IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY US PERSON OR TO ANY PERSON OR ADDRESS IN THE US EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED BELOW)

IMPORTANT: **You must read the following disclaimer before continuing.** The following disclaimer applies to the attached preliminary prospectus (the **document**) in electronic form 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. Any forwarding, distribution or reproduction of this document, in whole or in part, is unauthorised. Failure to comply with this directive may result in a violation of applicable securities laws.**

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE NOTES DESCRIBED IN THIS PROSPECTUS IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**) OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER RELEVANT JURISDICTION. THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF A **US PERSON** (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) UNLESS REGISTERED UNDER THE SECURITIES ACT, OR 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 OF THE UNITED STATES. ACCORDINGLY THE NOTES ARE BEING OFFERED AND SOLD (I) IN THE UNITED STATES ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" (**QUALIFIED INSTITUTIONAL BUYERS**) WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT (**RULE 144A**) IN RELIANCE ON RULE 144A AND (II) TO NON-US PERSONS IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S UNDER THE SECURITIES ACT (**REGULATION S**). YOU ARE HEREBY NOTIFIED THAT THE ISSUER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A (SEE THE SECTION IN THE PROSPECTUS HEADED *TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS*).

The document and the offer when made are only addressed to and directed (i) 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**); (ii) in the United Kingdom (**UK**), at Qualified Investors (a) 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 (b) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**relevant persons**"); and (iii) in the United States at Qualified Institutional Buyers. This document must not be acted on or relied on (i) in the UK, by persons who are not relevant persons, (ii) in any member state of the EEA other than the UK, by persons who are not Qualified Investors, and (iii) by US persons who are not Qualified Institutional Buyers. 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, and (iii) in the United States, Qualified Institutional Buyers.

Confirmation of your representation: By accepting the e-mail and accessing this document, you shall be deemed to have represented to BNP Paribas, London Branch, Citigroup Global Markets Limited, J.P. Morgan Securities Ltd., RBS Securities Inc. and The Royal Bank of Scotland plc (the **Joint Lead Managers**) and the Issuer that (i) you are either (a) not a US Person or acting for the account or benefit of a US Person and the electronic mail address that you have given to us and to which this email has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the US Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands) or the District of Columbia or (b) a Qualified Institutional Buyer; (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 as 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); (v) if paragraphs (ii) through (iv) do not apply, 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); and (vi) in all cases, 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 and you may not, nor are you authorised to deliver this document to any other person.

Delivery of the Notes will be made following payment therefor on or about 8 May 2012, which will be the eighth business day in the United States following the date of pricing of the Notes (such settlement being referred to as "T+8"). Under Rule 15c6-1 under the U.S. Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes prior to the eighth day following the date of pricing will be required, by virtue of the fact that the Notes will initially settle in T+8, to specify an alternate settlement cycle at the time of such trade to prevent failed settlement. Purchasers of the Notes who wish to trade the Notes prior to the fourth day following the date of pricing should consult their own advisors.

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 Arranger, the Joint Lead Managers, the Security Trustee 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 this document will be made available to you only upon request to a Joint Lead Manager.

You are reminded that you have accessed this 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.

Neither the Arranger, 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 Arranger, 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 Arranger, the Joint Lead Managers or their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this document.

Each of the Arranger and 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 their 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 3 MAY 2012

SAECURE 11 B.V. as Issuer

(*incorporated with limited liability in the Netherlands*)

	Class A1a	**Class A1b**	**Class B**	**Class C**	**Class D**	**Class E**	**Class F**
Principal Amount	USD 600,000,000	EUR 212,000,000	EUR 13,000,000	EUR 13,000,000	EUR 13,000,000	EUR 15,000,000	EUR 7,200,000
Issue Price	100%	100%	100%	100%	100%	100%	100%
Interest rate until First Optional Redemption Date	3 months USD Libor + 1.55%	3 months Euribor + 1.35%	0%	0%	0%	0%	0%
Interest rate after First Optional Redemption Date	3 months USD Libor + 3.10%	3 months Euribor + 2.70%	0%	0%	0%	0%	0%
Expected ratings (Moody's/ Fitch)	Aaa (sf) / AAAsf	Aaa (sf) / AAAsf	Aa1 (sf) / AAsf	N/A / AAsf	N/A / Asf	N/A	N/A
First Optional Redemption Date	30 July 2015	30 July 2015	30 July 2015	30 July 2015	30 July 2015	30 July 2015	N/A
Final Maturity Date	30 July 2092	30 July 2092	30 July 2092	30 July 2092	30 July 2092	30 July 2092	30 July 2092

AEGON Levensverzekering N.V. as Seller

Closing Date	SAECURE 11 B.V. (the **Issuer**) will issue the Notes in the classes set out above on 8 May 2012 (or such later date as may be agreed between the Issuer, the Joint Lead Managers and the Notes Purchaser) (the **Closing Date**).
Underlying Assets	The Issuer will make payments on the Notes from, *inter alia*, payments of principal and interest received from a portfolio comprising mortgage loans originated by AEGON Levensverzekering N.V. and secured over residential properties located in The Netherlands, legal title of which will be assigned to the Issuer on the Closing Date and, subject to certain conditions being met, during a certain period after the Closing Date. See the section entitled *Description of the Mortgage Loans* for more details.
Security for the Notes	The Noteholders will, together with the other Security Beneficiaries, benefit from security rights created in favour of the Security Trustee over, *inter alia*, the Mortgage Receivables (see *Description of Security*).
Denomination	The Senior Class A1a Notes will have a minimum denomination of USD 200,000 and in integral multiples of USD 1,000 in excess thereof and the other Notes will have a minimum denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof.
Form	The Notes will be in registered form and evidenced by Note Certificates (as defined herein), without coupons attached.
Interest	The Senior Class A Notes will carry floating rates of interest as set out above, payable quarterly in arrear on each Quarterly Payment Date (as defined herein). The Subordinated Notes will not carry any interest. (See further Condition 4 (Interest)).
Redemption Provisions	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 July 2092. On the First Optional Redemption Date and each Quarterly Payment Date thereafter (each an **Optional Redemption Date**) and in certain other circumstances the Issuer will have the option to redeem all of the Notes (other than the Subordinated Class F Notes). See further Condition 6 (Redemption).

