant, the Insurance Company, the Reference Agent, the Directors and the Security Trustee will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances described herein).

#### **Article 122a of the Capital Requirements Directive**

The Seller has undertaken to retain a material net economic interest of not less than five per cent. in the securitisation in accordance with Article 122a ("Article 122a") of directive 2006/48/EC (as amended by directive 2009/111/EC) (the "Capital Requirements Directive"). As at the Closing Date, such interest will in accordance with Article 122a paragraph (1) sub-paragraph d) 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 Issuer and the Security Trustee in the Mortgage Receivables 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 Capital Requirements Directive, 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 a confirmation of the retainment of the material net economic interest by the Seller.

Each prospective investor is required independently to 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 (in its capacity as the Seller and the Servicer), the Company Administrator nor the Managers makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes. The Seller accepts responsibility for the information set out in this paragraph entitled 'Article 122a of the Capital Requirements Directive'. In addition, each prospective Noteholder should ensure that they comply with the implementing provisions in respect of Article 122a in their relevant jurisdiction. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

For the page reference of the definitions of capitalised terms used herein see Index of Terms.

*Arranger*  
**J.P. Morgan**

*Joint Lead Managers (in respect of the Senior Class A Notes)*  
**BNP Paribas**  
**J.P. Morgan**  
**Rabobank International**

## CONTENTS

CONTENTS .....	5
SUMMARY .....	6
RISK FACTORS .....	10
KEY PARTIES AND SUMMARY OF PRINCIPAL FEATURES .....	39
CREDIT STRUCTURE .....	62
OVERVIEW OF THE DUTCH RESIDENTIAL MORTGAGE MARKET .....	80
AEGON N.V. ....	85
DESCRIPTION OF PORTFOLIO MORTGAGE LOANS.....	89
MORTGAGE LOAN UNDERWRITING AND SERVICING.....	99
MORTGAGE RECEIVABLES PURCHASE AGREEMENT .....	102
SERVICING AGREEMENT AND COMPANY ADMINISTRATION AGREEMENT .....	114
SUB-PARTICIPATION AGREEMENT .....	116
SAECURE 10 B.V. ....	120
COMPANY ADMINISTRATOR.....	124
USE OF PROCEEDS .....	125
DESCRIPTION OF SECURITY.....	126
THE SECURITY TRUSTEE .....	129
TERMS AND CONDITIONS OF THE NOTES .....	130
THE GLOBAL NOTES.....	158
DUTCH TAXATION .....	161
SUBSCRIPTION AND SALE.....	165
IMPORTANT INFORMATION .....	168
GENERAL INFORMATION .....	172
INDEX OF TERMS .....	175
REGISTERED OFFICES.....	181

## **SUMMARY**

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

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

### **Risk Factors**

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

### **Transaction**

On the Closing Date, the Issuer will (i) issue the Notes and (ii) apply the net proceeds of the Notes (other than the Subordinated Class F Notes) (X) towards payment, in part, of the Initial Purchase Price for the Mortgage Receivables, consisting of any and all rights and claims of the Seller against certain borrowers under or in connection with certain selected mortgage loans secured by a first-ranking right of mortgage (*hypothekrecht*) or first and sequentially lower ranking rights of mortgage and the Beneficiary Rights relating thereto and (Y) to make a deposit of an amount of EUR 9,892,336, which is equal to the aggregate amount of the Construction Deposits into the Construction Deposit Account. The proceeds of the issue of the Subordinated Class F Notes will be used to fund the Reserve Account.

The Issuer will use receipts of principal and interest in respect of the Mortgage Receivables together with amounts it receives under the Liquidity Facility Agreement, Floating Rate GIC, Sub-Participation Agreement and Swap Agreement to make payments of, *inter alia*, principal and interest due in respect of the Notes, provided that the Issuer will use the principal received by it in respect of the Mortgage

Receivables to purchase Further Advance Receivables, to the extent such Further Advance Receivables are offered to the Issuer by the Seller.

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

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

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

Pursuant to the Servicing Agreement the Servicer will agree to provide administration and management services to the Issuer on a day-to-day basis in relation to the Portfolio Mortgage Loans and the Mortgage Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Mortgage Receivables, all administrative actions in relation thereto and the implementation of arrears procedures including the enforcement of Mortgage Rights (see under *Mortgage Loan Underwriting and Servicing* and *Servicing Agreement and Company Administration Agreement* below).

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

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

### **The Issuer**

SAECURE 10 B.V. is incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under number BV 1638134, having its corporate seat in Amsterdam, the Netherlands and registered with the Trade Register under number 52315460. The entire issued share capital of the Issuer is held by Stichting Holding SAECURE 10. The Issuer is established to issue the Notes, to acquire the Mortgage Receivables and to enter into certain transactions described in this Prospectus.

### **Security Structure**

The Noteholders will, together with the other Security Beneficiaries, benefit from the security granted in favour of the Security Trustee, whereas the Notes will be secured indirectly, through the Security Trustee, by (i) a first ranking pledge granted by the Issuer to the Security Trustee over the Mortgage Receivables (including any parts thereof which are placed on Construction Deposits), including all rights ancillary thereto in respect of the Portfolio Mortgage Loans and the Beneficiary Rights, and (ii) a first ranking pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Swap Agreement, the Servicing Agreement, the Floating Rate GIC, the Liquidity Facility Agreement, the Sub-Participation Agreement, the Beneficiary Waiver Agreement and in respect of the Issuer Accounts.

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

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

### **Redemption of the Notes**

Unless previously redeemed, the Issuer will, subject to Condition 9(b), redeem any remaining Notes outstanding at their respective Principal Amount Outstanding, together with the accrued interest, on the Quarterly Payment Date falling in February 2094.

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer shall on each Quarterly Payment Date apply the Available Principal Funds, subject to possible application thereof towards payment of the purchase price for the Further Advance Receivables, towards redemption, at their Principal Amount Outstanding, of the Notes (other than the Subordinated Class F Notes).



Subject to and in accordance with the Conditions, the Issuer has, provided that no Enforcement Notice has been served in accordance with Condition 10, the option to redeem all of the Notes (other than the Subordinated Class F Notes), in whole but not in part, on any Optional Redemption Date. In addition, the Issuer has the option to redeem the Notes (other than the Subordinated Class F Notes) in the event of certain tax changes affecting the Notes at any time. Finally, the Notes (other than the Subordinated Class F Notes) shall be redeemed by the Issuer in whole but not in part, following the exercise by the Seller of the Seller Clean-up Call Option.

## **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.*

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

*The Issuer believes that the factors described below represent the material risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Additional risks or uncertainties not presently known to the Issuer or that the Issuer currently considers immaterial may also have an adverse effect on the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes. Prospective Noteholders should read the information contained herein in conjunction with the detailed information set out elsewhere in this Prospectus and should reach their own views prior to making any investment decision. Before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.*

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

### **Liabilities under the Notes and limited recourse**

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

The obligations of the Issuer under the Notes are limited recourse obligations and the ability of the Issuer to meet its obligations to repay in full all principal or to pay all interest on the Notes will be dependent on the receipt by it of funds under the Mortgage Receivables, the proceeds of the sale of any Mortgage Receivables, payments under the Swap Agreement and the Sub-Participation Agreement, interest in respect of the balances standing to the credit of the Issuer Accounts, the availability of the Reserve Account, the Excess Spread Margin and the amounts to be drawn under the Liquidity Facility. See further under *Credit Structure* below.

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

#### **Risks inherent to the Notes**

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

##### *(i) Credit Risk*

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

- in case of the Senior Class A Notes: the subordinated ranking of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Junior Class E Notes;
- in case of the Senior Class A Notes and the Mezzanine Class B Notes: the subordinated ranking of the Mezzanine Class C Notes, the Junior Class D Notes and the Junior Class E Notes;
- in case of the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes: the subordinated ranking of the Junior Class D Notes and the Junior Class E Notes;
- in case of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes: the subordinated ranking of the Junior Class E Notes;
- the amounts deposited into the Reserve Account; and

- the Excess Spread Margin as provided for in the Swap Agreement.

The proceeds of the Subordinated Class F Notes will be credited to the Reserve Account. Principal on the Subordinated Class F Notes will be paid out of the Excess Spread Margin in accordance with the Pre-Enforcement Revenue Priority of Payments.

(ii) *Liquidity Risk*

There is a risk that interest on the Portfolio Mortgage Loans is not received on time thus causing temporary liquidity problems to the Issuer, despite (i) the Excess Spread Margin, (ii) the Reserve Account (to the extent available for such purpose) and (iii) in certain circumstances the Liquidity Facility provided by the Liquidity Facility Provider.

(iii) *Prepayment Risk*

There is a risk that the level of prepayments by the Borrowers can vary and therefore result in an average life of the Notes which is shorter or longer than anticipated. The average life of the Notes is subject to some factors outside the control of the Issuer and consequently no assurance can be given that any estimates or assumptions will prove in any way to be realistic.

(iv) *Maturity Risk*

There is a risk that the Issuer will not have received sufficient principal to fully redeem the Notes at maturity. The Final Maturity Date for the Notes is the Quarterly Payment Date falling in February 2094. On any Optional Redemption Date the Issuer has the right to sell and assign all (but not only part of) the Mortgage Receivables to a third party, provided, however, that the Issuer shall before selling the Mortgage Receivables to a third party, first make an offer to the Seller to purchase such Mortgage Receivables. Moreover, the Issuer may on any Optional Redemption Date obtain alternative funding to redeem the Notes (other than the Subordinated Class F Notes). The Issuer shall be required to apply the proceeds of such sale or alternative funding, to the extent relating to principal, to redeem the Notes (other than the Subordinated Class F Notes) in accordance with the Conditions. If the Issuer does not exercise this option on the First Optional Redemption Date, the interest rate on the Notes will be a floating rate based on three-months Euribor plus the margin set out under *Interest Step-up* in the section *Key Parties and Summary of Principal Features* below. No guarantee can be given that the Issuer will exercise its option or that a third party purchaser or alternative funding will be available and therefore that the Notes will be redeemed on such First Optional Redemption Date or any Quarterly Payment Date thereafter.

(v) *Interest Rate Risk*

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

(vi) *Structural/Legal Risk*

As to the structural/legal risks relating to the Notes reference is made to, *inter alia*, *Transfer of Legal Title to Mortgage Receivables, Construction Deposits, Set-off, Mortgage Rights and Borrower Pledges, Insurance Policies and Reduced Value of Investments* below.

**Rating of the Notes**

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

There is no assurance that any such rating will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies as a result of changes in or unavailability of information or if, in any of the Rating Agencies' judgement, circumstances so warrant. Any rating agency other than the Rating Agencies could seek to rate the Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Notes by the Rating Agencies, such unsolicited ratings could have an adverse effect on the value of the Notes. For the avoidance of doubt, any references to "ratings" or "rating" in this Prospectus are to ratings assigned by the Rating Agencies. Future events, including events affecting the Swap Counterparty and/or circumstances relating to the Mortgage Receivables and/or the Dutch residential mortgage market, in general could have an adverse effect on the ratings of the Notes as well.

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

**Rating Agency Confirmation**

In addition, the Transaction Documents provide that upon the occurrence of a certain event or matter, the Security Trustee needs to obtain a Rating Agency Confirmation before it is allowed to take any action or consent to an amendment of the relevant Transaction Documents as a result of the occurrence of such event or matter. An exception applies only if (x) each Rating Agency has not indicated by the 15th day after it was notified of the relevant event or matter (a) which conditions are to be met before it is in a position to grant a Rating Agency Confirmation or (b) that the then current ratings assigned by it to the Notes will be adversely affected by or withdrawn as a result of the relevant event or matter or (y) the relevant event or matter is of a formal, minor or technical nature or is made to correct a manifest error and is notified to the Rating Agencies.

The Noteholders should be aware that a Rating Agency is not obliged to provide a written statement and that whether or not a Rating Agency Confirmation has been obtained by the Security Trustee, this does not include a confirmation by a Rating Agency of the then current ratings assigned to the Notes (even if such Rating Agency Confirmation includes a statement in writing from a Rating Agency that

the then current rating assigned to the Notes will not be adversely affected by or withdrawn as a result of the relevant event or matter), nor does it mean that the Notes may not be downgraded or such ratings may not be withdrawn by a Rating Agency, either as a result of the occurrence of the event or matter in respect of which such Rating Agency Confirmation has been obtained or for any other reason.

#### **Listing of the Senior Class A Notes**

Application has been made for the Senior Class A Notes to be listed on Euronext Amsterdam on the Closing Date. However, there is no assurance that the Senior Class A Notes will be admitted to listing on Euronext Amsterdam. If the Senior Class A Notes will not be admitted to listing, they will not be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem.

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

No assurance is provided that there is an active and liquid secondary market for the Notes, and no assurance is provided that a secondary market for the Notes will develop or, if it does develop, that it will provide Noteholders with liquidity of investment for the life of the Notes. Any investor in the Notes must be prepared to hold their Notes for an indefinite period of time or until their Final Maturity Date or alternatively such investor may only be able to sell the Notes at a discount to the original purchase price of those Notes.

Moreover, at the date of this Prospectus, the secondary market for mortgage-backed securities in general is experiencing disruptions resulting from reduced investor demand for such securities. At times 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 similar to the Notes experiencing limited liquidity. Limited liquidity in the secondary market may have an adverse effect on the market value of mortgage-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the requirements of limited categories of investors. It is not known for how long these market conditions will continue or whether they will worsen.

Whilst central bank schemes such as the European Central Bank liquidity scheme provide an important source of liquidity in respect of eligible securities, recent restrictions in respect of the relevant eligibility criteria for eligible collateral which apply and will apply in the future under such facilities are likely to adversely impact secondary market liquidity for mortgage-backed securities in general, regardless of whether the Notes are eligible securities.

#### **Changes to tax deductibility of interest may result in an increase of defaults, prepayments and repayments**

In the Netherlands, subject to a number of conditions, mortgage loan interest payments are 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 increasingly is the subject of political debate in the Netherlands). Interest may only be deducted if the increase in the amount borrowed under a mortgage loan is used to finance the difference between the purchase price of the new property (including expenses relating to the acquisition of that property) and the proceeds of the previous property (after deduction of expenses relating to the sale of that property). Should there be a change to such deductibility and the right to deduct mortgage loans interest payment, this may among other things have an effect on the house prices and the rate of recovery and, depending on the changes in treatment of existing mortgage loans, may result in an increase of defaults, and/or an increase or decrease of prepayments and repayments.

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

The appraisal foreclosure value (*executiewaarde*) of the property on which a mortgage right is vested is normally lower than the market value (*vrije verkoopwaarde*) of the relevant mortgaged property. There can be no assurance that, on enforcement, all amounts owed by a Borrower under a Portfolio Mortgage Loan can be recovered from the proceeds of the foreclosure on the Mortgaged Asset or that the proceeds upon foreclosure will be at least equal to the estimated appraisal foreclosure value of such Mortgaged Asset (see *Description of Portfolio Mortgage Loans*).

### **Trust Deed**

The Noteholders and the other Security Beneficiaries will benefit from the security granted in favour of the Security Trustee pursuant to the Security Documents. Under the terms of the Trust Deed, the Issuer will undertake to pay to the Security Trustee, on the same terms and conditions, an amount equal to the aggregate of all amounts from time to time due and payable by the Issuer to the Security Beneficiaries (including, but not limited to, the Noteholders) in accordance with the terms and conditions of the relevant Transaction Documents (as defined in the Conditions) (such payment undertaking and the obligations and liabilities resulting from it being referred to as the "**Parallel Debt**"). The Parallel Debt represents an independent claim of the Security Trustee to receive payment thereof from the Issuer, provided that (i) the aggregate amount that may become due under the Parallel Debt will never exceed the aggregate amount that may become due under all of the Issuer's obligations to the Security Beneficiaries, including the Noteholders, pursuant to the Transaction Documents and (ii) every payment in respect of such Transaction Documents for the account of or made to the Security Beneficiaries directly in respect of such undertaking shall operate in satisfaction *pro tanto* of the corresponding payment undertaking by the Issuer in favour of the Security Trustee. The Parallel Debt is secured by the Pledge Agreements. Upon the occurrence of an event of default under the Notes, the Security Trustee may give notice to the Issuer that the amounts outstanding under the Notes (and under the Parallel Debt) are immediately due and payable and that it will enforce the Pledge Agreements. The Security Trustee will apply the amounts recovered upon enforcement of the Pledge Agreements in accordance with the provisions of the Trust Deed. The amounts payable to the Noteholders and other Security Beneficiaries under the Trust Deed will be limited to the amounts available for such purpose to the Security Trustee. Payments under the Trust Deed to the Security

Beneficiaries (other than certain payments to the Savings Mortgage Participant, the Conversion Participant and the Swap Counterparty) will be made in accordance with the Post-Enforcement Priority of Payments as set forth in the Trust Deed.

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

#### **Transfer of Legal Title to Mortgage Receivables**

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

Until notification of the transfer of legal title has been made to the Borrowers, the Borrowers can only validly discharge their obligations (*bevrijdend betalen*) under the relevant Portfolio Mortgage Loan by making a payment to the Seller. The Seller has undertaken in the Mortgage Receivables Purchase Agreement to pay (or procure that the Servicer shall pay on its behalf) on the 1st Business Day of each calendar month all amounts scheduled to be received by it in respect of the Portfolio Mortgage Loans with respect to the immediately preceding Portfolio Calculation Period. However, receipt of such amounts by the Issuer is subject to the Seller actually making such payments. Notification of the silent assignment (*stille cessie*) can be validly made after bankruptcy or emergency regulations have been declared in respect of the Seller.

Payments made by the Borrowers to the Seller prior to notification but after bankruptcy or emergency regulations becoming effective in respect of the Seller, will be part of the Seller's bankruptcy estate. However, the Issuer has the right to receive such amounts by preference after deduction of the general bankruptcy costs (*algemene faillissementskosten*).



### **Construction Deposits**

Pursuant to the Mortgage Conditions, in respect of certain Portfolio Mortgage Loans, the Borrower has the right to request that part of the Portfolio Mortgage Loan will be applied towards construction of, or improvements to, the Mortgaged Asset. In that case the Borrower has placed part of the monies drawn down under the Portfolio Mortgage Loan on deposit with the Seller, and the Seller has committed to pay out such deposits to or on behalf of the Borrower in order to enable the Borrower to pay for such construction of, or improvements to, the relevant Mortgaged Asset, provided certain conditions are met (such mortgages are called construction mortgages (*bouwhypotheek*)). Under the Mortgage Receivables Purchase Agreement, the Seller will sell to the Issuer the full amount of the Mortgage Receivables, which therefore includes the amounts represented by the Construction Deposits. A Borrower will be entitled to set-off the amounts represented by the relevant Construction Deposits against the amounts due by it to the Seller under the relevant Portfolio Mortgage Loan (see further *Set-off* below). If at the end of the construction period the Construction Deposit exceeds EUR 2,500, such Construction Deposit will be set-off against the Mortgage Receivable, in which case the Issuer shall have no further obligation towards the Seller to pay the remaining part of the Initial Purchase Price of the relevant Mortgage Receivable and any balance standing to the credit of the Construction Deposit Account will form part of the Available Principal Funds on the next succeeding Quarterly Payment Date.

Payment by the Issuer to the Seller of part of the Initial Purchase Price for the Mortgage Receivables to which a Construction Deposit corresponds, which part of the purchase price shall be equal to such Construction Deposit, is withheld until the first Reconciliation Date after the relevant part of the Construction Deposit has been paid out to or on behalf of the Borrower. Such payment will be made from the Construction Deposit Account. However, if an Assignment Notification Event has occurred, the Issuer will no longer be under an obligation to pay such amount, unless the relevant Mortgage Receivable including the part thereof that corresponds to the Construction Deposit has been transferred to the Issuer so that such transfer is fully effective in relation to a possible bankruptcy of the Seller.

Furthermore, under Dutch law the distinction between 'existing' receivables and 'future' receivables is relevant in connection with Construction Deposits. 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, has been granted suspension of payments or has become subject to emergency regulations. If, however, receivables are to be considered as existing receivables, the assignment and pledge thereof are not affected by the bankruptcy, emergency regulations or suspension of payments of the assignor/pledgor.

Whether such part of a Mortgage Receivable as relates to a Construction Deposit should be considered as an existing or future receivable is difficult to establish on the basis of the applicable terms and conditions of the relevant Portfolio Mortgage Loans and has not been addressed conclusively in case law or legal literature. If the full Mortgage Receivable is considered to be drawn

down under the Portfolio Mortgage Loan when the Construction Deposit is created, the part of the Mortgage Receivable relating to the Construction Deposit will be deemed to be existing as from the creation of the Construction Deposit. However, it is also conceivable that such part of the Portfolio Mortgage Loan concerned is considered drawn down only when and to the extent the Construction Deposit is paid out to or on behalf of the Borrower in which case such part of the Mortgage Receivable is deemed to be a future receivable until 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 subjected to emergency regulations. In that case, the part of the Mortgage Receivable that is not subject to the assignment and/or pledge will no longer be available to the Issuer. However, prior to an Assignment Notification Event the Issuer will only pay the purchase price to the Seller if and to the extent during the preceding Portfolio Calculation Period amounts have actually been drawn down by and paid out to Borrowers by the Seller.

#### **Set-off**

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

After assignment of the Mortgage Receivables to the Issuer and notification thereof to a Borrower, such Borrower will also have set-off rights vis-à-vis the Issuer, provided that the legal requirements for set-off are met (see above), and further provided that (i) the counterclaim of the Borrower results from the same legal relationship as the relevant Mortgage Receivable, or (ii) the counterclaim of the Borrower has been originated and become due prior to the assignment of the Mortgage Receivable and notification thereof to the relevant Borrower. The question whether a court will come to the conclusion that the Mortgage Receivable and the claim of the Borrower against the Seller result from the same legal relationship will depend on all relevant facts and circumstances involved. But even if these would be held to be different legal relationships, set-off will be possible if the counterclaim of the Borrower has originated (*opgekomen*) and become due (*opeisbaar*) prior to notification of the assignment, and, further, provided that all other requirements for set-off have been met (see above). The Construction Deposits result from the same legal relationship as the relevant Mortgage Receivables and, therefore, the legal requirements for the relevant Borrower being able to invoke set-off rights against the Issuer in respect of such Construction Deposits will be met.

The Mortgage Conditions provide that payments by the Borrowers should be made without set-off. Although this clause is intended as a waiver by the Borrowers of their set-off rights vis-à-vis the Seller, under Dutch law it is uncertain whether such waiver will be valid. Should such waiver be invalid, the foregoing applies *mutatis mutandis*.

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

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

Provided certain conditions are met under the relevant Portfolio Mortgage Loans, the Borrower has the right to require the Seller to pay out the Construction Deposit to or on behalf of such Borrower. Under Dutch law a creditor is entitled to dissolve (*ontbinden*) an agreement and/or demand payment of damages if its debtor defaults in the performance of its obligations under such agreement. A possible bankruptcy or emergency regulations involving the Seller in itself would not be a ground for the Borrower to dissolve the agreements under which the Portfolio Mortgage Loans arise unless the parties have agreed otherwise. Should the Seller in that case make the Construction Deposits available to the Borrower in the manner agreed between the Seller and the Borrower, the Borrower will in turn have to perform its obligations to the Seller under the Mortgage Receivables (including in respect of the amounts placed on the Construction Deposit). Upon a bankruptcy or emergency regulations involving the Seller, the Borrower is entitled to require the Seller's bankruptcy trustee to confirm within a reasonable term whether it will perform the Seller's obligations under the relevant Portfolio Mortgage Loan, i.e. making available to the Borrower the Construction Deposit. The Borrower can request that the Seller's bankruptcy trustee provides in these circumstances security for the performance of its obligations. If the Seller's bankruptcy trustee fails to provide such confirmation or such security the Seller's bankruptcy trustee (and possibly also the Issuer and/or the Security Trustee) will lose its/their right to demand performance by the Borrower of his obligations to the extent relating to the relevant Construction Deposit. The Borrower, however, will not be released from his payment

obligations in respect of the amounts that it has received under the relevant Portfolio Mortgage Loan from the Seller by a payment out of the relevant Construction Deposit. However, the Borrowers could, if the Seller would for any reason fail to fulfil its obligations relating to the Construction Deposits, invoke rights of set-off or other defences vis-à-vis the Issuer, which would reduce the proceeds of the relevant Mortgage Receivables.

For specific set-off issues relating to Life Mortgage Loans, Universal Life Mortgage Loans, Savings Mortgage Loans, Savings Investment Mortgage Loans and Investment Mortgage Loans, reference is made to *Insurance Policies* below.

### **Mortgage Rights and Borrower Pledges**

The Mortgage Receivables sold to the Issuer will be secured by mortgage rights which not only secure the initial loan granted to the Borrower, but also other liabilities and monies that the Borrower, now or in the future, may owe to the Seller (the so called *bankhypotheeken*, hereinafter referred to as "**Bank Mortgages**").

Under Dutch law a mortgage right is an accessory right (*afhankelijk recht*) which follows by operation of law the receivable with which it is connected. Furthermore, a mortgage right is an ancillary right (*nevenrecht*) and the assignee of a receivable secured by an ancillary right will have the benefit of such right, unless the ancillary right by its nature is, or has been construed as, a purely personal right of the assignor or such transfer is prohibited by law. However, Dutch legal commentators have different views on whether, in the event of assignment or pledge of a receivable secured by a Bank Mortgage, the mortgage will follow such receivable. Based upon case law, the prevailing view has been for a long time that a Bank Mortgage will only follow the receivable which it secures if the relationship between the bank and a borrower has been terminated in such a manner that following the transfer, the bank cannot create or obtain new receivables against the borrower. However, in recent legal literature this view is generally disputed and it is argued, in particular where the mortgage deed indicates that the parties intended this to happen, that the Bank Mortgage will (partially) follow the receivable to the extent that it has been assigned, irrespective of whether the banking relationship between the bank and the borrower has terminated.

In the Mortgage Receivables Purchase Agreement the Seller represents and warrants that upon creation of the Mortgage Rights securing the Mortgage Receivables, the conditions applicable to the Portfolio Mortgage Loans contained a provision to the effect that upon assignment of the relevant receivable(s), the mortgage right(s) will follow such receivable(s). This provision is a clear indication of the intention of the parties in respect of assignment of the receivable. In the determination of whether a Bank Mortgage follows the receivable to which it is connected, the wording of the Mortgage Conditions in the relevant mortgage deed is an important factor. The Issuer has been advised that consequently, in this case, the Mortgage Right will follow the Mortgage Receivable upon assignment or pledge as an ancillary right, albeit that there is no conclusive case law which supports this view.

Assuming that the Bank Mortgages (pro rata) have followed the Mortgage Receivables upon

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

#### *Borrower Pledges*

What is stated in the various paragraphs above in respect of mortgage rights applies *mutatis mutandis* in respect of the rights of pledge, including, without limitation, any right of pledge over the Insurance Policies (see below under *Insurance Policies*) (each such right a "**Borrower Pledge**") granted by the Borrower as security for its payment obligations towards the Seller where such right of pledge secures the same liabilities as the Bank Mortgages.

#### **Insurance Policies**

The Portfolio Mortgage Loans which in whole or in part consist of a Life Mortgage Loan, Universal Life Mortgage Loan or Savings Mortgage Loan have the benefit of a Life Insurance Policy, Savings Investment Insurance Policy or Savings Insurance Policy, respectively. All other Portfolio Mortgage Loans may have the benefit of a Risk Insurance Policy (the Life Insurance Policies, the Savings Investment Insurance Policies, the Savings Insurance Policies and the Risk Insurance Policies together, the "**Insurance Policies**").

In this risk factor, certain legal issues relating to the effects of the assignment of the Mortgage Receivables on the Insurance Policies are set out. Investors should be aware that it is possible that (i) the Issuer will not benefit from the Insurance Policies and/or (ii) the Issuer may not be able to recover any amounts from the relevant Borrower if the Insurance Company defaults in its obligations as further described in this risk factor. As a consequence thereof the Issuer may not have a claim for such

amounts on the Borrower and may, therefore, not have the benefit of the Mortgage Right securing such claim. In such case the rights of the Security Trustee will be similarly affected. The issues raised with respect to the Savings Mortgage Loans apply *mutatis mutandis* to the Savings Investment Mortgage Loans (which are the Universal Life Mortgage Loans to the extent the Borrower has invested part of the premiums paid on the relevant Savings Investment Insurance Policy in the Levensloop Hypotheek Rekening or Hypotheek Rekening).

#### *Pledge*

Many of the Portfolio Mortgage Loans have the benefit of an Insurance Policy. All rights of the Borrowers under the Insurance Policies have been pledged to the Seller. However, the Issuer has been advised that it is possible that the right to receive payment, including the commutation payment (*afkoopsom*), under the Insurance Policies will be regarded by a Dutch court as a future right. The pledge of a future right is, under Dutch law, not effective if the pledgor is declared bankrupt or granted a suspension of payments or has become subject to debt restructuring, prior to the moment such right comes into existence.

#### *Appointment of Beneficiary*

The Seller has been appointed as beneficiary under the Insurance Policies up to the amount owed by the Borrower under the mortgage deed or, in the case of mortgage deeds containing a Bank Mortgage, for all amounts which the Borrower owes under the mortgage deed and/or under any further advances granted to the Borrower (the "**Beneficiary Rights**"), except for cases where another beneficiary has been appointed who will rank ahead of the Seller. In such cases it is provided that the Insurance Company is irrevocably authorised by such beneficiary to apply the insurance proceeds in satisfaction of the relevant Mortgage Receivable. It is unlikely that the Beneficiary Rights will follow the Mortgage Receivables upon assignment or pledge thereof to the Issuer or the Security Trustee, respectively. Moreover, in respect of any Insurance Policy taken out with AEGON Levensverzekering N.V., it is unclear under Dutch law how the appointment of AEGON Levensverzekering N.V. as beneficiary should be interpreted in view of the fact that it is the same legal entity as the Insurance Company. As a result, AEGON Levensverzekering N.V. may not have a claim as beneficiary because such claim will not come into existence as the creditor and the debtor are the same entity and, unless a second beneficiary has been appointed, the insured party is entitled to such proceeds and has pledged its claims under the relevant Insurance Policy pursuant to the relevant Borrower Pledge.

The Beneficiary Rights will, to the extent legally possible, be assigned by the Seller to the Issuer and will be pledged by the Issuer to the Security Trustee (see under *Description of Security* below), but it is uncertain whether this assignment and pledge will be effective.

Because of the uncertainty as to whether the Issuer becomes beneficiary of the Insurance Policies and whether the pledge of the Beneficiary Rights is effective and for the situation that no irrevocable payment authorisation exists, the Issuer will at the Signing Date enter into a beneficiary waiver agreement (the "**Beneficiary Waiver Agreement**") with the Seller, the Insurance Company and the Security Trustee, under which the Seller, subject to the condition precedent of the occurrence of an

Assignment Notification Event, waives its rights as beneficiary under the Insurance Policies and appoints as first beneficiary (i) the Issuer subject to the dissolving condition of the occurrence of a pledge notification event (a "**Pledge Notification Event**") as referred to in Clause 7 of the Mortgage Receivables Pledge Agreement relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Pledge Notification Event as referred to in Clause 7 of the Mortgage Receivables Pledge Agreement relating to the Issuer. It is, however, uncertain whether such waiver and appointment will be effective, mainly because it is unclear whether or not the right to change the appointment is included in the rights of the Seller as pledgee or as beneficiary under the Insurance Policies. In view hereof the Seller and the Insurance Company will in the Beneficiary Waiver Agreement undertake following an Assignment Notification Event to use their best efforts to obtain the co-operation from all relevant parties to appoint the Issuer or the Security Trustee, as the case may be, as first beneficiary under the Insurance Policies. It is uncertain whether such co-operation will be forthcoming. In the event that an irrevocable authorisation to apply the insurance proceeds in satisfaction of the Mortgage Receivables as described above exists, the Seller and the Insurance Company will in the Beneficiary Waiver Agreement undertake, following an Assignment Notification Event, to use their best efforts to change the payment instruction in favour of (i) the Issuer subject to the dissolving condition of the occurrence of a Pledge Notification Event relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Pledge Notification Event relating to the Issuer. If the Issuer or the Security Trustee, as the case may be, has not become beneficiary of the Insurance Policies and the pledge and the waiver of the Beneficiary Rights are not effective, any proceeds under the Insurance Policies will be payable to the Seller, or to another beneficiary, instead of the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the Seller it will be obliged to pay the amount involved to the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the Seller and the Seller does not pay the amount involved to the Issuer or the Security Trustee, as the case may be (e.g. in the case of bankruptcy of the Seller or if the Seller would be subjected to emergency regulations (see *Insolvency of Insurance Company* below)), 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 Mortgage Receivable. This may lead to the Borrower invoking defences against the Issuer or the Security Trustee, as the case may be, for the amounts so received by the Seller as further discussed under *Set-off or defences* below.

#### *Insolvency of the Insurance Company*

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

#### *Set-off or defences*

If the amounts payable under the Insurance Policies do not serve as a reduction of the Mortgage Receivable (see *Appointment of Beneficiary* and *Insolvency of Insurance Company* above), the

Borrower may try to invoke a right of set-off of the amount due under the Mortgage Receivable with amounts payable under or in connection with the relevant Insurance Policy. The fact that the Mortgage Receivable is assigned or pledged to the Issuer or the Security Trustee is not likely to interfere with such set-off, since it is likely that the Portfolio Mortgage Loans and the Insurance Policies are to be regarded as one legal relationship (see *Set-off* above).

As set out (under *Set-off* above) the Borrowers have waived their set-off rights, but it is uncertain whether such waiver is effective. If the waiver is not effective, the Borrowers will in order to invoke a right of set-off, need to comply with the applicable legal requirements. One of these requirements is that the Borrower should have a claim, which corresponds to his debt to the same counterparty. The Insurance Policies are contracts between the Insurance Company and the Borrowers on the one hand and the Portfolio Mortgage Loans are contracts between the Seller and the Borrowers on the other hand. As the Insurance Company and the Seller are the same legal entity this legal requirement is fulfilled automatically.

Furthermore, the Borrowers should have a counterclaim. If the Insurance Company is declared bankrupt or is subjected to emergency regulations, the Borrower will have the right to unilaterally terminate the Insurance Policy and to receive a commutation payment (*afkoopsom*). These rights are subject to the Borrower Pledge (see *Pledge* above). However, despite this Borrower Pledge it may be argued that the relevant Borrower will be entitled to invoke a right of set-off for the commutation payment. Apart from the right to terminate the Insurance Policies, the Borrowers are also likely to have the right to rescind the Insurance Policies and to claim restitution of premiums paid and/or supplementary damages. It is uncertain whether such claim is subject to the Borrower Pledge. If not, the Borrower Pledge would not obstruct a right of set-off with such claim by the Borrowers.

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

#### *Life Mortgage Loans and Universal Life Mortgage Loans (other than Savings Investment Mortgage Loans)*

In respect of Life Mortgage Loans and Universal Life Mortgage Loans the Issuer has been advised



that, in view of the factual circumstances involved, *inter alia*, that the relevant Portfolio Mortgage Loans and the Insurance Policies are sold to the Borrower by one legal entity and as one single package, there is a considerable risk (*aanmerkelijk risico*) that the courts will honour set-off or other defences by a Borrower, as described above, if in case of bankruptcy or emergency regulations of the Insurance Company, the Borrowers which are insured was unable to recover their claims under their Life Insurance Policies or Savings Policies, as the case may be. This may lead to the Issuer not having sufficient funds available to make payments in respect of the Notes (other than the Subordinated Class F Notes).

#### *Savings Mortgage Loans and Savings Investment Mortgage Loans*

In respect of Savings Mortgage Loans the Issuer has also been advised that there is a considerable risk (*aanmerkelijk risico*) that such a set-off or defence would be successful in view, *inter alia*, of the close connection between the Savings Mortgage Loan and the Savings Insurance Policy and the fact that the Savings Mortgage Loans and the relevant Savings Insurance Policies are sold to the Borrower by one legal entity and as one single package. In respect of the Savings Mortgage Loans, the Sub-Participation Agreement will provide that in case of set-off or other defences by Borrowers, including but not limited to a right of set-off or defence based upon a default in the performance by the Savings Mortgage Participant (e.g. the Insurance Company) of its obligations under the relevant Savings Insurance Policy, as a consequence whereof the Issuer will not have received any amount due and outstanding, the relevant Savings Participation of the Savings Mortgage Participant will be reduced by an amount equal to the amount which the Issuer has failed to receive. The amount of the Savings Participation is equal to the amount of Savings Premiums received by the Issuer plus any amounts available as a result of a conversion (*switch*) as described under the *Savings Participation and Conversion Participation*, plus the accrued yield on such amount (see under *Sub-Participation Agreement* below), provided that the Savings Mortgage Participant will have paid all amounts due under the Sub-Participation Agreement to the Issuer. Therefore, normally the Issuer would not suffer any loss if the Borrower was to invoke any such right of set-off or defence, if and to the extent that the amount for which the Borrower was to invoke set-off or defences did not exceed the amount of the Savings Participation. The amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the Savings Participation. The above applies equally in respect of Savings Investment Mortgage Loans, thus to the extent the Borrowers invest the premium to be paid in respect of the Savings Investment Insurance Policies into the LHR (as defined below).

#### *Investment Mortgage Loans*

Under the Investment Mortgage Loans the Borrowers do not repay principal prior to maturity of the Mortgage Loans. Instead the Borrowers undertake to invest agreed amounts in certain investment funds. See further under Description of *Portfolio Mortgage Loans*. Under the Investment Mortgage Loans the investments in certain investment funds are effected by the Borrowers paying certain agreed amounts to an investment account held at AEGON Bank N.V., which amounts are subsequently invested by Stichting AEGON Beleggersgiro in certain selected investment funds in accordance with the instructions of the relevant Borrowers. The investment funds are managed by

AEGON Investment Management B.V. The participations that are purchased are credited to the investment accounts of the relevant Borrowers, such accounts being administered by AEGON Bank N.V. (the "**Investment Accounts**"). It is the intention that the Mortgage Receivables will be fully or partially repaid with the proceeds of the investments. In this structure the Borrowers have a claim on Stichting AEGON Beleggersgiro for the value of the investments. The purpose of Stichting AEGON Beleggersgiro is to hold participations in investment funds for custody purposes and normally its obligations vis-à-vis holders of the Investment Accounts should be equal to the value of the corresponding participations of Stichting AEGON Beleggersgiro in the investment funds. Provided that Stichting AEGON Beleggersgiro is in full compliance with all applicable laws, in particular the Act on the Financial Supervision (*Wet op het financieel toezicht*), and provided the limitations on the scope of its business as set out in its corporate objective (pursuant to which it will be prohibited from conducting any commercial activities or activity other than its activities as custodian in respect of the securities held for the Borrowers and the keeping of the books in respect of the securities accounts) are observed, the investments made by the Borrowers through Stichting AEGON Beleggersgiro will form part of the estate of Stichting AEGON Beleggersgiro and Stichting AEGON Beleggersgiro can be considered a bankruptcy remote entity. Should Stichting AEGON Beleggersgiro not be able to meet its obligations towards the Borrowers, this could lead to set-off or defences by Borrowers similar to those described under *Insurance Policies* above, except for the set-off or defences described in *Appointment of Beneficiary* in respect of the situation where the Seller is insolvent.

#### *Pledge*

All rights of a Borrower in connection with the relevant Investment Account have been pledged to the Seller in order to secure the same liabilities as the relevant Mortgage Right. The observations made above in relation to *Mortgage Rights and Borrower Pledges* apply equally here.