Rating Agencies	Each of Moody's Investors Service Ltd (**Moody's**) and Fitch Ratings Limited (**Fitch** and together with Moody's, the **Rating Agencies**) is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). As such each of the Rating Agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation.
Ratings	Ratings will be assigned to the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes as set out above on or before the Closing Date. The ratings assigned by Fitch address the likelihood of (a) timely payment of interest due to the Noteholders on each Quarterly Payment Date and (b) full payment of principal by a date that is not later than the Final Maturity Date. The ratings assigned by Moody's address the expected loss to a Noteholder in proportion to the initial principal amount of the Class of Notes held by such Noteholder by the Final Maturity Date. **The assignment of ratings to the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes is not a recommendation to invest in the Notes. Any credit rating assigned to the Notes may be reviewed, revised, suspended or withdrawn at any time. Any such review, revision, suspension or withdrawal could adversely affect the market value of the Notes.**
Listing	Application has been made to list the Senior Class A Notes on NYSE Euronext in Amsterdam (**Euronext Amsterdam**). 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 not be listed. 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 the Prospectus Directive.
Eurosystem Eligibility	Only the Senior Class A1b Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Senior Class A1b Notes will be issued under the new safekeeping structure (the **NSS**) and are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper. It does not necessarily mean that the Senior Class A1b 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.
Limited recourse obligations	The Notes will be limited recourse obligations of the Issuer alone and will not be the obligations of, or guaranteed by, or be the responsibility of, any other entity. The Issuer will have limited sources of funds available. See *Risk Factors*.
Subordination	The Classes of Notes, other than the Senior Class A Notes, are subordinated to the Senior Class A Notes and, if applicable, other Classes of Notes in reverse alphabetical order. See *Credit Structure*.
Retention and Information Undertaking	The Seller has undertaken to the Issuer, the Security Trustee and the Joint Lead Managers that, for as long as the Notes are outstanding, it will at all times retain a material net economic interest in the securitisation transaction which shall in any event not be less than 5%, in accordance with the CRD (as defined below). 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) CRD, which can be obtained from the Seller upon request. Each prospective Noteholder should ensure that it complies with the implementing provisions of Article 122a CRD in its relevant jurisdiction. See the section *Article 122a of the Capital Requirements Directive* for more detail.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, **US persons** (as defined in Regulation S under the Securities Act (**Regulation S**)) unless pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with all applicable state or local securities laws.

The Notes will be offered and sold (i) to non-US persons in an offshore transaction in reliance on Regulation S (the **Reg S Notes**) and (ii) in the United States only to "qualified institutional buyers" (**Qualified Institutional Buyers**) within the meaning of Rule 144A under the Securities Act (**Rule 144A**) in reliance on Rule 144A (the **Rule 144A Notes**). See *Subscription and Sale* below. Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Notwithstanding any provision in this Prospectus to the contrary, each prospective investor (and each employee, representative, or other agent of each such prospective investor) may disclose to any and all persons, without limitation of any kind, the US federal income tax treatment and US federal income tax structure of any transaction contemplated in this Prospectus and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such US federal income tax treatment and US federal income tax structure.

A Note is not a deposit and the Notes are not insured or guaranteed by any Dutch, United States or other governmental agency.

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

The Joint Lead Managers (or their affiliates), have agreed to subscribe on the Closing Date, subject to certain conditions precedent being satisfied, 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, the Security Trustee 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 have in respect of this Prospectus or any such statement or information.

Neither the United States Securities and Exchange Commission nor any state securities commission in the United States nor any other United States regulatory authority has approved or disapproved the Notes or determined that this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense in the United States.

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

Arranger

J.P. Morgan

Joint Lead Managers

BNP PARIBAS **CITIGROUP** **J.P. Morgan** **RBS Securities Inc.** **The Royal Bank of Scotland plc**

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR ANY STATE SECURITIES LAWS, AND UNLESS SO REGISTERED MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US 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). ACCORDINGLY, (A) THE REG S NOTES ARE BEING OFFERED AND SOLD ONLY TO NON-US PERSONS IN AN OFFSHORE TRANSACTION PURSUANT TO REGULATION S AND (B) THE RULE 144A NOTES ARE BEING OFFERED AND SOLD IN THE UNITED STATES ONLY TO QUALIFIED INSTITUTIONAL BUYERS IN RELIANCE ON RULE 144A. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS, RESALES OR TRANSFERS, SEE *TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS*.

CIRCULAR 230 DISCLOSURE

TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE US INTERNAL REVENUE SERVICE, ANY TAX DISCUSSION HEREIN WAS NOT WRITTEN AND IS NOT INTENDED TO BE USED AND CANNOT BE USED BY ANY TAXPAYER FOR PURPOSES OF AVOIDING US FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER. ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE NOTES DESCRIBED HEREIN. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE STATE OF NEW HAMPSHIRE REVISED STATUTES ANNOTATED (RSA 421-B) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Available Information

The Issuer has agreed that, for so long as any of the Rule 144A Notes remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will furnish, upon request of a holder or of any beneficial owner of such a Rule 144A Note or of any prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Issuer is not a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended (the **Exchange Act**), or is not exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

Forward-looking Statements

This Prospectus contains statements which constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Such statements appear in a number of

places in this Prospectus, including, but not limited to, statements made under the captions *Risk Factors*, *Description of the Mortgage Loans*, *Servicing Agreement and Company Administration Agreement* and *AEGON*. These forward-looking statements can be identified by the use of forward-looking terminology, such as the words "estimates", "goals", "targets", "predicts", "forecasts", "aims", "believes", "expects", "may", "will", "continues", "intends", "plans", "should", "could" or "anticipates", or similar terms. These statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results and performance of the Notes, AEGON Levensverzekering N.V. or the Dutch residential mortgage loan industry to differ materially from any future results or performance expressed or implied in the forward-looking statements. These risks, uncertainties and other factors include, among others: general economic and business conditions in and outside the Netherlands; currency exchange and interest rate fluctuations; government, statutory, regulatory or administrative initiatives affecting AEGON Levensverzekering N.V.; changes in business strategy, lending practices or customer relationships; and other factors that may be referred to in this Prospectus. Moreover, past financial performance should not be considered a reliable indicator of future performance and prospective purchasers of the Notes are cautioned that any such statements are not guarantees of performance and involve risks and uncertainties, many of which are beyond the control of the Issuer. Some of the most significant of these risks, uncertainties and other factors are discussed under the caption *Risk Factors*, and you are encouraged to consider those factors carefully prior to making an investment decision. The Arranger, the Joint Lead Managers and the Security Trustee have not attempted to verify any such statements, nor do they make any representations, express or implied, with respect thereto. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Prospectus any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward-looking statement is based.