#### **Reduced Value of Investments and incomplete or misleading marketing material**

The value of investments made by the Insurance Company in connection with the Life Insurance Policies and Savings Investment Insurance Policies or made on behalf of the Borrowers under the Investment Mortgage Loans, may not provide the Borrower with sufficient proceeds to fully repay the related Mortgage Receivables at their maturity. Further, if the development of the value of these investments is not in line with the expectations of a Borrower, such Borrower may try to invoke set-off or be entitled to other defences against the Seller or the Issuer, as the case may be, by arguing that he has not been properly informed of the risks involved in the investments. 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, Life Mortgage Loans and Universal Life Mortgage Loans. In addition, several codes of conduct apply on a voluntary basis. On the basis of these provisions offerors of these products (and intermediaries) have a duty, *inter alia*, to provide the 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 the customer on the basis of breach of contract or tort or the relevant contract may be dissolved (*ontbonden*) or nullified or a Borrower may claim set-off or defences against the Seller or the Issuer (or the Security Trustee). The merits of any

such claim will, to a large extent, depend on the manner in which the relevant Portfolio Mortgage Loans have been marketed by the Seller and/or its intermediaries 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 risk of such claims being made increases, if the value of investments made under Investment Mortgage Loans or Life Insurance Policies or Savings Investment Insurance Policies is not sufficient to redeem the relevant Portfolio Mortgage Loans.

In this respect it is further of note that, in the summer of 2006, the Dutch Authority for the Financial Markets has published a report on so-called unit-linked or investment insurance policies whereby the premiums are invested in certain investment funds selected by the insured. The proceeds of the insurance policy are (largely) dependent on the return of such investment funds. According to the report the promotional material provided by some of the insurance companies to its customers was not complete and misleading in some respects (i.e. in respect of transparency of costs). The report was followed by a letter of the Dutch Minister of Finance and a report issued by the Committee De Ruiter in December 2006 containing recommendations to the insurance companies to improve the information provided to the customers and to compensate the customers which were misled. In connection therewith, several claimant organisations have been established, such as the *Stichting Woekerpolis Claim* and the *Stichting Verliespolis*, an initiative of, *inter alia*, the Dutch Association of House Owners (*Vereniging Eigen Huis*) and the Dutch Association of Stock Owners (*Vereniging van Effectenbezitters*) which was established in December 2006.

On 4 March 2008, the Financial Services Ombudsman and Chairman of the Complaint Institute for Financial Services (*Klachteninstituut Financiële Dienstverlening*) issued a recommendation concluding that insurers in general have not provided sufficient transparency concerning the costs of unit-linked insurance products. This may, however, vary per insurer. He recommends insurers to compensate customers of unit-linked insurance products of which the costs over the duration of the policy is higher than an annual rate of 3.5 per cent. of the gross fund output at least for the incremental costs. If all parties would cooperate with these recommendations, this could accelerate a solution and could result in a compromise for an important number of cases.

On the basis of this recommendation, most insurance companies, including AEGON Levensverzekering N.V., entered into a settlement agreement with *Stichting Verliespolis* and *Stichting Woekerpolis Claim* which provides for a further limitation of the costs charged in unit-linked insurance policies. Notwithstanding this settlement, the national debate about this matter is still continuing. More specific, it is questioned whether the settlement is acceptable to the customers. This may stimulate consumers to file claims against the insurance companies, including AEGON, to compensate for the costs charged and/or to dissolve or terminate the insurance policies taken out with such insurance companies.

The above mentioned unit-linked or investment insurance policies may also be linked to Life Mortgage Loans and Universal Life Mortgage Loans granted by the Seller. If Life Insurance Policies or Savings

Investment Insurance Policies related to the Portfolio Mortgage Loans would for the reasons described in this paragraph be dissolved or terminated, this will affect the collateral granted to secure these Portfolio Mortgage Loans (e.g. the Beneficiary Rights would cease to exist). The Issuer has been advised that, depending on the circumstances involved, in such case the Portfolio Mortgage Loans connected thereto can possibly also be dissolved or nullified, but that this will be different depending on the particular circumstances involved. Even if the Portfolio Mortgage Loan is not affected, the Borrower/insured may invoke set-off or other defences against the Issuer. The analysis in that situation is similar to the situation in case of insolvency of the insurer, except if the Seller is itself liable, whether jointly with the insurer or separately, vis-à-vis the Borrower/insured. In this situation set-off or defences against the Issuer could be invoked, which will probably only become relevant if the insurer and/or the Seller will not indemnify the Borrower. Any such set-off or defences may lead to losses under the Notes.

### **Long Leases**

The Mortgage Rights securing the Portfolio Mortgage Loans may be vested on a long lease (*erfpacht*), as further described under *Description of Portfolio Mortgage Loans* below.

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

When underwriting a Mortgage Loan to be secured by a mortgage right on a long lease, the Seller will take into consideration certain conditions, such as the term of the long lease. Furthermore, on the basis of the general terms and conditions of the Mortgage Loans, the Mortgage Loan becomes immediately due and payable if, *inter alia*, the leaseholder has not paid the remuneration in relation to the long lease, the leaseholder breaches any obligation under the long lease, or the long lease is dissolved or terminated.

### **Enforcement of Dutch Security Rights**

The Notes will be secured indirectly, through the Security Trustee, by (i) a first ranking undisclosed right of pledge granted by the Issuer to the Security Trustee over the Mortgage Receivables (including any parts thereof corresponding with amounts placed on Construction Deposits), including all rights ancillary thereto in respect of the Portfolio Mortgage Loans and a first ranking disclosed right of pledge over the Beneficiary Rights relating thereto, and (ii) a first ranking disclosed pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Swap Agreement, the Servicing Agreement, the Floating Rate GIC, the

Liquidity Facility Agreement, the Sub-Participation Agreement, the Beneficiary Waiver Agreement and in respect of the Issuer Accounts. Notification of the undisclosed right of pledge in favour of the Security Trustee can be validly made after bankruptcy or the granting of a suspension of payments in respect of the Issuer. Under Dutch law the Security Trustee can, in the event of bankruptcy or suspension of payments of the Issuer, exercise the rights afforded by law to pledgees as if there were no bankruptcy or suspension of payments. However, bankruptcy or suspension of payments involving the Issuer would affect the position of the Security Trustee as pledgee in some respects, the most important of which are: (i) payments made by the Borrowers to the Seller or, after notification of the assignment, to the Issuer, prior to notification of the right of pledge over the Mortgage Receivables but after the Seller being declared bankrupt or subjected to emergency regulations or the Issuer being declared bankrupt or granted suspension of payments, as the case may be, will form part of the bankruptcy estate of the Seller or the Issuer, although the pledgee has the right to receive such amounts as a preferential creditor after deduction of certain bankruptcy-related costs, (ii) a mandatory freezing-period of up to four (4) months may apply in the case of bankruptcy, suspension of payments or emergency regulations, which, if applicable, would delay the exercise of the right of pledge on the Mortgage Receivables and (iii) the pledgee may be obliged to enforce its right of pledge within a reasonable period as determined by the judge-commissioner (*rechter-commissaris*) appointed by the court in the case of bankruptcy of the Seller or the Issuer, as the case may be.

To the extent that the receivables pledged by the Issuer to the Security Trustee are future receivables, the right of pledge on such future receivable cannot be invoked against the estate of the Issuer, if such future receivable comes into existence after the Issuer has been declared bankrupt or has been granted a suspension of payments. The Issuer has been advised that the assets pledged to the Security Trustee under the Issuer Rights Pledge Agreement and Issuer Accounts Pledge Agreement may be regarded as future receivables. This would for example apply to amounts paid to the Issuer Accounts following the Issuer's bankruptcy or suspension of payments.

#### **Interest Rate Reset Rights**

The Issuer has been advised that a good argument can be made that the right to reset the interest rate on the Portfolio Mortgage Loans after the termination of the fixed interest period, should be considered as an ancillary right and 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 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, the co-operation of the bankruptcy trustee (in bankruptcy) or administrator (in emergency regulations) would be required to reset the interest rates. It is uncertain whether or when such co-operation will be forthcoming.

#### **Risks of Losses associated with declining property values**

The security for the Notes created under the Security Documents may be affected by, among other things, a decline in the value of those properties subject to the mortgage rights securing the Mortgage

Receivables and investments under the Insurance Policies. No assurance can be given that values of those properties have remained or will remain at the level at which they were on the date of origination of the related Portfolio Mortgage Loans. A decline in value may result in losses to the Noteholders if such security is required to be enforced.

### **Subordination**

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

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

### **Conflict of interest between holders of different Classes of Notes**

Circumstances may arise when the interests of the holders of different Classes of Notes could conflict. The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the Noteholders as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise) each as a Class, but requiring the Security Trustee in any such case to have regard only to the interests of the most senior ranking Class of Noteholders, if, in the Security Trustee's opinion, there is a conflict between the interests of this Class of Noteholders on one hand and the lower ranking Class or, as the case may be, Classes of Noteholders on the other hand. In addition, the Security Trustee shall have regard to the interests of the other Security Beneficiaries, provided that in case of a conflict of interest between the Security Beneficiaries the priority of payments upon enforcement set forth in the Trust Deed determines which interest of which Security Beneficiary prevails.

No Extraordinary Resolution (as set forth in Condition 14) to sanction a change which would have the effect of accelerating or extending the maturity of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes or the Subordinated Class F Notes, as the case may be, or any date for payment of interest thereon,

reducing or cancelling the amount of principal or altering the rate of interest payable in respect of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes or the Subordinated Class F Notes, as the case may be, shall take effect unless it shall have been sanctioned with respect to the Senior Class A Notes by an Extraordinary Resolution of the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Junior Class D Noteholders, the Junior Class E Noteholders and the Subordinated Class F Noteholders.

An Extraordinary Resolution passed at any meeting of the Senior Class A Noteholders shall be binding on all other Classes of Noteholders, irrespective of its effect upon them, except in case of an Extraordinary Resolution to sanction a Basic Terms Change, which shall not take effect unless it shall have been sanctioned by (i) an Extraordinary Resolution of the lower ranking Classes of Noteholders or (ii) the Security Trustee if the Security Trustee is of the opinion that it will not be materially prejudicial to the respective interests of the lower ranking Classes of Noteholders.

Without prejudice to the paragraph below, an Extraordinary Resolution (other than a sanctioning Extraordinary Resolution referred to in the previous paragraph) passed at any meeting of a Class of Noteholders (other than the Senior Class A Noteholders) or, as the case may be, Classes of Noteholders (other than the Senior Class A Noteholders) shall not be effective, unless it shall have been sanctioned by (i) an Extraordinary Resolution of the Senior Class A Noteholders or (ii) the Security Trustee if the Security Trustee is of the opinion that it will not be materially prejudicial to the interests of the Senior Class A Noteholders.

An Extraordinary Resolution passed at any meeting of a Class of Noteholders (other than the Senior Class A Noteholders) or, as the case may be, Classes of Noteholders (other than the Senior Class A Noteholders), which is effective in accordance with the paragraph above, shall be binding on all other Classes of Noteholders, irrespective of its effect upon them, except in case of an Extraordinary Resolution to sanction a Basic Terms Change, which shall not take effect unless it shall have been sanctioned by (i) an Extraordinary Resolution of the other Classes of Noteholders or (ii) the Security Trustee if the Security Trustee is of the opinion that it will not be materially prejudicial to the respective interests of the other Classes of Noteholders.

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).

The Noteholders of any Class may adopt a resolution without the formalities for convening a meeting set out in the Trust Deed being observed, including an Extraordinary Resolution and/or an Extraordinary Resolution relating to a Basic Term Change, provided that such resolution is unanimously adopted in writing - including by e-mail, facsimile or electronic transmission, or in the form of a message transmitted by any accepted means of communication and received or capable of being produced in writing – by all Noteholders of the relevant Class having the right to cast votes.

For the purposes of this risk factor (Conflict of interest between holders of different Classes of Notes) only, a reference to (i) "Class" means if and to the extent it regards Senior Class A Notes, the Senior Class A1 Notes and the Senior Class A2 Notes, collectively, and (ii) "Senior Class A Noteholders" means the Senior Class A1 Noteholders and the Senior Class A2 Noteholders, acting collectively.

J.P. Morgan Securities Ltd. (or its affiliates), will on the Closing Date subscribe for a portion of the Senior Class A Notes with an aggregate amount of EUR 1,000,000,000 and in that respect may exercise voting rights in respect of the Senior Class A Notes that may be prejudicial to other Noteholders. The Notes Purchaser will initially purchase the Retained Notes. The Notes Purchaser is entitled to exercise the voting rights in respect of the Retained Notes, which may be prejudicial to other Noteholders.

#### **Modification, authorisation and waiver without consent of Noteholders**

The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Transaction Documents which is of a formal, minor or technical nature or is made to correct a manifest error and is notified to the Rating Agencies, and (ii) any other modification (except if prohibited in the Transaction Documents), and any waiver or authorisation of any breach or proposed breach that the Security Trustee regards as not materially prejudicial to the interests of the Noteholders, of any of the provisions of, *inter alia*, the Transaction Documents, in respect of (ii) only, provided that each Rating Agency either (i) has provided a Rating Agency Confirmation in respect of the relevant event or matter or (ii) by the 15th day after it was notified of such event or matter has not indicated (a) which conditions are to be met before it is in a position to grant a Rating Agency Confirmation or (b) that the then current ratings assigned by it to the Notes will be adversely affected by or withdrawn as a result of the relevant modification, waiver or authorisation of any breach of proposed breach, and provided further that the Swap Counterparty is provided with prior notice of any modification and has provided its prior written consent thereto in the event that (i) such modification is to be made in respect of the Master Definitions Agreement, the Mortgage Receivables Purchase Agreement, the Servicing Agreement, the Mortgage Receivables Pledge Agreement, the Issuer Rights Pledge Agreement or the Issuer Accounts Pledge Agreement and in the Security Trustee's reasonable opinion could have a material adverse effect on the Swap Counterparty or (ii) such modification is to be made in respect of the Trust Deed.

#### **Eligibility of the Senior Class A Notes for Eurosystem Monetary Policy**

The Senior Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This does not necessarily mean that the Senior Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem ("**Eurosystem Eligible Collateral**") 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. If the Senior Class A Notes do not satisfy the criteria specified by the European Central Bank, there is a risk that the Senior Class A Notes will not be Eurosystem Eligible Collateral. The Issuer gives no representation, warranty, confirmation or guarantee to any investor in the Senior Class A Notes that the Senior Class A Notes will, either upon issue, or at any or all times during their life,



satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem Eligible Collateral. Any potential investors in the Senior Class A Notes should make their own determinations and seek their own advice with respect to whether or not the Senior Class A Notes constitute Eurosystem Eligible Collateral. The Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes are not intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem.

### **Act on the Financial Supervision**

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

### **EU Council Directive on taxation of savings income**

Under Directive 2003/48/EC on the taxation of savings income in the form of interest payments 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 collected by such a person for, an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries), deducting tax at rates rising over time to 35%. The European Commission has proposed certain amendments to this Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

A number of non-EU countries (including Switzerland, which has adopted a withholding system) and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member

State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in such Member State to, or collected by such a person for, an individual resident in the relevant territory.

#### **Changes to the Basle II Capital Accord**

Amendments may be made to the current Basle II Capital Accord promulgated by the Basle Committee on Banking Supervision as set forth in the EU Capital Adequacy Directive, 2006/49/EG and the EU Payment Services Directive, 2006/48/EG or in the international, European or Dutch regulations, rules and instructions applicable to credit and financial institutions in Europe. In the Netherlands the above directives have been implemented in the Act on the Financial Supervision. In light of the financial crisis, the European Parliament adopted in 2009 three directives amending the above mentioned directives. Implementation in the legislation of the relevant EU Member States of these amendments had to occur at latest on 31 October 2010. Each Member State is obliged to apply these measures after 31 December 2010. The amendments may, amongst other things, affect the risk-weighting of the Notes in respect of certain investors if those investors are regulated in a manner which will be affected by these amendments. Consequently, prospective purchasers should consult their own advisers as to the consequences of and the effect on them of any amendments made to the Basle II Capital Accord or the above mentioned regulations, rules and instructions. It cannot be excluded that further amendments will be proposed and will have to be implemented in the legislation of the relevant EU Member States, which may have a further impact on, among other things, the risk weighting of the Notes.

#### **The Issuer will not be obliged to gross-up for taxes**

As provided for in Condition 7, if any withholding of, or deductions for, or on account of, any present or future taxes, duties or charges of whatever kind is imposed by, or on behalf of, the Netherlands or any other jurisdiction or any political subdivision or any authority of the Netherlands or in the Netherlands having power to tax, the Issuer or the Paying Agents (as applicable) will make the required withholding or deduction of such taxes, duties or charges, as the case may be, and shall not be obliged to pay any additional amount to the Noteholders.

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

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a number 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, investors should be aware of Article 122a of directive 2006/48/EC (as amended by directive 2009/111/EC) (the "**Capital Requirements Directive**") and any implementing rules in relation to a relevant jurisdiction, which applies in general to newly issued securitisations after 31 December 2010. 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 five 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, the securitisation notes it has acquired and the underlying exposures and that procedures are established for such due diligence 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 with respect to the investment made in the securitisation 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 Company Administrator on the Issuer's behalf) in relation to the due diligence requirements under Article 122a, please see the statements set out in on pages 171 and 172 of this Prospectus. Relevant investors are required independently to assess and determine the sufficiency of the information described in this Prospectus, in any investor report and otherwise for the purposes of complying with Article 122a and none of the Issuer, the Seller, the Company Administrator, the Arranger nor the Managers makes any representation that the information described above is sufficient in all circumstances for such purposes.

Considerable uncertainty remains 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 capital 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 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.

**Change of law**

The structure of the issue of the Notes and the ratings which are to be assigned to the Notes are based on Dutch law and, to the extent it relates to the Swap Agreement, English law, in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change in Dutch law or English law or administrative practice in the Netherlands and England and Wales after the date of this Prospectus.

**Reliance on third parties**

Counterparties to the Issuer may not perform their obligations under the Transaction Documents, which may result in the Issuer not being able to meet its obligations. It should be noted that there is a risk that, *inter alia*, either (a) AEGON Levensverzekering N.V. in its capacity as Seller, Servicer, Insurance Company, Savings Mortgage Participant and Conversion Participant, (b) BNP Paribas in its capacity as Swap Counterparty, (c) Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International), Utrecht Branch in its capacity as Listing Agent, (d) N.V. Bank Nederlandse Gemeenten in its capacity as Floating Rate GIC Provider and Liquidity Facility Provider, (e) Deutsche Bank AG, London Branch and Deutsche Bank AG, Amsterdam Branch in their capacity as Principal Paying Agent and Paying Agent, respectively, will not perform its obligations vis-à-vis the Issuer and (f) ATC Management B.V. as Director of the Issuer and Stichting Holding SAECURE 10, Amsterdamsch Trustee's Kantoor B.V. as Director of the Security Trustee and ATC Financial Services B.V. as Company Administrator, will not perform their obligations under the relevant Management Agreement and the Company Administration agreement, respectively.

If a termination event occurs pursuant to the terms of the Servicing Agreement, then the Issuer and/or the Security Trustee will be entitled to terminate the appointment of the Servicer and appoint a new servicer in its place. There can be no assurance that a substitute servicer with sufficient experience of administering mortgages of residential properties would be found who would be willing and able to service the Mortgage Receivables on the terms of the Servicing Agreement. Any delay or inability to appoint a substitute servicer may affect the realisable value of the Mortgage Receivables or any part thereof, and/or the ability of the Issuer to make payments under the Notes. The Servicer does not have any obligation itself to advance payments that Borrowers fail to make in a timely fashion. Noteholders will have no right to consent to or approve of any actions taken by the Servicer under the Servicing Agreement.

**Swap Agreement**

On the Signing Date, the Issuer will enter into the Swap Agreement with the Swap Counterparty to hedge the risk of a substantial difference between the rate of interest to be received by the Issuer on the Mortgage Receivables and the rate of interest payable by the Issuer on the Notes.

Interest on the Notes for each Quarterly Interest Period will accrue at an annual rate equal to (in the case of the first Quarterly Interest Period) the linear interpolation between Euribor for one-month deposits in euros and Euribor for two-months deposits in euros (determined in accordance with Condition 4) and, after the first Quarterly Interest Period, at an annual rate equal to Euribor for three-

months deposits in euro (determined in accordance with Condition 4) plus, in respect of the Senior Class A Notes only, a margin per annum which will be 0.95 per cent. for the Senior Class A1 Notes and 1.35 per cent. for the Senior Class A2 Notes. However, the Issuer's income from the Portfolio Mortgage Loans will be a mixture of floating and fixed rates of interest, which will not directly match (and may in certain circumstances be less than) its obligations to make payments of the floating rate of interest due to be paid by it under the Notes.

Accordingly, the Issuer will depend upon payments made by the Swap Counterparty to assist it in making interest payments on the Notes on each Quarterly Payment Date on which a net payment is due from the Swap Counterparty to the Issuer under the Swap Agreement. If the Swap Counterparty fails to pay any amounts when due under the Swap Agreement, the Available Revenue Funds may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments due to be received by them.

The Swap Counterparty will be obliged to make payments under the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. The Swap Agreement will provide, however, that if due to 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 may (provided that the Security Trustee has notified the Rating Agencies of such event) transfer its rights and obligations to another of its offices, branches or affiliates or any other person that meets the criteria for a swap counterparty as set forth in the Swap Agreement to avoid the relevant Tax Event. The Swap Counterparty will at its own cost, if it is unable to transfer its rights and obligations under the Swap Agreement to another office, 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 Swap Agreement will be terminable by one party if – *inter alia* – (i) an event of default occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Swap Agreement or (iii) an Enforcement Notice is served. Events of default in relation to the Issuer will be limited to (i) non-payment under the Swap Agreement and (ii) insolvency events.

In the event that the Swap Agreement is terminated by either party, then, depending on the total losses and costs incurred in connection with the termination of the swap (including but not limited to loss of bargain, cost of funding and losses and costs incurred as a result of termination, liquidating, obtaining or re-establishing any hedge or related trading position), a termination payment may be due to the Issuer or to the Swap Counterparty. Any such termination payment could be substantial. If such a payment is due to the Swap Counterparty (other than where it constitutes a Subordinated Swap Amount) it will rank in priority to payments due from the Issuer under the Notes under the applicable Priorities 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.

In the event that the Swap Agreement is terminated by either party or the Swap Counterparty becomes insolvent, the Issuer may not be able to enter into a replacement Swap Agreement with a replacement Swap Counterparty immediately or at a later date. If a replacement Swap Counterparty cannot be found, the funds available to the Issuer to pay principal of and interest on the Notes will be reduced if the interest revenues received by the Issuer as part of the Mortgage Receivables are substantially lower than the rate of interest payable by it on the Notes. In these circumstances, the holders of Notes may experience delays and/or reductions in the interest and principal payments to be received by them, and the Notes may also be downgraded.

In the event that the Swap Counterparty suffers a rating downgrade, the Issuer may terminate the related Swap Agreement if the Swap Counterparty fails, within a set period of time, to take certain actions intended to mitigate the effects of such downgrade. Such actions may include the Swap Counterparty collateralising its obligations under the Swap Agreement, transferring its obligations to a replacement Swap Counterparty having the Swap Required Ratings or procuring that an entity with the Swap Required Ratings becomes a co-obligor with or guarantor of the Swap Counterparty. However in the event the Swap Counterparty is downgraded there can be no assurance that a co-obligor, guarantor or replacement swap counterparty will be found or that the amount of collateral provided will be sufficient to meet the Swap Counterparty's obligations. See section *Credit Structure – Interest Rate Hedging* below for further details of the provisions of the Swap Agreement related to a downgrade in the ratings of the Swap Counterparty.

## KEY PARTIES AND SUMMARY OF PRINCIPAL FEATURES

*The following is a summary of the principal features of the issue of the Notes. This summary should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented elsewhere in this Prospectus.*

### KEY PARTIES:

**Issuer:** SAECURE 10 B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its corporate seat in Amsterdam, the Netherlands and registered with the trade register of the Chambers of Commerce in the Netherlands (the "**Trade Register**") under number 52315460 (the "**Issuer**"). The entire issued share capital of the Issuer is held by Stichting Holding SAECURE 10.

**Seller:** AEGON Levensverzekering N.V., incorporated under Dutch law as a public company with limited liability (*naamloze vennootschap*), having its corporate seat in The Hague, the Netherlands and registered with the Trade Register under number 27095315 (the "**Seller**"). The entire issued share capital of AEGON Levensverzekering N.V. is held by AEGON Nederland N.V.

### Company

**Administrator:** ATC Financial Services B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its corporate seat in Amsterdam, the Netherlands and registered with the Trade Register under number 33210270 (the "**Company Administrator**"). The shares in the Company Administrator are held by ATC Group B.V., which entity is also the sole shareholder of each of the Directors (as defined below).

**Servicer:** AEGON Levensverzekering N.V. (the "**Servicer**").

### Security

**Trustee:** Stichting Security Trustee SAECURE 10, established under Dutch law as a foundation (*stichting*) having its official seat in Amsterdam, the Netherlands and registered with the Trade Register under number 52268896 (the "**Security Trustee**").

**Stichting****Holding**

**SAECURE 10:** Stichting Holding SAECURE 10, established under Dutch law as a foundation (*stichting*) having its official seat in Amsterdam, the Netherlands and registered with the Trade Register under number 5226875.

**Directors:** ATC Management B.V., the sole director of each of the Issuer and Stichting Holding SAECURE 10 and Amsterdamsch Trustee's Kantoor B.V., the sole director of the Security Trustee (collectively the "**Directors**"). The Directors belong to the same group of companies.

**Swap**

**Counterparty:** BNP Paribas, incorporated under French law with limited liability (the "**Swap Counterparty**").

**Floating Rate**

**GIC Provider:** N.V. Bank Nederlandse Gemeenten, incorporated under Dutch law as a public company with limited liability (*naamloze vennootschap*), having its corporate seat in The Hague, the Netherlands and registered with the Trade Register under number 27008387 (the "**Floating Rate GIC Provider**").

**Liquidity Facility**

**Provider:** N.V. Bank Nederlandse Gemeenten (the "**Liquidity Facility Provider**").

**Principal**

**Paying Agent:** Deutsche Bank AG, London Branch, incorporated under the laws of Germany as an Aktiengesellschaft, having its registered office in Frankfurt, Germany acting through its London Branch (the "**Principal Paying Agent**").

**Paying Agent:** Deutsche Bank AG, Amsterdam Branch, incorporated under the laws of Germany as an Aktiengesellschaft, having its registered office in Frankfurt, Germany acting through its Amsterdam Branch (the "**Paying Agent**" and together with the Principal Paying Agent, the "**Paying Agents**").

**Reference**

**Agent:** Deutsche Bank AG, London Branch (the "**Reference Agent**").

**Arranger:** J.P. Morgan Securities Ltd., incorporated under the laws of England and Wales as a limited company, acting through its office at 125 London Wall London EC2Y 5AJ, United Kingdom (the "**Arranger**").



**Joint Lead Managers**

**in respect of the**

**Senior Class A Notes:** BNP Paribas, London Branch, J.P. Morgan Securities Ltd. and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International), collectively (the "**Joint Lead Managers**").

**Notes Purchaser in**

**respect of the**

**Retained Notes:** AEGON Levensverzekering N.V. (the "**Notes Purchaser**").

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

**Listing**

**Agent:**

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International), Utrecht Branch (the "**Listing Agent**").

**Rating Agency:**

Moody's Investors Service Limited or Standard & Poor's Credit Market Services Europe Limited (or its successor) if and to the extent it has assigned a current rating to the Notes outstanding (collectively, the "**Rating Agencies**" and individually a "**Rating Agency**"). Each of the Rating Agencies is established in the European Community and has applied for registration under the European regulation n° 1060/2009 dated 16 September 2009 on credit rating agencies (the "**CRA Regulation**") prior to 7 September 2010 in accordance with Article 40 of the CRA Regulation. The result of such applications has not yet been determined.

**Insurance**

**Company:**

AEGON Levensverzekering N.V. (the "**Insurance Company**").

**Savings Mortgage**

**Participant:**

AEGON Levensverzekering N.V. (the "**Savings Mortgage Participant**").

**Conversion**

**Participant:**

AEGON Levensverzekering N.V. (the "**Conversion Participant**").

**THE NOTES:**

**Notes:**

The EUR 375,000,000 Senior Class A1 Mortgage-Backed Notes 2011 due 2094 (the "**Senior Class A1 Notes**"), EUR 1,125,000,000 Senior Class A2 Mortgage-Backed Notes 2011 due 2094 (the "**Senior Class A2 Notes**" and together with the Senior Class A1 Notes, the "**Senior Class A Notes**"), the EUR 50,800,000 Mezzanine Class B Mortgage-Backed Notes 2011 due 2094

(the "**Mezzanine Class B Notes**"), the EUR 24,100,000 Mezzanine Class C Mortgage-Backed Notes 2011 due 2094 (the "**Mezzanine Class C Notes**"), the EUR 16,000,000 Junior Class D Mortgage-Backed Notes 2011 due 2094 (the "**Junior Class D Notes**"), the EUR 16,200,000 Junior Class E Mortgage-Backed Notes 2011 due 2094 (the "**Junior Class E Notes**") and the EUR 16,100,000 Subordinated Class F Notes 2011 due 2094 (the "**Subordinated Class F Notes**" and together with the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Junior Class E Notes, the "**Notes**") will be issued by the Issuer on 13 April 2011 (or such later date as may be agreed between the Issuer, the Joint Lead Managers and the Notes Purchaser) (the "**Closing Date**").

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

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

**Status and**

**Ranking:**

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

**Interest:**

Interest on the Notes will accrue from (and including) the Closing Date by reference to successive interest periods (each a "**Quarterly Interest Period**") and will be payable quarterly in arrear in euro in respect of the Principal Amount Outstanding (as defined in the Conditions) on the 25<sup>th</sup> day of February, May, August and November in each year, or, if such day is not a Business Day (as defined below), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 25<sup>th</sup> day is the relevant Business Day (each such day being a "**Quarterly Payment Date**"), subject to Condition 9(a).

A "**Business Day**" means a day on which banks are open for business in Amsterdam, the Netherlands and London, United Kingdom, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 System ("**TARGET 2 System**") or any successor thereto is operating credit or transfer instructions in respect of payments in euro.

Each successive Quarterly Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Quarterly Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date falling in May 2011. The interest will be calculated on the basis of the actual number of days elapsed in a Quarterly Interest Period divided by 360 days.

Interest on the Notes for the first Quarterly Interest Period will accrue at an annual rate equal to the linear interpolation between the Euro Interbank Offered Rate ("**Euribor**") for one-month deposits in euros and the Euribor for two-months deposits in euros (determined in accordance with Condition 4) plus, in respect of the Senior Class A Notes only, a margin per annum which will be 0.95 per cent. for the Senior Class A1 Notes and 1.35 per cent. for the Senior Class A2 Notes.

Interest on the Notes for each successive Quarterly Interest Period up to (but excluding) the Quarterly Payment Date falling in February 2016 (the "**First Optional Redemption Date**") will accrue from the first Quarterly Payment Date at an annual rate equal to the Euribor for three-months deposits in euro (determined in accordance with Condition 4) plus, in respect of the Senior Class A Notes only, a margin per annum which will be 0.95 per cent. for the Senior Class A1 Notes and 1.35 per cent. for the Senior Class A2 Notes.

Payment of interest on the Notes will only be made if and to the extent the

Issuer or the Security Trustee, as the case may be, has sufficient funds available to it to satisfy such payment obligation subject to in accordance with the relevant priority of payments.

**Interest Step-up:** If on the First Optional Redemption Date the Senior Class A Notes have not been redeemed in full, the margin for the Senior Class A Notes will increase and the interest applicable to the Senior Class A Notes will then be equal to Euribor for three-months deposits in euro, payable by reference to Quarterly Interest Periods on each Quarterly Payment Date, plus a margin per annum which will be for the Senior Class A1 Notes 1.90 per cent. and for the Senior Class A2 Notes 2.70 per cent.

**Final Maturity**

**Date:** Unless previously redeemed as provided below, the Issuer will, subject to and in accordance with the Conditions, redeem any remaining Notes outstanding on the Quarterly Payment Date falling in February 2094 at their respective Principal Amount Outstanding (as defined in Condition 6) together with accrued interest, on such date, subject to and in accordance with the Conditions.

**Payment of  
Principal on  
the Notes:**

Prior to the delivery of an Enforcement Notice (as defined below), the Issuer shall on each Quarterly Payment Date apply the Available Principal Funds (as defined in Condition 6), subject to the possible application thereof up to and including the Quarterly Payment Date immediately preceding the First Optional Redemption Date towards payment of the Initial Purchase Price (as defined below) for the Further Advance Receivables (as defined below), if any, subject to and in accordance with the Conditions and the applicable priority of payments, towards redemption, at their respective Principal Amount Outstanding of (i) *firstly*, (A) up to (but excluding) the First Optional Redemption Date, towards the Senior Class A1 Notes until fully redeemed and subsequently, towards the Senior Class A2 Notes until fully redeemed and (B) as from (and including) the First Optional Redemption Date, pro rata, according to the respective amounts thereof, towards the Senior Class A1 Notes and the Senior Class A2 Notes, until fully redeemed, (ii) *secondly*, towards the Mezzanine Class B Notes, until fully redeemed, (iii) *thirdly*, towards the Mezzanine Class C Notes, until fully redeemed, (iv) *fourthly*, towards the Junior Class D Notes, until fully redeemed and (v) *fifthly*, towards the Junior Class E Notes, until fully redeemed.

Unless an Enforcement Notice is delivered, payment of principal on the Subordinated Class F Notes will not be made until the earlier of (i) the Quarterly Payment Date on which all amounts of interest and principal on the Notes (other than the Subordinated Class F Notes) will have been paid and (ii) the First Optional Redemption Date. On such Quarterly Payment Date or First Optional Redemption Date and on each Quarterly Payment Date thereafter payment of principal on the Subordinated Class F Notes will be made, subject to and in accordance with the Conditions and the Pre-Enforcement Revenue Priority of Payments (as defined below).

**Optional  
Redemption  
of the Notes:**

The Issuer may, at its option, on giving not more than sixty (60) nor less than thirty (30) days written notice to the Security Trustee and the Noteholders in accordance with Condition 13, on the Quarterly Payment Date falling in February 2016 (the "**First Optional Redemption Date**") and on each Quarterly Payment Date thereafter (each an "**Optional Redemption Date**") redeem, subject to Condition 9(b), all (but not only part) of the Notes (other than the Subordinated Class F Notes) at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to redemption of the Notes.

**Redemption  
following  
clean-up call:**

The Seller has the option to repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables on any Quarterly Payment Date on which the principal amount due on the Mortgage Receivables then outstanding is less than 10 per cent. of the aggregate principal amount of the Mortgage Receivables on the Cut-Off Date (the "**Seller Clean-up Call Option**"). On the Quarterly Payment Date following the exercise by the Seller of its Seller Clean-up Call Option, the Issuer shall redeem, subject to Condition 9(b), all (but not only part of) the Notes (other than the Subordinated Class F Notes) at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to redemption of the Notes.

**Redemption  
for tax  
reasons:**

The Issuer may (but is not obliged to) redeem all (but not only part of) the Notes (other than the Subordinated Class F Notes) at their Principal Amount Outstanding plus accrued but unpaid interest thereon up to and including the date of redemption, subject to and in accordance with the Conditions, if (a) the

Issuer or the Paying Agents has become or would become obligated to make any withholding or deduction from payments in respect of any of the Notes (although the Issuer will not have any obligation to pay additional amounts in respect of any such withholding or deduction) and/or (b) the Issuer has become or would become subject to any limitation of the deductibility of interest on any of the Notes, as a result of (i) a change in any laws, rules or regulations or in the interpretation or administration thereof, or (ii) any act taken by any taxing authority on or after the issue date of the Notes. No redemption pursuant to sub-clause (ii) may be made unless the Issuer receives an opinion of independent counsel that there is a probability that the act taken by the taxing authority leads to one of events mentioned at (a) or (b).

**Method of**

**Payment:**

For as long as the Notes are represented by a Global Note (see further under section *The Global Notes* below), 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.

**Withholding tax:**

All payments of, or in respect of, principal and interest on the Notes will be made without withholding of, or deduction for 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 be obliged to pay any additional amounts to such Noteholders.

**Use of proceeds:**

The Issuer will apply the net proceeds from the issue of the Notes (other than the Subordinated Class F Notes) (i) towards payment of part of the Initial Purchase Price for the Mortgage Receivables (as defined below) to be transferred to the Issuer on the Closing Date and (ii) to make a deposit in an amount of EUR 9,892,336 into the Construction Deposit Account (as defined below), pursuant to the provisions of a mortgage receivables purchase agreement (the "**Mortgage Receivables Purchase Agreement**") to be entered into on 11 April 2011 (the "**Signing Date**") and made between the Seller, the Issuer and the Security Trustee. See further *Mortgage Receivables Purchase Agreement* below.

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

**Security for  
the Notes:**

The Noteholders will benefit from the security created by the Issuer in favour of the Security Trustee pursuant to the trust deed entered into on the Signing Date between the Issuer, the Security Trustee and Stichting Holding SAECURE 10 (the "**Trust Deed**") and the Pledge Agreements (as defined in *Description of Security* below) (together with the Trust Deed, the "**Security Documents**").

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

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

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

The Noteholders, other Security Beneficiaries and the Security Trustee may not institute against, or join any person in instituting against, the Issuer any

bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one (1) year after the last maturing Note is paid in full. The only remedy of the Security Trustee against the Issuer after any of the Notes have become due and payable is to enforce the Security. See for a more detailed description *Description of Security* below.

## **MORTGAGE RECEIVABLES AND PRINCIPAL CONTRACTS:**

### **Mortgage**

#### **Receivables:**

Under the Mortgage Receivables Purchase Agreement, the Issuer will purchase and accept the assignment of any and all rights and claims (the "**Mortgage Receivables**", which will include any Further Advance Receivables (as defined below and, for the avoidance of doubt, including any parts thereof corresponding with amounts placed on Construction Deposits (as defined below)) of the Seller against certain borrowers (the "**Borrowers**") under or in connection with certain selected mortgage loans (which may consist of one or more loan parts (*leningdelen*) secured by a right of mortgage (*hypotheekrecht*) (each such right of mortgage a "**Mortgage Right**" and each such loan a "**Mortgage Loan**"). The Mortgage Receivables resulting from Life Mortgage Loans, Investment Mortgage Loans and Savings Mortgage Loans (each as defined below), will hereinafter be referred to as the "**Life Mortgage Receivables**", "**Investment Mortgage Receivables**" and "**Savings Mortgage Receivables**", respectively.

The Seller has the benefit of Beneficiary Rights which entitles the Seller to receive final payment under the relevant Insurance Policies, which payment is to be applied towards redemption of the Mortgage Receivables. Under the Mortgage Receivables Purchase Agreement, the Seller will assign such Beneficiary Rights to the Issuer and the Issuer will accept such assignment.

#### **Further Advances:**

A portion of the Mortgage Receivables is secured by Mortgage Rights that will also secure any further advances to be granted by the Seller to the relevant Borrower, whereby further advances include: (i) further advances made under a Portfolio Mortgage Loan which will be secured by the same Mortgage Right as the loan previously disbursed under such Portfolio Mortgage Loan (*verhoogde inschrijving*), (ii) further advances made under a Portfolio Mortgage Loan which will also be secured by a second or sequentially lower ranking Mortgage Right as the loan previously disbursed under such Portfolio Mortgage Loan (*verhoging*) and (iii) withdrawals of monies which were previously repaid to redeem the Portfolio Mortgage Loan (*heropname*), ((i), (ii) and (iii) hereinafter collectively defined as a "**Further Advance**"). The Mortgage Receivables Purchase Agreement provides that as from the Closing Date up to



and including the Quarterly Payment Date immediately preceding the First Optional Redemption Date, if, subject to the terms and conditions of the relevant Portfolio Mortgage Loan (the "**Mortgage Conditions**") the Seller has agreed with a Borrower to grant a Further Advance, the Issuer will purchase and accept assignment of the mortgage receivables resulting from the granting of such Further Advance (the "**Further Advance Receivables**") and the Beneficiary Rights relating thereto on the next succeeding Quarterly Payment Date, provided, however, that the Additional Purchase Conditions are met (as described under *Mortgage Receivables Purchase Agreement* below).

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

The Issuer will, subject to and in accordance with the Conditions, and subject to the applicable priority of payments apply the Available Principal Funds or part thereof towards payment of the purchase price for the Further Advance Receivables and the Beneficiary Rights relating thereto (as described in *Mortgage Receivables Purchase Agreement* below).