Enforceability of Judgments

The Issuer is incorporated under the laws of the Netherlands as a private company with limited liability. None of the directors and executive officers of the Issuer are residents of the United States, and all or a substantial portion of the assets of the Issuer and such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them in the United States judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States.

CONTENTS

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.

1. 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).

2. Transaction Overview

The following is an overview of the transaction as illustrated by the structure diagram set out in Section 3 below.

2.1 The Issuer is incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*). The Issuer is established to issue the Notes, to acquire the Mortgage Receivables and to enter into certain ancillary transactions described in this Prospectus.

2.2 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 (*hypotheekrecht*) 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 6,148,278.90, 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 Notes will be offered and sold (a) to non-US persons in an offshore transaction in reliance on Regulation S (the **Reg S Notes**), and (b) within the United States only to Qualified Institutional Buyers in reliance on Rule 144A (the **Rule 144A Notes**). The Seller will on the Closing Date purchase the Retained Notes. For a description of certain further restrictions on offers, sales and transfers of Notes in this Prospectus, see *Subscription and Sale* and *Transfer Restrictions and Investor Representations* below.

2.3 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 Agreements and Swap Agreements to make payments of, inter alia, principal and, in respect of the Senior Class A Notes, interest due in respect of the Notes, provided that the Issuer will, provided certain conditions are met, use the principal received by it in respect of the Mortgage Receivables to purchase Further Advance Receivables offered by the Seller.

2.4 The obligations of the Issuer in respect of the Notes will rank behind the obligations of the Issuer in respect of certain other creditors as set forth in the applicable priority of payments (see *Credit Structure*) and the right to payment of 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 right to payment of principal and following delivery of an Enforcement Notice, interest, on the Senior Class A Notes and may be limited as more fully described herein under *Risk Factors* and *Terms and Conditions of the Notes*.

2.5 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).

2.6 Pursuant to the Floating Rate GIC and the Account Bank Agreement, the Floating Rate GIC Provider and the Account Bank, respectively, will agree to pay a (in respect of the Floating Rate GIC, guaranteed) rate of interest on the balance standing from time to time to the credit of the Issuer Accounts (see under *Credit Structure* below).

2.7 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 Senior Class A1b Notes and amounts in respect of interest payable by the Issuer under the Currency Swap Agreement and to hedge the currency and interest rate risk between the euro-denominated amounts receivable on the Mortgage Receivables and the US dollar-denominated amounts payable under the Senior Class A1a Notes, the Issuer will enter into an interest rate swap agreement and a currency swap agreement (see under *Credit Structure* below). A back-up swap provider has been appointed to replace the Initial Swap Counterparty if the latter defaults or fails to make payments or post required collateral.

2.8 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).

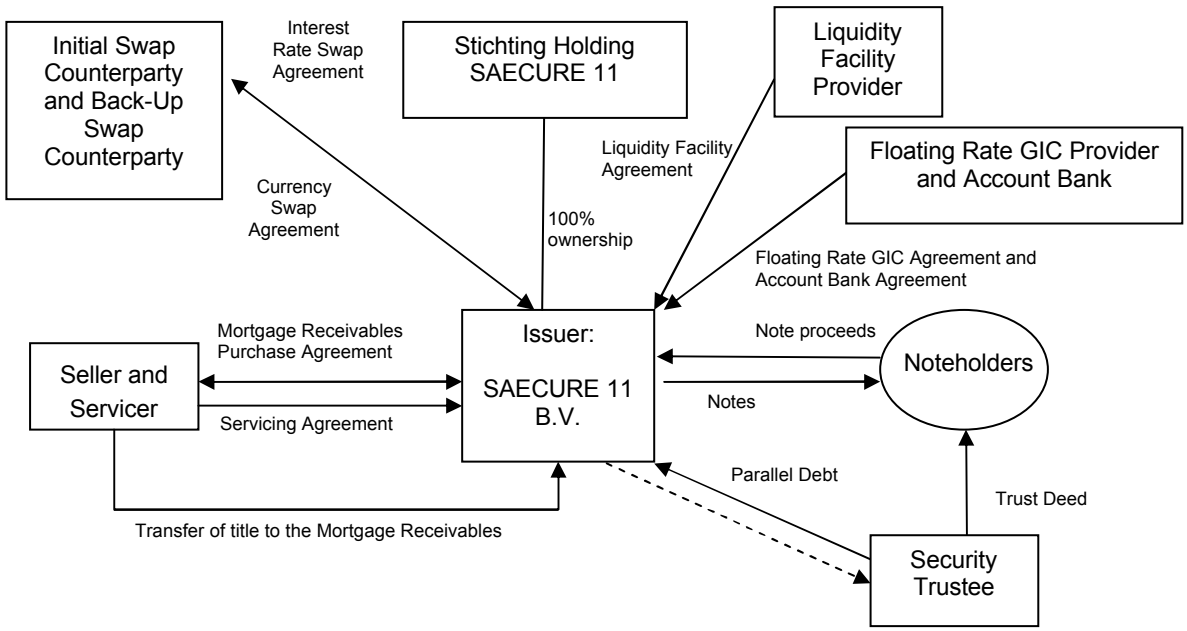
2.9 Pursuant to the Company Administration Agreement the Company Administrator will agree to provide certain administration, calculation and cash management services to the Issuer in accordance with the relevant Transaction Documents, including, *inter alia*, the application of amounts received by the Issuer to the Issuer Accounts and the production of quarterly reports in relation thereto (see under *Servicing Agreement and Company Administration Agreement* below).