If a Further Advance Receivable does not meet the Additional Purchase Conditions, the Seller shall repurchase and accept the re-assignment of the Mortgage Receivables resulting from the relevant Portfolio Mortgage Loan (as defined below) in respect of which a Further Advance is granted and the Beneficiary Rights relating thereto.

**Repurchase of  
Mortgage  
Receivables:**

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

- (i) within fourteen (14) days immediately following the expiration of the relevant remedy period (if any), if any of the representations and warranties given by the Seller in respect of the relevant Portfolio Mortgage Loan and/or the relevant Mortgage Receivable, including the representation and warranty that the Portfolio Mortgage Loan or, as the case may be, the Mortgage Receivable meets certain mortgage loan criteria, are untrue or incorrect;
- (ii) on the Quarterly Payment Date immediately following the date on which the Seller agrees with a Borrower to grant a Further Advance

- under the relevant Portfolio Mortgage Loan (i) if and to the extent that the Further Advance Receivable does not meet the Additional Purchase Conditions and (ii) if such Further Advance is granted on or following the First Optional Redemption Date;
- (iii) within fourteen (14) days immediately following the date on which an amendment of the terms of the Portfolio Mortgage Loan becomes effective as a result of which such Portfolio Mortgage Loan no longer meets certain criteria set forth in the Mortgage Receivables Purchase Agreement and/or the Servicing Agreement, unless such amendment is made as part of the enforcement procedures to be complied with upon a default by the Borrower under the relevant Portfolio Mortgage Loan or is otherwise made as part of a restructuring or renegotiation of the relevant Portfolio Mortgage Loan due to a deterioration of the credit quality of the Borrower of such Portfolio Mortgage Loan; and
- (iv) within fourteen (14) days immediately following the date on which it appears that the Duty of Care in respect of a Portfolio Mortgage Loan has not been complied with by an intermediary for which the Seller is not responsible pursuant to the Act on the Financial Supervision (*Wet op het financieel toezicht*).

In addition, the Seller may (without the obligation to do so) repurchase and accept re-assignment of all (but not only part) of the Mortgage Receivables on any Quarterly Payment Date on which the principal amount due on the Mortgage Receivables then outstanding is less than 10 per cent. of the aggregate principal amount of the Mortgage Receivables on the Cut-Off Date (the "**Seller Clean-up Call Option**").

**Portfolio Mortgage  
Loans:**

The Mortgage Receivables to be sold by the Seller pursuant to the Mortgage Receivables Purchase Agreement will result from Mortgage Loans which are secured by a first-ranking mortgage right or, in case of mortgage loans (for the avoidance of doubt including any Further Advance, as the case may be) secured on the same mortgaged property, first and sequentially lower ranking mortgage rights over (a) real estate (*onroerende zaak*), (b) an apartment right (*appartementsrecht*), or (c) a long lease (*recht van erfpacht*) (each a "**Mortgaged Asset**") situated in the Netherlands and entered into by the Seller and the Borrowers which meet the criteria for such Mortgage Loans set forth in the Mortgage Receivables Purchase Agreement (the "**Portfolio Mortgage Loans**"). The Portfolio Mortgage Loans, in whole or in part, will consist of (i) linear mortgage loans (*lineaire hypotheek*), (ii) interest-only mortgage loans (*aflossingsvrije hypotheek*), (iii) annuity mortgage loans (*annuïteitenhypotheek*), (iv) life mortgage loans (*levenhypotheek*) and

*levenhypotheeken op basis van uvl*), (v) universal life mortgage loans (*universal life* or *uvl hypotheeken*), (vi) investment mortgage loans (*beleggingshypotheeken*), (vii) savings mortgage loans (*spaarhypotheeken*), or (viii) combinations of any of these types of mortgage loans. See further *Description of Portfolio Mortgage Loans* below.

Each Portfolio Mortgage Loan shall have the benefit of a risk insurance policy (i.e. an insurance policy which pays out upon the death of the insured) (a "**Risk Insurance Policy**") taken out by the Borrower with the Insurance Company in the event and to the extent the relevant Portfolio Mortgage Loan exceeds 90 per cent. of the loan to foreclosure value of the relevant Mortgaged Asset in case of a Portfolio Mortgage Loan. In the case of Portfolio Mortgage Loans consisting of more than one loan part including a Life Mortgage Loan, Universal Life Mortgage Loan or Savings Mortgage Loan such Risk Insurance Policy will be included in the relevant Life Insurance Policy, Savings Investment Insurance Policy or, as the case may be, Savings Insurance Policy (all as defined below).

**Linear Mortgage  
Loans:**

A portion of the Portfolio Mortgage Loans or parts thereof will be in the form of linear mortgage loans (hereinafter "**Linear Mortgage Loans**"). Under a Linear Mortgage Loan the Borrower pays a fixed amount of principal each month towards redemption of the relevant Mortgage Loan (or relevant part thereof) until maturity. Interest is payable monthly and is calculated on the outstanding balance of the Mortgage Loan (or relevant part thereof).

**Interest-only  
Mortgage Loans:**

A portion of the Portfolio Mortgage Loans or parts thereof will be in the form of interest-only mortgage loans (hereinafter "**Interest-only Mortgage Loans**"). Under an Interest-only Mortgage Loan, the Borrower is not obliged to pay principal towards redemption of the relevant Mortgage Loan (or relevant part thereof) until maturity. Interest is payable monthly and is calculated on the outstanding balance of the Mortgage Loan (or relevant part thereof).

**Annuity Mortgage  
Loans:**

A portion of the Portfolio Mortgage Loans or parts thereof will be in the form of annuity mortgage loans (hereinafter "**Annuity Mortgage Loans**"). Under an Annuity Mortgage Loan, 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 the Annuity Mortgage Loan will be fully redeemed at maturity.

## **Life Mortgage**

### **Loans:**

A portion of the Portfolio Mortgage Loans or parts thereof will be in the form of life mortgage loans (hereinafter "**Life Mortgage Loans**"), which are offered in a traditional format or a format similar to the Universal Life Mortgage Loans (as defined below) whereby the insurance premium can be invested in a variety of investment funds (see further under *Description of Portfolio Mortgage Loans* below). Life Mortgage Loans are benefiting from insurance policies combining a risk insurance and a capital insurance (i.e. insurance policies that pay out upon the earlier of the death of the insured and an agreed date) taken out by Borrowers with the Insurance Company in connection with a Life Mortgage Loan ("**Life Insurance Policies**"). Under a Life Mortgage Loan, no principal is paid until maturity but instead the Borrower pays a premium to the Insurance Company on a monthly basis. The premiums paid by such Borrower are invested by the Insurance Company in certain investment funds. It is the intention that the Life Mortgage Loans will be fully or partially repaid by means of the proceeds of the Life Insurance Policies. See for more detail *Risk Factors* and *Description of Portfolio Mortgage Loans*.

## **Universal Life**

### **Mortgage Loans:**

A portion of the Portfolio Mortgage Loans or parts thereof will be in the form of universal life mortgage loans (hereinafter "**Universal Life Mortgage Loans**"), which are offered by the Seller under the name of AEGON Levensloophypotheek and Universal Life Hypotheek. Under a Universal Life Mortgage Loan the Borrower does not pay principal prior to maturity of the Mortgage Loan, but instead takes out a combined risk and capital insurance policy (a "**Savings Investment Insurance Policy**") with the Insurance Company whereby part of the premiums paid is invested in certain investment funds and/or a certain fund under the name of Levensloop Hypotheek Rekening and Hypotheek Rekening (hereinafter referred to as "**LHR**"). The Borrowers may at any time switch (*omzetten*) their investments among the investment funds and to and from the LHR. The parts of any Universal Life Mortgage Loans whereby the premiums (or part thereof) paid by the Borrowers under the Savings Investment Insurance Policies are invested in the LHR (the "**Savings Investment Premium**"), are hereinafter referred to as "**Savings Investment Mortgage Loans**". The Insurance Company, as Savings Mortgage Participant, will agree to use the amount of the Savings Investment Premiums (and the interest received on the Savings Participation) to acquire a Savings Participation in the Savings Investment Mortgage Receivables (all as defined below). It is the intention that the Universal Life Mortgage Loans will be fully or partially repaid by means of the proceeds of the Savings Investment Insurance Policies. See for more detail *Risk Factors* and *Description of Mortgage Loans*.

## **Investment**

### **Mortgage Loans:**

A portion of the Portfolio Mortgage Loans or parts thereof will be in the form of investment mortgage loans (hereinafter "**Investment Mortgage Loans**"), i.e. mortgage loans under which the Borrower does not pay principal prior to the maturity of the mortgage loan, but instead undertakes to invest, on an instalment basis or up front, an agreed amount in certain investment funds. The investments in certain investment funds are effected by the Borrowers paying certain agreed amounts to an investment account held at AEGON Bank N.V., which amounts are subsequently invested by Stichting AEGON Beleggersgiro in certain selected investment funds in accordance with the instructions of the Borrower. The investment funds are managed by AEGON Investment Management B.V. The participations that are purchased are credited to the investment accounts of the relevant Borrowers, such accounts being administered by AEGON Bank N.V. (the "**Investment Accounts**"). It is the intention that the Investment Mortgage Loans will be fully or partially repaid with the proceeds of the investments. See for more detail *Risk Factors and Description of Mortgage Loans*.

## **Savings**

### **Mortgage**

### **Loans:**

A portion of the Portfolio Mortgage Loans or parts thereof will be in the form of savings mortgage loans (hereinafter "**Savings Mortgage Loans**"), which consist of Mortgage Loans entered into by the Seller and the relevant Borrowers combined with a savings insurance policy (a "**Savings Insurance Policy**"). A Savings Insurance Policy consists of a combined risk and capital insurance policy taken out by the relevant Borrower with the Insurance Company in connection with the relevant Savings Mortgage Loan. Under a Savings Mortgage Loan no principal is paid by the Borrower prior to the maturity of the mortgage loan. Instead, the Borrower pays a premium on a monthly basis, which consists of a risk element and a savings element (the "**Savings Premium**"). The Savings Premium is calculated in such a manner that the proceeds of the Savings Insurance Policy due by the Insurance Company to the relevant Borrower will be equal to the amount due by the Borrower to the Seller at maturity of the Savings Mortgage Loan. See for more detail *Risk Factors and Description of the Portfolio Mortgage Loans*. The Insurance Company, as Savings Mortgage Participant, will agree to use the amount of the Savings Premiums (and the interest accrued thereon) to acquire a Savings Participation in the relevant Savings Mortgage Receivable (see *Sub-Participation Agreement* below).

## **Sub Participation**

### **Agreement:**

The Issuer will enter into a sub-participation agreement with the Savings

Mortgage Participant and the Conversion Participant (the "**Sub-Participation Agreement**") under which the Savings Mortgage Participant will acquire participations in the relevant Savings Mortgage Receivables and in the Mortgage Receivables under the Universal Life Mortgage Loans if and to the extent the Borrower invests part of the premiums paid on the relevant Savings Investment Insurance Policy in the LHR (the "**Savings Investment Mortgage Receivables**" see further *Savings Mortgage Loans and Savings Investment Mortgage Loans* under *Risk Factors* below). In the Sub-Participation Agreement the Savings Mortgage Participant will undertake to pay to the Issuer on each Reconciliation Date (as defined below) all amounts received as Savings Premium on the Savings Insurance Policies or as Savings Investment Premium on the Savings Investment Insurance Policies, as well as the amounts switched under Savings Investment Insurance Policies from investments in certain investment funds to the LHR during the Portfolio Calculation Period immediately preceding such Reconciliation Date (the "**Switched Savings Participation**").

In return, the Savings Mortgage Participant is entitled to receive the Savings Participation Redemption Available Amount (as defined in *Sub-Participation Agreement* below) from the Issuer. The amount of the Savings Participation (as defined in *Sub-Participation Agreement* below) with respect to a Savings Mortgage Receivable and a Savings Investment Mortgage Receivable, consists of (a) the initial participation at the Closing Date or, in case of the purchase of a Further Advance Receivable to which a Savings Insurance Policy or Savings Investment Insurance Policy is connected, on the relevant Quarterly Payment Date which is equal to the sum of all amounts received up to such date by the Insurance Company as Savings Premium or Savings Investment Premium in respect of such Mortgage Receivables and accrued interest, plus, in case of a Savings Investment Insurance Policy, the Switched Savings Participation, if any, (b) increased on a monthly basis with the sum of (i) the Savings Premium or the Savings Investment Premium received by the Insurance Company and paid to the Issuer and (ii) a pro rata part, corresponding to the Savings Participation in the relevant Savings Mortgage Receivable or the relevant Savings Investment Mortgage Receivable, of the interest paid by the Borrower in respect of such Savings Mortgage Receivable or Savings Investment Mortgage Receivable. The aggregate initial participations with respect to the Savings Mortgage Receivables and Savings Investment Mortgage Receivables purchased by the Issuer on the Closing Date amounts to EUR 87,523,713. See further *Sub-Participation Agreement* below.

## Conversion

**Participation:**

Pursuant to the conditions applicable to the Savings Investment Insurance Policies taken out with the Insurance Company in relation to the Universal Life Mortgage Loans, a Borrower may convert, in whole or in part (*switchen*), the premiums invested in the LHR to being invested in certain other investment funds (whereby the premiums paid are no longer Savings Investment Premiums). Pursuant to the Sub-Participation Agreement, upon such switch, the Conversion Participant (as defined in the Sub-Participation Agreement) will thereafter participate in the converted Mortgage Loan, in an amount equal to the converted part of the Savings Participation in the Mortgage Loan (the "**Conversion Participation**"). The Conversion Participation will, unlike the Savings Participation, not increase monthly with the interest received on such Conversion Participation, as the interest on the Conversion Participation will be paid directly by the Issuer to the Conversion Participant. In addition, the Conversion Participant is entitled to receive the Conversion Participation Redemption Available Amount (as defined in the Master Definitions Agreement). Conversion Participations may be reconverted into Savings Participations.

**Construction  
Deposits**

Pursuant to the Mortgage Conditions, in respect of certain Portfolio Mortgage Loans, the Borrower has the right to request that part of the Portfolio Mortgage Loan will be applied towards construction of, or improvements to, the relevant Mortgaged Asset. In that case the Borrower has placed part of the monies drawn down under the Portfolio Mortgage Loan on deposit with the Seller, and the Seller has committed to pay out such deposits to or on behalf of the relevant Borrowers in order to enable them to pay for construction of, or improvements to, the relevant Mortgaged Asset, provided certain conditions are met (such mortgages are called construction mortgages (*bouwhypotheken*)). The aggregate amount of the deposits placed with the Seller in connection with these construction mortgages (the "**Construction Deposits**") as at the Cut-Off Date is EUR 9,892,336.

On the Closing Date the Construction Deposit Account will be credited with an amount equal to the aggregate Construction Deposits as at the Cut-Off Date. Thereafter, the Issuer will, in case of purchase of Further Advance Receivables having a Construction Deposit attached to it, on the relevant Quarterly Payment Date credit the Construction Deposit Account with an amount equal to the aggregate of such Construction Deposits. On each third Business Day prior to a Reconciliation Date (such day a "**Portfolio Calculation Date**"), the Servicer will notify the Issuer of all payments made out of the Construction Deposits to or on behalf of the Borrowers during the immediately preceding Portfolio Calculation Period, and the Issuer shall pay on the immediately

succeeding Reconciliation Date an equal amount from the Construction Deposit Account to the Seller in consideration of the assignment and transfer of the relevant Mortgage Receivable to the extent the money drawn under the relevant Portfolio Mortgage Loan had been placed on the Construction Deposit.

Pursuant to the Mortgage Conditions a Construction Deposit must be paid out within twenty-four (24) months from the start date of the relevant Mortgage Loan, provided, however, that the Seller and the Borrower may agree to another (longer) period. After such period, the remaining Construction Deposit will either (i) be paid out by the Seller to the relevant Borrower, and consequently the remaining part of the Initial Purchase Price will be paid to the Seller, or (ii) will be set-off against the relevant Mortgage Receivable up to the amount of the Construction Deposit in which case the Issuer will have no further obligation towards the Seller to pay the remaining part of the Initial Purchase Price and consequently any balance standing to the credit of the Construction Deposit Account will be used for redemption of the Notes (other than the Subordinated Class F Notes) in accordance with Condition 6.

**Sale of Mortgage  
Receivables/**

**Alternative Funding:** On any Optional Redemption Date, the Issuer has the right to sell and assign (all but not part of) the Mortgage Receivables to a third party, provided, however, that the Issuer shall before selling the Mortgage Receivables to a third party, first make an offer to the Seller to purchase such Mortgage Receivables. In addition, the Issuer may on any Optional Redemption Date obtain alternative funding to redeem the Notes (other than the Subordinated Class F Notes). The Issuer shall be required to apply the proceeds of such sale or alternative funding, to the extent relating to principal, towards redemption of the Notes (other than the Subordinated Class F Notes) in accordance with Condition 6.

The purchase price of a Mortgage Receivable shall be at least equal to the outstanding principal amount of such Mortgage Receivable on the relevant date of sale, together with accrued interest due but unpaid and any other amount due under the relevant Portfolio Mortgage Loan, except that, with respect to Mortgage Receivables which on the relevant date of sale are in arrears for a period exceeding ninety (90) 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 equal to (a) the outstanding principal amount on the relevant date of sale, together with accrued interest due but unpaid and any other amount due under the relevant Portfolio Mortgage Loan on the relevant date of sale, or (b) if less, an amount equal to (i) the foreclosure



value of the Mortgaged Asset or, (ii) if no valuation report less than twelve (12) months old is available, the Indexed Foreclosure Value, and provided that in each case, the aggregate purchase price (to be) received by the Issuer in respect of the Mortgage Receivables shall be sufficient to redeem, subject to Condition 9(b), the Notes (other than the Subordinated Class F Notes) at their Principal Amount Outstanding after payment of the amounts to be paid in priority of the Notes.

For these purposes "**Indexed Foreclosure Value**" means the foreclosure value of the relevant Mortgaged Asset as determined upon origination of the relevant Portfolio Mortgage Loan multiplied by the transaction price (*transactieprijs*) for such Mortgaged Asset as published by the Dutch Association of Real Estate Brokers and Immovable Property Experts (*Nederlandse Vereniging van Makelaars en vastgoeddeskundigen* (NVM)) as at the date on which the purchase price is determined divided by the transaction price for such Mortgaged Asset which was applicable at the date of determination of the above mentioned foreclosure value.

**Servicing  
Agreement:**

Under a servicing agreement to be entered into on the Signing Date between the Issuer, the Servicer and the Security Trustee (the "**Servicing Agreement**"), the Servicer will agree to provide administration and management services in relation to the Portfolio 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 Portfolio Mortgage Loans and the implementation of arrears procedures including, if applicable, the enforcement of Mortgage Rights (see further *Mortgage Loan Underwriting and Servicing* and *Servicing Agreement and Company Administration Agreement* below).

**Company  
Administration  
Agreement:**

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

## **Management**

### **Agreements:**

The Issuer, Stichting Holding SAECURE 10 and the Security Trustee will each enter into a management agreement (together the "**Management Agreements**") with the relevant Director in which the relevant Director will undertake to act as a director of the Issuer, Stichting Holding SAECURE 10 and the Security Trustee, respectively, and to perform certain services in connection therewith.

## **Security**

### **Beneficiaries**

#### **Agreement:**

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

## **CASH FLOW STRUCTURE:**

### **Transaction**

#### **Account:**

The Issuer shall maintain with the Floating Rate GIC Provider an account (the "**Transaction Account**") into which, *inter alia*, all amounts of interest and principal received under the Mortgage Receivables, will be transferred by the Servicer in accordance with the Servicing Agreement.

### **Reserve**

#### **Account:**

The proceeds of the Subordinated Class F Notes will be credited to an account (the "**Reserve Account**") held with the Floating Rate GIC Provider. The purpose of the Reserve Account will be to enable the Issuer to meet the Issuer's payment obligations under items (a) up to and including (o) of the Pre-Enforcement Revenue Priority of Payments (as defined in *Credit Structure* below) in the event of a shortfall of the Available Revenue Funds (as defined in *Credit Structure* below) on a Quarterly Payment Date. If and to the extent that the Available Revenue Funds calculated on the third Business Day prior to a Quarterly Payment Date (each a "**Notes Calculation Date**") exceed the amounts required to meet items (a) up to and including (o) of the Pre-Enforcement Revenue Priority of Payments, such excess amount will be deposited in, or, as the case may be, used to replenish the Reserve Account by

crediting such amount to the Reserve Account up to the required reserve account target level (the "**Reserve Account Target Level**") on the immediately succeeding Quarterly Payment Date. The Reserve Account Target Level will on any Notes Calculation Date be equal to 1.00 per cent. of the aggregate Principal Amount Outstanding of the Notes (other than the Subordinated Class F Notes) at the Closing Date.

### **Construction**

#### **Deposit Account:**

The Issuer will maintain with the Floating Rate GIC Provider an account into which an amount equal to the aggregate Construction Deposits will be deposited (the "**Construction Deposit Account**") at the Closing Date or, thereafter, in case of purchase of Further Advance Receivables having a Construction Deposit attached to it, on the relevant Quarterly Payment Date. The Construction Deposit Account will be debited for (i) payments to the Seller upon Construction Deposits being paid out by the Seller to or on behalf of the Borrowers and (ii) for transfer to the Transaction Account in case the Issuer has no obligation to pay any further part of the Initial Purchase Price (as described under *Construction Deposits*). The Construction Deposit Account will be credited in case of a purchase of Mortgage Receivables with Construction Deposit attached to it.

### **Floating Rate**

#### **GIC:**

On the Signing Date, the Issuer, the Floating Rate GIC Provider and the Security Trustee will enter into a guaranteed investment contract (the "**Floating Rate GIC**"), under which the Floating Rate GIC Provider will agree to pay a guaranteed rate of interest determined by reference to (i) the Euro Overnight Index Average as published jointly by the European Banking Federation and ACI / The Financial Market Association ("**Eonia**") on the balance standing from time to time to the credit of the Transaction Account and (ii) three-months Euribor on the balance standing from time to time to the credit of the Construction Deposit Account and the Reserve Account (such accounts, collectively to be referred to as the "**Issuer Accounts**").

### **Liquidity Facility**

#### **Agreement:**

On the Signing Date, the Issuer will enter into a liquidity facility agreement with the Liquidity Facility Provider (the "**Liquidity Facility Agreement**") under which the Issuer will be entitled to make drawings in order to meet certain shortfalls in its Available Revenue Funds. See under *Credit Structure* below.

### **Swap**

#### **Agreement:**

On the Signing Date, the Issuer will enter into a swap agreement with the Swap Counterparty (the "**Swap Agreement**") to hedge the risk of a difference

between the rate of interest to be received by the Issuer on the Mortgage Receivables and the rate of interest payable by the Issuer on the Notes (other than the Subordinated Class F Notes). See under *Credit Structure* below.

**OTHER:**

**Listing:** Application has been made to list the Senior Class A Notes on Euronext Amsterdam. Listing is expected to take place on or about 13 April 2011.

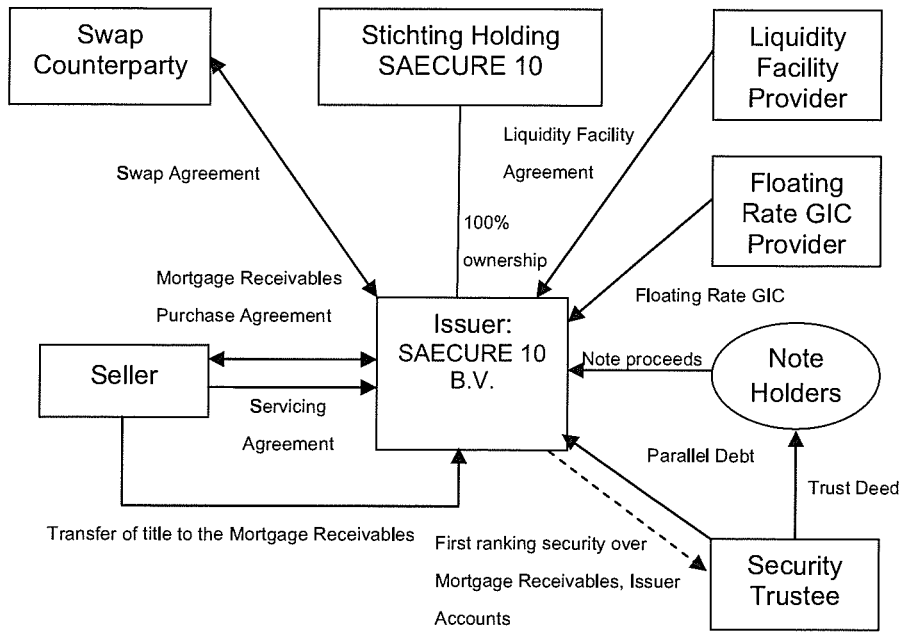
**Rating:** It is a condition precedent to issuance that, upon issue, the Senior Class A1 Notes be assigned an 'Aaa (sf)' rating by Moody's and an 'AAA (sf)' rating by S&P, the Senior Class A2 Notes be assigned an 'Aaa (sf)' rating by Moody's and an 'AAA (sf)' rating by S&P, the Mezzanine Class B Notes, upon issue, be assigned an 'Aa2 (sf)' rating by Moody's and an 'AA (sf)' rating by S&P, the Mezzanine Class C Notes, upon issue, be assigned an 'A1 (sf)' rating by Moody's, the Junior Class D Notes, upon issue, be assigned an 'A3 (sf)' rating by Moody's, the Junior Class E Notes, upon issue, be assigned an 'Baa2 (sf)' rating by Moody's. The Mezzanine Class C Notes, the Junior Class D Notes and the Junior Class E Notes will not, upon issue, be assigned a rating by S&P. The Subordinated Class F Notes will not, upon issue, be assigned a rating. The identifier "sf" stands for "structured finance". The addition of the identifier (sf) indicates only that the instrument is deemed to meet the regulatory definition of "structured finance" as referred to in the CRA Regulation. In no way does it modify the meaning of the rating itself.

**Governing**

**Law:** The Transaction Documents (which also include the Notes), other than the Swap Agreement, and any non-contractual obligations arising out of or in relation to the Transaction Documents, will be governed by and construed in accordance with the laws of the Netherlands. The Swap Agreement will be governed by English law.

**Structure**

**Diagram:** The transaction set out in this Prospectus can be depicted as follows:



## CREDIT STRUCTURE

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

### **Use of Proceeds**

The Issuer will use the net proceeds from the issue of the Notes (other than the Subordinated Class F Notes) (i) to pay part of the Initial Purchase Price for the Mortgage Receivables to be transferred to the Issuer on the Closing Date and (ii) to deposit an amount equal to EUR 9,892,336 into the Construction Deposit Account in order to enable the Issuer to pay the Initial Purchase Price for such parts of the Mortgage Receivables as correspond to the Construction Deposits. The net proceeds from the issue of the Subordinated Class F Notes will be used to fund the Reserve Account.

### **Mortgage Loan Interest Rates**

The Mortgage Loans pay interest on a floating rate basis or a fixed rate basis, subject to a reset from time to time. On 28 February 2011 (the "**Cut-Off Date**") the weighted average interest rate of the Mortgage Loans amounted to 5.00 per cent. per annum. Interest rates vary among individual Portfolio Mortgage Loans. The range of interest rates is described further in *Description of Portfolio Mortgage Loans* below.

### **Cash Collection Arrangements**

Payments by the Borrowers under the Portfolio Mortgage Loans are due on the first day of each calendar month, interest being payable in arrear. All payments made by Borrowers will be paid into the bank account of the Seller, which is maintained with ABN AMRO Bank N.V. (the "**Collection Account**"). On the Closing Date the balance on this account is not pledged to any party, other than to the bank at which the account is established pursuant to the applicable general terms and conditions. The Collection Account will also be used for the collection of monies paid in respect of mortgage loans other than Portfolio Mortgage Loans and in respect of other monies belonging to the Seller.

If the rating of the short-term, unsecured and unguaranteed debt obligations of ABN AMRO Bank N.V. falls below Prime-1 by Moody's or A-1 by S&P (the "**Short Term Requisite Ratings**"), the Seller will, to maintain the then current rating assigned to the Notes, either: (i) ensure that payments to be made in respect of amounts received on the Collection Account relating to Mortgage Receivables will be guaranteed by a party having at least the Short Term Requisite Rating; or (ii) (a) open an account with a party having at least the Short Term Requisite Rating, and (b) transfer to such account an amount equal to the highest single amount of principal and interest (including, for the avoidance of doubt, interest penalties) received in respect of the Mortgage Receivables since the Closing Date on the Transaction Account during one Portfolio Calculation Period; or (iii) find another solution which is suitable in order to maintain the then current ratings assigned to the Notes.

On the 1st day of each calendar month, and if such day is not a Business Day, the next succeeding Business Day (each a "**Portfolio Payment Date**"), the Seller shall transfer (or procure that the Servicer shall transfer on its behalf) to the Transaction Account (i) all amounts of principal and interest

(including, for the avoidance of doubt, interest penalties (*boeterente*)) scheduled to be received by the Seller under the Portfolio Mortgage Loans with respect to the Portfolio Calculation Period in which such Portfolio Payment Date falls and (ii) 120 per cent. of all amounts of prepayments of principal received by the Seller in respect of the Portfolio Mortgage Loans during the immediately preceding Portfolio Calculation Period. On the 15th day of each relevant calendar month, and if such day is not a Business Day, the next succeeding Business Day (each a "**Reconciliation Date**") the Seller shall transfer (or procure that the Servicer shall transfer on its behalf) an amount equal to the result of, if positive, (a) the sum of all amounts actually received or recovered by the Seller in respect of the Portfolio Mortgage Loans during the immediately preceding Portfolio Calculation Period *minus* (b) the amounts deposited into the Transaction Account on the immediately preceding Portfolio Payment Date. If the result of (a) the sum of all amounts actually received or recovered by the Seller in respect of the Portfolio Mortgage Loans during the immediately preceding Portfolio Calculation Period *minus* (b) the amounts deposited into the Transaction Account on the immediately preceding Portfolio Payment Date is negative, the Issuer shall on the relevant Reconciliation Date repay to the Seller an amount equal to the absolute value of such negative difference.

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

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

### **Issuer Accounts**

#### *Transaction Account*

The Issuer will maintain with the Floating Rate GIC Provider the Transaction Account to which, *inter alia*, all amounts received (i) in respect of the Portfolio Mortgage Loans and (ii) from the Savings Mortgage Participant and Conversion Participant under the Sub-Participation Agreement will be paid. The Company Administrator will identify all amounts paid into the Transaction Account. Payments received by the Issuer in respect of the Portfolio Mortgage Loans will be identified as principal, interest or other revenue receipts.

#### *Construction Deposit Account*

The Issuer will maintain with the Floating Rate GIC Provider the Construction Deposit Account into which an amount equal to the aggregate Construction Deposits will be credited on the Closing Date or, thereafter, in case of purchase of Further Advance Receivables having a Construction Deposit attached to it, on the relevant Quarterly Payment Date. The Issuer will on each Reconciliation Date prior to an Assignment Notification Event pay from the Construction Deposit Account to the Seller amounts equal to the amounts paid out by the Seller to the Borrowers from the Construction Deposits in the preceding Portfolio Calculation Period. After the occurrence of an Assignment Notification Event, the Issuer shall only be obliged to draw from the Construction Deposit Account an amount

equal to the Construction Deposits or part thereof which have been paid out to the relevant Borrowers pursuant to the Mortgage Conditions, and pay such amount to the relevant Seller as part of the Initial Purchase Price, if legal title to the Mortgage Receivables corresponding to the Construction Deposits or part thereof has been acquired by the Issuer. If, on the third Portfolio Calculation Date after the occurrence of an Assignment Notification Event legal title to the Mortgage Receivables corresponding to the Construction Deposits has not been acquired by the Issuer, the Issuer shall on the immediately succeeding Quarterly Payment Date draw the balance standing to the credit of the Construction Deposit Account to form part of the Available Principal Funds on that Quarterly Payment Date.

#### *Reserve Account*

The Issuer will maintain with the Floating Rate GIC Provider the Reserve Account (see under *Reserve Account* above). The proceeds of the Subordinated Class F Notes will be credited to the Reserve Account on the Closing Date.

Amounts credited to the Reserve Account will be available for drawing on any Quarterly Payment Date to meet items (a) up to and including (o) of the Pre-Enforcement Revenue Priority of Payments (see under *Priority of Payments in respect of interest (prior to Enforcement Notice)* below), in the event the Available Revenue Funds are insufficient to meet such items in full.

If and to the extent that the Available Revenue Funds calculated on any Notes Calculation Date exceed the amounts required to meet items (a) up to and including (o) of the Pre-Enforcement Revenue Priority of Payments, the excess amount will be deposited into the Reserve Account or, as the case may be, applied to replenish the Reserve Account, to the extent required until the balance standing to the credit of the Reserve Account equals the Reserve Account Target Level.

The Reserve Account Target Level shall on any Notes Calculation Date be equal to 1.00 per cent. of the aggregate Principal Amount Outstanding of the Notes at the Closing Date.

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

If on any Notes Calculation Date all amounts of interest and principal that have or may become due in respect of the Notes, except for principal in respect of the Subordinated Class F Notes, have been paid on the Quarterly Payment Date immediately preceding such Notes Calculation Date or will be available for payment on the Quarterly Payment Date immediately following such Notes Calculation Date, the Reserve Account Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will thereafter form part of the Available Revenue Funds and will be available to redeem or partially redeem the Subordinated Class F Notes until fully redeemed and thereafter, towards satisfaction of, *inter alia*, the Deferred Purchase Price (as defined in *Mortgage Receivables*



Purchase Agreement below) to the Seller.

#### **Rating of the Floating Rate GIC Provider**

If at any time (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Floating Rate GIC Provider are assigned a rating of less than Prime-1 by Moody's or (ii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Floating Rate GIC Provider are assigned a rating of less than either (x) A by S&P (if the short-term, unsecured and unsubordinated debt obligations of the Floating Rate GIC Provider 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 of the Floating Rate GIC Provider are not rated, or are rated below A-1 by S&P) (the "**Requisite Ratings**"), or (iii) if any such rating is withdrawn, the Floating Rate GIC Provider shall as soon as reasonably possible, but at least within a period of thirty-one (31) days (x) replace itself by an alternative bank having a rating at least equal to the Requisite Ratings after the occurrence of any such downgrading or withdrawal as a result of which the Issuer and/or the Company Administrator on its behalf will be required to transfer the balance on all such Issuer Accounts to an alternative bank with the required minimum ratings, or (y) procure that a third party, having at least the required ratings, guarantees the obligations of the Floating Rate GIC Provider or (z) find another solution which is suitable in order to maintain the then current ratings assigned to the Notes.

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

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 as being received during the Notes Calculation Period (as defined in the Conditions) immediately preceding such Notes Calculation Date (items (i) up to and including (xii) less an amount equal to 25 per cent. of the higher of (A) EUR 2,500 or (B) 10 per cent. of the amount due and payable per annum by the Issuer to its Director, pursuant to item (b) of the Pre-Enforcement Revenue Priority of Payments, representing taxable income for corporate income tax purposes in the Netherlands being hereafter referred to as the "**Available Revenue Funds**"):

- (i) interest on the Mortgage Receivables, less, with respect to each Savings Investment Mortgage Receivable and each Savings Mortgage Receivable, an amount equal to the interest amount received multiplied by a fraction which is equal to the relevant Savings Participation or Conversion Participation divided by the outstanding principal amount of such Savings Investment Mortgage Receivable or, as the case may be, such Savings Mortgage Receivable (the "**Participation Fraction**") and – prior to the occurrence of an Assignment Notification Event – less an amount equal to the interest received on the part of the Mortgage Receivables corresponding to any Construction Deposits relating thereto;
- (ii) interest credited to the Issuer Accounts;
- (iii) prepayment penalties and penalty interest (*boeterente*) in respect of the Mortgage Receivables;
- (iv) Net Proceeds (as defined in the Conditions) in respect of any Mortgage Receivables, to the

extent such proceeds do not relate to principal, less, with respect to each Savings Investment Mortgage Receivable and each Savings Mortgage Receivable, an amount equal to the proceeds received multiplied by the Participation Fraction;

- (v) amounts to be drawn under the Liquidity Facility (other than a Liquidity Facility Stand-by Drawing) (as defined below) or from the Liquidity Facility Stand-by Ledger on the immediately succeeding Quarterly Payment Date;
- (vi) amounts to be received from the Swap Counterparty under the Swap Agreement on the immediately succeeding Quarterly Payment Date, excluding, for the avoidance of doubt, any collateral transferred to the Issuer pursuant to the Swap Agreement;
- (vii) amounts to be drawn from the Reserve Account on the immediately succeeding Quarterly Payment Date;
- (viii) amounts received in connection with a repurchase or sale of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed, as the case may be, 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 Investment Mortgage Receivable and each Savings Mortgage Receivable, an amount equal to the amount received multiplied by the Participation Fraction;
- (ix) amounts received as post-foreclosure proceeds on the Mortgage Receivables;
- (x) amounts received which prior to receipt thereof have been recorded as Realised Losses under item (d) of the definition thereof;
- (xi) amounts received from a replacement swap provider upon entry into an agreement with such replacement swap provider replacing the Swap Agreement; and
- (xii) after all amounts of interest and principal that have or may become due in respect of the Notes, other than principal in respect of the Subordinated Class F Notes, have been paid on the Quarterly Payment Date immediately preceding the relevant Notes Calculation Date or will be available for payment on the immediately succeeding Quarterly Payment Date, any amount standing to the credit of the Reserve Account,

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

- (a) *First*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) the fees and expenses due and payable to the Company Administrator under the Company

Administration Agreement and (ii) the fees and expenses due and payable to the Servicer under the Servicing Agreement;

- (b) *Second*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) the fees or other remuneration due and payable to the Directors in connection with the Management Agreements and (ii) the fees or other remuneration and indemnity payments (if any) due and payable to the Security Trustee and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with the relevant Transaction Documents (including the fees and expenses payable to any legal advisors, accountants and auditors appointed by the Security Trustee);
- (c) *Third*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) the amounts due and payable (but not yet paid prior to the relevant Quarterly Payment Date) to third parties under obligations incurred in the Issuer's business (other than under the relevant Transaction Documents), including, without limitation, in or towards satisfaction of amounts or provisions for any payment of the Issuer's liability, if any, to tax, (ii) the fees and expenses due and payable to the Paying Agents, the Reference Agent, the Floating Rate GIC Provider, the common safekeepers and any other agent designated under any of the relevant Transaction Documents, (iii) the amounts due and payable to the Rating Agencies and (iv) the fees and expenses due and payable to any legal advisors, accountants and auditors appointed by the Issuer;
- (d) *Fourth*, (i) in or towards satisfaction of any amounts due and payable to the Liquidity Facility Provider under the Liquidity Facility and (ii) during a Liquidity Facility Stand-by Drawing Period, in or towards satisfaction of sums to be credited to the Liquidity Facility Stand-by Ledger, but (in both cases) excluding any gross up amounts or additional amounts due under the Liquidity Facility and payable under (t) below;
- (e) *Fifth*, in or towards satisfaction of any amounts due and payable to the Swap Counterparty under the Swap Agreement, including any swap termination payment but excluding any Subordinated Swap Amount (as defined below) and excluding, for the avoidance of doubt, the payment to the Swap Counterparty of any Excess Swap Collateral (as defined below);
- (f) *Sixth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of the amounts of interest due or accrued but unpaid in respect of the Senior Class A1 Notes and the Senior Class A2 Notes;
- (g) *Seventh*, in or towards making good any shortfall reflected in the Class A Principal Deficiency Ledger (as defined below) until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to zero;
- (h) *Eighth*, in or towards satisfaction of the amounts of interest due or accrued but unpaid in respect

of the Mezzanine Class B Notes;

- (i) *Ninth*, in or towards making good any shortfall reflected in the Class B Principal Deficiency Ledger (as defined below) until the debit balance, if any, on the Class B Principal Deficiency Ledger is reduced to zero;
- (j) *Tenth*, in or towards satisfaction of the amounts of interest due or accrued but unpaid in respect of the Mezzanine Class C Notes;
- (k) *Eleventh*, in or towards making good any shortfall reflected in the Class C Principal Deficiency Ledger (as defined below) until the debit balance, if any, on the Class C Principal Deficiency Ledger is reduced to zero;
- (l) *Twelfth*, in or towards satisfaction of the amounts of interest due or accrued but unpaid in respect of the Junior Class D Notes;
- (m) *Thirteenth*, in or towards making good any shortfall reflected in the Class D Principal Deficiency Ledger (as defined below) until the debit balance, if any, on the Class D Principal Deficiency Ledger is reduced to zero;
- (n) *Fourteenth*, in or towards satisfaction of the amounts of interest due or accrued but unpaid in respect of the Junior Class E Notes;
- (o) *Fifteenth*, in or towards making good any shortfall reflected in the Class E Principal Deficiency Ledger (as defined below) until the debit balance, if any, on the Class E Principal Deficiency Ledger is reduced to zero;
- (p) *Sixteenth*, in or towards satisfaction of any sums to be deposited on the Reserve Account or, as the case may be, to replenish the Reserve Account up to the amount of the Reserve Account Target Level;
- (q) *Seventeenth*, in or towards satisfaction of the amounts of interest due or accrued but unpaid in respect of the Subordinated Class F Notes;
- (r) *Eighteenth*, as from the earlier of (i) the Quarterly Payment Date on which all amounts of interest and principal on the Notes (other than the Subordinated Class F Notes) will have been paid and (ii) the First Optional Redemption Date, in or towards satisfaction of principal amounts due on the Subordinated Class F Notes;
- (s) *Nineteenth*, in or towards satisfaction of the Subordinated Swap Amount due to the Swap Counterparty under the terms of the Swap Agreement;

- (t) *Twentieth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of any gross-up amounts or additional amounts, if any, due under the Liquidity Facility Agreement; and
- (u) *Twenty-first*, in or towards satisfaction of the Deferred Purchase Price to the Seller pursuant to the Mortgage Receivables Purchase Agreement.