2.10 The Noteholders together with the other Security Beneficiaries have the indirect benefit of the security granted in favour of the Security Trustee by, *inter alia* (i) a first ranking pledge over the Mortgage Receivables, (ii) a first ranking pledge over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Swap Agreements, the Back-Up Swap Agreements, the Servicing Agreement, the Floating Rate GIC, the Liquidity Facility Agreement, the

Sub-Participation Agreements, the Beneficiary Waiver Agreement and in respect of the Issuer Accounts (other than the US Dollar Account) and (iii) a first ranking English law charge over the Issuer's claims in respect of the US Dollar Account.

2.11 The Trust Deed sets out the priority of the claims of the Security Beneficiaries. For a more detailed description see *Description of Security* below.

3. Structure Diagram



4. Redemption of the Notes

Unless previously redeemed, the Issuer will, subject to Condition 9, redeem any remaining Notes outstanding at their respective Principal Amount Outstanding, together with, if applicable, accrued interest, on the Quarterly Payment Date falling in July 2092.

Provided that no Enforcement Notice has been served pursuant to and 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) in accordance with the Pre-Enforcement Principal Priority of Payments.

Subject to and in accordance with the Conditions, the Issuer has, provided that no Enforcement Notice has been served pursuant to and 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 and in case of certain regulatory events affecting the Seller's capital treatment and/or economics of the transaction. 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.

The Notes are limited recourse obligations of the Issuer

The Notes are obligations solely of the Issuer

The Notes are obligations solely 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 Bank Savings Mortgage Participant, the Insurance Savings Mortgage Participant, the Conversion Participant, the Insurance Company, the Floating Rate GIC Provider, the Account Bank, the Liquidity Facility Provider, the Swap Counterparty, the Back-Up Swap Counterparty, the Paying Agents, the Reference Agent, the Transfer Agent, the Registrar, 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 such parties 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 Issuer has limited sources of funds to meet its obligations

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 Agreements and the Sub-Participation Agreements, 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. The Issuer is not expected to have any other funds available to it to meet its obligations under the Notes. If such funds are insufficient, the shortfalls will be borne by the Noteholders and the other Security Beneficiaries subject to the applicable Priority of Payments.

The obligations of the Issuer under the Notes are limited recourse obligations of the Issuer

The Notes are limited recourse obligations of the Issuer. If at any time following the occurrence of an Enforcement Notice and enforcement of the Security, the foreclosure proceeds are insufficient, after payment of all claims ranking in priority in accordance with the Post-Enforcement Priority of Payments, to pay in full all amounts due and payable on any Class of Notes, then the unpaid amount shall cease to be due and payable by the Issuer and the relevant Noteholders shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts. For a discussion of the security rights created in respect of the Notes see *Description of Security*.

Investors will be exposed to a number of risks inherent to the Notes

(a) *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 and for reasons of subordination to higher ranking creditors (see *Notes of a Class may rank subordinate to other Classes*).

(b) *Liquidity Risk*

There is a risk that interest on the Mortgage Loans is not received on time, which could cause liquidity problems to the Issuer.

(c) *Prepayment Risk*

There is a risk that the level of prepayments by the Borrowers varies and therefore results 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 accurate.

(d) *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 July 2092. 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. The Issuer shall be required to apply the proceeds of such sale, to the extent relating to principal, to redeem the Notes (other than the Subordinated 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 Senior Class A Notes will be a floating rate based on three-month Euribor or three-month USD Libor, as the case may be, plus the increased 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 Optional Redemption Date.

(e) *Interest Rate Risk*

There is a risk that due to interest rate movements, the interest received on the Mortgage Receivables and the Issuer Accounts is not sufficient to pay the floating interest due by the Issuer (i) on the Senior Class A1b Notes and (ii) under the Currency Swap Agreement.

(f) *Currency Rate Risk*

There is a risk that, due to movements in the exchange rate between euro and US dollars, the amounts received on the Mortgage Receivables and the Issuer Accounts are not sufficient to pay amounts due on the Senior Class A1a Notes.

(g) *Structural/Legal Risk*

As to the structural/legal risks relating to the Notes reference is made to, *inter alia*, "*Risk that payments by Borrowers may be trapped in the Seller's estate", "Risk that a Borrower may set off amounts due by the Seller to such Borrower against a Mortgage Receivable", "Risk that the Issuer may not have the benefit of a Mortgage or Borrower Pledge or that it has to share the foreclosure proceeds upon enforcement thereof with the Seller", "Risk of set-off or defences under Life Mortgage Loans, Savings Mortgage Loans, Savings Investment Mortgage Loans, and Bank Savings Mortgage Loans", "Notes of a Class may rank subordinate to other Classes", "Conflict of interests between holders of different Classes of Notes may result in the interest of one or more lower ranking Classes of Noteholders being disregarded" and "The Security Trustee may agree to modifications, authorisations and waivers without consent of the Noteholders*" below.

Ratings of the Notes are not a recommendation to buy, sell or hold such Notes and may be reviewed, revised, suspended or withdrawn at any time

A security rating is not a recommendation to buy, sell or hold securities and may be subject to review, revision, suspension or withdrawal at any time and reflects only the views of the Rating Agencies. There is no assurance that any 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' judgment, circumstances so warrant. Future events which could have an adverse effect on the ratings of the Notes include events affecting the Initial Swap Counterparty, the Back-Up Swap Counterparty, the Floating Rate GIC Provider, the Account Bank or the Liquidity Facility Provider and/or circumstances relating to the Mortgage Receivables and/or the Dutch residential mortgage loan market.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agency and ratings referred to in this Prospectus is set out in the table at the front of this Prospectus.

Risk that other rating agencies may assign lower ratings to the Notes

In addition, recent rules adopted by the United States Securities Exchange Commission require nationally recognized statistical rating organisations (**NRSROs**) that are hired by issuers and sponsors of a structured finance transaction to facilitate a process by which other NRSROs not hired in connection with the transaction can obtain the same information available to the hired NRSROs. Non-hired NRSROs may use this information to issue (and maintain) a rating of the Notes. Failure to make information available as

required could lead to the ratings of the Notes being withdrawn by the applicable Rating Agency or a non-hired NRSRO.