For this purpose "**Subordinated Swap Amount**" means, in relation to the Swap Agreement, an amount equal to the greater of zero and:

- (a) the amount of any swap termination payment due and payable to the Swap Counterparty as a result of the termination of the Swap Agreement following an Event of Default (as defined in the Swap Agreement) where the Swap Counterparty is the Defaulting Party (as defined in the Swap Agreement) or an Additional Termination Event (as defined in the Swap Agreement) relating to the credit rating of the Swap Counterparty including, without limitation, failure of the Swap Counterparty to comply with its obligations under paragraph 11(c)(vi) (Independent Mark-to-Market) of the Credit Support Annex, *less*
- (b) any payment received by the Issuer from a replacement swap provider upon entry into an agreement with such replacement swap provider replacing the Swap Agreement.

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

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 as being received or held during the Notes Calculation Period immediately preceding such Notes Calculation Date (items (i) up to and including (ix) being hereafter referred to as the "**Available Principal Funds**"):

- (i) repayment and full prepayment of principal under the Mortgage Receivables, from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding prepayment penalties, if any, less, with respect to each Savings Investment Mortgage Receivable and each Savings Mortgage Receivable, the Conversion Participation or Savings Participation, as the case may be, in such Savings Investment Mortgage Receivable or Savings Mortgage Receivable;
- (ii) Net Proceeds in respect of any Mortgage Receivables, to the extent such proceeds relate to principal, less, with respect to each Savings Investment Mortgage Receivable and each Savings Mortgage Receivable, the Conversion Participation or Savings Participation, as the case may be, in such Savings Investment Mortgage Receivable or Savings Mortgage Receivable;
- (iii) amounts received in connection with a repurchase or sale of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed, as the case may be, or 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 Investment Mortgage

Receivable and each Savings Mortgage Receivable, the Conversion Participation or Savings Participation, as the case may be, in such Savings Investment Mortgage Receivable or Savings Mortgage Receivable;

- (iv) amounts to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date;
- (v) Participation Increase and Initial Savings Participation received pursuant to the Sub-Participation Agreement (other than the Initial Savings Participation received on the Closing Date);
- (vi) Switched Savings Participation to the extent such amount exceeds the then existing Conversion Participation, if any, held by the Insurance Company in respect of the relevant Savings Investment Mortgage Loan;
- (vii) partial prepayments in respect of Mortgage Receivables, excluding prepayment penalties, if any, less, with respect to each Savings Investment Mortgage Receivable and each Savings Mortgage Receivable in case the partial prepayment made in respect thereof exceeds the difference between (a) the principal amount outstanding under such Savings Investment Mortgage Receivable or Savings Mortgage Receivable and (b) the Savings Participation and/or Conversion Participation therein, an amount equal to such excess up to the Savings Participation or Conversion Participation therein;
- (viii) amounts no longer payable to the Seller which were standing to the credit of the Construction Deposit Account in accordance with the Mortgage Receivables Purchase Agreement; and
- (ix) any part of the Available Principal Funds calculated on the immediately preceding Notes Calculation Date which has not been applied in accordance with the Pre-Enforcement Principal Priority of Payments on the immediately preceding Quarterly Payment Date,

will, pursuant to the terms of the Trust Deed, be applied by the Issuer on the next succeeding Quarterly Payment Date as follows (and in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the "**Pre-Enforcement Principal Priority of Payments**"):

- (a) *First*, up to the First Optional Redemption Date in or towards satisfaction of the purchase price of any Further Advance Receivables;
- (b) *Second*, (A) up to the First Optional Redemption Date, (i) in or towards satisfaction of principal amounts due on the Senior Class A1 Notes, until fully redeemed in accordance with the Conditions and subsequently (ii) in or towards satisfaction of principal amounts due on the Senior Class A2 Notes, until fully redeemed in accordance with the Conditions or (B) as from

(and including) the First Optional Redemption Date, pro rata, according to the respective amounts thereof, in or towards satisfaction of principal amounts due on the Senior Class A1 Notes and the Senior Class A2 Notes, until fully redeemed in accordance with the Conditions;

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

#### **Payments outside Priority of Payments**

Prior to the delivery of an Enforcement Notice by the Security Trustee, any amount due and payable to third parties (other than pursuant to any of the Transaction Documents) under obligations incurred in the Issuer's business at a date which is not a Quarterly Payment Date and any amount due and payable to the Participants (being the Savings Mortgage Participant and the Conversion Participant) under the Sub-Participation Agreement may be made by the Issuer on the relevant due date from the Transaction Account to the extent that the funds available on the Transaction Account are sufficient to make such payment and the Issuer shall pay on the immediately succeeding Reconciliation Date an equal amount from the Construction Deposit Account to the Seller in consideration of the assignment and transfer of the relevant Mortgage Receivable to the extent the money drawn under the relevant Portfolio Mortgage Loan had been placed on a Construction Deposit.

Any collateral transferred by the Swap Counterparty which is in excess of its obligations to the Issuer under the Swap Agreement (the "**Excess Swap Collateral**") will be returned to such Swap Counterparty (outside of any priority of payments) prior to the distribution of any amounts due to the Noteholders or the other Security Beneficiaries.

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

Following delivery of an Enforcement Notice any amounts to be distributed by the Security Trustee under the Trust Deed, will be paid to the Security Beneficiaries (including the Noteholders, but excluding the Savings Mortgage Participant and the Conversion Participant, which shall be entitled outside, and with priority over, this priority of payments upon enforcement to receive an amount equal to the relevant Savings Participation and Conversion Participation in each of the Savings Mortgage Receivables and Savings Investment Mortgage Receivables or if the amount recovered is less than the relevant Savings Participation or Conversion Participation, then an amount equal to the amount actually recovered)) in the following order of priority (and in each case only if and to the extent

payments of a higher priority have been made in full) (the "**Post-Enforcement Priority of Payments**"):

- (a) *First*, in or towards repayment of any Liquidity Facility Stand-by Drawing due and payable but unpaid under the Liquidity Facility Agreement;
- (b) *Second*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of the fees and expenses due and payable to the Company Administrator and the Servicer under the Company Administration Agreement and Servicing Agreement, respectively;
- (c) *Third*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) the fees or other remuneration due and payable to the Directors in connection with the Management Agreements, (ii) the fees or other remuneration and indemnity payments (if any) due and payable to the Security Trustee and any costs, charges, liabilities and expenses incurred by the Security Trustee under and in connection with the relevant Transaction Documents, (iii) amounts due and payable to the Rating Agencies, (iv) the fees and expenses due and payable to the Paying Agents and the Reference Agent under the provisions of the Paying Agency Agreement and (v) the costs and expenses due and payable to the Floating Rate GIC Provider under the provisions of the Floating Rate GIC;
- (d) *Fourth*, in or towards satisfaction of any amounts due and payable to the Liquidity Facility Provider under the Liquidity Facility (other than the amount as referred to under (a) above), but excluding any gross up amounts or additional amounts due under the Liquidity Facility and payable under (s) below;
- (e) *Fifth*, in or towards satisfaction of any amounts due and payable to the Swap Counterparty under the Swap Agreement, including any swap termination payment but excluding any Subordinated Swap Amount and excluding, for the avoidance of doubt, the payment to the Swap Counterparty of any Excess Swap Collateral;
- (f) *Sixth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of all amounts of interest due or accrued but unpaid in respect of the Senior Class A1 Notes and the Senior Class A2 Notes;
- (g) *Seventh*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of all amounts of principal and other amounts due but unpaid in respect of the Senior Class A1 Notes and the Senior Class A2 Notes;
- (h) *Eighth*, in or towards satisfaction of all amounts of interest due or accrued but unpaid in respect of the Mezzanine Class B Notes;
- (i) *Ninth*, in or towards satisfaction of all amounts of principal and other amounts due but unpaid in



respect of the Mezzanine Class B Notes;

- (j) *Tenth*, in or towards satisfaction of all amounts of interest due or accrued but unpaid in respect of the Mezzanine Class C Notes;
- (k) *Eleventh*, in or towards satisfaction of all amounts of principal and other amounts due but unpaid in respect of the Mezzanine Class C Notes;
- (l) *Twelfth*, in or towards satisfaction of all amounts of interest due or accrued but unpaid in respect of the Junior Class D Notes;
- (m) *Thirteenth*, in or towards satisfaction of all amounts of principal and other amounts due but unpaid in respect of the Junior Class D Notes;
- (n) *Fourteenth*, in or towards satisfaction of all amounts of interest due or accrued but unpaid in respect of the Junior Class E Notes;
- (o) *Fifteenth*, in or towards satisfaction of all amounts of principal and other amounts due but unpaid in respect of the Junior Class E Notes;
- (p) *Sixteenth*, in or towards satisfaction of all amounts of interest due or accrued but unpaid in respect of the Subordinated Class F Notes;
- (q) *Seventeenth*, in or towards satisfaction of all amounts of principal and other amounts due but unpaid in respect of the Subordinated Class F Notes;
- (r) *Eighteenth*, in or towards satisfaction of the Subordinated Swap Amount due to the Swap Counterparty under the terms of the Swap Agreement;
- (s) *Nineteenth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of any gross-up amounts or additional amounts, if any, due under the Liquidity Facility Agreement; and
- (t) *Twentieth*, in or towards satisfaction of the Deferred Purchase Price to the Seller pursuant to the Mortgage Receivables Purchase Agreement.

### **Liquidity Facility**

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

Payments to the Liquidity Facility Provider will rank higher in priority than payments under the Notes. The commitment of the Liquidity Facility Provider is extendable at its discretion.

Any drawing under the Liquidity Facility by the Issuer shall only be made on a Quarterly Payment Date if and to the extent that, after the application of any Available Revenue Funds and the amounts available in the Reserve Account and before any drawing under the Liquidity Facility (each a "**Liquidity Facility Drawing**"), there is a shortfall in the Available Revenue Funds to meet items (a) up to and including (n) of the Pre-Enforcement Revenue Priority of Payments in full on that Quarterly Payment Date, provided that no drawings may be made to meet items (g), (i), (k) and (m) of the Pre-Enforcement Revenue Priority of Payments, and provided further that no drawings may be made on any Quarterly Payment Date for shortfalls in interest:

- (i) on the Mezzanine Class B Notes if there was a Class B Principal Deficiency outstanding on the first day of the Quarterly Interest Period ending on such Quarterly Payment Date;
- (ii) on the Mezzanine Class C Notes if there was a Class C Principal Deficiency outstanding on the first day of the Quarterly Interest Period ending on such Quarterly Payment Date;
- (iii) on the Junior Class D Notes if there was a Class D Principal Deficiency outstanding on the first day of the Quarterly Interest Period ending on such Quarterly Payment Date;
- (iv) on the Junior Class E Notes if there was a Class E Principal Deficiency outstanding on the first day of the Quarterly Interest Period ending on such Quarterly Payment Date.

For these purposes "**Liquidity Facility Maximum Amount**" means, on each Notes Calculation Date, an amount equal to the greater of (i) 1.50 per cent. of the Principal Amount Outstanding of the Notes on such date and (ii) 1.00 per cent. of the Principal Amount Outstanding of the Notes as at the Closing Date.

If at any time the short-term or long-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider are (i) assigned a credit rating of less than the Requisite Ratings, and/or such rating is withdrawn and (ii) within thirty (30) days of such downgrading or withdrawal the Liquidity Facility Provider is not replaced by the Issuer with a suitable alternative liquidity facility provider or a third party having the required ratings has not guaranteed the obligations of the Liquidity Facility Provider, or another solution which is suitable in order to maintain the then current ratings assigned to the Notes is not found, the Issuer will be required forthwith to draw down the entire undrawn portion of the Liquidity Facility (a "**Liquidity Facility Stand-by Drawing**") and deposit such amount into the Transaction Account with a corresponding credit to a ledger to be known as the "**Liquidity Facility Stand-by Ledger**". A Liquidity Facility Stand-by Drawing shall also be made if the Liquidity Facility is not renewed prior to its commitment termination date, unless the Liquidity Facility Provider has been replaced with a suitable alternative liquidity facility provider in accordance with the Liquidity Facility Agreement. Amounts so deposited into the Transaction Account may be

utilised by the Issuer in the same manner as if it would make a Liquidity Facility Drawing. The Issuer shall repay a Liquidity Facility Stand-by Drawing in accordance with the relevant priority of payments, as applicable, upon the earlier of the date on which the transfer of the Liquidity Facility to an alternative liquidity facility provider having the required ratings becomes effective, the Liquidity Facility Provider has again been assigned the required ratings, any Optional Redemption Date if and to the extent that on such date the Notes will, subject to the Conditions, be redeemed or the Final Maturity Date subject to and in accordance with the Pre-Enforcement Revenue Priority of Payments. The period as from the date the Liquidity Facility Stand-by Drawing is made until the date it is repaid is to be referred to as the "**Liquidity Facility Stand-by Drawing Period**".

#### **Allocation of Realised Losses and Principal Deficiency Ledger**

A principal deficiency ledger (the "**Principal Deficiency Ledger**"), comprising five sub-ledgers known as the "**Class A Principal Deficiency Ledger**", "**Class B Principal Deficiency Ledger**", "**Class C Principal Deficiency Ledger**", "**Class D Principal Deficiency Ledger**" and "**Class E Principal Deficiency Ledger**", will be established by or on behalf of the Issuer in order to record any Realised Losses (each respectively the "**Class A Principal Deficiency**", the "**Class B Principal Deficiency**", the "**Class C Principal Deficiency**", the "**Class D Principal Deficiency**" and the "**Class E Principal Deficiency**" and together the "**Principal Deficiency**"). Any Realised Losses will, on the relevant Notes Calculation Date be debited to the Class E Principal Deficiency Ledger (such debit items being credited at item (o) of the Pre-Enforcement Revenue Priority of Payments) as long as and to the extent that the debit balance on such sub-ledger is not greater than the Principal Amount Outstanding of the Junior Class E Notes, and thereafter the Class D Principal Deficiency Ledger (such debit items being credited at item (m) of the Pre-Enforcement Revenue Priority of Payments) as long as and to the extent that the debit balance on such sub-ledger is not greater than the Principal Amount Outstanding of the Junior Class D Notes, and thereafter to the Class C Principal Deficiency Ledger (such debit items being credited at item (k) of the Pre-Enforcement Revenue Priority of Payments) as long as and to the extent that the debit balance on such sub-ledger is not greater than the Principal Amount Outstanding of the Mezzanine Class C Notes, and thereafter such amounts shall be debited to the Class B Principal Deficiency Ledger (such debit item being credited at item (i) of the Pre-Enforcement Revenue Priority of Payments) as long as and to the extent that the debit balance on such sub-ledger is not greater than the Principal Amount Outstanding of the Mezzanine Class B Notes, and thereafter such amounts shall be debited to the Class A Principal Deficiency Ledger (such debit item being credited at item (g) of the Pre-Enforcement Revenue Priority of Payments) pro rata the principal amounts outstanding of, respectively, the Senior Class A1 Notes and the Senior Class A2 Notes.

"**Realised Losses**" means, on any Notes Calculation Date, the sum of (a) the aggregate outstanding principal amount of all Mortgage Receivables (less the aggregate amount of any Savings Participations and Conversion Participations therein) in respect of which the Seller, the Servicer on behalf of the Seller, the Issuer, or the Security Trustee has foreclosed and has received the proceeds in the Notes Calculation Period immediately preceding such Notes Calculation Date *minus* the Net Proceeds in respect of such Mortgage Receivables applied to reduce the outstanding principal amount

of such Mortgage Receivables, (b) with respect to Mortgage Receivables sold by the Issuer pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed in the Notes Calculation Period immediately preceding such Notes Calculation Date, the amount of the aggregate outstanding principal amount of all such Mortgage Receivables (less the aggregate amount of any Savings Participations and Conversion Participations therein) *minus* the purchase price received, or to be received on the immediately succeeding Quarterly Payment Date, in respect of such Mortgage Receivables to the extent relating to principal and (c) with respect to Mortgage Receivables which have been extinguished (*teniet gegaan*), in part or in full, in the Notes Calculation Period immediately preceding such Notes Calculation Date as a result of a set-off right having been invoked by the relevant Borrower or the Seller, as the case may be, the positive difference, if any, between the amount by which the Mortgage Receivables have been extinguished (*teniet gegaan*) and the amount paid by the Seller pursuant to the Mortgage Receivables Purchase Agreement in connection with such set-off and (d) amounts in respect of the Portfolio Mortgage Loans relating to principal which are received by the Seller on its Collection Account during the immediately preceding Notes Calculation Period, but which are not transferred to the Transaction Account of the Issuer (either as part of the payment which the Seller is required to make on the relevant Portfolio Payment Date or otherwise) on or prior to the third Reconciliation Date following receipt thereof.

**"Net Proceeds"** means, in relation to a Mortgage Receivable, (i) the proceeds of a foreclosure of the mortgage right securing the Mortgage Receivable, (ii) the proceeds of foreclosure on any other collateral securing the Mortgage Receivable, (iii) the proceeds, if any, of collection of any Insurance Policies or other insurance policies in connection with the Mortgage Receivable, including but not limited to fire insurance, (iv) the proceeds of any guarantees or sureties, and (v) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs in respect of such Mortgage Receivable. The term "foreclosure" shall include any lawful manner of generating proceeds from collateral, whether by public auction, by private sale or otherwise.

### **Interest Rate Hedging**

The Mortgage Loan Criteria (as defined under Mortgage Receivables Purchase Agreement below) require that all Portfolio Mortgage Loans bear a floating rate of interest or fixed rate of interest, subject to a reset from time to time. The interest rate payable by the Issuer with respect to the Notes is equal to three-months Euribor plus, in respect of the Senior Class A Notes only, a margin per annum, which margin will increase after the First Optional Redemption Date. The Issuer will hedge this interest rate exposure by entering into the Swap Agreement with the Swap Counterparty and the Security Trustee. Under the Swap Agreement, the Issuer will agree to pay amounts equal to the interest scheduled to be received on the Mortgage Receivables (*minus* (a) with respect to each Savings Investment Mortgage Receivable and each Savings Mortgage Receivable, an amount equal to the interest amount scheduled to be received multiplied by the relevant Participation Fraction, (b) an amount equal to the interest scheduled to be received on the part of the Mortgage Receivables corresponding to any Construction Deposits relating thereto and (c) with respect to any Mortgage Receivables in respect of which the enforcement procedures have been fully and finally terminated, an amount equal to the accrued interest thereon) plus items (ii) and (iii) of the Available Revenue Funds, and less certain

expenses as described under (a), (b) and (c) of the Pre-Enforcement Revenue Priority of Payments, and less (ii) an excess spread margin (the "**Excess Spread Margin**") of 0.50 per cent. per annum applied to the Principal Amount Outstanding of each Class of Notes (other than the Subordinated Class F Notes) on the first day of the relevant Quarterly Interest Period. The Swap Counterparty will in return, agree to pay amounts equal to the scheduled interest due under each Class of Notes (other than the Subordinated Class F Notes), calculated by reference to the floating rate of interest applied to the Principal Amount Outstanding of the relevant Class of Notes on the first day of the relevant Quarterly Interest Period. The Principal Amount Outstanding of each Class of Notes (other than the Subordinated Class F Notes), as used for making the required calculations under the Swap Agreement, however, will be reduced to the extent there will be a debit balance on any of the sub-ledgers of the Principal Deficiency Ledger on the first day of the relevant Quarterly Interest Period.

Payments under the Swap Agreement will be netted.

The Swap Agreement will be documented under an ISDA Master Agreement. The Swap Agreement will be terminable by one party if (i) an applicable Event of Default or Termination Event (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 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.

Upon the early termination of the Swap Agreement, 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 additional amounts as would 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 office, 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.

If:

- (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty (or its successor) cease to be rated at least as high as (x) Prime-1 by Moody's (if the long-term, unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty (or its successor) are also rated at least as high as A2 by Moody's) or (y) A1 by Moody's (if the short-term, unsecured and unsubordinated debt obligations of the Swap Counterparty (or its successor) are not rated), or
- (ii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty (or its successor) cease to be rated at least as high as A by S&P (if the short-term, unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty (or its successor) 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 of the Swap Counterparty (or its successor) are not rated, or are rated below A-1 by S&P) (the ratings referred to under items (i) and (ii) together, the "**Swap Required Ratings**"), or
- (iii) any such rating is withdrawn by Moody's or S&P,

the Swap Counterparty will be required to take certain remedial measures which may include the provision of collateral for the obligations of the Swap Counterparty under the Swap Agreement, arranging for the obligations of the Swap Counterparty under the Swap Agreement to be transferred to an entity with the Swap Required Ratings, procuring another entity with at least the Swap Required Ratings to become co-obligor or guarantor in respect of the obligations of the Swap Counterparty under the Swap Agreement, or the taking of such other suitable action as it may then propose to the Rating Agencies. A failure to take such steps, subject to certain conditions, will give the Issuer the right to terminate the Swap Agreement.

The Issuer, the Swap Counterparty and the Security Trustee have entered into a Credit Support Annex to the Swap Agreement on the basis of the standard ISDA documentation (the "**Credit Support Annex**"), which provides for requirements relating to the providing of collateral by the Swap Counterparty if the Swap Counterparty (or its successor) ceases to have at least the Swap Required Ratings.

The Issuer will maintain a separate account or accounts, as the case may be, with an entity having at least the Requisite Ratings into which any collateral required to be transferred by the Swap Counterparty in accordance with the provisions set out above will be deposited. Any Excess Swap Collateral will be returned to such Swap Counterparty (outside of any priority of payments) prior to the distribution of any amounts due to the Noteholders or the other Security Beneficiaries.

### **Sale of Mortgage Receivables**

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, however, that the Issuer shall, before selling the Mortgage Receivables to a third party, first make an offer to the Seller to purchase such Mortgage Receivables, provided that the Issuer shall apply the proceeds of such sale to redeem the Notes (other than the Subordinated Class F Notes) (see Condition 6(e)). Furthermore, under the terms of the Mortgage Receivables Purchase Agreement, the Issuer shall be obliged to sell and assign the Mortgage Receivables to the Seller, if the Seller exercises its Seller Clean-Up Call Option.

The purchase price of a Mortgage Receivable shall be at least equal to the outstanding principal amount of such Mortgage Receivable on the relevant date of sale, together with accrued interest due but unpaid and any other amount due under the relevant Portfolio Mortgage Loan, except that, with respect to Mortgage Receivables which on the relevant date of sale are in arrears for a period exceeding ninety (90) 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 equal to (a) the outstanding principal amount on the relevant date of sale, together with accrued interest due but unpaid and any other amount due under the relevant Portfolio Mortgage Loan on the relevant date of sale, or (b) if less, an amount equal to (i) the foreclosure value of the Mortgaged Asset or, (ii) if no valuation report less than twelve (12) months old is available, the Indexed Foreclosure Value, and provided that in each case the aggregate purchase price (to be) received by the Issuer in respect of the Mortgage Receivables shall be sufficient to redeem, subject to Condition 9(b), the Notes (other than the Subordinated Class F Notes) at their Principal Amount Outstanding after payment of the amounts to be paid in priority of the Notes.

For these purposes "**Indexed Foreclosure Value**" means the foreclosure value of the relevant Mortgaged Asset as determined upon origination of the relevant Portfolio Mortgage Loan multiplied by the transaction price (*transactieprijs*) for such Mortgaged Asset as published by the Dutch Association of Real Estate Brokers and Immovable Property Experts (*Nederlandse Vereniging voor Makelaars en vastgoeddeskundigen (NVM)*) as at the date on which the purchase price is determined divided by the transaction price for such Mortgaged Asset which was applicable at the date of determination of the above mentioned foreclosure value.

## OVERVIEW OF THE DUTCH RESIDENTIAL MORTGAGE MARKET<sup>1</sup>

The Netherlands has one of the most liberal mortgage markets in the EU. This has resulted in a wide range of mortgage products and a high degree of competition between mortgage providers. Dutch consumers have a wide range of choice in a mortgage market that has certain characteristics that it does not share with other mortgage markets in Europe. Historic practices, culture and most importantly tax legislation, especially legislation pertaining to the deductibility of mortgage loan interest, have shaped the Dutch residential mortgage market.

Unlike the UK mortgage market in which mortgage loans (while evolving) remain predominantly floating rate, Dutch mortgage loans are predominantly of a fixed rate nature and typically are set for a period of between five (5) and ten (10) years. The historically low mortgage loan interest rate in 2005 has proved an additional incentive to opt for mortgage loans with a long-term fixed interest rate (up to as much as 30 years). Dutch mortgage consumers are therefore relatively well insulated against interest rate shocks.

Over recent years, the aggregate amount of outstanding mortgage loans has continued to increase, even though housing prices declined by a few percent. The market is still supported by a gradual increase in the levels of owner-occupation and low mortgage loan interest rates. Chart 1 below shows that the level of outstanding residential mortgage debt in the Netherlands reached EUR 622 billion in the third quarter of 2010 (excluding mortgage loans on commercial property).

Increased competition and the deregulation of the Dutch financial market have resulted in the development of tailor-made mortgage loans consisting of various parts and features. The mortgage products offered by lenders reflect the (until 2001) full tax deductibility of mortgage loan interest and have encouraged borrowers to defer repayment of principal for as long as possible. This is evidenced by relatively high loan to value ratios and the extensive use of non-amortising mortgage products, which give full tax benefits for the whole maturity of the mortgage loan without the need to redeem the mortgage loan. Borrowers often have considerable investments and savings available but choose not to use such funds to acquire a house or to repay their mortgage loan but instead opt to minimise their tax liabilities.

As of January 2001, mortgage tax deductibility has been limited by new tax legislation in three areas. Firstly, deductibility applies only to mortgage loans on the borrower's primary residence and not to second homes such as holiday homes. Secondly, interest deductibility on a mortgage loan for a principal residence is only allowed for periods of up to thirty (30) years. Lastly, the highest income tax rate has been reduced from 60% to 52%. However, these changes did not have a significant impact on the rate of mortgage loan origination, mainly because of the then ongoing decrease of mortgage loan interest rates.

On top of the limitations that came into force in 2001, tax deductibility of mortgage loan interest payments has been further restricted as of 1 January 2004. Under this new regulation

---

<sup>1</sup> Data source: Kadaster



(*Bijleenregeling*), tax deductibility is now only granted up to the purchase price of the new house less the realised net profit on the old house. Unlike the limitations of 2001, the recent restrictions set out in that regulation will probably have a bigger impact. As from 1 January 2004 moving homeowners are encouraged to reinvest increased amounts of any of the net profits they make from the sale of their previous house into their new house.

Because of that regulation, first time buyers now have an incentive never to pay off any part of their mortgage loan as this limits the amount they have to reinvest in their subsequent homes. This unintentional side effect of the new tax regulations can stimulate future mortgage loan production. On the other hand, the limitation of interest rate deductibility will probably have a downward impact on total mortgage debt in the medium to long term. Realised profits will have to be reinvested in the housing market, which will result in a larger share of home equity and a reduction in the total tax advantage. The new cabinet that was installed in 2010, has decided to leave mortgage tax deductibility unchanged, creating more certainty about the government policy on the housing market and households' future financial burden. Recently the financial markets supervisor (AFM) launched a plan to limit the mortgage loan amount to 112% of the purchase sum in order to limit the risks on mortgage overhang debt. New element of this new regulation is the compulsory redemption of the part of the mortgage loan that exceeds 100% of the purchase value within a period of seven years after origination. In February 2011 the Dutch banks and insurers made a counterproposal to the Minister of Finance which in their view would be more suitable than the AFM proposal. The banks and insurers proposed that mortgage borrowers redeem their mortgage loans at least to 50% of the purchase value in 30 years. An agreement on a proposal was reached in March 2011 between the AFM, the Dutch Bankers Association, Association of Insurers and the Minister of Finance whereby the above mentioned limit is 110% (instead of 112%) and the interest-only part of a mortgage loan may not exceed 50% of the value of the relevant mortgage asset. This proposal will be submitted for discussion to the Dutch Parliament and is expected to be implemented in August 2011. Such changes in regulations will, and further changes might, result in a tightening of the credit rules for customers buying a house.

The number of involuntary sales of residential property by public auction is traditionally very small in the Netherlands. Especially in the second half of the 1990s, when the demand for residential property was exceptionally strong, house sales by auction, even in case of a forced sale, almost never occurred or were required. Moreover, the 1990s were characterised by very good employment conditions and a continuing reduction of mortgage loan interest rates. In the years before the recent cooling-down of the housing market, the total number of foreclosures was therefore limited from two sides.

The relatively prolonged economic downturn of 2001 to 2005 led to a significant rise in the amount of mortgage payment arrears and correspondingly forced house sales (see Chart 5). The number of foreclosures in the Netherlands reported by the Land Registry (*Kadaster*) rose from 695 in 2002 to about 2000 forced sales from 2005 onwards. This increase was mainly the result of a structural change in the Dutch mortgage market during the nineties. Instead of selling single income mortgage loans only, lenders were allowed to issue double income mortgage loans as well. The effect of the credit crisis and the linked upswing in unemployment had only a limited effect on the number of forced

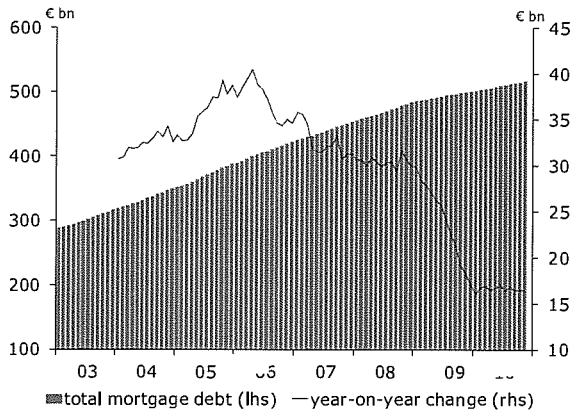
sales, which grew by more than 400 at the peak in the last quarter of 2009. This stands for an increase of around 19% during the largest recession since the thirties. And mortgage payment deficiencies for the Netherlands are still the lowest in Europe. However, there was a slight drop in forced sales last year. During this period the Land Registry (*Kadaster*) recorded 2,086 forced auctions – 170 less than in 2009. Stabilisation of unemployment during the past half year may have played a role.

Even though in a relative sense the increase over the last years is substantial, the absolute number of forced sales is 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 and the current average mortgage loan amount it is estimated that the total number of residential mortgage loans outstanding in the Netherlands exceeds 3 million. A total of around 2,000 foreclosures per year since 2005 therefore corresponds with approximately 0.07% of the total number of residential mortgage loans outstanding.

In the unforeseen case that the number of foreclosures was to increase dramatically, this could have a negative effect on house prices. Decreasing house prices could in turn increase loss levels should a borrower default on its mortgage obligations.

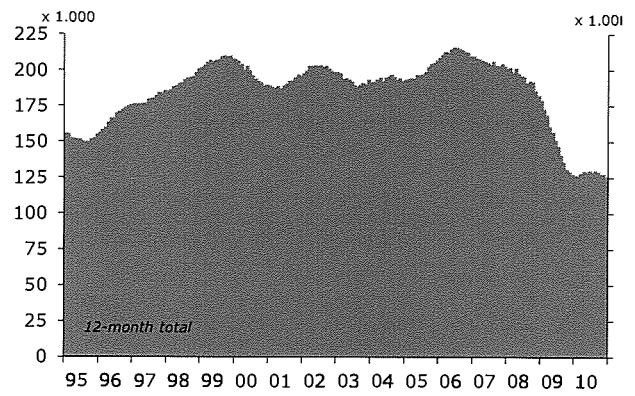
However the number of foreclosures (Chart 5) as a percentage of total house sales (Chart 2) only amounts to 1.8% (fourth quarter of 2010). Furthermore the Dutch housing market is characterised by a large discrepancy between demand and supply, which mitigated the negative effect of the economic recession on house prices. A lack of confidence among house buyers has, however, sapped momentum from the market. As a result the Dutch housing prices have declined a few percent. From peak-to-trough the price decline amounted circa 7%. Year-on-year, prices fell 2% in 2010, mainly due to the price falls in the latter part of 2009 and in early 2010. However, that the number of transactions appears to have bottomed out is clearly encouraging. Sales figures are currently stabilising around 130,000 year-on-year. It should be noted, however, that this floor is at a very low level. On a twelve-month basis, the number of transactions is one third lower than before the crisis. The number of residential property transfers is expected to edge up in 2011, as demand rises slightly due to a pick-up in market sentiment, better affordability and lower unemployment.

Chart 1: Total mortgage debt



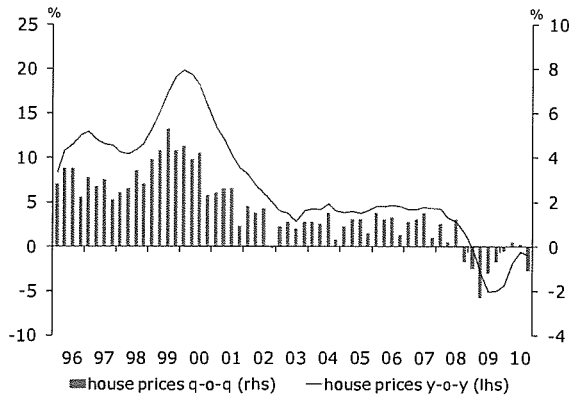
Source: DNB, Rabobank

Chart 2: Number of residential real estate transactions



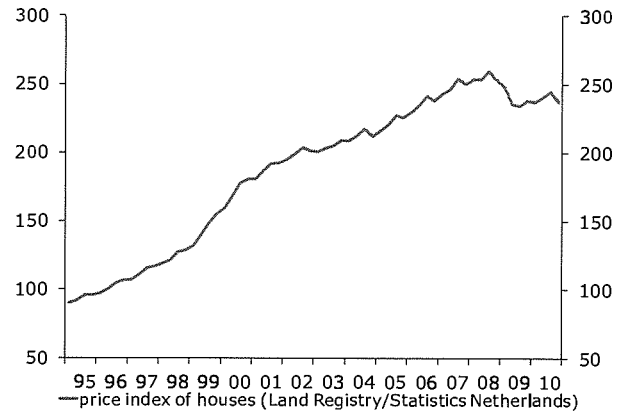
Source: Land Registry, Rabobank

Chart 3: Change in price index



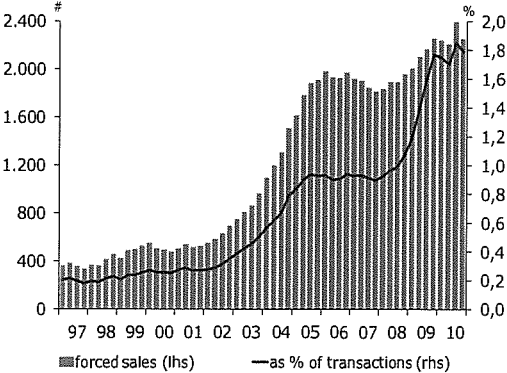
Source: Statistics Netherlands/Land Registry, Rabobank

Chart 4: Development Dutch house prices



Source: Statistics Netherlands/Land Registry, Rabobank

Chart 5: Number of foreclosures



Source: Land Registry, Rabobank

## **AEGON N.V.<sup>2</sup>**

AEGON N.V. ("**AEGON**"), domiciled in the Netherlands, is a public limited liability company (*naamloze vennootschap*) incorporated and existing under Dutch law (registered in the Dutch trade register under nr. 27076669). AEGON was formed in 1983, the result of a merger between two Dutch insurance companies, AGO and Ennia.

AEGON is the sole and direct shareholder of the under Dutch law incorporated public limited liability company AEGON Nederland N.V., registered in the Dutch trade register under nr. 27111251. AEGON Nederland N.V. is the sole and direct shareholder of the under Dutch law incorporated public limited liability company AEGON Levensverzekering N.V. (registered in the Dutch trade register under nr. 27095315), being the seller of the Mortgage Receivables and the Servicer.

With roots dating back 150 years, AEGON N.V., through its member companies, collectively referred to as "**AEGON**" or the "**AEGON Group**", is one of the world's largest listed life insurance and pension companies as ranked by market capitalization and assets. Its common shares are listed on the Official Segment of the stock market of Euronext Amsterdam, the principal market for our common shares, on which they trade under the symbol "AGN". AEGON's common shares are also listed on the New York Stock Exchange under the symbol "AEG" and on the London stock exchange under the symbol "AGN".

AEGON's established markets are the United States, the Netherlands and the United Kingdom. In addition, AEGON is present in over 20 other markets in the Americas, Europe and Asia, including Canada, Mexico, Hungary, Spain, China, Poland, India and a number of other countries with smaller operations.

AEGON encourages product innovation and fosters an entrepreneurial spirit within its businesses. New products and services are developed by local business units with a continuous focus on cost control. AEGON uses a multi-brand, multi-channel distribution approach to meet its customers' needs. AEGON faces intense competition from a large number of other insurers, as well as non-insurance financial services companies such as banks, broker-dealers and asset managers, for individual customers, employer and other group customers and agents and other distributors of insurance and investment products.

The AEGON Group's core business is life insurances, pensions, and asset management. The AEGON Group is also active in accident, supplemental health, general insurance and limited banking activities.

---

<sup>2</sup> This section contains certain information about our results and financial condition in USD for the Americas and GBP for the United Kingdom, because those businesses operate and are managed primarily in those currencies. Certain comparative information presented on a constant currency basis eliminates the effects of changes in currency exchange rates. None of this information is a substitute for or superior to financial information about us presented in EUR, which is the currency of our primary financial statements.

AEGON's headquarters are located at AEGONplein 50, P.O. Box 85, 2501 CB The Hague, the Netherlands (telephone +31 70 344 3210; internet: [www.aegon.com](http://www.aegon.com)).

AEGON files annual reports with and furnishes other information to the U.S. Securities and Exchange Commission (the "SEC"). You may read and copy any document that AEGON has filed with or furnished to the SEC at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. AEGON's SEC filings are also available to the public through the SEC's web site at [www.sec.gov](http://www.sec.gov). Please call the SEC at 1-800-SEC-0330 for further information on the public reference room in Washington, D.C. and in other locations.