NRSROs have different methodologies, criteria, assumptions, models and requirements, which may result in ratings on the Notes that are lower than those assigned by the applicable Rating Agency. "Unsolicited" ratings of the Notes may be assigned by a non-hired NRSRO at any time, even prior to the Closing Date. Such "unsolicited" ratings of the Notes by a non-hired NRSRO may be lower than those assigned by the applicable Rating Agency. If a non-hired NRSRO issues a lower rating, the liquidity and market value of the particular class or classes of the Notes could be materially and adversely affected. In addition, the mere possibility that such a rating could be issued may affect price levels in any secondary market that may develop.

For the avoidance of doubt, any references to "ratings" or "rating" in this Prospectus are to ratings assigned by the Rating Agencies.

Limitations of any Rating Agency Confirmation

The Transaction Documents provide that, upon the occurrence of certain events or matters 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. A Rating Agency Confirmation will be deemed given 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 Security Trustee may, for the purposes of exercising any power, authority, duty or discretion under or in relation to the Conditions or any of the Transaction Documents take the provision of a Rating Agency Confirmation into account in determining whether such exercise will be materially prejudicial to the interest of any Class of Noteholders and the other Security Beneficiaries. By the Issuer or the Security Trustee obtaining a Rating Agency Confirmation each of the Security Trustee, the Noteholders and the other Security Beneficiaries will be deemed to have agreed and/or acknowledged that (i) a credit rating is an assessment of credit only and does not address other matters that may be of relevance to the Noteholders or the other Security Beneficiaries, (ii) neither the Security Trustee nor the Noteholders nor the other Security Beneficiaries have any right of recourse to or against the relevant Rating Agency in respect of the relevant Rating Agency Confirmation which is relied upon by the Security Trustee and (iii) reliance by the Security Trustee on a Rating Agency Confirmation does not create, impose on or extend to the relevant Rating Agency any actual or contingent liability to any person (including, without limitation, the Security Trustee and/or the Noteholders and/or the other Security Beneficiaries) or create any legal relations between the relevant Rating Agency and the Security Trustee, the Noteholders, the other Security Beneficiaries or any other person whether by way of contract or otherwise.

No assurance of listing of the Senior Class A Notes

Although application has been made for the Senior Class A Notes to be listed on Euronext Amsterdam on the Closing Date, there is no assurance that the Senior Class A Notes will be admitted to listing on Euronext Amsterdam. If the Senior Class A1b Notes are not admitted to listing, they will not be recognised as Eurosystem Eligible Collateral. Even if the Senior Class A1b Notes are listed, there can be no assurance they will be recognised as Eurosystem Eligible Collateral. The Senior Class A1a Notes and all the other Notes (other than the Senior Class A1b Notes) are not intended to be recognised as Eurosystem Eligible Collateral. See risk factor *Risk that the Senior Class A1b Notes will not be eligible as Eurosystem Eligible Collateral* below.

Absence of secondary market for the Notes

There is not, at present, any active and/or liquid secondary market for any Class of Notes. There can be no assurance that a secondary market for the Notes will develop or, if it does develop, that such market will subsequently continue to exist. Any investor in the Notes must be prepared to hold its Notes for an indefinite period of time or until their Final Maturity Date or alternatively such investor may only be able to sell its Notes at a discount to the original purchase price of those Notes.

Moreover, as at the date of this Prospectus, the secondary market for mortgage-backed securities is experiencing significant disruptions resulting from reduced investor demand for such securities. This has had a material adverse impact on the market value of mortgage-backed securities similar to the Notes and resulted in the secondary market for mortgage-backed securities experiencing very limited liquidity. Limited liquidity in the secondary market has had and may continue to 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 investment requirements of limited categories of investors. These market conditions may continue or worsen in the future.

In addition, potential investors should be aware of the prevailing global credit market conditions (which continue at the date of this Prospectus), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes. In particular, it should be noted that the market for the Notes is likely to be affected by any restructuring of sovereign debt by countries in the Eurozone. At the date of this Prospectus, certain governments are in discussions with other countries in the Eurozone, the International Monetary Fund and other creditors regarding the establishment and implementation of austerity programmes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary trades even if there is no decline in the performance of the portfolio. The Issuer cannot predict whether these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and investments similar to the Notes at that time.

Whilst central bank schemes such as the European Central Bank liquidity scheme provide an important source of liquidity in respect of eligible securities, such as mortgage-backed securities, the eligibility criteria have become and are expected to continue to become more restrictive, which is 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 adverse effects on house prices and 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 is increasingly the subject of political debate in the Netherlands). As of 2004, the tax deductibility of mortgage interest payments has been restricted under the so-called Additional Borrowing regulation (*Bijleenregeling*). On the basis of this regulation, if a home owner acquires a new home and realises a profit on the sale of his old home, the home owner is considered to invest this net profit into the new home. Broadly speaking, the net profit is deducted from the value of the new home and mortgage loan interest deductibility is limited to the interest that relates to a maximum loan equal to the value of the new home less the net profit of the old home. Special rules apply to moving home owners that do not (immediately) sell their previous home. On 26 April 2012, the Dutch Minister of Finance published a draft report for the European Commission, called Stability Programme for the Netherlands 2012 (*Nederlandse Stabiliteitsprogramma 2012*) which proposes, among others, that there will be a further restriction on interest deductibility for mortgage loans to be originated as from 1 January 2013. It is proposed that as of such date, interest deductibility in respect of newly originated mortgage loans will only be available in respect of mortgage loans which amortise over 30

years or less and are being amortised on at least an annuity basis. Any such change or any other or further change to such deductibility and the right to deduct mortgage loan interest payments may among other things have an adverse effect on house prices and the rate of recovery on mortgage loans and, also depending on whether changes will be proposed to treatment of existing mortgage loans, may result in an increase of defaults and/or an increase or decrease of prepayments and repayments. There can be no assurance that the currently proposed changes in the tax deductibility will be implemented as proposed and/or whether or not other or further changes will be implemented.

Valuation may not accurately reflect the value or condition of the mortgaged property

In general, valuations represent the analysis and opinion of the person performing the valuation at the time the valuation is prepared and are not guarantees of, and may not be indicative of, present or future value. There can be no assurance that another person would have arrived at the same valuation, even if such person used the same general approach to and same method of valuing the property.