### Strategy

AEGON believes that its main businesses – life insurance, pensions and asset management – have significant potential for growth in the years ahead. AEGON also believes that the insurance industry as a whole has a vital economic and social role to play by protecting living standards and ensuring the long-term viability of pension systems around the world.

Over the past several years, AEGON has expanded its international presence to capitalise on opportunities for growth in new markets. Currently, the company has operations in six countries in Central & Eastern Europe – Hungary, the Czech Republic, Slovakia, Poland, Romania and Turkey. In addition, AEGON has businesses in both France and Spain, as well as China, India and Japan in Asia, and Mexico and Brazil in Latin America. In China, AEGON has operations in provinces across the country, giving it access to a potential market of some 450 million people.

Key figures AEGON N.V. (in EUR million)<sup>3</sup>

	2010	2009
<i>Underlying earnings before tax</i>		
Americas	1,598	817
The Netherlands	385	398
United Kingdom	72	52
New Markets	200	170
Holding and other	(283)	(252)
<b>Underlying earnings before tax</b>	<b>1,972</b>	<b>1,185</b>

<sup>3</sup> This table includes certain non-GAAP financial measures. Underlying earnings before tax, net underlying earnings, income before tax and value of new business (VNB) are calculated by consolidating on a proportionate basis the revenues and expenses of certain of our associated companies in Spain, India, Brazil and Mexico. The reconciliation of underlying earnings before tax to the most comparable IFRS measure is provided in Note 5 "Segment information" of the consolidated financial statements of AEGON N.V. VNB is not based on IFRS, which are used to report AEGON's primary financial statements, and should not be viewed as a substitute for IFRS financial measures. AEGON may define and calculate VNB differently than other companies. Please refer to AEGON's Embedded Value report dated May 12, 2010 for an explanation of how we define and calculate VNB. AEGON believes that these non-GAAP measures, together with the IFRS information, provide meaningful supplemental information that AEGON's management uses to run its business as well as useful information for the investment community to evaluate AEGON's business relative to the businesses of its peers.

Fair value items	221	(544)
Realized gains/(losses) on investments	658	518
Impairment charges	(452)	(1,277)
Other income/(charges)	(309)	(323)
Run-off businesses	(165)	(13)
<b>Income before tax</b>	<b>1,925</b>	<b>(454)</b>
Income tax	(165)	658
<b>Net Income</b>	<b>1,760</b>	<b>204</b>
<b>Net underlying earnings<sup>4</sup></b>	<b>1,553</b>	<b>1,005</b>
<i>Production<sup>5</sup></i>		
New life sales	2,213	2,100
Gross deposits	32,580	28,546
Value of new business (VNB)	555	767
Total revenue generating investments	413,191	362,832

Other and more extensive financial information and figures can be retrieved from AEGON's most recent annual report and interim press releases, which can be found on AEGON's website: [www.aegon.com](http://www.aegon.com).

### Ratings

Information on the (financial strength) ratings can be retrieved from the website of AEGON [www.aegon.com](http://www.aegon.com).

### Corporate governance

AEGON is a public company under Dutch law. It is governed by three corporate bodies: the General Meeting of Shareholders, the Executive Board and the Supervisory Board. The Executive Board consists of Messrs. Alexander R. Wynaendts (born in 1960) as Chief Executive Officer and Mr. Jan J. Nooitgedagt (born in 1953) as Chief Financial Officer and acts in close cooperation with the Management Board which, in addition to the members of the Executive Board, consists of the regional managers. For certain decisions – detailed in AEGON's Articles of Association, which can be retrieved from AEGON's website ([www.aegon.com](http://www.aegon.com)) – the Executive Board must seek prior approval from the Supervisory Board. In addition, the Supervisory Board may also choose to subject other Executive Board decisions to its prior approval.

---

<sup>4</sup> Net underlying earnings are unaudited

<sup>5</sup> Production numbers are unaudited

As a listed company based in the Netherlands, AEGON is subject to the Dutch Corporate Governance Code.

Generally, AEGON applies the best practice provisions set out in the Dutch Corporate Governance Code. For an extensive review of AEGON's corporate governance and its compliance with the Code, please refer to the Corporate Governance Statement on AEGON's corporate website ([www.aegon.com](http://www.aegon.com)) or to the relevant section of our most recent annual report.



## DESCRIPTION OF PORTFOLIO MORTGAGE LOANS

### Products

AEGON The Netherlands markets eight basic types of mortgages:

- Annuity mortgage
- Linear mortgage
- Interest-only mortgage
- Savings mortgage ("*spaarhypotheek*")
- Traditional Life insurance mortgage ("*traditionele levenhypotheek*")
- UVL Life Insurance mortgage ("*levenhypotheek op basis van UVL*")
- Universal life mortgage (or "*levensloophypotheek*")
- Investment mortgage (or "*beleggingshypotheek*")

The first three categories are rather "plain-vanilla" mortgages which have been marketed for many years. Savings and life insurance mortgages have been in existence for more than ten (10) years. Universal life mortgages were introduced by AEGON The Netherlands in 1997 and Investment Mortgages in 2002.

### Annuity mortgages

The borrower pays a fixed amount every month representing both interest and principal: an annuity. The cash amount paid monthly remains the same as long as the interest rate is not reset. At a rate reset date, the monthly payments will change to reflect the new finance cost of the mortgage. Annuity mortgages run for a fixed term, usually 30 years. By the time the term of the mortgage is reached, principal will have been fully repaid. Hence, the loan to foreclosure value ("**LTFV**") of the mortgage decreases as maturity approaches.

### Linear mortgages

With a linear mortgage, the borrower pays a fixed ratio of the principal during the life of the mortgage. The mortgage costs, consequently, are higher in the beginning but decrease as the remaining term decreases. Linear mortgages do not have a large share of the mortgage market (typically less than 1 per cent.). This type of mortgages also typically has a decreasing LTFV over the life of the mortgage.

### Interest-Only mortgages

Repayment-free mortgage or interest-only mortgages have a low monthly payment since the borrower only pays interest expense. Redemptions are postponed until the maturity of the mortgage in a bullet format. The mortgage is usually redeemed either by selling the property or by taking a new mortgage. The underwriting criteria for this type of loan are stricter than for the other mortgage types.

As no redemption is required under the current tax regime, the maximum amount of interest is deductible from income to lower the tax bill during the entire life of the mortgage (for a maximum

period of thirty (30) years). As the interest-only mortgage has no redemption payments, the LTFV is not decreasing during the life of the mortgage, contrary to other types.

### **Savings mortgages**

Under savings mortgages no principal is repaid during the term of the contract. Instead, the borrower makes payments on a monthly basis to the lender and the insurance company which comprise of interest on the mortgage loan, an insurance premium and a savings element. Upon maturity, the loan is repaid with the money saved in the savings account. Thus savings mortgages combine the advantages of traditional life insurance mortgages and the safety of annuity mortgages. As the interest paid on the mortgage is tax deductible and the capital built up in the savings account is, under certain conditions, tax free, this product takes optimal advantage of the current tax system. The net LTFV typically decreases during the life of the loan, whereas the other LTV figures presented in the stratification tables do not take the building up of the savings account into consideration.

### **Traditional life insurance mortgages**

Like savings mortgages, life insurance mortgages do not repay principal before the end of the term of the mortgage. Instead, they build up capital under a life insurance policy, which will be used upon maturity to repay the loan. The amount of interest paid is maximized to take advantage of the tax deductibility of interest payments. As the Life insurance mortgages have no principal payments, the LTFV is not decreasing during the life of the mortgage.

### **UVL Life Insurance mortgages**

Like the traditional life insurance mortgages, the UVL life insurance mortgages do not repay principal before the end of the term of the mortgage. UVL life insurance mortgages build up capital under a life insurance policy, which will be used upon maturity to repay the loan. Unlike the traditional life insurance mortgage and more like the Universal Life Mortgages the insurance premium can be invested in a variety of funds offered by AEGON.

### **Universal life mortgages**

In the case of universal life mortgages the borrower makes monthly payments to the lender which comprise of interest on the loan, an insurance premium and an investment element. This last element can be invested in a variety of investment funds offered by AEGON. The majority of the investment goes to either AEGON Mix fund (25 per cent. equity, 55 per cent. bonds, 20 per cent. commodities / real estate / cash) with a guaranteed return if used for a minimum of 10 years or a fund that provides exactly the same return as the client is paying on the mortgage loan itself. This last investment provides a synthetic savings mortgage and is only possible with the Universal Life Mortgage. Upon maturity, the loan is repaid with the money invested in the funds, which may or may not be sufficient to meet repayment of the loan in full, depending on the performance of the fund. The borrower must make whole any shortfall. The net LTFV typically decreases during the life of the loan, whereas the other LTV figures presented in the stratification tables do not take the building up of the savings account into consideration.

### **Investment Mortgages**

In case of an Investment Mortgage, the borrower makes payments on a monthly basis to the lender, which comprises interest on the loan and an investment element. The latter element can be invested in a variety of investments funds (referred to by AEGON as banking funds) offered by AEGON Bank N.V. Once again, upon maturity the loan will be repaid with the money invested in the funds, which may or may not be sufficient to meet repayment of the loan in full, depending on the performance of the fund. The borrower must make whole any shortfall. During the lifetime of the mortgage, the client can switch his so far built-up capital between the funds offered based on his risk/return preferences. A customer can invest extra funds in the investment account that acts as either an extra source of income to increase the loan to income ratio or as extra collateral to reduce the risk profile of the customer. Lowering the risk profile leads to a lower interest rate for the customer.

### **The Provisional Portfolio Mortgage Loans**

The key characteristics of the Portfolio Loans as of 31 January 2011 (the "**Provisional Portfolio Mortgage Loans**") forming part of the pool selected as at such date (the "**Provisional Portfolio**") are set out below. Each mortgage loan can consist of one or more mortgage loan parts, e.g. an interest only part and a savings mortgage part or parts with different interest reset dates and/or different final maturities. The Provisional Portfolio Mortgage Loans have been selected in accordance with the criteria set forth in the Mortgage Receivables Purchase Agreement. For a description of the representations and warranties given by the Seller reference is made to Mortgage Receivables Purchase Agreement below.

The Provisional Portfolio Mortgage Loans (or in case of Provisional Portfolio Mortgage Loans consisting of more than one loan part, the aggregate of such loan parts) are secured by a first-ranking, or as the case may be a first and sequentially lower ranking Mortgage, evidenced by notarial mortgage deeds (*notariële akten van hypotheekstelling*) entered into by the Seller and the Borrowers. The Mortgage secures the relevant Provisional Portfolio Mortgage Loan and are vested over property situated in the Netherlands. The Provisional Portfolio Mortgage Loans and the Mortgages securing the liabilities arising therefrom are governed by Dutch law. The Mortgages securing the Provisional Portfolio Mortgage Loans are all in the form of Bank Mortgages. See *Mortgage Rights and Borrower Pledges* in *Risk Factors* above.

The Portfolio Mortgage Loans will be selected from the Provisional Portfolio that has have been selected according to the Seller's underwriting criteria (see under *Mortgage Loan Underwriting and Servicing* below). The information set out below in relation to the portfolio may not necessarily correspond to that of the Portfolio Mortgage Loans actually sold on the Closing Date. After the Closing Date, the portfolio of Portfolio Mortgage Loans will change from time to time as a result of repayment, prepayment, further advances, replacements and repurchase of Mortgage Receivables. For a description of the representations and warranties given by the Seller reference is made to *Mortgage Receivables Purchase Agreement* below.

All amounts below are expressed in euro.

## Key characteristics of the Provisional Portfolio

In Table 1 the key characteristics of the Provisional Portfolio as of 31 January 2011 have been provided. These characteristics demonstrate the capacity to, subject to the risk factors referred to under *Risk Factors* above, produce funds to pay interest and principal on the Notes, provided that each such payment shall be subject to the relevant priority of payments as further described under Credit Structure above.

**Table 1 Key characteristics**

Portfolio Characteristics	
Cut-Off Date	31-1-2011
Outstanding Principal Balance (EUR)	1,718,089,637
Savings (EUR)	87,066,558
Outstanding Net Principal Balance (EUR)	1,631,023,079
Average Loan Balance (EUR)	197,484.33
Minimum Loan Balance (EUR)	5,000.00
Maximum Loan Balance (EUR)	750,000.00
Number of Loans	8,259
Number of Loanparts	15,409
WA Seasoning (months)	54.09
WA Maturity (months)	525.36
WA Remaining Fixed Rate Period (months)	131.61
WA Coupon (%)	4.96
Minimum Coupon (%)	2.15
Maximum Coupon (%)	9.90
Construction Amount (EUR)	10,229,520
WA Loan to Foreclosure Value (%)*	88.13%
WA Loan to Foreclosure Value (Indexed) (%)*	84.64%
WA Loan to Market Value (%)*	79.32%
WA Loan to Market Value (Indexed) (%)*	76.18%

\* Based on net loan amount (i.e. net of savings balances)

## Type of mortgage loan

The distribution of the Provisional Portfolio (both by net principal balance and by number of mortgage loan parts) by reference to redemption type is set out in Table 2. As part of the mortgage loan parts have already been redeemed but form part of a selected legal contract, these parts are also included in the selection.

**Table 2 Type of mortgage loan**

Type of Mortgage Loan						
Mortgage Type	Balance (EUR)	Balance (%)	Nr of Loanparts	Nr of Loanparts (%)	WA LTFV (%)	WA Coupon (%)
Universal Life	303,630,527	18.6%	2,776	18.0%	86.21%	5.18%
Savings	274,708,420	16.8%	3,233	21.0%	91.06%	5.51%
Annuity	6,775,214	0.4%	141	0.9%	104.36%	5.32%
Traditional life	72,403,598	4.4%	751	4.9%	94.14%	4.69%
Investment	115,566,704	7.1%	793	5.2%	97.85%	4.27%
Interest Only	857,938,616	52.6%	7,715	50.1%	85.93%	4.81%
<b>Total</b>	<b>1,631,023,079</b>	<b>100.0%</b>	<b>15,409</b>	<b>100.0%</b>		

### Interest reset dates

The distribution of the Provisional Portfolio (both by net principal balance and by number of mortgage loan parts) by reference to interest reset dates is set out in Table 3.

**Table 3 Interest reset dates**

Interest Reset Year						
Year	Balance (EUR)	Balance (%)	Nr of Loanparts	Nr of Loanparts (%)	WA LTFV (%)	WA Coupon (%)
2011 - 2014	394,145,344	24.2%	3,880	25.2%	88.82%	4.24%
2015 - 2019	407,890,155	25.0%	4,576	29.7%	84.14%	5.32%
2020 - 2024	254,400,566	15.6%	2,410	15.6%	94.20%	5.06%
2025 - 2029	271,885,917	16.7%	2,265	14.7%	85.09%	4.98%
2030 - 2034	72,838,035	4.5%	568	3.7%	96.63%	5.28%
2035 - 2039	216,464,847	13.3%	1,609	10.5%	87.83%	5.27%
2040 - 2044	13,398,217	0.8%	101	0.7%	94.85%	5.75%
<b>Total</b>	<b>1,631,023,079</b>	<b>100.0%</b>	<b>15,409</b>	<b>100.0%</b>		

### Geographical distribution

The distribution of the Provisional Portfolio (both by net principal balance and by number of mortgage loans) by reference to geographical distribution is set out in Table 4. The City of Amsterdam is situated in Noord-Holland. The Hague and Rotterdam are situated in Zuid-Holland. In Noord-Brabant big cities as Eindhoven and Den Bosch are situated.

**Table 4 Geographical distribution**

Geographical Distribution						
Province	Balance (EUR)	Balance (%)	Nr of Loans	Nr of Loans (%)	WA LTFV (%)	WA Coupon (%)
Drenthe	46,105,817	2.8%	260	3.2%	90.39%	4.81%
Flevoland	45,883,628	2.8%	252	3.1%	93.71%	5.06%
Friesland	64,803,215	4.0%	399	4.8%	86.87%	4.66%
Gelderland	162,200,869	9.9%	757	9.2%	87.57%	4.96%
Groningen	61,719,802	3.8%	359	4.4%	90.84%	4.87%
Limburg	59,203,706	3.6%	351	4.3%	83.40%	5.13%
Noord-Brabant	268,149,785	16.4%	1,429	17.3%	83.02%	5.01%
Noord-Holland	235,458,543	14.4%	1,118	13.5%	89.05%	4.82%
Overijssel	112,447,151	6.9%	588	7.1%	89.71%	4.86%
Utrecht	138,789,276	8.5%	587	7.1%	88.54%	4.98%
Zeeland	40,529,953	2.5%	247	3.0%	87.91%	4.96%
Zuid-Holland	395,731,332	24.3%	1,912	23.2%	90.31%	5.06%
<b>Total</b>	<b>1,631,023,079</b>	<b>100.0%</b>	<b>8,259</b>	<b>100.0%</b>		

### Interest rates

The distribution of the Provisional Portfolio (both by net principal balance and by number of mortgage loan parts) by reference to interest rates is set out in Table 5.

**Table 5 Interest rates**

Interest Rate						
Rate	Balance (EUR)	Balance (%)	Nr of Loanparts	Nr of Loanparts (%)	WA LTFV (%)	WA Coupon (%)
<= 3.50%	146,218,480	9.0%	1,366	8.9%	84.32%	3.31%
3.50% - 4.00%	55,625,471	3.4%	412	2.7%	98.93%	3.42%
4.00% - 4.50%	213,919,011	13.1%	1,749	11.4%	87.48%	3.90%
4.50% - 5.00%	432,267,744	26.5%	3,907	25.4%	89.38%	4.35%
5.00% - 5.50%	384,008,341	23.5%	3,588	23.3%	89.87%	4.64%
5.50% - 6.00%	280,589,292	17.2%	2,835	18.4%	88.11%	4.84%
6.00% - 6.50%	84,320,514	5.2%	974	6.3%	85.37%	4.92%
6.50% - 7.00%	26,031,561	1.6%	417	2.7%	63.47%	5.11%
7.00% - 7.50%	6,516,009	0.4%	120	0.8%	61.40%	5.17%
7.50% - 8.00%	900,572	0.1%	18	0.1%	52.78%	5.32%
> 8.00%	626,084	0.0%	23	0.2%	53.92%	5.61%
<b>Total</b>	<b>1,631,023,079</b>	<b>100.0%</b>	<b>15,409</b>	<b>100.0%</b>		

## Seasoning

The distribution of the Provisional Portfolio (both by net principal balance and by number of mortgage loan parts) by reference to the number of year of origination is set out in Table 6.

**Table 6 Seasoning**

Seasoning						
Year of origination	Balance (EUR)	Balance (%)	Nr of Loanparts	Nr of Loanparts (%)	WA LTFV (%)	WA Coupon (%)
1997	32,507,083	2.0%	590	3.8%	52.97%	5.63%
1998	63,554,097	3.9%	1,035	6.7%	57.75%	5.35%
1999	81,165,129	5.0%	1,080	7.0%	62.53%	5.21%
2000	43,318,422	2.7%	501	3.3%	66.07%	5.19%
2001	37,685,348	2.3%	440	2.9%	74.80%	5.43%
2002	81,704,120	5.0%	770	5.0%	80.38%	4.83%
2003	63,036,061	3.9%	488	3.2%	83.06%	4.58%
2004	49,983,970	3.1%	368	2.4%	86.31%	4.65%
2005	64,654,430	4.0%	567	3.7%	95.17%	4.43%
2006	113,099,935	6.9%	1,041	6.8%	100.19%	4.57%
2007	273,444,302	16.8%	2,362	15.3%	86.79%	4.85%
2008	163,261,900	10.0%	1,467	9.5%	88.98%	5.36%
2009	236,344,099	14.5%	2,063	13.4%	95.91%	5.29%
2010	327,264,183	20.1%	2,637	17.1%	101.05%	4.69%
<b>Total</b>	<b>1,631,023,079</b>	<b>100.0%</b>	<b>15,409</b>	<b>100.0%</b>		

## Legal maturity

The distribution of the Provisional Portfolio (both by net principal balance and by number of mortgage loan parts) by reference to the legal maturity of the mortgage loan part is set out in Table 7.

**Table 7 Legal maturity**

Legal Maturity						
Year of maturity	Balance (EUR)	Balance (%)	Nr of Loanparts	Nr of Loanparts (%)	WA LTFV (%)	WA Coupon (%)
2011 - 2014	6,711,290	0.4%	171	1.1%	60.26%	5.29%
2015 - 2019	33,604,863	2.1%	611	4.0%	56.68%	5.53%
2020 - 2024	65,338,503	4.0%	909	5.9%	63.86%	5.45%
2025 - 2029	137,332,636	8.4%	1,555	10.1%	71.91%	5.33%
2030 - 2034	254,551,999	15.6%	2,066	13.4%	92.16%	4.95%
2035 - 2039	220,598,956	13.5%	1,954	12.7%	107.42%	5.02%
2040 - 2044	67,634,108	4.2%	630	4.1%	105.44%	4.98%
2045 - 2049	40,591,527	2.5%	696	4.5%	52.80%	5.12%
2050 - 2054	77,872,853	4.8%	757	4.9%	65.42%	4.86%
2055 - 2059	103,243,662	6.3%	868	5.6%	75.74%	4.63%
2060 - 2064	127,820,499	7.8%	1,031	6.7%	78.96%	4.77%
2065 - 2069	145,286,516	8.9%	1,179	7.7%	85.46%	4.75%
2070 - 2074	139,753,582	8.6%	1,158	7.5%	94.37%	4.78%
2075 - 2079	110,448,781	6.8%	939	6.1%	102.60%	4.86%
2080 - 2084	74,296,343	4.6%	630	4.1%	109.15%	4.99%
2085 - 2089	25,244,233	1.5%	247	1.6%	112.10%	5.08%
2090 - 2092	692,726	0.0%	8	0.1%	112.72%	4.95%
<b>Total</b>	<b>1,631,023,079</b>	<b>100.0%</b>	<b>15,409</b>	<b>100.0%</b>		

### Remaining fixed interest period

The distribution of the Provisional Portfolio (both by net principal balance and by number of mortgage loan parts) by reference to the remaining fixed interest period is set out in Table 8.

**Table 8 Remaining fixed interest period**

Remaining Fixed Interest Period						
Nr of Months	Balance (EUR)	Balance (%)	Nr of Loanparts	Nr of Loanparts (%)	WA LTFV (%)	WA Coupon (%)
Floating	175,955,646	10.8%	1,539	10.0%	88.91%	3.39%
<- 12	64,466,154	4.0%	655	4.3%	89.97%	4.67%
12 - 24	62,074,945	3.8%	651	4.2%	93.80%	4.74%
24 - 36	39,940,261	2.5%	457	3.0%	84.02%	5.16%
36 - 48	56,882,864	3.5%	638	4.1%	84.70%	5.32%
48 - 60	6,177,1294	3.8%	589	3.8%	89.96%	4.69%
60 - 72	70,898,018	4.4%	764	5.0%	96.30%	4.92%
72 - 84	65,142,244	4.0%	825	5.4%	78.81%	5.51%
84 - 96	92,096,189	5.7%	1,140	7.4%	76.50%	5.65%
96 - 108	122,288,226	7.5%	1,297	8.4%	83.34%	5.52%
108 - 120	179,321,184	11.0%	1,588	10.3%	98.78%	4.94%
120 - 144	40,790,030	2.5%	445	2.9%	81.00%	5.19%
144 - 168	25,550,871	1.6%	289	1.9%	83.62%	5.50%
168 - 192	92,655,121	5.7%	841	5.5%	86.08%	4.72%
192 - 216	159,868,912	9.8%	1,252	8.1%	83.88%	5.03%
216 - 240	70,447,726	4.3%	550	3.6%	96.87%	5.35%
240 - 300	23,772,052	1.5%	199	1.3%	91.83%	5.51%
300 >	227,101,343	13.9%	1,690	11.0%	88.10%	5.30%
<b>Total</b>	<b>1,631,023,079</b>	<b>100.0%</b>	<b>15,409</b>	<b>100.0%</b>		

### Type of employment

The distribution of the Provisional Portfolio (both by net principal balance and by number of mortgage loans) by reference to the type of employment is set out in Table 9.

**Table 9 Type of employment**

Borrower Employment Type						
Employment Type	Balance (EUR)	Balance (%)	Nr of Loans	Nr of Loans (%)	WA LTFV (%)	WA Coupon (%)
Employed (permanent)	1,360,162,727	83.4%	6,949	84.1%	88.29%	4.98%
Employed (temporary with commitment)	91,907,159	5.6%	398	4.8%	104.79%	4.98%
Employed (temporary)	25,502,432	1.6%	135	1.6%	97.06%	4.94%
Other	19,523,948	1.2%	195	2.4%	47.56%	4.65%
Self employed	133,926,813	8.2%	582	7.1%	79.31%	4.76%
<b>Total</b>	<b>1,631,023,079</b>	<b>100.0%</b>	<b>8,259</b>	<b>100.0%</b>		

### Underlying property

#### Property Type

The distribution of the Provisional Portfolio (both by net principal balance and by number of mortgage loans) by reference to the type of the underlying property is set out in Table 10.

**Table 10 Underlying property**

Property Type						
Property	Balance (EUR)	Balance (%)	Nr of Loans	Nr of Loans (%)	WA LTFV (%)	WA Coupon (%)
Apartment	172,350,874	10.6%	964	11.7%	98.46%	4.92%
Single Family House	1,020,944,237	62.6%	5,508	66.7%	86.21%	4.95%
Single Family House With Garage	437,727,968	26.8%	1,787	21.6%	88.55%	4.98%
<b>Total</b>	<b>1,631,023,079</b>	<b>100.0%</b>	<b>8,259</b>	<b>100.0%</b>		

## Loan Size

The distribution of the Provisional Portfolio (both by net principal balance and by number of mortgage loan contracts) by reference to the size of the mortgage loan is set out in Table 11.

**Table 11 Current Loan Size**

Current Loan Size (net of savings/LHR)						
Amount (EUR)	Balance (EUR)	Balance (%)	Nr of Loans	Nr of Loans (%)	WA LTFV (%)	WA Coupon (%)
<= 50,000	15,525,107	1.0%	452	5.5%	26.69%	5.35%
50,000 - 100,000	96,703,665	5.9%	1,241	15.0%	50.38%	5.20%
100,000 - 150,000	196,104,653	12.0%	1,547	18.7%	72.42%	5.01%
150,000 - 200,000	265,328,094	16.3%	1,511	18.3%	85.33%	4.94%
200,000 - 250,000	288,719,664	17.7%	1,286	15.6%	91.60%	4.92%
250,000 - 300,000	249,111,878	15.3%	909	11.0%	96.81%	4.94%
300,000 - 350,000	166,179,314	10.2%	512	6.2%	96.08%	4.97%
350,000 - 400,000	129,822,040	8.0%	347	4.2%	98.87%	4.90%
400,000 - 450,000	80,937,406	5.0%	191	2.3%	99.89%	4.92%
450,000 - 500,000	50,325,365	3.1%	106	1.3%	99.19%	4.91%
500,000 - 600,000	53,839,848	3.3%	99	1.2%	99.90%	4.85%
600,000 - 700,000	29,679,589	1.8%	46	0.6%	101.42%	4.86%
700,000 - 800,000	8,746,457	0.5%	12	0.2%	90.15%	4.72%
<b>Total</b>	<b>1,631,023,079</b>	<b>100.0%</b>	<b>8,259</b>	<b>100.0%</b>		

## Debt to Income Ratio

The distribution of the Provisional Portfolio (both by net principal balance and by number of mortgage loan contracts) by reference to the debt to income ratio is set out in Table 12.

**Table 12 Debt to Income Ratio**

Debt to Income						
DTI	Balance (EUR)	Balance (%)	Nr of Loans	Nr of Loans (%)	WA LTFV (%)	WA Coupon (%)
0.00 - 1.00	5,962,569	0.4%	148	1.8%	29.89%	4.93%
1.00 - 2.00	45,084,986	2.8%	585	7.1%	47.36%	5.13%
2.00 - 3.00	176,773,828	10.8%	1,429	17.3%	64.45%	5.05%
3.00 - 3.50	174,788,265	10.7%	1,023	12.4%	78.19%	4.97%
3.50 - 4.00	215,146,111	13.2%	1,048	12.7%	86.16%	4.99%
4.00 - 4.50	318,755,127	19.5%	1,393	16.9%	93.22%	4.93%
4.50 - 5.00	351,928,472	21.6%	1,424	17.2%	98.37%	4.95%
5.00 - 5.50	246,624,728	15.1%	888	10.8%	98.43%	4.90%
5.50 - 6.00	87,478,907	5.4%	296	3.6%	97.81%	4.89%
6.00 - 6.50	8,480,086	0.5%	25	0.3%	79.66%	5.01%
<b>Total</b>	<b>1,631,023,079</b>	<b>100.0%</b>	<b>8,259</b>	<b>100.0%</b>		



### Current Loan to Original Foreclosure Value (LT original FV)

The distribution of the Provisional Portfolio (both by net principal balance and by number of mortgage loan contracts) by reference to the current loan to original foreclosure value is set out in Table 13.

**Table 13 Current Loan to Original Foreclosure Value<sup>6</sup>**

Current Loan to Original Foreclosure Value						
LTFV	Balance (EUR)	Balance (%)	Nr of Loans	Nr of Loans (%)	WA LTFV (%)	WA Coupon (%)
0% - 30%	32,675,650	2.0%	583	7.1%	22.56%	5.11%
30% - 40%	43,982,629	2.7%	465	5.6%	35.31%	5.18%
40% - 50%	71,832,350	4.4%	597	7.2%	45.53%	5.03%
50% - 60%	117,337,346	7.2%	787	9.5%	55.35%	5.04%
60% - 70%	170,394,980	10.5%	954	11.6%	65.20%	4.89%
70% - 80%	197,541,260	12.1%	956	11.6%	74.64%	4.88%
80% - 90%	234,526,519	14.4%	1,023	12.4%	85.88%	4.89%
90% - 100%	148,293,953	9.1%	561	6.8%	95.58%	5.11%
100% - 110%	157,329,430	9.7%	562	6.8%	105.17%	5.03%
110% - 120%	209,498,505	12.8%	747	9.0%	115.62%	5.02%
120% - 125%	186,404,822	11.4%	725	8.8%	122.82%	4.88%
125% - 130%	61,205,636	3.8%	299	3.6%	128.44%	4.63%
<b>Total</b>	<b>1,631,023,079</b>	<b>100.0%</b>	<b>8,259</b>	<b>100.0%</b>		

\* Current Loan to Original Foreclosure Value is defined as:  $(\text{Current Gross Outstanding Loan Balance} - \text{Total Savings Amount}) / \text{Original Foreclosure Value}$

### Current Loan to Indexed Foreclosure Value (LT indexed FV)

The distribution of the Provisional Portfolio (both by net principal balance and by number of mortgage loan contracts) by reference to the current loan to indexed foreclosure value is set out in Table 14.

**Table 14 Current Loan to Indexed Foreclosure Value**

Current Loan to Indexed <sup>**</sup> Foreclosure Value						
Indexed LTFV	Balance (EUR)	Balance (%)	Nr of Loans	Nr of Loans (%)	WA LTFV (%)	WA Coupon (%)
0% - 30%	109,002,284	6.7%	1,357	16.4%	37.64%	5.26%
30% - 40%	76,597,190	4.7%	658	8.0%	53.85%	5.21%
40% - 50%	86,194,351	5.3%	609	7.4%	61.36%	5.00%
50% - 60%	114,376,186	7.0%	649	7.9%	64.88%	4.92%
60% - 70%	137,229,190	8.4%	672	8.1%	69.39%	4.81%
70% - 80%	172,029,577	10.6%	773	9.4%	76.65%	4.82%
80% - 90%	162,554,424	10.0%	669	8.1%	86.38%	4.92%
90% - 100%	159,583,555	9.8%	588	7.1%	94.26%	4.88%
100% - 110%	152,866,229	9.4%	533	6.5%	105.36%	5.00%
110% - 120%	175,828,815	10.8%	623	7.5%	113.75%	5.01%
120% - 125%	141,894,398	8.7%	536	6.5%	121.23%	4.92%
125% - 130%	142,866,880	8.8%	592	7.2%	123.97%	4.96%
<b>Total</b>	<b>1,631,023,079</b>	<b>100.0%</b>	<b>8,259</b>	<b>100.0%</b>		

\* Current Loan to Indexed Foreclosure Value is defined as:  $(\text{Current Gross Outstanding Loan Balance} - \text{Total Savings Amount}) / \text{Indexed Foreclosure Value}$

\*\* Indexed Foreclosure Value is defined as:  $\text{Original Foreclosure Value} * \text{Index}$

\*\*\* Index is based on Kadaster Data up to December 2010

<sup>6</sup> The Loan-to-Foreclosure-Value of most loans is based on the foreclosure value upon origination of the loans except for a few loans which have been revaluated on a later date. Such a revaluation has exclusively been made in respect of loans which have been increased or decreased and has been based on the foreclosure value upon the day of the alteration.

### Current Loan to Original Market Value (LT original MV)

The distribution of the Provisional Portfolio (both by net principal balance and by number of mortgage loan contracts) by reference to the current loan to original market value is set out in Table 15.

**Table 15 Current Loan to Original Market Value**

Current Loan to Original Market Value						
LTMV	Balance (EUR)	Balance (%)	Nr of Loans	Nr of Loans (%)	WA LTFV (%)	WA Coupon (%)
0% - 30%	46,033,288	2.8%	740	9.0%	25.27%	5.12%
30% - 40%	56,152,837	3.4%	524	6.3%	39.30%	5.12%
40% - 50%	106,859,810	6.6%	813	9.8%	50.52%	5.05%
50% - 60%	168,765,649	10.4%	986	11.9%	61.61%	4.95%
60% - 70%	221,210,711	13.6%	1,114	13.5%	72.34%	4.84%
70% - 80%	210,752,503	12.9%	950	11.5%	83.70%	4.95%
80% - 90%	206,809,890	12.7%	799	9.7%	93.88%	5.00%
90% - 100%	177,337,460	10.9%	632	7.7%	105.78%	5.03%
100% - 110%	261,353,112	16.0%	947	11.5%	117.52%	5.02%
110% - 120%	175,747,820	10.8%	754	9.1%	125.46%	4.74%
<b>Total</b>	<b>1,631,023,079</b>	<b>100.0%</b>	<b>8,259</b>	<b>100.0%</b>		

\* Current Loan to Original Market Value is defined as:  $(\text{Current Gross Outstanding Loan Balance} - \text{Total Savings Amount}) / \text{Original Market Value}$

\*\* The Original Market Value is defined as  $\text{Original Foreclosure Value} / 0.9$

### Current Loan to Indexed Market Value (LT indexed MV)

The distribution of the Provisional Portfolio (both by net principal balance and by number of mortgage loan contracts) by reference to the current loan to indexed market value is set out in Table 16.

**Table 16 Current Loan to Indexed Market Value**

Current Loan to Indexed** Market Value						
Indexed LTMV	Balance (EUR)	Balance (%)	Nr of Loans	Nr of Loans (%)	WA LTFV (%)	WA Coupon (%)
0% - 30%	134,972,574	8.3%	1,589	19.2%	40.07%	5.26%
30% - 40%	84,603,744	5.2%	681	8.3%	57.31%	5.12%
40% - 50%	111,133,640	6.8%	706	8.6%	63.76%	5.00%
50% - 60%	144,333,972	8.9%	737	8.9%	67.02%	4.81%
60% - 70%	182,241,598	11.2%	841	10.2%	74.60%	4.81%
70% - 80%	176,808,186	10.8%	734	8.9%	84.46%	4.90%
80% - 90%	183,473,044	11.3%	687	8.3%	93.67%	4.88%
90% - 100%	168,170,378	10.3%	593	7.2%	105.60%	5.00%
100% - 110%	210,020,835	12.9%	751	9.1%	115.59%	4.99%
110% - 120%	235,265,110	14.4%	940	11.4%	123.20%	4.94%
<b>Total</b>	<b>1,631,023,079</b>	<b>100.0%</b>	<b>8,259</b>	<b>100.0%</b>		

\* Current Loan to Indexed Market Value is defined as:  $(\text{Current Gross Outstanding Loan Balance} - \text{Total Savings Amount}) / \text{Indexed Market Value}$

\*\* Indexed Market Value is defined as:  $\text{Original Market Value} * \text{Index}$

\*\*\* Index is based on Kadaster Data up to December 2010

\*\*\*\* The Original Market Value is defined as  $\text{Original Foreclosure Value} / 0.9$

## **MORTGAGE LOAN UNDERWRITING AND SERVICING**

### **AEGON Levensverzekering N.V. ("AEGON Leven")**

With respect to mortgage activities, AEGON Leven is engaged in mortgage distribution, origination, servicing and funding. AEGON Leven focuses on streamlining the origination, servicing and funding process of mortgage loans.

Underwriting is centralised in AEGON Leven, where a highly automated underwriting process and 44 experienced underwriters handle more than 30,000 application forms every year. Part of the underwriting process is the special affairs department, where fraud protection procedures are developed and implemented.

As a mortgage payment transaction provider, AEGON Leven services a total portfolio of more than EUR 16 billion (of which EUR 1 billion by the third party servicer, Stater Nederland B.V., which mortgage loans are not included in the SAECURE 10 transaction) and approximately 105,000 mortgages loans (of which 6,400 by Stater Nederland B.V.). This portfolio is owned by several AEGON units and seven external parties. AEGON Leven acts as a mortgage payment transaction provider for all these parties. The collections and foreclosures processes are aligned with the servicing process. The AEGON Leven computer systems are very important in these processes and are regularly updated and modified. Through a conservative exhortation cycle and careful auction procedures, losses on the mortgage portfolio are limited.

AEGON Leven has agreed to provide administration and management services to the Issuer in relation to the Mortgage Loans and the Mortgage Receivables, including the collection of payments of principal, interest and other amounts in respect of the Mortgage Receivables and the implementation of arrears procedures including, ultimately, the enforcement of mortgage rights. AEGON Leven is obliged to administer the Mortgage Loans and the Mortgage Receivables at the same level of skill, care and diligence as mortgage loans in its own or the Originator's portfolio.

In the securitisation programme of AEGON (SAECURE), AEGON Leven is able to identify specific loan pools based on underwriting criteria and provide rating agencies access to pool performance and information. Finally, AEGON Leven provides detailed investor reports regarding pool status on a consistent basis.

### **Approval, Underwriting, Collections and Foreclosures**

The above mentioned activities are divided between two different departments: the approval and underwriting department and the collection and foreclosure department.

### *Approval Process and Underwriting*

The mortgage loan underwriting and approval department is separated into two divisions: underwriting (10 people) and document management of approved loans (34 people). In 2010, the underwriting department received approximately 30,000 applications for mortgage loans, from which approximately 75% were checked by the automated Fast Hypotheken Systeem ("FHS") and accepted by an underwriter, 5% were checked by the FHS and approved by a senior underwriter of the loan committee (*maatwerk*), the remaining 20% being rejected.

In the underwriting process, three major aspects will be reviewed in aggregate: applicant (credit history, employment, etc), income and property. The credit history of all applicants will be checked with the BKR and the Fraud Register (*fraude register*) ("SFH"). Applicants will be required to provide proof of employment and salary information. In addition, any self-employed applicants will be required to provide three years of historic accounting statements and a copy of the certificate of the chamber of commerce.

The ratio of the loan balance to the income of the applicant is an important measure to determine affordability of the loan. AEGON Leven will not generally grant a loan to an applicant with a loan to foreclosure value that exceeds 125%. All property with a loan to foreclosure value exceeding 90%, must have a recent valuation report from an approved external valuation agent. All property must be covered by insurance and proof of ownership is required. Properties constructed prior to 1940 will also require an architect's certificate which confirms the structural integrity of the building.

### *Collection and Foreclosures*

The Collections and Foreclosures Department (the "C&F") of AEGON Leven manages the payments from both performing and non-performing loans. Due to regional differences, the C&F is organised into different divisions for each of the geographic areas within the Netherlands. The employees at the C&F have an average of approximately 10 years relevant work experience and utilise the C&F's standard operating procedures for loan management. Resources available to the C&F include: HAS System (Mortgage Administration System), Land Registry, Chamber of Commerce and an internal legal department.