The valuations obtained in connection with the origination of the Mortgage Loans sought to establish the amount a typically motivated buyer would pay a typically motivated seller at the time they were prepared. Such amount could be significantly higher than the amount obtained from the sale of a Mortgaged Property under a distressed or liquidation sale. In addition, in many real estate markets property values have declined since the time the valuations were obtained, and therefore the valuations may not be an accurate reflection of the current market value of the mortgaged properties. The current market value of the Mortgaged Properties could be lower than the values indicated in the appraisals obtained at the origination of the Mortgage Loans and included in the original loan-to-value ratios reflected in this Prospectus. In addition, differences exist between valuations due to the subjective nature of valuations and appraisals, particularly between different appraisers performing valuations at different points in time.

Actual foreclosure proceeds may be lower than the estimated foreclosure value

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, upon 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 the Mortgage Loans*).

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.

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

To the extent that specific geographic regions within the Netherlands have experienced or may experience in the future weaker economic conditions and housing markets than other regions, a concentration of the loans in such a region may be expected to exacerbate all of the risks relating to the Portfolio Mortgage Loans. The economy of each geographic region within the Netherlands is dependent on different mixtures of industries. Any downturn in a local economy or particular industry may adversely affect the regional employment levels and consequently the repayment ability of the borrowers in that region or the region that relies most heavily

on that industry. Any natural disasters in a particular region may reduce the value of affected mortgaged properties. This may result in a loss being incurred upon the sale of the mortgaged property. These circumstances could affect receipts on the Portfolio Mortgage Loans and ultimately result in losses on the Notes. For an overview of the geographical distribution of the Loans sold to the Issuer in connection with the issuance of a Series of Notes, see *Description of the Mortgage Loans—Geographical Distribution*.

Underwriting guidelines may not identify or appropriately assess repayment risks

The Seller has represented to the Issuer and the Security Trustee that, when originating Mortgage Loans it did so in accordance with underwriting guidelines it has established and, in certain cases, based on exceptions to those guidelines by way of manual overrules. The guidelines may not have identified or appropriately assessed the risk that the interest and principal payments due on a Mortgage Loan will be repaid when due, or at all, or whether the value of the mortgaged property will be sufficient to otherwise provide for recovery of such amounts. To the extent exceptions are made to the Seller's underwriting guidelines in originating a mortgage loan, those exceptions may increase the risk that principal and interest amounts may not be received or recovered and compensating factors, if any, which may have been the premise for making an exception to the underwriting guidelines may not in fact compensate for any additional risk. Furthermore, to the extent that the underwriting guidelines were not followed by the Seller when originating a Mortgage Loan, there could also be an increased risk that principal and interest amounts may not be received or recovered.

Risk that payments by Borrowers may be trapped in the Seller's estate

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 silent assignment or *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 first 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*). In respect of payments made by the Borrowers to the Seller prior to notification and prior to bankruptcy or emergency regulations becoming effective in respect of the Seller, the Issuer will have a non preferred claim (*concurrente vordering*) both prior to and after bankruptcy or emergency regulations becoming effective in respect of the Seller.

Risk that a Borrower may set off amounts due by the Seller to such Borrower against a Mortgage Receivable

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 Seller has represented in the Mortgage Receivables Purchase Agreement that the Mortgage Conditions provide that payments by the Borrower should be made without any deduction or set-off. Considering the wording of this provision, it is uncertain whether it is intended as a waiver by the Borrowers of their set-off rights vis-à-vis the Seller. If this clause can be regarded as such, the Borrower will be entitled to invoke all defences afforded by Dutch law to obligors generally against such purported waiver. In this respect, in particular, the statutory provisions regarding general conditions (*algemene voorwaarden*) are relevant. A provision in general conditions is voidable (*vernietigbaar*) if the provision, taking into account the nature and the further contents of the agreement, the way in which the general conditions have been agreed upon, the mutually apparent interests of the parties and the other circumstances of the matter, is unreasonably onerous for the party against whom the general conditions are used. A clause containing a waiver of set-off rights is, subject to proof to the contrary, assumed to be unreasonably onerous, irrespective of the circumstances referred to in the preceding sentence, if the party against which the general conditions are used, does not act in the conduct of its profession or trade. Should, in view of the above, the set-off rights of the Borrowers not have been effectively waived, the Borrowers will, provided the statutory requirements for set-off have been met, be entitled to set off any amounts due by the Seller to the Borrower with the Mortgage Receivables prior to and in limited circumstances also following notification of the assignment or pledge. As a result of the set-off of amounts due by the Seller to the Borrower with amounts owed by the Borrower to the Seller under the Mortgage Loan, the Mortgage Receivable will extinguish (*tenietgaan*) up to the amount so set off.

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 (*opgekomen*) and become due (*opeisbaar*) 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 and become due prior to notification of the assignment, and, further, provided that all other requirements for set-off have been met (see above).

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, have, or continue to have, the broader set-off rights afforded to it pursuant to 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 both the debt and the 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. There is a risk that the Seller cannot make such payments.

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

Risk that the Issuer may not have the benefit of a Mortgage or Borrower Pledge or that it has to share the foreclosure proceeds upon enforcement thereof with the Seller

Under Dutch law, as a rule mortgages and pledges are "accessory rights" (*afhankelijke rechten*) and as such automatically follow the receivables they secure. This means that upon assignment of a receivable, the assignee automatically gets the benefit of any security right which secures such receivable.

The Mortgage Rights and Borrower Pledges securing the Mortgage Receivables qualify as so-called "all-monies" securities, securing all present and future receivables of the Seller (collectively **All-Monies Security Rights**).

Like any other mortgage or pledge, an All-Monies Security Right is in principle an accessory right and in principle, the assignee will also become entitled to such All-Monies Security Right by operation of law. This principle is confirmed by the Supreme Court (HR 16 September 1988, NJ 1989, 10). In this decision, the Supreme Court ruled that the main rule is that a mortgage as an accessory right transfers together with the receivable it secures. The exception to this main rule is when the mortgage was stipulated as a strictly personal right. The Supreme Court held that it is a question of interpreting the relevant clause in the mortgage deed whether the definition of the secured receivable means that it exclusively vests in the original mortgagee as a strictly personal right, in deviation of the main rule. The wording of the relevant mortgage deed constitutes *prima facie* evidence of whether the intention of the parties was to create the relevant Mortgage as a personal right, although it is not inconceivable that evidence to the contrary is brought forward. The Seller represents and warrants in the Mortgage Receivables Purchase Agreement that the relevant mortgage or pledge in connection with the relevant Mortgage Receivable contains an explicit provision that upon assignment of the relevant Mortgage Receivable, the All-Monies Security Rights will follow such Mortgage Receivable. Such wording is a clear indication of the intention of the parties not to create a personal security right. Consequently, the Issuer has been advised that, in the absence of specific circumstances evidencing an intention contrary to the intention indicated in the Mortgage Deeds based on the interpretation of the Supreme Court judgment HR 16 September 1988, NJ 1989,10 referred to above, the All-Monies Security Rights will thus (partially) follow the Mortgage Receivables as an accessory and ancillary right upon its assignment and that co-owned security rights come into existence by operation of law. There can be no assurance that no such specific circumstances may exist.

Assuming the All-Monies Security Rights have indeed (partially) followed the Mortgage Receivables upon their assignment, the Issuer would co-own the All-Monies Security Rights with the Seller. The All-Monies Security Rights secure both the Mortgage Receivables owned by the Issuer and any claims (in respect of e.g. other loans to the same borrower) held by the Seller (such claims, other than claims under Insurance Policies taken out with the Seller, the **Other Claims**). The same applies *mutatis mutandis* between the Seller and the Security Trustee in its capacity as pledgee. Certain risks relating to the enforcement and distribution of foreclosure proceeds apply in respect of co-owned All-Monies Security Rights:

The Issuer may need cooperation from the Seller's bankruptcy trustee to enforce the All-Monies Security Rights

The rules applicable to co-ownership (*gemeenschap*) of the Dutch Civil Code apply to co-owned All-Monies Security 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 applicable) will manage and administer such co-owned rights. Certain acts, including acts concerning the day-to-day management (*beheer*) of the co-owned rights, may under Dutch law be transacted by each of the participants (*deelgenoten*) in the co-owned rights (without consent of the others). It is, however, uncertain whether the foreclosure of the security rights will be considered as day-to-day management, and, consequently, whether the cooperation of the Seller, or the Seller's bankruptcy trustee (in case of bankruptcy) or administrator (in case of (preliminary) suspension of payments or emergency regulations) may be required for such foreclosure. The Seller has given a power of attorney to the Issuer and the Security Trustee to represent the Seller in day-to-day management, but such power of attorney will cease to have effect upon bankruptcy or emergency regulations of the Seller. In such case, the cooperation of the Seller's bankruptcy trustee or administrator may thus be required for such foreclosure. There can be no assurance that such cooperation will be forthcoming. The Issuer has been advised that, if the Seller has no Other Claims, there seems to be no reason to assume such cooperation would be withheld.

Agreed allocation of foreclosure proceeds may not be enforceable upon the Seller's bankruptcy

In the Mortgage Receivable Purchase Agreement, the Seller will represent and warrant that on the Cut-off Date it had no Other Claims (which term, for the avoidance of doubt, excludes claims under the Insurance Policies). The Seller will also undertake in the Mortgage Receivables Purchase Agreement that, until the Notes have been redeemed in accordance with the Conditions and the Issuer has no further obligation under any of the other Transaction Documents, it will not have or acquire such Other Claims secured by the same Mortgage Rights, except for Further Advances granted in accordance with the Mortgage Conditions. The Issuer will either purchase the relevant Further Advance Receivable (if the Additional Purchase Conditions are met) or the Seller will repurchase and accept re-assignment of the Mortgage Receivable associated with such Further Advance Receivable. If the Seller has no Other Claim at the time of foreclosure of a Mortgage, the full foreclosure proceeds will *de facto* be fully available to satisfy the relevant Mortgage Receivable. Should the Seller have any Other Claim against the Borrower at the time of foreclosure – or a claim for payment of premium under an Insurance Policy - the following applies. The Seller, the Issuer and/or the Security Trustee (as applicable) will agree in the Mortgage Receivables Purchase Agreement that in case of foreclosure the share (*aandeel*) in each co-owned security interest of the Security Trustee and/or the Issuer will be equal to the outstanding principal amount of the Mortgage Receivables, increased with interest and costs, if any, and the Seller's share will be equal to the Net Proceeds less the outstanding principal amount in respect of the Mortgage Receivables, increased with interest and costs, if any. It is uncertain whether in case of bankruptcy or emergency regulations this arrangement will be enforceable against the Seller's bankruptcy trustee or administrator. Based on the above, the Issuer has been advised that respective entitlements of the Seller, the Issuer and the Security Trustee may be determined by their respective shares in the aggregate outstanding claims that are covered by the relevant Mortgage at the time of foreclosure. Consequently, if one of the co-owners does not have a claim outstanding (conditional or otherwise) at the time of foreclosure, it would not be entitled to receive a share of the (net) foreclosure proceeds. Pursuant to the Mortgage Receivables Purchase Agreement, the Seller will represent that it does not have, and undertakes that it will not have, any other claims against the Borrowers which will be secured by the Mortgage or Borrower Pledge, other than claims for the payment of premiums under the Insurance Policies.

The Issuer has been advised that the Dutch Civil Code provides for various mandatory rules applying to co-owned rights. Consequently, the arrangements set out in the Mortgage Receivables Purchase Agreement as described in this risk factor and the risk factor *The Issuer may need cooperation from the Seller's bankruptcy trustee to enforce the All-Monies Security Rights* may not be enforceable in all respects.

Compensation for breach may not be fully paid upon Seller's bankruptcy

The Seller, the Issuer and the Security Trustee will also agree that the Seller shall compensate the Issuer and/or the Security Trustee (as applicable) forthwith for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee (as applicable) incurs as a result of a breach by the Seller of its obligations in respect of this arrangement (including enforcing the All-Monies Security Rights notwithstanding the above arrangement) or if such arrangement is dissolved, declared void, nullified or ineffective for any reason in respect of the Seller. If the Seller is bankrupt or subject to emergency regulations these payments will not - or only partly - be made and then only after significant lapse of time.

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*) and any rights of pledge on the rights of the relevant Borrower in connection with the Bank Savings Accounts (each such right of pledge 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.