### *Arrears Procedures*

Payments are scheduled to be collected on the first day of each month, mostly by direct debit. If there are amounts unpaid 15 days after the due date, the HAS System automatically generates a reminder notice that is mailed to the borrower. After 45 days a formal warning is sent to the borrower. After 60 days the borrower is placed on the "telephone collections list". After 90 days the borrower is placed on the "urgent arrears list". Once on this list the borrower will be regularly contacted through phone and/or mail. After four missed payments (120 days), the entire loan (including accrued but unpaid interest) will be declared immediately due and payable. The purpose of this declaration is the following:

- (i) Induce a final attempt for voluntary payment.
- (ii) Allow the necessary legal documents to be drafted.

- (iii) Begin the foreclosure process through the notary.

*Foreclosure Procedures*

The foreclosure procedure will differ depending on the likelihood of the Originator realising a loss on the mortgage loan. If there is limited risk for loss, the debt collection department will manage the enforcement. If there is a substantial risk of loss, the C&F will proceed with a private sale (in approximately 50% of cases) or begin an auction process (in approximately 50% of cases). The C&F has the right to select its preferred enforcement method. In the case of a private sale, a real estate agent will be contacted by the C&F who will manage the sale on behalf of the C&F. In the case of an auction the C&F will attend every auction and will bid for the property to the extent a minimum price is not achieved at the auction.

To the extent there is a loss following foreclosure, a representative of C&F will discuss the various payment options available with the borrower. This situation will be reviewed by the C&F every two years, where the mortgage loan may be eventually written-off. All loan write-offs must be approved by the senior management of C&F.

## MORTGAGE RECEIVABLES PURCHASE AGREEMENT

Under the Mortgage Receivables Purchase Agreement the Issuer will purchase and accept from the Seller the assignment of the Mortgage Receivables and the Beneficiary Rights relating thereto 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 in special events as further described hereunder ("**Assignment Notification Events**"). Until such notification the Borrowers will only be entitled to validly pay (*bevrijdend betalen*) to the Seller. The Issuer will be entitled to all proceeds in respect of the Mortgage Receivables following the Closing Date and to all amounts of principal in respect of the Portfolio Mortgage Loans, which were received by the Seller between the Cut-Off Date and the Closing Date.

### Purchase Price

The purchase price for the Mortgage Receivables will consist of an initial purchase price (the "**Initial Purchase Price**"), which in respect of the Mortgage Receivables purchased on the Closing Date will be equal to EUR 1,694,623,713, which shall be payable on the Closing Date or, in respect of the Further Advance Receivables, on the relevant Quarterly Payment Date and a deferred purchase price (the "**Deferred Purchase Price**"). The Initial Purchase Price for the Mortgage Receivables purchased on the Closing Date will be paid by the Issuer by applying (i) the net proceeds received from the issue of the Notes (other than the Subordinated Class F Notes) and (ii) the amount received by the Issuer as consideration for the Initial Savings Participation granted by it to the Insurance Company in the Savings Mortgage Receivables and Savings Investment Mortgage Receivables, provided that part of the Initial Purchase Price equal to the aggregate Construction Deposits will be withheld by the Issuer and will be deposited into the Construction Deposit Account.

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

The proceeds of the Notes (other than the Subordinated Class F Notes) will be applied by the Issuer, *inter alia*, to pay part of the Initial Purchase Price (see under *Use of Proceeds* below). The sale and purchase of the Mortgage Receivables is conditional upon, *inter alia*, the issue of the Notes. Hence, the Seller can be deemed to have an interest in the issue of the Notes.

### Representations and warranties

The Seller will represent and warrant on the Closing Date with respect to the Portfolio Mortgage Loans and the Mortgage Receivables that:

- (a) the Mortgage Receivables are validly existing;
- (b) it has full right and title (*beschikkingsbevoegdheid*) to the Mortgage Receivables, and no restrictions on the sale and transfer of the Mortgage Receivables are in effect and the Mortgage Receivables are capable of being transferred;
- (c) it has power to sell and assign the Mortgage Receivables;
- (d) the Mortgage Receivables are free and clear of any rights of pledge or other similar rights (*bepaalde rechten*), encumbrances and attachments (*beslagen*) and no option rights have been granted in favour of any third party with regard to the Mortgage Receivables, other than pursuant to the Transaction Documents;
- (e) each Mortgage Receivable is (i) secured by a first-ranking Mortgage Right (*eerste recht van hypotheek*) or, in the case of Portfolio Mortgage Loans (for the avoidance of doubt including any Further Advance, as the case may be) secured on the same Mortgaged Asset, first and sequentially lower ranking Mortgage Rights over real estate (*onroerende zaak*), an apartment right (*appartementsrecht*), or a long lease (*erfpacht*) situated in the Netherlands and (ii) governed by Dutch law;
- (f) each Mortgaged Asset was valued by an independent qualified valuer or surveyor when the application for the relevant Portfolio Mortgage Loan was made and no such valuations were older than twelve (12) months on the date of such mortgage application by the relevant Borrower, except that no valuation is required if (i) the Portfolio Mortgage Loan (or, in the case of Portfolio Mortgage Loans secured on the same Mortgaged Asset, the aggregate of such Portfolio Mortgage Loans) does not exceed 81% per cent. of the value based upon an assessment by the Dutch tax authorities on the basis of the Act on Valuation of Real Estate (*Wet Waardering Onroerende Zaken*), or (ii) the Portfolio Mortgage Loan is secured by a Mortgage Right on newly built properties (other than constructions under the Borrower's own management (*onder eigen beheer*)) and no re-valuation of the relevant Mortgaged Asset has taken place, except in certain cases where the principal amount of the relevant Portfolio Mortgage Loan was increased or decreased;
- (g) the Mortgage Conditions applicable to the Mortgage Loans contain a provision to the effect that upon assignment of the relevant Mortgage Receivable(s), the mortgage right(s) and rights of pledge securing such Mortgage Receivables will follow such Mortgage Receivable(s);
- (h) upon creation of each Mortgage Right securing the relevant Portfolio Mortgage Loan, and of each right of pledge securing the relevant Portfolio Mortgage Loan, it was granted the power under and pursuant to the mortgage deed to unilaterally terminate such Mortgage Right and right of pledge in whole or in part and such power to terminate has not been revoked, terminated or amended;
- (i) each Mortgage Receivable and each Mortgage and Borrower Pledge, if any, securing such Mortgage Receivable constitutes legal, valid, binding and enforceable obligations of the relevant Borrower, subject, as to enforceability, to any applicable bankruptcy laws or similar laws

- affecting the rights of creditors generally;
- (j) each Portfolio Mortgage Loan was originated by the Seller;
  - (k) all Mortgage Rights and rights of pledge granted to secure the Mortgage Receivables (i) constitute valid Mortgage Rights (*hypothekrechten*) and rights of pledge (*pandrechten*), respectively, on the assets which are the subject of such Mortgage Rights and rights of pledge and, to the extent relating to such Mortgage Rights, have been entered into the appropriate public register, (ii) have first priority or are first and sequentially lower ranking Mortgage Rights and (iii) were vested for a principal sum which is at least equal to the principal sum of the Portfolio Mortgage Loan when originated, increased with an amount customary for a prudent lender of Dutch mortgage loans from time to time in respect of interest, penalties and costs;
  - (l) the particulars of each Portfolio Mortgage Loan (or part thereof), as set forth in the list of Mortgage Receivables attached to the Mortgage Receivables Purchase Agreement as Schedule 3 and as Annex 1 to the Deed of Assignment to be signed on the Closing Date, are correct and complete in all material respects;
  - (m) each of the Portfolio Mortgage Loans meets the Mortgage Loan Criteria as set forth below;
  - (n) the Portfolio Mortgage Loans are fully disbursed other than the amounts placed under a Construction Deposit (and, for the avoidance of doubt, any further advances which may be granted by the Seller to the Borrower);
  - (o) pursuant to the administration manual relating to the Portfolio Mortgage Loans the Seller only pays out monies under a Construction Deposit to or on behalf of a Borrower after having received relevant receipt from the relevant Borrower relating to the construction;
  - (p) each of the Portfolio Mortgage Loans has been granted in accordance with all applicable legal requirements and meets the Code of Conduct on Mortgage Loans (*Gedragcode Hypothecaire Financieringen*) and the Seller's underwriting policy and procedures prevailing at that time and is subject to terms and conditions customary in the Dutch mortgage market at the time of origination and not materially different from the terms and conditions applied by a prudent lender of Dutch residential mortgage loans;
  - (q) it and each of the intermediaries for whose acts it is responsible pursuant to the Act on the Financial Supervision (*Wet op het financieel toezicht*) has complied with its duty of care (*zorgplicht*) vis-à-vis the Borrowers applicable under Dutch law to, *inter alia*, offerors of mortgage loans, including but not limited to, *inter alia*, an investigation to the risk profile (*risicoprofiel*) of the customer and the appropriateness of the product offered in relation to such risk profile, the so-called appropriateness test (*geschiktheidstoets*), the provision of accurate, complete and non misleading information about the relevant Portfolio Mortgage Loan and the Insurance Policy, which is provided by the Insurance Company, linked thereto and the risks, including particularities of the product, involved as reflected for example in the *financiële bijsluiter* (the "**Duty of Care**");
  - (r) each of the Savings Mortgage Receivables has the benefit of a Savings Insurance Policy and either (i) the Seller has been appointed as beneficiary (*begunstigde*) under such Savings Insurance Policies, upon the terms of the relevant Savings Mortgage Loans and the relevant Savings Insurance Policies, which appointment has been notified to the Insurance Company, or (ii) the Insurance Company is irrevocably authorised to apply the insurance proceeds in



- satisfaction of the relevant Savings Mortgage Receivable;
- (s) each of the Life Mortgage Receivables has the benefit of a Life Insurance Policy and either (i) the Seller has been validly appointed as beneficiary (*begunstigde*) under such Life Insurance Policies upon the terms of the relevant Life Mortgage Loans and the relevant Life Insurance Policies, which appointment has been notified to the Insurance Company, or (ii) the Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the relevant Life Mortgage Receivable;
  - (t) each of the Universal Life Mortgage Receivables has the benefit of a Savings Investment Insurance Policy and either (i) the Seller has been validly appointed as beneficiary (*begunstigde*) under such Savings Investment Insurance Policies upon the terms of the relevant Universal Life Mortgage Loans and the relevant Savings Investment Insurance Policies, which has been notified to the Insurance Company, or (ii) the Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the relevant Universal Life Mortgage Receivable;
  - (u) in respect of the Investment Mortgage Receivables having the benefit of a Risk Insurance Policy, (i) the Seller has been validly appointed as beneficiary (*begunstigde*) under such Risk Insurance Policies upon the terms of the relevant Investment Mortgage Loans and the relevant Risk Insurance Policies, which have been notified to the Insurance Company, or (ii) the Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the relevant Mortgage Receivable;
  - (v) it has not been notified and is not aware of anything affecting its title to the Mortgage Receivables;
  - (w) it has no other claims vis-à-vis the Borrowers other than the claims resulting from the relevant Portfolio Mortgage Loans;
  - (x) the loan files relating to the Portfolio Mortgage Loans, which include a scanned version of authentic copies of the notarial mortgage deeds, are kept by AEGON Levensverzekering N.V. in its capacity of Servicer;
  - (y) to the best of the Seller's knowledge and belief (having made all reasonable enquiries), the Borrowers are not in any material breach of any provision of the Portfolio Mortgage Loans;
  - (z) each Portfolio Mortgage Loan constitutes the entire loan granted to the relevant Borrower that is secured by the same Mortgage Right or, as the case may be, if a Further Advance is granted, by first and sequentially lower ranking Mortgage Rights on the same Mortgaged Asset and not merely one or more loan parts (*leningdelen*);
  - (aa) each receivable under a Portfolio Mortgage Loan which is secured by the same Mortgage Right is sold and assigned to the Issuer pursuant to the Mortgage Receivables Purchase Agreement;
  - (bb) with respect to each of the Mortgage Receivables resulting from an Universal Life Mortgage Loan, a Life Mortgage Loan or, as the case may be, a Savings Mortgage Loan, to which an Insurance Policy is connected, a valid right of pledge has been entered into by the Seller and the relevant Borrower and such right of pledge has been notified to the Insurance Company;
  - (cc) with respect to each of the Mortgage Receivables resulting from an Investment Mortgage Loan, a valid right of pledge has been entered into by the Seller and the relevant Borrower with respect to the relevant Investment Accounts and such right of pledge has been notified to

AEGON Bank N.V.;

- (dd) the Mortgage Conditions provide that each of the properties on which a Mortgage Right has been vested to secure the Mortgage Receivable should at the time of origination of the Portfolio Mortgage Loan, have the benefit of buildings insurance (*opstalverzekering*) satisfactory to the Seller;
- (ee) all Mortgage Receivables secured by a Mortgage on a long lease (*erfpacht*) provide that the principal sum of the Mortgage Receivable, including interest, will become immediately due and payable if, *inter alia*, the long lease terminates, if the lease holder materially breaches or ceases to perform his payment obligation under the long lease (*canon*) or if the lease holder in any other manner breaches the conditions of the long lease;
- (ff) the current Mortgage Conditions provide that all payments by the Borrower should be made without any deduction or set-off; and
- (gg) the aggregate principal sum outstanding of all Mortgage Receivables gross of the Initial Savings Participation as at the Cut-Off Date is equal to EUR 1,694,623,713.

#### **Mandatory Repurchase**

If at any time after the Closing Date any of the representations and warranties relating to the Portfolio Mortgage Loans and/or the Mortgage Receivables resulting therefrom proves to have been untrue or incorrect, the Seller shall within fourteen (14) days of receipt of written notice thereof from the Issuer or within fourteen (14) days after becoming aware thereof remedy the matter giving rise thereto and if such matter is not capable of remedy or is not remedied within the said period of fourteen (14) days, the Seller shall, at the Seller's expense, repurchase and accept re-assignment of all Mortgage Receivables resulting from the relevant Portfolio Mortgage Loan for a price equal to the outstanding principal amount of such Mortgage Receivables together with interest and reasonable costs relating thereto (including any costs incurred by the Issuer in effecting and completing such purchase and assignment) accrued up to but excluding the date of repurchase and re-assignment of the Mortgage Receivables.

If the Seller agrees with a Borrower to make a Further Advance prior to the occurrence of an Assignment Notification Event, the Seller shall repurchase and accept re-assignment of the Mortgage Receivable resulting from the Portfolio Mortgage Loan in respect of which a Further Advance has been granted if either (i) the Additional Purchase Conditions are not met or (ii) the relevant Further Advance is granted on or following the First Optional Redemption Date.

The Seller shall also undertake to repurchase and accept re-assignment of a Mortgage Receivable within fourteen (14) days immediately following the date on which an amendment of the terms of the relevant Portfolio Mortgage Loan becomes effective, in the event that such amendment is not in accordance with the conditions set out in the Mortgage Receivables Purchase Agreement and/or the Servicing Agreement, which include the condition that such amendment does not adversely affect the position of the Issuer or the Security Trustee and that after such amendment the relevant Mortgage Loan continues to meet each of the Mortgage Loan Criteria (as set out below) and the representations and warranties contained in the Mortgage Receivables Purchase Agreement (as set out above).

However, the Seller shall not be required to repurchase such Portfolio Mortgage Loan if the relevant amendment is made as part of the enforcement procedures to be complied with upon a default by the Borrower under the relevant Portfolio Mortgage Loan or is otherwise made as part of a restructuring or renegotiation of the relevant Portfolio Mortgage Loan due to a deterioration of the credit quality of the Borrower of such Portfolio Mortgage Loan.

Furthermore, the Seller shall within fourteen (14) days immediately following the date on which it appears that the Duty of Care in respect of a Portfolio Mortgage Loan has not been complied with by an intermediary for which the Seller is not responsible pursuant to the Act on the Financial Supervision (*Wet op het financieel toezicht*), repurchase and accept re-assignment of the relevant Mortgage Receivables.

Finally, the Seller shall repurchase and accept re-assignment of all, but not part, of the Mortgage Receivables, if it has accepted the offer made by the Issuer pursuant to the Trust Deed on any Optional Redemption Date to purchase and accept assignment of all, but not part, of the Mortgage Receivables then outstanding.

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

On each Quarterly Payment Date, the Seller may, but is not obliged to, repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables if on the Notes Calculation Date immediately preceding such Quarterly Payment Date the aggregate principal amount due on the Mortgage Receivables then outstanding is less than 10 per cent. of the aggregate principal amount outstanding of the Mortgage Receivables on the Cut-Off Date, provided that the purchase price is at least sufficient to pay all amounts due and payable to the Noteholders (other than the Subordinated Class F Noteholder) and any amounts to be paid in priority to the Notes (other than the Subordinated Class F Notes) in accordance with and subject to the Conditions.

#### **Mortgage Loan Criteria**

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

- (a) the Portfolio Mortgage Loan includes solely one or more of the following loan types:
  - (i) a Life Mortgage Loan (*traditionale levenhypotheek* and *levenhypotheek op basis van uvl*);
  - (ii) a Savings Mortgage Loan (*spaarhypotheek*);
  - (iii) an Universal Life Loan (*levensloophypotheek*);
  - (iv) an Investment Mortgage Loan (*beleggingshypotheek*);
  - (v) an Annuity Mortgage Loan (*annuïteiten hypotheek*);

- (vi) an Interest-only Mortgage Loan (*aflossingsvrije hypotheek*); or
- (vii) a Linear Mortgage Loan (*lineaire hypotheek*);
- (b) the Borrower was at the time of origination, a resident of the Netherlands and not employed by the Seller or any of its group companies;
- (c) the Portfolio Mortgage Loan is secured by a first ranking Mortgage Right, or in case of Portfolio Mortgage Loans (including, as the case may be, any Further Advance) secured on the same Mortgaged Asset, first and sequentially lower ranking mortgage rights over (i) real estate (*onroerende zaak*), (ii) an apartment right (*appartementsrecht*) or (iii) a long lease (*erfpacht*), in each case situated in the Netherlands and governed by Dutch law;
- (d) at least one (interest) payment has been made in respect of the Portfolio Mortgage Loan prior to the Closing Date;
- (e) the Portfolio Mortgage Loan or part thereof does not qualify as a bridge loan (*overbruggingshypotheek*);
- (f) the Portfolio Mortgage Loan (i) is fully disbursed (i.e. does not qualify as a construction mortgage (*bouwhypotheek*)) or (ii) is a construction mortgage loan with a related Construction Deposit not exceeding 40 per cent. of the original amount outstanding under such Portfolio Mortgage Loan;
- (g) the applicable Mortgage Conditions provide that (i) the Mortgaged Asset may not be the subject of residential letting at the time of origination, (ii) the Mortgaged Asset is for residential use and has to be occupied by the relevant Borrower at and after the time of origination and (iii) no consent for residential letting of the Mortgaged Asset has been given by the Seller;
- (h) the interest rate on the Portfolio Mortgage Loan (or if the Portfolio Mortgage Loan consists of more than one loan part, on each loan part) is a floating rate or a fixed rate, subject to an interest reset from time to time;
- (i) the aggregate principal sum outstanding under a Portfolio Mortgage Loan does not exceed EUR 750,000;
- (j) interest payments on the Portfolio Mortgage Loan are scheduled to be made monthly in arrear by direct debit;
- (k) on the Cut-Off Date no amounts due under such Portfolio Mortgage Loan were overdue and unpaid;

- (l) where compulsory under the applicable Mortgage Conditions, the Portfolio Mortgage Loan has a Life Insurance Policy or Risk Insurance Policy attached to it;
- (m) the Portfolio Mortgage Loan will not have a legal maturity beyond 31 January 2092.

The same criteria apply to the selection of Further Advance Receivables, unless agreed otherwise with the Rating Agencies.

### **Assignment Notification Events**

If:

- (a) the Seller fails in any material respect to duly perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any of the other Transaction Documents to which it is a party and such failure, if capable of being remedied, is not remedied within ten (10) Business Days after notice thereof; or
- (b) any representation, warranty or statement made or deemed to be made by the Seller in the Mortgage Receivables Purchase Agreement, other than the representations and warranties made in relation to the Portfolio Mortgage Loans and the Mortgage Receivables, 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, untrue or incorrect in any material respect; or
- (c) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its dissolution (*ontbinding*), liquidation (*vereffening*), emergency regulations (*noodregeling*), emergency measures (*opvangregeling*), bankruptcy (*faillissement*), or any steps have been taken for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (d) at any time it becomes unlawful for the Seller to perform all or a material part of its obligations under the Transaction Documents in such a manner that this would have a material adverse effect on its ability to perform such obligations; or
- (e) (i) the credit rating of AEGON N.V.'s long-term unsecured, unsubordinated and unguaranteed debt obligations is set or falls below Baa1 by Moody's or is withdrawn and (ii) the solvency ratio of the Seller as calculated in accordance with the guidelines issued by the Dutch Central Bank (*De Nederlandsche Bank*) as in force on the date hereof and reported to the Dutch Central Bank (*De Nederlandsche Bank*) - which calculation commences immediately if the credit rating of AEGON N.V.'s long-term unsecured, unsubordinated and unguaranteed debt obligations falls below A3 by Moody's or is withdrawn - falls below 150 per cent., for two consecutive semi-annual reporting dates,

then, (x) the Seller shall forthwith notify the Issuer and the Security Trustee thereof and (y) unless (i) in the event of the occurrence of an Assignment Notification Event referred to under (a), such failure, if capable of being remedied is so remedied to the satisfaction of the Issuer and the Security Trustee within a period of ten (10) Business Days after notice thereof, or (ii) in the event of the occurrence of an Assignment Notification Event referred to under (b) or (e), the Security Trustee instructs otherwise, provided that each Rating Agency either (i) has provided a Rating Agency Confirmation (as defined below) in respect of such instruction or (ii) by the 15th day after it was notified of such instruction has not indicated (a) which conditions are to be met before it is in a position to grant a Rating Agency Confirmation or (b) that the then current ratings assigned by it to the Notes will be adversely affected by or withdrawn as a result of such instruction, the Security Trustee will be entitled to give such instruction as it deems appropriate, the Seller undertakes to (A) forthwith, unless the Security Trustee instructs otherwise, terminate (*opzeggen*), each of the Mortgage Rights and Borrower Pledges granted by the Borrowers to the effect that such Mortgage Right and Borrower Pledge no longer secures other debts, if any, than the Mortgage Receivables purchased by the Issuer pursuant to the Mortgage Receivables Purchase Agreement, (B) forthwith notify the relevant Borrower, the Insurance Company and any other relevant party indicated by the Issuer and/or the Security Trustee of the assignment of the Mortgage Receivables and the Beneficiary Rights relating thereto, all this substantially in accordance with the form of the notification letter attached to the Mortgage Receivables Purchase Agreement, and (C) make the appropriate entries in the relevant mortgage register with regard to the assignment of the Mortgage Receivables. The Issuer or the Security Trustee, on behalf of the Issuer, shall be entitled to effect such termination, notification and entry itself for which the Seller, to the extent required, will grant an irrevocable power of attorney to the Issuer and the Security Trustee in the Mortgage Receivables Purchase Agreement.

In addition, pursuant to the Beneficiary Waiver Agreement, the Seller, subject to the condition precedent of the occurrence of an Assignment Notification Event, appoints in its place as first beneficiary (i) the Issuer subject to the dissolving condition of the occurrence of a Pledge Notification Event relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Pledge Notification Event relating to the Issuer and to the extent such appointment is not effective, waives its rights as beneficiary, if any, under the relevant Insurance Policies. Further, pursuant to the Beneficiary Waiver Agreement, upon the occurrence of an Assignment Notification Event and to the extent that the appointment and waiver referred to above are not effective in respect of the Insurance Policies the Seller and the Insurance Company shall (a) use their best efforts to appoint in the Seller's place as first beneficiary under the Insurance Policies (i) the Issuer subject to the dissolving condition of the occurrence of a Pledge Notification Event relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Pledge Notification Event relating to the Issuer and, to the extent such appointment is not effective, to terminate the appointment of the Seller as beneficiary under the Insurance Policies and (b) with respect to Insurance Policies where a payment instruction has been given by the Borrower, use their best efforts to substitute the Seller in such instruction for (i) the Issuer under the dissolving condition of the occurrence of a Pledge Notification Event relating to the Issuer and (ii) the Security Trustee under the condition precedent of

the occurrence of a Pledge Notification Event relating to the Issuer and, to the extent such appointment is not effective, to withdraw such payment instruction in favour of the Seller.

**"Rating Agency Confirmation"** means if a Rating Agency is notified of a certain event or matter, a written confirmation from a Rating Agency that the then current ratings assigned by it to the Notes will not be adversely affected by or withdrawn as a result of such an event or matter.

### **Purchase of Further Advance Receivables**

#### *Further Advance Receivables*

The Mortgage Receivables Purchase Agreement provides that as from the Closing Date up to and including the Quarterly Payment Date immediately preceding the First Optional Redemption Date, subject to the Pre-Enforcement Principal Priority of Payments, the Issuer shall on each Quarterly Payment Date use the Available Principal Funds, to purchase and accept assignment of any Further Advance Receivables (and Beneficiary Rights relating thereto) resulting from Further Advances granted by the Seller to a Borrower in accordance with the underwriting criteria and procedures prevailing at that time and which may be expected from a reasonably prudent mortgage lender in the Netherlands, if and to the extent offered by the Seller, subject to the Additional Purchase Conditions being met.

#### *Initial Purchase Price*

The Initial Purchase Price payable by the Issuer in respect of the purchase and assignment of any Further Advance Receivables shall be equal to the aggregate principal amount outstanding of such Further Advance Receivables at the date of completion of the sale and purchase thereof on the relevant succeeding Quarterly Payment Date. In case of the purchase of any Further Advance Receivable having attached a Construction Deposit to it, part of the Initial Purchase Price equal to such Construction Deposit will be credited to the Construction Deposit Account.

#### *Additional Purchase Conditions*

The purchase by the Issuer of any Further Advance Receivables will be subject to a number of conditions (the **"Additional Purchase Conditions"**), which include that at the relevant date of completion of the sale and purchase of such Further Advance Receivables:

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

- (d) the Available Principal Funds are sufficient to pay the Initial Purchase Price for the relevant Further Advance Receivables;
- (e) the weighted average loan to foreclosure value ("LTFV") of all the Portfolio Mortgage Loans, including the Portfolio Mortgage Loans from which the relevant Further Advance Receivables arise, does not exceed the weighted average LTFV of the Portfolio Mortgage Loans as at the Closing Date;
- (f) any Beneficiary Rights relating to the relevant Further Advance Receivables are also assigned to the Issuer;
- (g) there has been no failure by the Seller to repurchase any Mortgage Receivable which it is required to repurchase pursuant to the Mortgage Receivables Purchase Agreement;
- (h) not more than 1.50 per cent. of the aggregate outstanding principal amount of the Mortgage Receivables is in arrears for a period exceeding ninety (90) days;
- (i) the aggregate outstanding principal amount of the Further Advance Receivables sold and assigned by the Seller to the Issuer during the immediately preceding 12 calendar months does not exceed 1.00 per cent. of the aggregate outstanding principal amount of the Portfolio Mortgage Loans as at the first day of such 12 month period;
- (j) the aggregate outstanding principal amount of Interest-only Mortgage Loans forming part of the Portfolio Mortgage Loans, including the Portfolio Mortgage Loans from which the relevant Further Advance Receivables arise, does not exceed 52.6 per cent. of the aggregate outstanding principal amount of all Portfolio Mortgage Loans;
- (k) the balance standing to the credit of the Reserve Account is equal to the Reserve Account Target Level; and
- (l) on the date of completion of the sale and purchase of the Further Advance Receivables no amounts due under the relevant Mortgage Loans are overdue and unpaid.

If (i) a Further Advance Receivable does not meet the Additional Purchase Conditions or (ii) the Further Advance is granted on or following the First Optional Redemption Date, the Seller shall repurchase and accept the re-assignment of the Mortgage Receivables resulting from the Portfolio Mortgage Loan in respect of which a Further Advance is granted and the Beneficiary Rights relating thereto at a price which is at least equal to the aggregate principal outstanding amounts of such Mortgage Receivables together with accrued but unpaid interest.

When the Issuer purchases and accepts assignment of any Further Advance Receivable, it will at the



same time create a right of pledge on such Mortgage Receivable and the Beneficiary Rights relating thereto in favour of the Security Trustee.

## SERVICING AGREEMENT AND COMPANY ADMINISTRATION AGREEMENT

### Services

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

The Servicing Agreement may be terminated by the Issuer and the Security Trustee, acting jointly, upon the occurrence of certain termination events, including but not limited to, a failure by the Servicer to comply with its obligations (unless remedied within the applicable grace period), dissolution or liquidation of the Servicer, the Servicer being declared bankrupt or becoming subject to emergency regulations or if the Servicer no longer holds a licence under the Act on the Financial Supervision (*Wet op het financieel toezicht*). In addition the Servicing Agreement may be terminated by the Servicer upon the expiry of not less than six (6) months' notice, subject to (i) written approval of the Issuer and the Security Trustee, which approval may not be unreasonably withheld and (ii) each Rating Agency either (a) having provided a Rating Agency Confirmation in respect of the termination or (b) by the 15th day after it was notified of such termination not having indicated (x) which conditions are to be met before it is in a position to grant a Rating Agency Confirmation or (y) that its then current ratings of the Notes will be adversely affected by or withdrawn as a result of such termination. A termination of the Servicing Agreement by either the Issuer and the Security Trustee or the Servicer will only become effective if a substitute Servicer is appointed.

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

The Servicer does not have any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. The Notes will be solely the obligations and

responsibilities of the Issuer and not of any other entity or person involved in the transaction, including, without limitation, the Servicer, except for certain limited obligations of the Security Trustee under the Trust Deed.

#### **Company Administration Agreement**

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

The Company Administration Agreement may be terminated by the Issuer and the Security Trustee, acting jointly, upon the occurrence of certain termination events, including but not limited to, a failure by the Company Administrator to comply with its obligations (unless remedied within the applicable grace period), dissolution or liquidation of the Company Administrator or the Company Administrator being declared bankrupt or granted a suspension of payments. In addition the Company Administration Agreement may be terminated by the Company Administrator upon the expiry of not less than six (6) months' notice, subject to (i) written approval by the Issuer and the Security Trustee, which approval may not be unreasonably withheld and (ii) each Rating Agency either (a) having provided a Rating Agency Confirmation in respect of the termination or (b) by the 15th day after it was notified of such termination not having indicated (x) which conditions are to be met before it is in a position to grant a Rating Agency Confirmation or (y) that its then current ratings of the Notes will be adversely affected by or withdrawn as a result of such termination. A termination of the Company Administration Agreement by either the Issuer and the Security Trustee or the Company Administrator will only become effective if a substitute company administrator is appointed.

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

## **SUB-PARTICIPATION AGREEMENT**

Under the Sub-Participation Agreement the Issuer will grant to (i) the Savings Mortgage Participant a Savings Participation in the relevant Savings Mortgage Receivables and Savings Investment Mortgage Receivables and (ii) the Conversion Participant a Conversion Participation in any converted Savings Mortgage Receivables.

### **Savings Participation**

In the Sub-Participation Agreement the Savings Mortgage Participant undertakes to pay to the Issuer:

- (a) at the Closing Date, or, in the case of the purchase and assignment of Further Advance Receivables to which a Savings Insurance Policy or Savings Investment Insurance Policy is connected, at the relevant Quarterly Payment Date, an amount equal to the sum of the amounts received up to and including 28 February 2011 or, as the case may be, the first day of the calendar month in which such Quarterly Payment Date falls by the Savings Mortgage Participant as Savings Premium or Savings Investment Premiums and accrued interest thereon under the respective Savings Mortgage Loans and Savings Mortgage Loans (the "**Initial Savings Participation**");
- (b) on the first Reconciliation Date an amount equal to the sum of (i) the amounts switched (as described below under *Conversion Participation*) under the Savings Investment Insurance Policies from investments in certain investment funds to the LHR (the "**Switched Savings Participation**") during March 2011 and April 2011 and (ii) the amounts scheduled to be received by the Savings Mortgage Participant during March 2011 and April 2011 as Savings Premium or Savings Investment Premiums in respect of the relevant Savings Insurance Policies and Savings Investment Insurance Policies, respectively
- (c) on each Reconciliation Date following the first Reconciliation Date an amount equal to the Switched Savings Participation during the Portfolio Calculation Period immediately preceding such Reconciliation Date; and
- (d) on each Reconciliation Date following the first Reconciliation Date an amount equal to the amount scheduled to be received by the Savings Mortgage Participant during the Portfolio Calculation Period immediately preceding such Reconciliation Date, as Savings Premium or Savings Investment Premium in respect of the relevant Savings Insurance Policies and Savings Investment Insurance Policies, respectively,

provided that in respect of each relevant Savings Mortgage Receivable and Savings Investment Mortgage Receivable no amounts will be paid to the extent that as a result thereof the Savings Participation in such relevant Savings Mortgage Receivable or Savings Investment Mortgage Receivable would exceed the outstanding principal amount of such Savings Mortgage Receivable or

Savings Investment Mortgage Receivable at such time (the "**Maximum Savings Participation Amount**").

As a consequence of such payments the Savings Mortgage Participant will acquire a savings mortgage participation (the "**Savings Participation**") in each of the relevant Savings Mortgage Receivables and Savings Investment Mortgage Receivables, which is equal to the Initial Savings Participation and the Switched Savings Participation in respect of the relevant Savings Mortgage Receivables and Savings Investment Mortgage Receivables, increased during each Portfolio Calculation Period with the amount calculated on the basis of the following formula (the "**Participation Increase**"):

$(\frac{P}{H}) \times R + S$ , whereby  
H

P = the Savings Participation on the first day of the relevant Portfolio Calculation Period in the Savings Mortgage Receivable or Savings Investment Mortgage Receivable, as the case may be;

H = the principal sum outstanding on the Savings Mortgage Receivable or, as the case may be, Savings Investment Mortgage Receivable on the first day of the relevant Portfolio Calculation Period;

R = in respect of the relevant Savings Mortgage Receivable or Savings Investment Mortgage Receivable, as the case may be, the amount (i) of interest due, but not overdue, and received from the relevant Borrower in the relevant Portfolio Calculation Period and/or (ii) of interest due, but unpaid, by the Borrower, but received from the Savings Mortgage Participant under the Sub-Participation Agreement;

S = the amount of the Savings Investment Premium or Savings Premium received in the relevant Portfolio Calculation Period in respect of the relevant Savings Mortgage Receivable or Savings Investment Mortgage Receivable, as the case may be, and paid to the Issuer by the Savings Mortgage Participant.

In consideration for the undertaking of the Savings Mortgage Participant described above, the Issuer will undertake to pay to the Savings Mortgage Participant on each Reconciliation Date an amount up to the Savings Participation in each of the Savings Mortgage Receivables and Savings Investment Mortgage Receivables in respect of which amounts have been received during the immediately preceding Portfolio Calculation Period or, in the case of the first Reconciliation Date, during the period which commences on the Closing Date and ends on the last day of the Portfolio Calculation Period immediately preceding such first Reconciliation Date (i) by means of repayment and prepayment under the relevant Mortgage Receivables from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding prepayment penalties, if any, and, furthermore, excluding amounts paid as partial prepayments on such Mortgage Receivables to the extent such partial prepayment

does not exceed the difference between (a) the principal amount outstanding under the relevant Mortgage Receivable and (b) the Savings Participation and/or Conversion Participation therein, (ii) in connection with a repurchase of such Mortgage Receivables 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, (iii) in connection with a sale by the Issuer of such Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed to the extent such amounts relate to principal, and (iv) as Net Proceeds on such Mortgage Receivables to the extent such amounts relate to principal (the "**Savings Participation Redemption Available Amount**").

### **Reduction of Participation**

If:

- (i) a Borrower invokes a right of set-off or a defence in respect of the relevant Savings Mortgage Receivables or the Savings Investment Mortgage Receivables, as the case may be, including, but not limited to a right of set-off or defence based upon a default in the performance, whether in whole or in part and for any reason, by the Savings Mortgage Participant of its payment obligations under the relevant Savings Insurance Policy or Savings Investment Insurance Policy, as the case may be; or
- (ii) the Savings Mortgage Participant fails to pay any amount due by it to the Seller or the Issuer, as the case may be, under or in connection with any of the Savings Insurance Policies or Savings Investment Insurance Policies and/or the Seller fails to pay any amount due by it to the Issuer in accordance with the Mortgage Receivables Purchase Agreement in respect of a Savings Mortgage Receivable or an Savings Investment Mortgage Receivable;

and, as a consequence thereof, the Issuer will not have received any amount which it would have received if such defence or failure to pay would not have been made in respect of such Savings Mortgage Receivable or Savings Investment Mortgage Receivable, the Savings Participation of the Savings Mortgage Participant in respect of such Investment Savings Mortgage Receivables or Savings Mortgage Receivables, 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 Mortgage Participant may, and if so directed by the Savings Mortgage Participant shall, by notice to the Issuer:

- (i) declare that the obligations of the Savings Mortgage Participant under the Sub-Participation Agreement are terminated; and
- (ii) declare the Savings Participation and/or Conversion Participation be immediately due and

payable, whereupon it shall become so due and payable, but such payment obligations shall be limited to the Savings Participation Redemption Available Amount or Conversion Participation Redemption Available Amount received or collected by the Issuer or, in case of enforcement, the Security Trustee under the Savings Mortgage Receivables and the Savings Investment Mortgage Receivables.

### **Conversion Participation**

Pursuant to the conditions applicable to the Savings Investment Insurance Policies taken out by the Borrower with the Insurance Company in relation to a Universal Life Mortgage Loan, a Borrower may convert (*switchen*), in whole or in part amounts invested in the LHR into investments in certain other investment funds. Pursuant to the Sub-Participation Agreement, upon such conversion, the corresponding part of the relevant Savings Participation will be converted into a conversion participation (each a "**Conversion Participation**") with AEGON Levensverzekering N.V. as Conversion Participant. The Conversion Participation will, unlike the Savings Participation, not increase monthly with the relevant Participation Increase. In addition, the Conversion Participant is entitled to receive the Conversion Participation Redemption Available Amount (as defined in the Master Definitions Agreement). Conversion Participations may be reconverted into Savings Participations.

### **Termination**

If one or more of the Savings Mortgage Receivables and/or Savings Investment Mortgage Receivables are (i) repurchased by the Seller from the Issuer pursuant to the Mortgage Receivables Purchase Agreement or (ii) sold by the Issuer to a third party pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed, the Conversion Participation and/or Savings Participation in such Savings Mortgage Receivables and Savings Investment Mortgage Receivables will terminate and the Savings Participation Redemption Available Amount and/or the Conversion Participation Redemption Available Amount, respectively, in respect of the Savings Mortgage Receivables and, as the case may be, Savings Investment Mortgage Receivables will be paid by the Issuer to the Savings Mortgage Participant and/or Conversion Participant. If so requested by the Conversion Participant or Savings Mortgage Participant, the Issuer will use its best efforts to ensure that the acquirer of the Savings Mortgage Receivables and Savings Investment Mortgage Receivables will enter into a sub-participation agreement with the Savings Mortgage Participant or Conversion Participant in a form similar to the Sub-Participation Agreement. Furthermore, each Savings Participation and Conversion Participation envisaged in the Sub-Participation Agreement shall terminate if at the close of business of any Portfolio Calculation Date the Savings Mortgage Participant or Conversion Participant has received the full Savings Participation or Conversion Participation in respect of the relevant Savings Mortgage Receivable or Savings Investment Mortgage Receivable, respectively.

## **SAECURE 10 B.V.**

The Issuer was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands on 21 March 2011 under number BV 1638134. The corporate seat (*statutaire zetel*) of the Issuer is in Amsterdam, the Netherlands and its registered office is at Frederik Roeskestraat 123, 1076 EE Amsterdam, the Netherlands and its telephone number is + 31 20 577 11 77. The Issuer is registered with the Trade Register under number 52315460.