The Issuer may not have the benefit from the proceeds of Insurance Policies and may not recover the full amount under the Mortgage Receivables if the Insurance Company defaults in the performance of its obligations under the related 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 the following paragraphs, 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 on 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. The issues raised with respect to the Savings Mortgage Loans apply *mutatis mutandis* to the Savings Investment Mortgage Loans.

The pledge over the Insurance Policies may not be effective

Many of the Portfolio Mortgage Loans have the benefit of an Insurance Policy. All rights of a Borrower under the Insurance Policies have been pledged to the Seller. Under Dutch law there is no general rule to determine whether a claim arising from an insurance policy is an existing claim or a future claim. A distinction can be made between capital insurances (*kapitaalverzekeringen*) and risk insurances (*schadeverzekeringen*). In respect of risk insurances it is noted that the Issuer has been advised that it is probable that the right to receive payment under the Insurance Policies (other than those relating to capital premiums already paid under a capital insurance), including the commutation payment (*afkoopsom*) before the insured event occurs, will be regarded by a Dutch court as a future right (*toekomstig recht*). Under Dutch law the pledge of a future right is not effective if the pledgor, i.e. the Borrower/policyholder, is declared bankrupt or is granted a moratorium of payments of the relevant Borrower/policyholder. Consequently, it is uncertain whether and to what extent the pledges of receivables under said risk insurance policies by the Borrowers are effective. In respect of capital insurances it is likely that the beneficiary's claims against the insurer corresponding with premiums which have already been paid to the insurer are existing claims, while claims relating to periods for which no premiums have yet been paid may very well be future claims. The

Issuer has been advised that the Borrower Pledges will (partly) follow the Mortgage Receivables upon their assignment to the Issuer and/or upon their pledge by the Issuer to the Security Trustee.

The Issuer may not have the benefit of the Beneficiary Rights

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 (as amended, restated and/or supplemented from time to time, 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, appoints in its place 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,

and, to the extent such appointment is ineffective, waives its rights as beneficiary under the Insurance Policies.

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.

If an irrevocable authorisation to apply the insurance proceeds in satisfaction of a Mortgage Receivable as described above exists, the Issuer has been advised that it is uncertain whether the payment instruction authorises the Insurance Company to pay to the Issuer rather than the Seller upon assignment of the Mortgage Receivable. In as far as the Insurance Company is not authorised to pay the proceeds to the Issuer,

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. Such change would require the cooperation of the relevant Borrower and it is uncertain whether such cooperation will be forthcoming.

If the Issuer or the Security Trustee, as the case may be, has not become beneficiary of the Insurance Policies and the pledge and 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) 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.

Risk of set-off or defences under Life Mortgage Loans, Savings Mortgage Loans, Savings Investment Mortgage Loans and Bank Savings Mortgage Loans

General

If the amounts payable under the Insurance Policies do not serve as a reduction of the Mortgage Receivable in case the Issuer does not receive the proceeds because it does not have the Beneficiary Rights (see *The Issuer may not have the benefit of the Beneficiary Rights*) or in case the Insurance Company is no longer able to meet its obligations under the Insurance Policies, 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. Similarly, if the balance standing to the Bank Savings Deposit Account is not applied towards redemption of the Bank Savings Mortgage Loan, the Borrower may try to invoke a right of set-off of the amount due under the Mortgage Receivable with amounts payable under the Bank Savings Deposit. Borrowers may also try to invoke defences should set-off not be successful.

The Mortgage Conditions provide that the payments by the Borrowers should be made without set-off. However, 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.

Risk of set-off or defences under Life Mortgage Loans, Savings Mortgage Loans and Savings Investment Mortgage Loans

One of the Dutch statutory requirements for set-off 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 resulting from the same legal relationship as the relevant Mortgage Receivable. 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 *Borrower Pledges* 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 relevant 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. If this defence were to be successful, this could lead to a reduction of the relevant Borrower's payments under the Mortgage Receivables equal to the damages incurred by the relevant Borrowers.

In respect of Life Mortgage Loans, Universal Life Mortgage Loans, Savings Investment Mortgage Loans and Savings Mortgage Loans, the Issuer has been advised that, in view of the factual circumstances involved, in particular, 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 were unable to (fully) recover their claims under their Insurance Policies. A successful set-off or defence may lead to the Issuer not having sufficient funds available to make payments in respect of the Notes.

In respect of the Savings Investment Mortgage Loans and Savings Mortgage Loans, the Savings Insurance Sub-Participation Agreement will provide that in case of set-off or other defences by a Borrower, including but not limited to a right of set-off or defence based upon a default in the performance by the Insurance Savings Mortgage Participant (i.e. the Insurance Company) of its obligations under the relevant Savings Investment Insurance Policy or Savings Insurance Policy, as a consequence whereof the Issuer will not have received the full amount due and outstanding, the relevant Insurance Savings Participation will be reduced by an amount equal to the amount which the Issuer has failed to receive as a result of such set-off or defence. The amount of the Insurance Savings Participation is equal to the amount of all Savings Premiums received by the Issuer, plus the accrued yield on such amount (see under *Sub-Participation Agreements* below) and the claim of the Borrower under the Savings Insurance Policy will in principle not exceed the amount of the Insurance Savings Participation, 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 relevant Insurance Savings Participation. Unlike the amount of the Insurance Savings Participation, the amount of the Conversion Participation may not be equal to the value of the underlying investments in investment funds as the value of such underlying investments may fluctuate. As a result the claim of the Borrower under the Savings Investments Insurance Policy may exceed the amount of the Conversion Participation. There can be no assurance that the amount for which the Borrower can invoke set-off or defences cannot exceed the amount of the relevant Insurance Savings Participation.

Risk of set-off or defences regarding Bank Savings Mortgage Loans

Each Bank Savings Mortgage Loan has the benefit of the balance standing to the credit of the relevant Bank Savings Account which is held with AEGON Bank N.V. in its capacity as the Bank Savings Mortgage

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

The analysis for such set-off or defences by Borrowers is similar to the risk described in the paragraph *Risk of set-off or defences under Life Mortgage Loans, Savings Mortgage Loans and Savings Investment Mortgage Loans* above. Although the Bank Savings Mortgage Participant and the Seller are not the same legal entity and the mutuality requirement for set-off under Dutch law is therefore not met, given the strong link between the two products, the Issuer has been advised that there is a considerable risk (*een aanmerkelijk risico*) that, even if set