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

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

The Issuer has an authorised share capital of EUR 18,000, of which EUR 18,000 has been issued and is fully paid. All shares of the Issuer are held by Stichting Holding SAECURE 10.

Stichting Holding SAECURE 10 is a foundation (*stichting*) incorporated under the laws of the Netherlands on 14 March 2011. Stichting Holding SAECURE 10 is registered with the Trade Register under number 52268675. The objects of Stichting Holding SAECURE 10 are to, *inter alia*, acquire and hold shares in the share capital of the Issuer and to exercise all rights attached to such shares, to dispose of and encumber such shares. Pursuant to the articles of association of Stichting Holding SAECURE 10 an amendment of the articles of association of Stichting Holding SAECURE 10 requires the prior written consent of the Stichting Security Trustee SAECURE 10. Moreover, the Director shall only be authorised to dissolve the Stichting Holding SAECURE 10 after (i) receiving the prior written consent of the Security Trustee and (ii) the Issuer has been fully discharged for all its obligations by virtue of the Transaction Documents.

The sole managing director of each of the Issuer and Stichting Holding SAECURE 10 is ATC Management B.V. ATC Management B.V. has elected domicile at the registered office of the Issuer at Frederik Roeskestraat 123, 1076 EE Amsterdam, telephone number +31 20 577 11 77. The managing



directors of ATC Management B.V. are J.H. Scholts, R. Posthumus, R. Rosenboom, R. Langelaar, A.R. van der Veen and R. Arendsen.

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

ATC Management B.V. belongs to the same group of companies as Amsterdamsch Trustee's Kantoor B.V., being the sole Director of the Security Trustee. Therefore, a conflict of interest may arise. In this respect it is of note that in the management agreements entered into by each of the Directors with the entity of which it has been appointed managing director (*statutair directeur*), each of the Directors agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director (*statutair directeur*) should do or should refrain from doing, and (ii) refrain from taking any action detrimental to the obligations under any of the Transaction Documents. In addition each of the Directors agrees in the relevant management agreement that it will procure that the relevant entity will not enter into any agreement in relation to the Issuer, and/or Stichting Holding SAECURE 10 and/or Security Trustee other than the Transaction Documents to which it is a party, without the prior written consent of the Security Trustee.

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

Since its incorporation there has been no material adverse change in the financial position or prospects of the Issuer and the Issuer has not (i) commenced operations, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in this Prospectus nor (ii) 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 financial year of the Issuer coincides with the calendar year. The first financial year shall end on 31 December 2011.

### **Capitalisation**

The following table shows the capitalisation of the Issuer as of 21 March 2011 as adjusted to give effect to the issue of the Notes. Copies of the deed of incorporation and the articles of association of the Issuer may be obtained at the specified offices of the Issuer and at the specified offices of the Paying Agents during normal business hours.

### **Share Capital**

Authorised Share Capital	EUR 18,000
Issued Share Capital	EUR 18,000

### **Borrowings**

Senior Class A1 Notes	EUR	375,000,000
Senior Class A2 Notes	EUR	1,125,000,000
Mezzanine Class B Notes	EUR	50,800,000
Mezzanine Class C Notes	EUR	24,100,000
Junior Class D Notes	EUR	16,000,000
Junior Class E Notes	EUR	16,200,000
Subordinated Class F Notes	EUR	16,100,000

Initial Savings Participation      EUR    87,523,713

### **Act on the Financial Supervision**

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

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

### **Auditor's Statement**

The following is the text of a statement received by the board of managing directors of the Issuer from Ernst & Young Accountants LLP, the accountants of which are a member of the Royal Dutch Institute for registered accountants (*Koninklijk Nederlands Instituut van Registeraccountants*) and the auditors to the Issuer. The information below has been accurately reproduced. As far as the Issuer is aware and is able to ascertain from information provided by Ernst & Young Accountants LLP, no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the Managing Director of SAECURE 10 B.V.

**Auditor's Statement**

SAECURE 10 B.V. (the "**Issuer**") was incorporated on 21 March 2011 under number BV 1638134 with an issued share capital of EUR 18,000. The Issuer has not yet prepared any financial statements. Since its incorporation, the Issuer has not traded, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in this Prospectus dated 11 April 2011.

Ernst & Young Accountants LLP

Amsterdam, 11 April 2011

was signed C.G.J. de Lange

## COMPANY ADMINISTRATOR

ATC Financial Services B.V. will be appointed as Company Administrator in accordance with and under the terms of the Company Administration Agreement (see further under *Servicing Agreement and Company Administration Agreement* above). ATC Financial Services B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands on 20 June 1963. It has its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Frederik Roeskestraat 123, 1076 EE Amsterdam, the Netherlands. The Company Administrator is registered with the Trade Register under number 33210270.

The objects of the Company 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 Company Administrator are J.H. Scholts, F.E.M. Kuijpers, R. Posthumus and R. Rosenboom. The sole shareholder of the Company 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 corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands. The managing director of ATC Group B.V. is J. Lont.

## **USE OF PROCEEDS**

The aggregate proceeds of the Notes to be issued on the Closing Date amount to EUR 1,623,200,000. The net proceeds from the issue of the Notes (other than the Subordinated Class F Notes) will be applied on the Closing Date (i) to pay part of the Initial Purchase Price for the Mortgage Receivables purchased by the Issuer pursuant to the Mortgage Receivables Purchase Agreement on the Closing Date and (ii) to deposit an amount equal to EUR 9,892,336 into the Construction Deposit Account. Furthermore, the Issuer will receive an amount of EUR 87,523,713 as consideration for the Initial Savings Participation granted to the relevant Savings Mortgage Participant in the Savings Mortgage Receivables and Savings Investment Mortgage Receivables. The proceeds of the issue of the Subordinated Class F Notes will be used to fund the Reserve Account on the Closing Date.

## DESCRIPTION OF SECURITY

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

The Parallel Debt of the Issuer to the Security Trustee will be secured by (i) a first ranking pledge by the Issuer to the Security Trustee over the Mortgage Receivables (including any parts thereof which are balanced by Construction Deposits) pursuant to the Mortgage Receivables Pledge Agreement (as defined below), including all rights ancillary thereto in respect of the Portfolio Mortgage Loans and the rights as beneficiary under the Savings Insurance Policies, the Life Insurance Policies, the Savings Investment Insurance Policies and the Risk Insurance Policies (the "**Beneficiary Rights**"), and (ii) a first ranking pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Swap Agreement, the Servicing Agreement, the Floating Rate GIC, the Liquidity Facility Agreement, the Beneficiary Waiver Agreement, the Sub-Participation Agreement, and in respect of the Issuer Accounts.

The Issuer and the Security Trustee will enter into a pledge agreement (the "**Mortgage Receivables Pledge Agreement**") pursuant to which a first ranking undisclosed right of pledge (*stil pandrecht eerste in rang*) will be granted by the Issuer to the Security Trustee over the Mortgage Receivables and the Beneficiary Rights relating thereto in order to create security for all liabilities of the Issuer to the Security Trustee in connection with the Trust Deed, including the Parallel Debt and any of the other Transaction Documents. Pursuant to the Mortgage Receivables Pledge Agreement, the Issuer further undertakes, in respect of any Further Advance Receivables, to grant to the Security Trustee a first ranking right of pledge on the relevant Further Advance Receivables (unless the Mortgage Receivables resulting from a Portfolio Mortgage Loan in respect of which a Further Advance is granted are being repurchased and re-assigned by the Seller) and any associated Beneficiary Rights on the relevant purchase date. In this respect, the Issuer and the Security Trustee acknowledge that (i) the Parallel Debt constitutes undertakings, obligations and liabilities of the Issuer to the Security Trustee which are separate and independent from and without prejudice to the Principal Obligations of the Issuer to any Security Beneficiary, and (ii) the Parallel Debt represents the Security Trustee's own claim (*vordering*) to receive payment of the Parallel Debt from the Issuer, provided that the aggregate amount that may become due under the Parallel Debt will never exceed the aggregate amount that may become due under all of the Principal Obligations to the Security Beneficiaries.

The pledge over the Mortgage Receivables provided in the Mortgage Receivables Pledge Agreement will not be notified to the Borrowers except in the case of certain Pledge Notification Events. These Pledge Notification Events will, to a large extent, be similar to the Assignment Notification Events defined in the Mortgage Receivables Purchase Agreement. Prior to notification of the pledge to the Borrowers, the pledge will be an undisclosed right of pledge (*stil pandrecht*) within the meaning of Section 3:239 of the Dutch Civil Code. The pledge of the Beneficiary Rights will be disclosed to the Insurance Company and will, therefore, be a disclosed right of pledge (*openbaar pandrecht*) within the meaning of Section 3:236 of the Dutch Civil Code.

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

Upon enforcement of the pledges created pursuant to the Security Documents (which is after delivery of an Enforcement Notice), the Security Trustee shall apply the net proceeds received or recovered towards satisfaction of the Parallel Debt. The Security Trustee shall subsequently distribute such net proceeds (after deduction of the amounts due and payable to the Savings Mortgage Participant and the Conversion Participant under the Sub-Participation Agreement which amounts will be paid in priority to all other amounts due and payable by the issuer at that time under any of the other Transaction Documents) to the Security Beneficiaries (other than the Savings Mortgage Participant and the Conversion Participant). All amounts to be so distributed by the Security Trustee will be paid in accordance with the Post-Enforcement Priority of Payments, as the case may be (as set forth in *Credit Structure* above).

The security provided pursuant to the provisions of the Trust Deed and the Pledge Agreements shall indirectly, through the Security Trustee, serve as security for the benefit of the Security Beneficiaries, including, without limitation, each of the holders of the Senior Class A Notes (the "**Senior Class A Noteholders**"), the holders of the Mezzanine Class B Notes (the "**Mezzanine Class B Noteholders**"), the holders of the Mezzanine Class C Notes (the "**Mezzanine Class C Noteholders**"), the holders of the Junior Class D Notes (the "**Junior Class D Noteholders**"), the holders of the Junior Class E Notes (the "**Junior Class E Noteholders**") and the holders of the Subordinated Class F Notes (the

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



## THE SECURITY TRUSTEE

Stichting Security Trustee SAECURE 10 (the "**Security Trustee**") is a foundation (*stichting*) established under the laws of the Netherlands on 14 March 2011. It has its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Frederik Roeskestraat 123, 1076 EE Amsterdam, the Netherlands. The Security Trustee is registered with the Trade Register under number 52268896.

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

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

## TERMS AND CONDITIONS OF THE NOTES

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

The issue of the EUR 375,000,000 Senior Class A Mortgage-Backed Notes 2011 due 2094 (the "**Senior Class A1 Notes**"), EUR 1,125,000,000 Senior Class A2 Mortgage-Backed Notes 2011 due 2094 (the "**Senior Class A2 Notes**" and together with the Senior Class A1 Notes, the "**Senior Class A Notes**"), the EUR 50,800,000 Mezzanine Class B Mortgage-Backed Notes 2011 due 2094 (the "**Mezzanine Class B Notes**"), the EUR 24,100,000 Mezzanine Class C Mortgage-Backed Notes 2011 due 2094 (the "**Mezzanine Class C Notes**"), the EUR 16,000,000 Junior Class D Mortgage-Backed Notes 2011 due 2094 (the "**Junior Class D Notes**"), the EUR 16,200,000 Junior Class E Mortgage-Backed Notes 2011 due 2094 (the "**Junior Class E Notes**") and the EUR 16,100,000 Subordinated Class F Notes 2011 due 2094 (the "**Subordinated Class F Notes**" and together with the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Junior Class E Notes, the "**Notes**") was authorised by a resolution of the managing director of SAECURE 10 B.V. (the "**Issuer**") passed on 7 April 2011. The Notes have been issued under a trust deed (the "**Trust Deed**") dated 11 April 2011 (the "**Signing Date**") between the Issuer, Stichting Holding SAECURE 10 and Stichting Security Trustee SAECURE 10 (the "**Security Trustee**").

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

The statements in these terms and conditions of the Notes (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of (i) the Paying Agency Agreement, (ii) the Trust Deed, which will include the form of the Notes and the interest coupons appertaining to the Notes (the "**Coupons**"), the forms of the Temporary Global Notes and the Permanent Global Notes, (iii) a mortgage receivables purchase agreement (the "**Mortgage Receivables Purchase Agreement**") dated the Signing Date between AEGON Levensverzekering N.V. as seller (the "**Seller**"), the Issuer and the Security Trustee, (iv) a servicing agreement (the "**Servicing Agreement**") dated the Signing Date between the Issuer, AEGON Levensverzekering N.V., as servicer (the "**Servicer**") and the Security Trustee, (v) a company administration agreement (the "**Company Administration Agreement**") dated the Signing Date between the Issuer, ATC Financial Services B.V., as administrator (the "**Company Administrator**") and the Security Trustee, (vi) a mortgage receivables

pledge agreement (the "**Mortgage Receivables Pledge Agreement**") dated the Signing Date between the Issuer and the Security Trustee, (vii) an issuer rights pledge agreement (the "**Issuer Rights Pledge Agreement**") dated the Signing Date between, *inter alia*, the Issuer and the Security Trustee and (viii) an issuer accounts pledge agreement (the "**Issuer Accounts Pledge Agreement**") dated the Signing Date between, *inter alia*, the Issuer and the Security Trustee (jointly with the three pledge agreements referred to under (vi) and (vii) above, the "**Pledge Agreements**" and the Pledge Agreements together with the Trust Deed, the "**Security Documents**" and together with the Security Beneficiaries Agreement, the Sub-Participation Agreement, the Floating Rate GIC, the Liquidity Facility Agreement, the Swap Agreement, the Beneficiary Waiver Agreement and the Master Definitions Agreement (as defined below), the "**Transaction Documents**"). A reference to a Transaction Document shall be construed as a reference to such Transaction Document as the same may have been, or may from time to time be, replaced, amended or supplemented and a reference to any party to a Transaction Document shall include references to its successors, assigns and any person deriving title under or through it.

Certain words and expressions used in these Conditions are defined in a master definitions agreement (the "**Master Definitions Agreement**") dated the Signing Date and signed by the Issuer, the Security Trustee, the Seller and certain other parties. Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions. As used herein, "**Class**" means the Senior Class A1 Notes, the Senior Class A2 Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes or the Subordinated Class F Notes, as the case may be.

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

## **1. Form, Denomination and Title**

The Notes will be in bearer form serially numbered with Coupons attached on issue in denominations of EUR 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), 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 Notes and Security

### (a) Status

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

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

### (b) Security

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

- (i) a first ranking pledge by the Issuer to the Security Trustee over the Mortgage Receivables and the rights as beneficiary under the Insurance Policies (the "**Beneficiary Rights**") and all ancillary rights;
- (ii) a first ranking pledge by the Issuer to the Security Trustee over the Issuer's rights (a) against the Seller under or in connection with the Mortgage Receivables Purchase Agreement; (b) against the Floating Rate GIC Provider under or in connection with the Floating Rate GIC; (c) against the Servicer under or in connection with the Servicing Agreement; (d) against the Swap Counterparty under or in connection with the Swap Agreement; (e) against the Liquidity Facility Provider under or in connection with the Liquidity Facility Agreement; (f) against the Savings Mortgage Participant and Conversion Participant under the Sub-Participation Agreement; and (g) against the Seller and (h) against the Insurance Company under or in connection with the Beneficiary Waiver Agreement;

- (iii) a first ranking pledge by the Issuer to the Security Trustee over the Issuer's claims in respect of the Issuer Accounts.

The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of each of the holders of the Senior Class A Notes (the "**Senior Class A Noteholders**"), the holders of the Mezzanine Class B Notes (the "**Mezzanine Class B Noteholders**"), the holders of the Mezzanine Class C Notes (the "**Mezzanine Class C Noteholders**"), the holders of the Junior Class D Notes (the "**Junior Class D Noteholders**"), the holders of the Junior Class E Notes (the "**Junior Class E Noteholders**") and the holders of the Subordinated Class F Notes (the "**Subordinated Class F Noteholders**") each as a Class as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise) and the Security Trustee need not have regard to the consequences of such exercise for individual Noteholders but is required in any such case to have regard only to the interests of the Senior Class A Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Senior Class A Noteholders on the one hand and the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Junior Class D Noteholders, the Junior Class E Noteholders or the Subordinated Class F Noteholders on the other hand and, if no Senior Class A Notes are outstanding, to have regard only to the interests of the Mezzanine Class B Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Mezzanine Class B Noteholders on the one hand and the Mezzanine Class C Noteholders, the Junior Class D Noteholders, the Junior Class E Noteholders or the Subordinated Class F Noteholders on the other hand and, if no Mezzanine Class B Notes are outstanding, to have regard only to the interests of the Mezzanine Class C Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Mezzanine Class C Noteholders on the one hand and the Junior Class D Noteholders, the Junior Class E Noteholders or the Subordinated Class F Noteholders on the other hand and, if no Mezzanine Class C Notes are outstanding, to have regard only to the interests of the Junior Class D Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Junior Class D Noteholders on the one hand and the Junior Class E Noteholders or the Subordinated Class F Noteholders on the other hand and, if no Junior Class D Notes are outstanding, to have regard only to the interests of the Junior Class E Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Junior Class E Noteholders on the one hand and the Subordinated Class F Noteholders on the other hand. In addition, the Security Trustee shall have regard to the interests of the other Security Beneficiaries, provided that, in the case of a conflict of interest between the Security Beneficiaries, the relevant priority of payments set forth in the Trust Deed determines which interest of which Security Beneficiary prevails.

### 3. Covenants of the Issuer

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

- (a) carry out any business other than as described in the prospectus issued in relation to the Notes dated 11 April 2011 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;
- (b) create, promise to create or permit to subsist any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of any part of its assets, except as contemplated in the Transaction Documents;
- (c) consolidate or merge with any other person or convey or transfer its assets substantially or as an entirety to one or more persons;
- (d) permit the validity or effectiveness of the Trust Deed or the Pledge Agreements, and the priority of the security created thereby or pursuant thereto to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations except as contemplated in the Transaction Documents;
- (e) have any employees or premises or have any subsidiary or subsidiary undertaking;
- (f) have an interest in any bank account other than (i) the Issuer Accounts or (ii) an account into which collateral under the Swap Agreement is transferred, unless all rights in relation to such account (other than the account(s) into which collateral under the Swap Agreement is transferred) will have been pledged to the Security Trustee as provided in Condition 2(b)(iii);
- (g) amend, supplement or otherwise modify its articles of association or other constitutive documents;
- (h) pay any dividend or make any other distribution to its shareholder(s) or issue any further shares; or
- (i) engage in any activity whatsoever which is not incidental to or necessary in connection with, any of the activities which the Transaction Documents provide or envisage that the

Issuer will engage in.

#### 4. Interest

(a) *Period of Accrual*

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

(b) *Interest Periods and Payment Dates*

Interest on the Notes shall be payable by reference to successive interest periods (each a "**Quarterly Interest Period**") and will be payable in arrear in euro in respect of the Principal Amount Outstanding (as defined in Condition 6) of the Notes, respectively, on the 25th day of February, May, August and November in each year, or if such day is not a Business Day (as defined below), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 25th day is the relevant Business Day (each such day being a "**Quarterly Payment Date**"), subject to Condition 9(a). A "**Business Day**" means a day on which banks are open for business in Amsterdam, the Netherlands and London, United Kingdom, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 System (the "**TARGET 2 System**") or any successor thereto is operating credit or transfer instructions in respect of payments in euro. Each successive Quarterly Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Quarterly Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date falling in May 2011.

(c) *Interest on the Notes*

Except for the first Quarterly Interest Period whereby interest will accrue from the Closing Date at an annual rate equal to the linear interpolation between the Euro Interbank Offered Rate ("**Euribor**") for one-month deposits in euro and the Euribor for two-months deposits in

euro, interest on the Notes for each Quarterly Interest Period up to (but excluding) the First Optional Redemption Date accrue at an annual rate equal to the Euribor for three-months deposits in euro, plus:

- (i) for the Senior Class A1 Notes, a margin of 0.95 per cent. per annum; and
- (ii) for the Senior Class A2 Notes, a margin of 1.35 per cent. per annum.

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

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

- (i) for the Senior Class A1 Notes, a margin of 1.90 per cent. per annum; and
- (ii) for the Senior Class A2 Notes, a margin of 2.70 per cent. per annum.

*(e) Euribor*

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

- (i) the Reference Agent will obtain for each Quarterly Interest Period the rate equal to Euribor for three-months deposits in euro. The Reference Agent shall use the Euribor rate as determined and published jointly by the European Banking Federation and ACI - The Financial Market Association and which appears for information purposes on the Reuters Screen EURIBOR01 (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) at or about 11:00 a.m. (Central European time) on the day that is two (2) Business Days preceding the first day of each Quarterly Interest Period (each an "**Interest Determination Date**").
- (ii) if, on the relevant Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking 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 (4) major banks in the euro-zone interbank market (the "**Reference Banks**") to provide a quotation for the rate at which three-months euro deposits are offered by it in the euro-zone interbank market at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date to prime banks in the euro-zone interbank market in an amount that is representative for a single transaction at that time; and



- (B) determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotations as are provided; and
- (iii) if fewer than two (2) such quotations are provided as requested, the Reference Agent will determine the arithmetic mean (rounded, if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks, of which there shall be at least two in number, in the euro-zone, selected by the Reference Agent, at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date for three-months deposits to leading euro-zone banks in an amount that is representative for a single transaction in that market at that time,

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

- (f) *Determination of Floating Rate of Interest and Calculation of the Floating Interest Amount*  
The Reference Agent will, as soon as practicable after 11.00 a.m. (Central European Time) on each relevant Interest Determination Date, (i) determine the floating rates of interest referred to in paragraphs (c) and (d) above for each relevant Class of Notes (the "**Floating Rate of Interest**") and (ii) calculate the amount of interest payable, subject to Condition 9(a), on each such Class of Notes for the following Quarterly Interest Period (the "**Floating Interest Amount**") by applying the relevant Floating Rate of Interest to the Principal Amount Outstanding of the relevant Class of Notes. The determination of the relevant Floating Rate of Interest and the Floating Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.
- (g) *Notification of the Floating Rate of Interest and the Floating Interest Amount*  
The Reference Agent will cause the relevant Floating Rate of Interest and the relevant Floating Interest Amount and the Quarterly Payment Date applicable to each relevant Class of Notes to be notified to the Issuer, the Security Trustee, the Paying Agents, the Company Administrator and to the holders of such Class of Notes. As long as the Senior Class A Notes are admitted to listing, trading and/or quotation on NYSE Euronext in Amsterdam ("**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 Floating Interest Amount and Quarterly Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Quarterly Interest Period.

*(h) Determination or Calculation by Security Trustee*

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

*(i) Reference 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 obtaining the prior written consent of the Security Trustee, the right to terminate the appointment of the Reference Agent by giving at least ninety (90) days' notice in writing to that effect. Notice of any such termination will be given to the holders of the relevant Class of Notes in accordance with Condition 13. If any person shall be unable or unwilling to continue to act as the 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 Definitive Notes will be made upon presentation of the Definitive Note and against surrender of the relevant Coupon appertaining thereto, at any specified office of the Paying 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) On the Final Maturity Date (as defined in Condition 6), or such earlier date on which the Notes become due and payable, the Definitive Notes should be presented for payment together with all unmatured Coupons appertaining thereto, failing which the full amount of any such missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five (5) years following the due date for payment of such principal (whether or not such Coupons

would have become unenforceable pursuant to Condition 8).

- (c) If the relevant Quarterly Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note or Coupon ("**Local Business Day**"), the holder thereof shall not be entitled to payment until the next following Local Business Day, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to an euro account as referred to above, the Paying Agents shall not be obliged to credit such account until the Local Business Day immediately following the day on which banks are open for business in the Netherlands. The name of each of the Paying Agents and details of its office are set out below.
- (d) The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent or Paying Agent and to appoint additional or other paying agents provided that no paying agent located in the United States of America will be appointed and that the Issuer will at all times maintain a paying agent having a specified office in the European Union which, for as long as the Senior Class A Notes are listed on Euronext Amsterdam shall be located in the Netherlands, and provided further that the Issuer will maintain a paying agent in an EU Member State that will not be obliged to withhold or deduct any tax pursuant to the EU Council Directive 2003/48/EC. 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

### (a) Definitions

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

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

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

- (i) repayment and full prepayment of principal under the Mortgage Receivables, from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding prepayment penalties, if any, less, with respect to each Savings Investment Mortgage Receivable and each Savings Mortgage Receivable, the Conversion Participation or Savings Participation, as the case may be, in such Savings Investment Mortgage Receivable or Savings Mortgage Receivable;

- (ii) Net Proceeds in respect of any Mortgage Receivables, to the extent such proceeds relate to principal, less, with respect to each Savings Investment Mortgage Receivable and each Savings Mortgage Receivable, the Conversion Participation or Savings Participation, as the case may be, in such Savings Investment Mortgage Receivable or Savings Mortgage Receivable;
- (iii) amounts received in connection with a repurchase or sale of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed, as the case may be, or 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 Investment Mortgage Receivable and each Savings Mortgage Receivable, the Conversion Participation or Savings Participation, as the case may be, in such Savings Investment Mortgage Receivable or Savings Mortgage Receivable;
- (iv) amounts to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date;
- (v) Participation Increase and Initial Savings Participation received pursuant to the Sub-Participation Agreement (other than the Initial Savings Participation received on the Closing Date);
- (vi) Switched Savings Participation to the extent such amount exceeds the then existing Conversion Participation, if any, held by the Insurance Company in respect of the relevant Savings Investment Mortgage Loan;
- (vii) partial prepayments in respect of Mortgage Receivables, excluding prepayment penalties, if any, less, with respect to each Savings Investment Mortgage Receivable and each Savings Mortgage Receivable in case the partial prepayment made in respect thereof exceeds the difference between (a) the principal amount outstanding under such Savings Investment Mortgage Receivable or Savings Mortgage Receivable and (b) the Savings Participation and/or Conversion Participation therein, an amount equal to such excess up to the Savings Participation or Conversion Participation therein;
- (viii) amounts no longer payable to the Seller which were standing to the credit of the Construction Deposit Account in accordance with the Mortgage Receivables Purchase Agreement; and
- (ix) any part of the Available Principal Funds calculated on the immediately preceding Notes Calculation Date which has not been applied in accordance with the Pre-

Enforcement Principal Priority of Payments on the immediately preceding Quarterly Payment Date.

**"Net Proceeds"** means, in relation to a Mortgage Receivable, (i) the proceeds of a foreclosure of the mortgage right securing the Mortgage Receivable, (ii) the proceeds of foreclosure on any other collateral securing the Mortgage Receivable, (iii) the proceeds, if any, of collection of any Insurance Policies or other insurance policies in connection with the Mortgage Receivable, including but not limited to fire insurance, (iv) the proceeds of any guarantees or sureties, and (v) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs in respect of such Mortgage Receivable. The term "foreclosure" shall include any lawful manner of generating proceeds from collateral, whether by public auction, by private sale or otherwise.

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

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

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

**"Realised Losses"** means, on any Notes Calculation Date, the sum of (a) the aggregate outstanding principal amount of all Mortgage Receivables (less the aggregate amount of any Savings Participations and Conversion Participations therein) in respect of which the Seller, the Servicer on behalf of the Seller, the Issuer, or the Security Trustee has foreclosed and has received the proceeds in the Notes Calculation Period immediately preceding such Notes Calculation Date *minus* the Net Proceeds in respect of such Mortgage Receivables applied to reduce the outstanding principal amount of such Mortgage Receivables, (b) with respect to Mortgage Receivables sold by the Issuer pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed in the Notes Calculation Period immediately preceding such Notes Calculation Date, the amount of the aggregate outstanding principal amount of all such Mortgage Receivables (less the aggregate amount of any Savings Participations and Conversion Participations therein) *minus* the purchase price received, or to be received on the immediately succeeding Quarterly Payment Date, in respect of such Mortgage Receivables to the extent relating to principal and (c) with respect to Mortgage Receivables which have been extinguished (*teniet gegaan*), in part or in full, in the Notes Calculation Period immediately preceding such Notes Calculation Date as a result of a set-off right having been invoked by the relevant Borrower or the Seller, as the case may be, the positive difference, if any, between

the amount by which the Mortgage Receivables have been extinguished (*teniet gegaan*) and the amount paid by the Seller pursuant to the Mortgage Receivables Purchase Agreement in connection with such set-off and (d) amounts in respect of the Portfolio Mortgage Loans relating to principal which are received by the Seller on its Collection Account during the immediately preceding Notes Calculation Period, but which are not transferred to the Transaction Account of the Issuer (either as part of the payment which the Seller is required to be made on the relevant Portfolio Payment Date or otherwise) on or prior to the third Reconciliation Date following receipt thereof.

(b) *Final Redemption*

Unless previously redeemed as provided below, the Issuer will, subject to Condition 9(b), redeem any remaining Notes at their Principal Amount Outstanding on the Quarterly Payment Date falling in February 2094 (the "**Final Maturity Date**").

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

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer shall on each Quarterly Payment Date apply the Available Principal Funds, subject to the possible application thereof for payment of the purchase price for Further Advance Receivables subject to and in accordance with the applicable priority of payments, towards redemption, at their respective Principal Amount Outstanding, of (i) *firstly*, (A) up to (but excluding) the First Optional Redemption Date, the Senior Class A1 Notes, until fully redeemed and subsequently the Senior Class A2 Notes until fully redeemed and (B) as from (and including) the First Optional Redemption Date, pro rata, according to the respective amounts thereof, the Senior Class A1 Notes and the Senior Class A2 Notes until fully redeemed, (ii) *secondly*, the Mezzanine Class B Notes, until fully redeemed, (iii) *thirdly*, the Mezzanine Class C Notes, until fully redeemed, (iv) *fourthly*, the Junior Class D Notes, until fully redeemed and (v) *fifthly*, the Junior Class E Notes, until fully redeemed.

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

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

- (i) On each Notes Calculation Date, the Issuer shall determine (or cause the Company Administrator to determine) (a) the Principal Redemption Amount and (b) the Principal Amount Outstanding of the relevant Note on the first day following the relevant Quarterly Payment Date. Each determination by or on behalf of the Issuer of any

Principal Redemption Amount or the Principal Amount Outstanding of a Note shall in each case (in the absence of manifest error) be final and binding on all persons.

- (ii) The Issuer will cause each determination of a Principal Redemption Amount and Principal Amount Outstanding of Notes to be notified forthwith to the Security Trustee, the Paying Agents, the Reference Agent, Euroclear, Clearstream, Luxembourg, Euronext Amsterdam and to the holders of Notes. As long as the Senior Class A 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. If no Principal Redemption Amount is due to be made on the Notes on any applicable Quarterly Payment Date a notice to this effect will be given to the Noteholders in accordance with Condition 13.
- (iii) If the Issuer does not at any time for any reason determine (or cause the Company Administrator to determine) the Principal Redemption Amount or the Principal Amount Outstanding of a Note, such Principal Redemption Amount or such Principal Amount Outstanding shall be determined by the Security Trustee in accordance with this paragraph (d) and paragraph (c) above (but based upon the information in its possession as to the Available Principal Funds) and each such determination or calculation shall be deemed to have been made by the Issuer.

(e) *Optional redemption*

The Issuer may, at its option, on giving not more than sixty (60) nor less than thirty (30) days written notice to the Security Trustee and the Noteholders in accordance with Condition 13, on the Quarterly Payment Date falling in February 2016 (the "**First Optional Redemption Date**") and on each Quarterly Payment Date thereafter (each an "**Optional Redemption Date**") redeem, subject to Condition 9(b) all (but not only part) of the Notes (other than the Subordinated Class F Notes) at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to redemption of the Notes.

(f) *Redemption following clean-up call*

The Seller has the option to repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables on any Quarterly Payment Date on which the principal amount due on the Mortgage Receivables then outstanding is less than 10 per cent. of the aggregate principal amount of the Mortgage Receivables on the Cut-Off Date (the "**Seller Clean-up Call Option**"). On the Quarterly Payment Date following the exercise by the Seller of its Seller Clean-up Call Option, the Issuer shall redeem, subject to Condition 9(b), all (but not only part of) the Notes (other than the Subordinated Class F Notes) at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to redemption of the Notes.

*(g) Redemption of Subordinated Class F Notes*

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer will be obliged, as from the earlier of (i) the Quarterly Payment Date on which all amounts of interest and principal on the Notes (other than the Subordinated Class F Notes) will have been paid and (ii) the First Optional Redemption Date, to apply the Available Revenue Funds, if and to the extent that all payments ranking above item (q) in the Pre-Enforcement Revenue Priority of Payments set forth in the Trust Deed have been made in full, to redeem (or partially redeem) on a pro rata basis the Subordinated Class F Notes on each Quarterly Payment Date until fully redeemed. Any amount so redeemed will be deemed to be a Principal Redemption Amount for the purpose of calculating the Principal Amount Outstanding of each of the Subordinated Class F Notes in accordance with Condition 6(d). Unless previously redeemed in full, the Issuer will, subject to Condition 9(b), redeem the Subordinated Notes at their Principal Amount Outstanding on the Quarterly Payment Date falling in February 2094.

*(h) Redemption for tax reasons*

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

## **7. Taxation**

All payments of, or in respect of, principal and interest on 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 is required by law. In that event, the



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

## **8. Prescription**

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

## **9. Subordination**

### *(a) Interest*

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

In the event that on any Notes Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Mezzanine Class B Notes on the next Quarterly Payment Date, the amount available (if any) shall be applied pro rata to the amount of interest due on such Quarterly Payment Date to the holders of the Mezzanine Class B Notes. In the event of a shortfall, the Issuer shall credit the Mezzanine Class B Notes Interest Shortfall Ledger (as defined in the Master Definitions Agreement), with an amount equal to the amount by which the aggregate amount of interest paid on the Mezzanine Class B Notes, on any Quarterly Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Mezzanine 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 Mezzanine 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 Mezzanine Class B Note on the next succeeding Quarterly Payment Date.

In the event that on any Notes Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Mezzanine Class C Notes on the next Quarterly Payment Date, the amount available (if any) shall be applied pro rata to the amount of interest due on such Quarterly Payment Date to the holders of the Mezzanine Class C Notes. In the event of a shortfall, the Issuer shall credit the Mezzanine Class C Notes Interest Shortfall Ledger (as defined in the Master Definitions Agreement), with an amount equal to the amount by which the aggregate amount of interest paid on the

Mezzanine Class C Notes, on any Quarterly Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Mezzanine 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 Mezzanine 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 Mezzanine Class C Note on the next succeeding Quarterly Payment Date.

In the event that on any Notes Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Junior Class D Notes on the next Quarterly Payment Date, the amount available (if any) shall be applied pro rata to the amount of interest due on such Quarterly Payment Date to the holders of the Junior Class D Notes. In the event of a shortfall, the Issuer shall credit the Junior Class D Notes Interest Shortfall Ledger (as defined in the Master Definitions Agreement), with an amount equal to the amount by which the aggregate amount of interest paid on the Junior Class D Notes, on any Quarterly Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Junior 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 Junior 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 Junior Class D Note on the next succeeding Quarterly Payment Date.

In the event that on any Notes Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Junior Class E Notes on the next Quarterly Payment Date, the amount available (if any) shall be applied pro rata to the amount of interest due on such Quarterly Payment Date to the holders of the Junior Class E Notes. In the event of a shortfall, the Issuer shall credit the Junior Class E Notes Interest Shortfall Ledger (as defined in the Master Definitions Agreement), with an amount equal to the amount by which the aggregate amount of interest paid on the Junior Class E Notes, on any Quarterly Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Junior Class E 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 Junior 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 Junior Class E Note on the next succeeding Quarterly Payment Date.

In the event that on any Notes Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Subordinated Class F Notes on the next Quarterly Payment Date, the amount available (if any) shall be applied pro rata to the amount of interest due on such Quarterly Payment Date to the holders of the Subordinated Class F Notes. In the event of a shortfall, the Issuer shall credit the Subordinated Class F Notes Interest Shortfall Ledger (as defined in the Master Definitions Agreement), with an amount equal to the amount by which the aggregate amount of interest paid on the Subordinated Class F Notes, on any Quarterly Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Subordinated Class F 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 Subordinated 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 Subordinated Class F Note on the next succeeding Quarterly Payment Date.

(b) *Principal*

Up to the First Optional Redemption Date, the holders of the Senior Class A2 Notes will not be entitled to any repayment of principal in respect of the Senior Class A2 Notes, until the date on which the Principal Amount Outstanding of all Senior Class A1 Notes is reduced to zero. As from that date the Principal Amount Outstanding of the Senior Class A2 Notes will be redeemed in accordance with the provisions of Condition 6. As from the First Optional Redemption Date, the holders of the Senior Class A1 Notes and the holders of the Senior Class A2 Notes will be, *pro rata*, entitled to any repayment of principal in respect of the Senior Class A1 Notes and the Senior Class A2 Notes. The Senior Class A Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Senior Class A Notes after the earlier of (i) the Final Maturity Date and (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 Accounts.

Until the date on which the Principal Amount Outstanding of all Senior Class A Notes is reduced to zero, the holders of the Mezzanine Class B Notes will not be entitled to any repayment of principal in respect of the Mezzanine Class B Notes. As from that date the Principal Amount Outstanding of the Mezzanine Class B Notes will be redeemed in accordance with the provisions of Condition 6, provided that if, on any Quarterly Payment Date, there is a balance on the Class B Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Mezzanine Class B Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall on such date. The Mezzanine Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Mezzanine Class B Notes after the earlier of (i) the

Final Maturity Date and (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 Accounts.

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

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

Until the date on which the Principal Amount Outstanding of the Senior Class A Notes is reduced to zero and the Principal Amount Outstanding of the Mezzanine Class B Notes is reduced to zero and the Principal Amount Outstanding of all Mezzanine Class C Notes is reduced to zero and the Principal Amount Outstanding of all Junior Class D Notes is reduced to zero, the Junior Class E Noteholders will not be entitled to any repayment of principal in respect of the Junior Class E Notes. As from that date the Principal Amount Outstanding of the Junior Class E Notes will be redeemed in accordance with the provisions of Condition 6, provided that if, on any Quarterly Payment Date, there is a

balance on the Class E Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Junior Class E Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall on such date. The Junior Class E Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Junior Class E Notes after the earlier of (i) the Final Maturity Date and (ii) the date on which the Issuer no longer holds any Mortgage Receivables and there are no balances standing to the credit of the Issuer Accounts.

In these Conditions, the "**Principal Shortfall**" means, with respect to any Quarterly Payment Date, an amount equal to (i) the balance of the relevant sub-ledger of the Principal Deficiency Ledger for the relevant Class of Notes, divided by (ii) the number of Notes of the relevant Class on such Quarterly Payment Date.

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

(c) *General*

In the event that the Security in respect of the Notes and the Coupons appertaining thereto has been fully enforced and the proceeds of such enforcement, after payment of all other

claims ranking under the Trust Deed in priority to the Subordinated Class F Notes or, as the case may be, the Junior Class E Notes or, as the case may be, the Junior Class D Notes or, as the case may be, the Mezzanine Class C Notes or, as the case may be, the Mezzanine Class B Notes, or, as the case may be, the Senior Class A Notes, are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Subordinated Class F Notes or, as the case may be, the Junior Class E Notes, or as the case may be, the Junior Class D Notes or, as the case may be, the Mezzanine Class C Notes or, as the case may be, the Mezzanine Class B Notes, or, as the case may be, the Senior Class A Notes, then the Subordinated Class F Noteholders or, as the case may be, the Junior Class E Noteholders or, as the case may be, the Junior Class D Noteholders or, as the case may be, the Mezzanine Class C Noteholders or, as the case may be, the Mezzanine Class B Noteholders or, as the case may be, the Senior Class A Noteholders shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

#### 10. **Events of Default**

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

- (a) the Issuer is in default for a period of fifteen (15) days or more in the payment on the due date of any amount due in respect of the Notes of the Relevant Class; or
- (b) the Issuer fails to perform any of its other obligations binding on it under the Notes of the Relevant Class, the Trust Deed, the Paying Agency Agreement or the Pledge Agreements and, except where such failure, in the reasonable opinion of the Security Trustee, is incapable of remedy, such default continues for a period of thirty (30) days after written

notice by the Security Trustee to the Issuer requiring the same to be remedied; or

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

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

## 11. Enforcement

### (a) Enforcement

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

all amounts due in respect of the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes have been fully paid, the Junior Class D Noteholders or, if all amounts due in respect of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes have been fully paid, the Junior Class E Noteholders or, if all amounts due in respect of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Junior Class E Notes have been fully paid, the Subordinated Class F Noteholders and (ii) it shall have been indemnified to its satisfaction. The Security Trustee will enforce the security created by the Issuer in favour of the Security Trustee pursuant to the terms of the Trust Deed and the Pledge Agreements for the benefit of all Security Beneficiaries, including, but not limited to, the Noteholders, and will apply the net proceeds received or recovered towards satisfaction of the Parallel Debt. The Security Trustee shall distribute such net proceeds (after deduction of the amounts due and payable to the Savings Mortgage Participant and the Conversion Participant under the Sub-Participation Agreement) to the Security Beneficiaries (other than the Savings Mortgage Participant and the Conversion Participant) in accordance with the Post-Enforcement Priority of Payments set forth in the Trust Deed.

*(b) No Action against Issuer by Noteholders*

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

*(c) Undertaking Noteholders and Security Trustee*

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

*(d) Limitation of Recourse*

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

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

The Trust Deed contains provisions for the indemnification of the Security Trustee and for its relief from responsibility. The Security Trustee is entitled to enter into commercial transactions with the Issuer and/or any other party to the 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 (g) and of the Issuer in Condition 6 (d)(ii), all notices to the Noteholders will only be valid if published in at least one daily newspaper of wide circulation in the Netherlands, or, if all such newspapers shall cease to be published or timely publication therein shall not be practicable, in such newspaper as the Security Trustee shall approve having a general circulation in Europe, and as long as the Senior Class A 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 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 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.

The Noteholders of any Class may adopt a resolution without the formalities for convening a meeting set out in the Trust Deed being observed, including an Extraordinary Resolution and/or an Extraordinary Resolution relating to a Basic Term Change, provided that such resolution is unanimously adopted in writing - including by e-mail, facsimile or electronic transmission, or in the form of a message transmitted by any accepted means of communication and received or capable of being produced in writing – by all Noteholders of the relevant Class having the right to cast votes.

The expression "**Extraordinary Resolution**" means (A) a resolution adopted by a majority of at least 66.67 per cent. of the validly cast votes at a meeting of the relevant Class of Noteholders duly convened and held in accordance with the provisions of the Trust Deed, at which meeting at least 66.67 per cent. of the Principal Amount Outstanding of the Notes of the relevant Class are represented and (B) a resolution unanimously adopted in writing by all Noteholders of the relevant Class having the right to cast votes in writing without a meeting having been convened.

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

The Trust Deed contains provisions for convening meetings of the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Junior Class D Noteholders, the Junior Class E Noteholders and the Subordinated Class F Noteholders to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of

these Conditions or any provisions of the Transaction Documents, provided that no change of certain terms by the Noteholders of any Class including the date of maturity of the Notes of the relevant Class, or a change which would have the effect of postponing any day for payment of interest in respect of such Notes, reducing or cancelling the amount of principal or rate of interest payable in respect of such Notes or altering the majority required to pass an Extraordinary Resolution or any alteration of the date or priority of redemption of such Notes (any such change in respect of any such class of Notes referred to below as a "**Basic Terms Change**") shall be effective except that, (A) if the Security Trustee is of the opinion that such a Basic Terms Change is being proposed by the Issuer as a result of, or in order to avoid, an Event of Default, such Basic Terms Change may be sanctioned by an Extraordinary Resolution of the Noteholders of the relevant Class of Notes as described below or (B) a Basic Terms Change may be sanctioned by a resolution unanimously adopted in writing by all Noteholders of the relevant Class having the right to cast votes without a meeting having been convened.

A meeting as referred to above may be convened by the Issuer or by Noteholders of any Class holding not less than 10 per cent. in Principal Amount Outstanding of the Notes of such Class. The quorum for any meeting convened to consider an Extraordinary Resolution for any Class of Notes will be two-thirds of the Principal Amount Outstanding of the Notes of the relevant Class, as the case may be, and at such a meeting an Extraordinary Resolution shall be adopted with not less than a two-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including the sanctioning of a Basic Terms Change shall be at least 75 per cent. of the amount of the Principal Amount Outstanding of the Notes of the relevant Class and the majority required shall be at least 75 per cent. of the validly cast votes in respect of that Extraordinary Resolution. If at such meeting the aforesaid quorum is not represented, a second meeting of Noteholders will be held within one month, with due observance of the same formalities for convening the meeting which governed the convening of the first meeting; at such second meeting an Extraordinary Resolution can be adopted with not less than a two-thirds majority of the validly cast votes, except that for an Extraordinary Resolution including a sanctioning of a Basic Terms Change the majority required shall be 75 per cent. of the validly cast votes, regardless of the Principal Amount Outstanding of the Notes of the relevant Class then represented, except if the Extraordinary Resolution relates to the appointment, removal and replacement of any or all of the managing directors of the Security Trustee, in which case at least 30 per cent. of the Notes of the relevant Class should be represented at such second meeting.

No Extraordinary Resolution of the Senior Class A Noteholders to sanction a change which would have the effect of accelerating or extending the maturity of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes or the Subordinated Class F Notes, as the case may be, or any date for payment of interest thereon, reducing or cancelling the amount of principal or altering

the rate of interest payable in respect of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes or the Subordinated Class F Notes, as the case may be, shall take effect unless it shall have been sanctioned with respect to the Senior Class A Notes by an Extraordinary Resolution of the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Junior Class D Noteholders, the Junior Class E Noteholders and the Subordinated Class F Noteholders.

An Extraordinary Resolution passed at any meeting of the Senior Class A Noteholders shall be binding on all other Classes of Noteholders, irrespective of its effect upon them, except in case of an Extraordinary Resolution to sanction a Basic Terms Change, which shall not take effect unless it shall have been sanctioned by (i) an Extraordinary Resolution of the lower ranking Classes of Noteholders or (ii) the Security Trustee if the Security Trustee is of the opinion that it will not be materially prejudicial to the respective interests of the lower ranking Classes of Noteholders.

Without prejudice to the paragraph below, an Extraordinary Resolution (other than a sanctioning Extraordinary Resolution referred to in the previous paragraph) passed at any meeting of a Class of Noteholders (other than the Senior Class A Noteholders) or, as the case may be, Classes of Noteholders (other than the Senior Class A Noteholders) shall not be effective, unless it shall have been sanctioned by (i) an Extraordinary Resolution of the Senior Class A Noteholders or (ii) the Security Trustee if the Security Trustee is of the opinion that it will not be materially prejudicial to the interests of the Senior Class A Noteholders.

An Extraordinary Resolution of a Class of Noteholders (other than the Senior Class A Noteholders) or, as the case may be, Classes of Noteholders (other than the Senior Class A Noteholders), which is effective in accordance with the paragraph above, shall be binding on all other Classes of Noteholders, irrespective of its effect upon them, except in case of an Extraordinary Resolution to sanction a Basic Terms Change, which shall not take effect unless it shall have been sanctioned by (i) an Extraordinary Resolution of the other Classes of Noteholders or (ii) the Security Trustee if the Security Trustee is of the opinion that it will not be materially prejudicial to the respective interests of the other Classes of Noteholders.

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

*(b) Voting*

Each Note carries one vote. The Issuer and its affiliates may not vote on any Notes held by them directly or indirectly. Such Notes will not be taken into account in calculating the aggregate outstanding amount of the Notes.

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

The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any provision of the Trust Deed, the Notes or any other Transaction Document that is of a formal, minor or technical nature or is made to correct a manifest error and is notified to the Rating Agencies, and (ii) any other modification (except if prohibited in the Transaction Documents), and any waiver or authorisation of any breach or proposed breach that the Security Trustee regards as not materially prejudicial to the interests of the Noteholders, of any provision of the Trust Deed, the Notes, the Issuer's articles of association or any other Transaction Document or any document in connection with the Transaction Documents, in respect of (ii) only, provided that each Rating Agency either (i) has provided a Rating Agency Confirmation in respect of such modification, authorisation or waiver or (ii) by the 15th day after it was notified of such modification, authorisation or waiver has not indicated (a) which conditions are to be met before it is in a position to grant a Rating Agency Confirmation or (b) that the then current ratings assigned by it to the Notes will be adversely affected by or withdrawn as a result of such modification, authorisation or waiver, and provided further that the Swap Counterparty is provided with prior notice of any modification and has provided its prior written consent thereto in the event that (i) such modification is to be made in respect of the Master Definitions Agreement, the Mortgage Receivables Purchase Agreement, the Servicing Agreement, the Mortgage Receivables Pledge Agreement, the Issuer Rights Pledge Agreement or the Issuer Accounts Pledge Agreement and in the Security Trustee's reasonable opinion could have a material adverse effect on the Swap Counterparty or (ii) such modification is to be made in respect of the Trust Deed. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Security Trustee so requires, such modification shall be notified to the Noteholders in accordance with Condition 13 (Notices) as soon as practicable.

*(d) Indemnification for individual Noteholders*

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Security Trustee shall have regard to the interests of the Senior Class A Noteholders and the Mezzanine Class B Noteholders and the Mezzanine Class C Noteholders and the Junior Class D Noteholders and the Junior Class E Noteholders and the Subordinated 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.

For the purposes of this Condition 14 only, a reference to (i) "Class" means if and to the extent it regards Senior Class A Notes, the Senior Class A1 Notes and the Senior Class A2 Notes, collectively, and (ii) "Senior Class A Noteholders" means the Senior Class A1 Noteholders and

the Senior Class A2 Noteholders, acting collectively.

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

**16. Governing Law**

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

## THE GLOBAL NOTES

Each Class of the Notes shall be initially represented by (i) in the case of the Senior Class A1 Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of EUR 375,000,000, (ii) in the case of the Senior Class A2 Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of EUR 1,125,000,000, (iii) in the case of the Mezzanine Class B Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of EUR 50,800,000, (iv) in the case of the Mezzanine Class C Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of EUR 24,100,000, (v) in the case of the Junior Class D Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of EUR 16,000,000, (vi) in the case of the Junior Class E Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of EUR 16,200,000 and (vii) in the case of the Subordinated Class F Notes, a Temporary Global Note in bearer form without coupons attached, in the principal amount of EUR 16,100,000. The Temporary Global Note representing the Senior Class A Notes will be deposited with Euroclear Bank S.A./N.V. as common safekeeper for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") on or about 13 April 2011. The Temporary Global Notes representing the Notes (other than the Senior Class A Notes) will be deposited with Deutsche Bank AG, London Branch as common safekeeper for Euroclear Bank S.A./N.V., as operator of the Euroclear and Clearstream, Luxembourg on or about 13 April 2011. Upon deposit of each such Temporary Global Note, Euroclear and Clearstream, Luxembourg will credit each purchaser of Notes represented by such Temporary Global Note with the amount of the relevant Class of Notes equal to the amount thereof for which it has purchased and paid. Interests in each Temporary Global Note will be exchangeable (provided certification of non-U.S. beneficial ownership by the Noteholders has been received) not earlier than forty (40) days after the issue date of the Notes (the "**Exchange Date**") for interests in a permanent global note (each a "**Permanent Global Note**"), in bearer form, without coupons attached, in the amount of the Notes of the relevant Class (the expression "**Global Notes**" meaning the Temporary Global Notes of each Class and the Permanent Global Notes of each Class and the expression "Global Note" means any of them, as the context may require). On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant Class, the Permanent Global Note will remain deposited with the relevant common safekeeper.

The Senior Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Senior Class A Notes are intended upon issue to be deposited with one of the ICSDs and/or CSDs that fulfils the minimum standard established by the European Central Bank, as common safekeeper and does not necessarily mean that the Senior 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. The Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes and the Subordinated 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 definitive notes to bearer (the "**Definitive Notes**") only in the circumstances described below. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note will be entitled to receive any payment made in respect of that Note in accordance with the respective rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes, which must be made by the holder of a Global Note, for as long as such Global Note is outstanding. Each person must give a certificate as to non-U.S. beneficial ownership as of the date on which the Issuer is obliged to exchange a Temporary Global Note for a Permanent Global Note, which date shall be no earlier than the Exchange Date, in order to obtain any payment due on the Notes.

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

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

If after the Exchange Date (i) the Notes become immediately due and payable by reason of accelerated maturity following an Event of Default, or (ii) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Security Trustee is available, or (iii) as a result of any amendment to, or change in the laws or regulations of the Netherlands (or of any political sub-division thereof) or of

any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer, the Principal Paying Agent or the Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form, then the Issuer will at its sole cost and expense, issue:

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

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

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



## DUTCH TAXATION

*The following is a general summary and the tax consequences as described here may not apply to a Holder of Notes (as defined below). Any potential investor should consult his tax adviser for more information about the tax consequences of acquiring, owning and disposing of Notes in his particular circumstances.*

This taxation summary solely addresses the principal Dutch tax consequences of the acquisition, the ownership and disposal of Notes. It does not consider every aspect of taxation that may be relevant to a particular Holder of Notes under special circumstances or who is subject to special treatment under applicable law. Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law. This summary assumes that the Issuer is organised, and that its business will be conducted, in the manner outlined in this Prospectus. A change to such organisational structure or to the manner in which the Issuer conducts its business may invalidate the contents of this summary, which will not be updated to reflect any such change.

This summary is based on the tax law of the Netherlands (unpublished case law not included) as it stands at the date of this Prospectus. Where in this Dutch taxation paragraph the terms "the Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of the Netherlands. The law upon which this summary is based are subject to change, perhaps with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change. This summary assumes that each transaction with respect to Notes is at arm's length.

Where in this Dutch taxation paragraph reference is made to a "Holder of Notes", that concept includes, without limitation:

1. an owner of one or more Notes who in addition to the title to such Notes has an economic interest in such Notes;
2. a person who or an entity that holds the entire economic interest in one or more Notes;
3. a person who or an entity that holds an interest in an entity, such as a partnership or a mutual fund, that is transparent for Dutch tax purposes, the assets of which comprise one or more Notes, within the meaning of 1. or 2. above; or
4. a person who is deemed to hold an interest in Notes, as referred to under 1. to 3., pursuant to the attribution rules of article 2.14a, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), with respect to property that has been segregated, for instance in a trust or a foundation.

### **Withholding tax**

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

or taxing authority of or in the Netherlands.

### ***Taxes on income and capital gains***

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

#### *Individuals*

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

1. he derives profits from an enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of such enterprise, other than as a shareholder, such enterprise either being managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and his Notes are attributable to such enterprise; or
2. he derives benefits or is deemed to derive benefits from Notes that are taxable as benefits from miscellaneous activities in the Netherlands (*resultaat uit overige werkzaamheden in Nederland*).

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

Generally, a person has a substantial interest in the Issuer if such person – either alone or, in the case of an individual, together with his partner (*partner*), if any, or pursuant to article 2.14a, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) – owns or is deemed to own, directly or indirectly, either a number of shares representing five per cent. or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer, or rights to acquire, directly or indirectly, shares, whether or not already issued, representing five per cent. or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer, or profit participating certificates (*winstbewijzen*) relating to five per cent. or more of the annual profit of the Issuer or to five per cent. or more of the liquidation proceeds of the Issuer.

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

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

- a. if his investment activities go beyond the activities of an active portfolio investor, for instance in the case of the use of insider knowledge (*voorkennis*) or comparable forms of special knowledge;
- b. if he makes Notes available or is deemed to make Notes available, legally or in fact, directly or indirectly, to certain parties as meant in articles 3.91 and 3.92 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) under circumstances described there; or
- c. if he holds Notes, whether directly or indirectly, and any benefits to be derived from such Notes are intended, in whole or in part, as remuneration for activities performed or deemed to be performed in the Netherlands by him or by a person who is a connected person in relation to him as meant by article 3.92b, paragraph 5, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

#### *Attribution rule*

Benefits derived or deemed to be derived from certain miscellaneous activities by a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or the parents who exercise, authority over the child, irrespective of the country of residence of the child.

#### *Entities*

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

1. such Non-Resident Holder of Notes derives profits from an enterprise directly or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, such enterprise either being managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and its Notes are attributable to such enterprise; or
2. such Non-Resident Holder of Notes has a substantial interest (as described above under Individuals) or a deemed substantial interest in the Issuer.

A deemed substantial interest may be present if its shares, profit participating certificates or rights to acquire shares in the Issuer are held or deemed to be held following the application of a non-recognition provision.

#### *General*

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

#### ***Gift and inheritance taxes***

If a Holder of Notes disposes Notes by way of gift, in form or in substance, or if a Holder of Notes who is an individual, dies, no Dutch gift tax or Dutch inheritance tax, as applicable, will be due, unless:

- (i) the donor is, or the deceased was resident or deemed to be resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, as applicable; or
- (ii) the donor made a gift of Notes, then became a resident or deemed resident of the Netherlands, and died as a resident or deemed resident of the Netherlands within 180 days of the date of the gift.

For the purposes of the above, a gift of Notes made under a condition precedent (*opschortende voorwaarde*) is deemed to be made at the time the condition precedent is satisfied.

#### ***Other taxes and duties***

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

## SUBSCRIPTION AND SALE

The Joint Lead Managers and the Notes Purchaser have, pursuant to a subscription agreement dated 11 April 2011 by and between the Arranger, the Joint Lead Managers, the Notes Purchaser, the Issuer and the Seller (the "**Subscription Agreement**"), agreed with the Issuer, subject to certain conditions, to subscribe for the Senior Class A Notes and to purchase the Retained Notes, respectively, at their issue price. An affiliate of J.P. Morgan Securities Ltd. ("**J.P. Morgan**") intends to purchase EUR 250,000,000 of the Senior Class A1 Notes and EUR 750,000,000 of the Senior Class A2 Notes on the Closing Date and in that respect may exercise voting rights in respect of the Senior Class A1 Notes and the Senior Class A2 Notes that may be prejudicial to other Noteholders. An affiliate of J.P. Morgan entered into a forward commitment with AEGON Levensverzekering N.V. to subscribe for such notes based upon the prevailing market on 1 March 2011. J.P. Morgan will also be a Joint Lead Manager in respect of the Senior Class A Notes. The Joint Lead Managers have agreed to subscribe the Senior Class A Notes. The Notes Purchaser will on the Closing Date purchase all of the Retained Notes. The Notes Purchaser is entitled to exercise voting rights in respect of the Retained Notes that may be prejudicial to other Noteholders. The Issuer has agreed to indemnify and reimburse the Arranger and the Joint Lead Managers against certain liabilities and expenses in connection with the issue of the Notes.

The Seller has undertaken with the Issuer and the Managers in the Subscription Agreement that it will purchase the Notes (other than the Senior Class A Notes) on the Closing Date in order to comply with the requirement to retain a material net economic interest of not less than five per cent. in the securitisation in accordance with Article 122a of the Capital Requirements Directive. Furthermore, the Seller has undertaken with the Issuer and the Security Trustee in the Mortgage Receivables Purchase Agreement that (a) it will, as long as there are any Notes outstanding, retain a material net economic interest of not less than five per cent. in the securitisation in accordance with Article 122a the Capital Requirements Directive and it will provide the Issuer at the latest on the third Business Day prior to each Notes Calculation Date with an overview of the items comprising such interest; and (b) it will ensure that it has available all materially relevant data with a view to complying with Article 122a paragraph (7) of the Capital Requirements Directive and it will comply promptly with a request of any of the Noteholders or potential investor in any of the Notes to provide such data.

### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each of the Joint Lead Managers and the Notes Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of the Senior Class A Notes or the Retained Notes, respectively, which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

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

provided that no such offer of Senior Class A Notes or the Retained Notes, respectively, shall require the Issuer or the Joint Lead Managers 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 Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression 'Prospectus Directive' means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

#### **United Kingdom**

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

#### **United States**

The Notes have not been and will not be registered under the Securities Act and the Notes are subject to United States tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. Each of the Joint Lead Managers and the Notes Purchaser has agreed that it will not offer, sell or deliver any Senior Class A Notes or Retained Notes, respectively, within the United States or to U.S. persons, except as permitted by the Subscription Agreement.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of

Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

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

**General**

The distribution of this Prospectus and the offering and sale of the Notes in certain jurisdictions may be restricted by law; persons into whose possession this Prospectus comes are required by the Issuer, the Joint Lead Managers and the Notes Purchaser to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer, or an invitation to subscribe for or purchase, any Notes.

## IMPORTANT INFORMATION

The Issuer is responsible for the information contained in this Prospectus, except for the information for which the Seller is responsible. 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, except for the information for which the Seller is responsible, as referred to in the following paragraph, is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information from third-parties contained and specified as such in this Prospectus, except for the information for which the Seller is responsible, as referred to in the following paragraph, has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer accepts responsibility accordingly.

For the information contained in the following sections of this Prospectus: *Overview of the Dutch Residential Mortgage Market*, *AEGON N.V.*, *Description of Portfolio Mortgage Loans*, *Mortgage Loan Underwriting and Servicing* and in the paragraph *Article 122a of the Capital Requirements Directive* on p. 4, the Issuer has relied on information from the Seller, for which the Seller is responsible. To the best of the Seller's knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained and specified as such in these paragraphs is in accordance with the facts and does not omit anything likely to affect the import of such information. The Seller accepts responsibility accordingly. Any information from third-parties contained and specified as such in these paragraphs has been accurately reproduced and as far as the Seller is aware and is able to ascertain from information published by that third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Seller accepts responsibility accordingly.

To the fullest extent permitted by law, none of the Arranger and the Joint Lead Managers accepts any responsibility for the contents of this Prospectus or for any statement or information contained in or consistent with this Prospectus. The Arranger and each Joint Lead Manager accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Prospectus or any such statement or information.

This Prospectus is to be read in conjunction with the articles of association of the Issuer included in the deed of incorporation of the Issuer dated 21 March 2011, which are deemed to be incorporated herein by reference (see section *General Information* below). This Prospectus shall be read and construed on the basis that such document is incorporated in, and forms part of, this Prospectus.

No person has been authorised to give any information or to make any representation which is not contained in or not consistent with this Prospectus or which is not contained in or not consistent with any other information supplied in connection with the Issuer or the issue and 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 Arranger, the Joint Lead Managers or the Notes Purchaser. To the fullest



extent permitted by law, none of the Issuer, the Arranger, the Joint Lead Managers and the Notes Purchaser accepts any responsibility for any such information or representation and each of the Issuer, the Arranger, the Joint Lead Managers and the Notes Purchaser accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of any such information or representation.

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

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

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer, the Arranger, the Joint Lead Managers or the Notes Purchaser to any person to subscribe for or to purchase any Notes.

Before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.

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

The Seller has undertaken to retain a material net economic interest of not less than five per cent. in the securitisation in accordance with Article 122a ("**Article 122a**") of the Capital Requirements Directive. As at the Closing Date, such interest will in accordance with Article 122a paragraph (1) subparagraph d) 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. 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 Issuer and the Security Trustee in the Mortgage Receivables 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 Capital Requirements Directive, 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 a confirmation of the retainment of the material net economic interest by the Seller.

Each prospective investor is required independently to 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 (in its capacity as the Seller and the Servicer), the Company Administrator nor the Joint Lead Managers makes any representation that the information described above or in this Prospectus is sufficient in all circumstances for such purposes. The Seller accepts responsibility for the information relating to Article 122a set out in this Prospectus. In addition, each prospective Noteholder should ensure that they comply with the implementing provisions in respect of Article 122a in their relevant jurisdiction. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

The Joint Lead Managers, the Notes Purchaser, 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, *inter alia*, the most recent financial statements of 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.

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

In connection with the issue of the Notes, the Joint Lead Managers, or any other duly appointed person acting for the Joint Lead Managers, may over-allot or effect transactions that stabilise or maintain the market price of the Notes at a level that might not otherwise prevail. However, there is no obligation on the Joint Lead Managers to undertake these actions. Any stabilisation action may be discontinued at any time but will, in accordance with the rules of Euronext Amsterdam, in any event be discontinued at the earlier of thirty (30) days after the issue date of the Notes and sixty (60) days after the date of allotment of the Notes. Stabilisation transactions will be conducted in compliance with all applicable laws and regulations, as amended from time to time.

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

## GENERAL INFORMATION

1. The issue of the Notes has been authorised by a resolution of the managing director of the Issuer passed on 7 April 2011.
2. The Senior 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 061135863 and ISIN XS0611358630.
3. The Senior 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 061136371 and ISIN XS0611363713.
4. The Mezzanine 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 061136843 and ISIN XS0611368431.
5. The Mezzanine 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 061136878 and ISIN XS0611368787.
6. The Junior 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 061136908 and ISIN XS0611369082.
7. The Junior 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 061136975 and ISIN XS0611369751.
8. The Subordinated Class F 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 061137009 and ISIN XS0611370098.
9. Ernst & Young Accountants LLP has given and has not withdrawn its written consent to the issue of this Prospectus with its statement included herein in the form and context in which it appears.
10. Copies of the following documents may be inspected at the specified offices of the Security Trustee and the Paying Agents during normal business hours, as long as any Notes are outstanding:

- (i) this Prospectus;
  - (ii) the deed of incorporation of the Issuer;
  - (iii) the Mortgage Receivables Purchase Agreement;
  - (iv) the Paying Agency Agreement;
  - (v) the Trust Deed;
  - (vi) the Security Beneficiaries Agreement;
  - (vii) the Mortgage Receivables Pledge Agreement;
  - (viii) the Issuer Rights Pledge Agreement;
  - (ix) the Issuer Accounts Pledge Agreement;
  - (x) the Servicing Agreement;
  - (xi) the Company Administration Agreement;
  - (xii) the Sub-Participation Agreement;
  - (xiii) the Floating Rate GIC;
  - (xiv) the Liquidity Facility Agreement;
  - (xv) the Swap Agreement;
  - (xvi) the Beneficiary Waiver Agreement;
  - (xvii) the Master Definitions Agreement; and
  - (xviii) the articles of association of the Security Trustee.
11. No statutory or non-statutory accounts in respect of any financial year of the Issuer have been prepared. As long as the Senior Class A Notes are listed on Euronext Amsterdam, the most recently published audited annual accounts of the Issuer from time to time will be available at the specified offices of the Security Trustee.
12. The following documents are incorporated herein by reference:
- (a) the deed of incorporation which include the articles of association of the Issuer dated 21 March 2011.
- A free copy of the Issuer's deed of incorporation including the articles of association is available at the office of the Issuer located: Frederik Roeskestraat 123, 1076 EE Amsterdam, the Netherlands.
13. A monthly report on the performance, including the arrears and the losses, of the transaction, together with current stratification tables can be obtained at: [www.saecure.nl](http://www.saecure.nl).
14. The estimated aggregate upfront cost of the transaction amount to approximately 0.10 per cent. of the proceeds of the Notes. There are no costs deducted by the Issuer from any investment made by any Noteholder in respect of the subscription or purchase of the Notes.
15. This Prospectus constitutes a prospectus for the purpose of the Prospectus Directive. A free copy of this Prospectus is available at the offices of the Issuer and the Paying Agent or can be

obtained at <https://www.atcgroup.com/> > Capital Markets > Transactions Reporting > Prospectus.

## INDEX OF TERMS

### —A—

<b>Additional Purchase Conditions</b> .....	111
<b>Agents</b> .....	130
<b>Annuity Mortgage Loans</b> .....	51
<b>Arranger</b> .....	40
<b>Article 122a</b> .....	4, 169
<b>Assignment Notification Events</b> .....	102
<b>Available Principal Funds</b> .....	69, 139
<b>Available Revenue Funds</b> .....	65

### —B—

<b>Bank Mortgages</b> .....	20
<b>Basic Terms Change</b> .....	154
<b>Beneficiary Rights</b> .....	126, 132
<b>Beneficiary Waiver Agreement</b> .....	22
<b>Borrower Pledge</b> .....	21
<b>Borrowers</b> .....	48
<b>Business Day</b> .....	135

### —C—

<b>C&amp;F</b> .....	100
<b>Capital Requirements Directive</b> .....	4, 35
<b>Class</b> .....	131
<b>Class A Principal Deficiency</b> .....	75
<b>Class A Principal Deficiency Ledger</b> .....	75
<b>Class B Principal Deficiency</b> .....	75
<b>Class B Principal Deficiency Ledger</b> .....	75
<b>Class C Principal Deficiency</b> .....	75
<b>Class C Principal Deficiency Ledger</b> .....	75
<b>Class D Principal Deficiency</b> .....	75
<b>Class D Principal Deficiency Ledger</b> .....	75
<b>Class E Principal Deficiency</b> .....	75
<b>Class E Principal Deficiency Ledger</b> .....	75
<b>Clearing Institutions</b> .....	41
<b>Clearstream, Luxembourg</b> .....	3, 158
<b>Closing Date</b> .....	42, 135
<b>Collection Account</b> .....	62
<b>Company Administration Agreement</b> .....	57, 130
<b>Company Administrator</b> .....	39, 130
<b>Conditions</b> .....	3, 130
<b>Construction Deposit Account</b> .....	59
<b>Construction Deposits</b> .....	55
<b>Conversion Participant</b> .....	41
<b>Conversion Participation</b> .....	55, 119
<b>Coupons</b> .....	130

CRA Regulation .....	41
Credit Support Annex .....	78
CSDs .....	3
Cut-Off Date .....	62
—D—	
Deferred Purchase Price .....	102
Deferred Purchase Price Instalment .....	102
Definitive Notes .....	159
Directors .....	40
Duty of Care .....	104
—E—	
Enforcement Notice .....	150
Eonia .....	59
Euribor .....	43
Euroclear .....	3, 158
Euronext Amsterdam .....	3, 137
Excess Spread Margin .....	77
Excess Swap Collateral .....	71
Exchange Date .....	158
Extraordinary Resolution .....	153
—F—	
Final Maturity Date .....	142
First Optional Redemption Date .....	3, 43, 45, 143
Floating Interest Amount .....	137
Floating Rate GIC .....	59
Floating Rate GIC Provider .....	40
Floating Rate of Interest .....	137
FMS .....	100
Further Advance .....	48
Further Advance Receivables .....	49
—G—	
Global Note .....	3
Global Notes .....	3, 158
—I—	
ICSDs .....	3
Indexed Foreclosure Value .....	57, 79
Initial Purchase Price .....	102
Initial Savings Participation .....	116
Insurance Company .....	41
Insurance Policies .....	21
Interest Determination Date .....	136
Interest-only Mortgage Loans .....	51
Investment Accounts .....	53
Investment Mortgage Loans .....	53



<b>Investment Mortgage Receivables</b> .....	48
<b>Issuer</b> .....	39, 130
<b>Issuer Accounts</b> .....	59
<b>Issuer Accounts Pledge Agreement</b> .....	127, 131
<b>Issuer Rights</b> .....	127
<b>Issuer Rights Pledge Agreement</b> .....	127, 131
—J—	
<b>J.P. Morgan</b> .....	4, 165
<b>Joint Lead Managers</b> .....	1, 41
<b>Junior Class D Noteholders</b> .....	127, 133
<b>Junior Class D Notes</b> .....	3, 42, 130
<b>Junior Class E Noteholders</b> .....	127, 133
<b>Junior Class E Notes</b> .....	3, 42, 130
—L—	
<b>LHR</b> .....	52
<b>Life Insurance Policies</b> .....	52
<b>Life Mortgage Loans</b> .....	52
<b>Life Mortgage Receivables</b> .....	48
<b>Linear Mortgage Loans</b> .....	51
<b>Liquidity Facility Agreement</b> .....	59
<b>Liquidity Facility Drawing</b> .....	74
<b>Liquidity Facility Maximum Amount</b> .....	74
<b>Liquidity Facility Provider</b> .....	40
<b>Liquidity Facility Stand-by Drawing</b> .....	74
<b>Liquidity Facility Stand-by Ledger</b> .....	74
<b>Listing Agent</b> .....	41
<b>Local Business Day</b> .....	139
<b>LTFV</b> .....	89, 112
—M—	
<b>Management Agreements</b> .....	58
<b>Master Definitions Agreement</b> .....	131
<b>Maximum Savings Participation Amount</b> .....	117
<b>Mezzanine Class B Noteholders</b> .....	127, 133
<b>Mezzanine Class B Notes</b> .....	3, 42, 130
<b>Mezzanine Class C Noteholders</b> .....	127, 133
<b>Mezzanine Class C Notes</b> .....	3, 42, 130
<b>Moody's</b> .....	3
<b>Mortgage Conditions</b> .....	49
<b>Mortgage Loan</b> .....	48
<b>Mortgage Receivables</b> .....	48
<b>Mortgage Receivables Pledge Agreement</b> .....	126, 131
<b>Mortgage Receivables Purchase Agreement</b> .....	46, 130
<b>Mortgage Right</b> .....	48
<b>Mortgaged Asset</b> .....	50

—N—	
Net Proceeds .....	76, 141
Noteholders .....	3
Notes .....	3, 42, 130
Notes Calculation Date .....	58, 141
Notes Calculation Period .....	141
Notes Purchaser .....	4
—O—	
Optional Redemption Date .....	3, 45, 143
—P—	
Parallel Debt .....	15, 47, 126
Participation Fraction .....	65
Participation Increase .....	117
Paying Agency Agreement .....	130
Paying Agent .....	40, 130
Paying Agents .....	40, 130
Permanent Global Note .....	3, 158
Pledge Agreements .....	131
PMP .....	122
Portfolio Calculation Date .....	55
Portfolio Calculation Period .....	63, 141
Portfolio Mortgage Loans .....	50
Portfolio Payment Date .....	62
Post-Enforcement Priority of Payments .....	72
Pre-Enforcement Principal Priority of Payments .....	70
Pre-Enforcement Revenue Priority of Payments .....	66
Principal Amount Outstanding .....	139
Principal Deficiency .....	75
Principal Deficiency Ledger .....	75
Principal Obligations .....	126
Principal Paying Agent .....	40, 130
Principal Redemption Amount .....	142
Principal Shortfall .....	149
Prospectus .....	3
Prospectus Directive .....	1, 3
Provisional Portfolio .....	91
Provisional Portfolio Mortgage Loans .....	91
—Q—	
Qualified Investors .....	1
Quarterly Interest Period .....	43, 135
Quarterly Payment Date .....	43, 135
—R—	
Rating Agencies .....	41
Rating Agency .....	41

Rating Agency Confirmation .....	111
Realised Losses .....	75, 141
Reconciliation Date .....	63
Reference Agent .....	40, 130
Reference Banks .....	136
Relevant Class .....	150
Relevant Implementation Date .....	165
Relevant Member State .....	165
Requisite Ratings .....	65
Reserve Account .....	58
Reserve Account Target Level .....	59
Retained Notes .....	4
Risk Insurance Policy .....	51
—S—	
S&P .....	3
Savings Insurance Policy .....	53
Savings Investment Insurance Policy .....	52
Savings Investment Mortgage Loans .....	52
Savings Investment Mortgage Receivables .....	54
Savings Investment Premium .....	52
Savings Mortgage Loans .....	53
Savings Mortgage Participant .....	41
Savings Mortgage Receivables .....	48
Savings Participation .....	117
Savings Participation Redemption Available Amount .....	118
Savings Premium .....	53
Security .....	132
Security Beneficiaries .....	47, 126
Security Beneficiaries Agreement .....	58
Security Documents .....	47, 131
Security Trustee .....	39, 130
Seller .....	39, 130
Seller Clean-up Call Option .....	45, 50, 143
Senior Class A Noteholders .....	127, 133
Senior Class A Notes .....	3, 41, 130
Senior Class A1 Notes .....	3, 130
Senior Class A2 Notes .....	3, 41, 130
Servicer .....	39, 130
Servicing Agreement .....	57, 130
SFH .....	100
Short Term Requisite Ratings .....	62
Signing Date .....	46, 130
Subordinated Class F Noteholders .....	128, 133
Subordinated Class F Notes .....	3, 42, 130

<b>Subordinated Swap Amount</b> .....	69
<b>Sub-Participation Agreement</b> .....	54
<b>Subscription Agreement</b> .....	165
<b>Swap Agreement</b> .....	59
<b>Swap Counterparty</b> .....	40
<b>Swap Required Ratings</b> .....	78
<b>Switched Savings Participation</b> .....	54, 116
<b>—T—</b>	
<b>TARGET 2 System</b> .....	43, 135
<b>Tax Event</b> .....	37
<b>Temporary Global Note</b> .....	3
<b>Trade Register</b> .....	39
<b>Transaction Account</b> .....	58
<b>Transaction Documents</b> .....	131
<b>Trust Deed</b> .....	47, 130
<b>—U—</b>	
<b>Universal Life Mortgage Loans</b> .....	52

## REGISTERED OFFICES

### ISSUER

SAECURE 10 B.V.  
Frederik Roeskestraat 123  
1076 EE Amsterdam  
the Netherlands

### SELLER

AEGON Levensverzekering N.V.  
Risk and Capital Management  
AEGONplein 20  
2591 TV 's-Gravenhage  
the Netherlands

### NOTES PURCHASER

AEGON Levensverzekering N.V.  
Risk and Capital Management  
AEGONplein 20  
2591 TV 's-Gravenhage  
the Netherlands

### SERVICER

AEGON Levensverzekering N.V.  
Afdeling Control  
Lange Marktstraat 11  
8900 MA Leeuwarden  
the Netherlands

### COMPANY ADMINISTRATOR

ATC Financial Services B.V.  
Frederik Roeskestraat 123  
1076 EE Amsterdam  
the Netherlands

### SECURITY TRUSTEE

Stichting Security Trustee SAECURE 10  
Frederik Roeskestraat 123  
1076 EE Amsterdam  
the Netherlands

**LEGAL ADVISERS**

*to the Seller and the Issuer*

Loyens & Loeff N.V.  
Frederik Roeskestraat 100  
1076 ED Amsterdam  
the Netherlands

*to the Arranger and the Joint Lead Managers*

Linklaters LLP  
(as to Dutch law matters)  
WTC Amsterdam  
Zuidplein 180  
1077 XV Amsterdam  
the Netherlands

Linklaters LLP  
(as to English law matters)  
One Silk Street  
London EC2Y 8HQ  
United Kingdom

**TAX ADVISERS**

*to the Seller and the Issuer*

Loyens & Loeff N.V.  
Frederik Roeskestraat 100  
1076 ED Amsterdam  
the Netherlands

*to the Arranger and the Joint Lead Managers*

Linklaters LLP  
(as to Dutch law matters)  
WTC Amsterdam  
Zuidplein 180  
1077 XV Amsterdam  
the Netherlands

**PRINCIPAL PAYING AGENT**

Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**PAYING AGENT**

Deutsche Bank AG, Amsterdam Branch  
Herengracht 450-454  
1017 CA Amsterdam  
the Netherlands

**REFERENCE AGENT**

Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**AUDITORS**

Ernst & Young Accountants LLP  
Wassenaarseweg 80  
2596 CZ the Hague  
the Netherlands

**LISTING AGENT**

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.  
(Rabobank International)  
Croeselaan 18  
3521 CB Utrecht  
the Netherlands

**SWAP COUNTERPARTY**

BNP Paribas  
16 boulevard des Italiens  
75009 Paris  
France

**ARRANGER**

J.P. Morgan Securities Ltd., London Branch  
125 London Wall  
London EC2Y 5AJ  
United Kingdom

**JOINT LEAD MANAGERS (in respect of the Senior Class A Notes)**

BNP Paribas London Branch  
10 Harewood Avenue  
London NW1 6 AA  
United Kingdom

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.  
(Rabobank International)  
Croeselaan 18  
3521 CB Utrecht  
the Netherlands

J.P. Morgan Securities Ltd., London Branch  
125 London Wall  
London EC2Y 5AJ  
United Kingdom

**COMMON SAFEKEEPER**

*In respect of the Senior Class A Notes:*

Euroclear Bank S.A./N.V.  
1 Boulevard du Roi Albert II  
B-1210 Brussels  
Belgium

*In respect of the Notes (other than the Senior Class A Notes):*

Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom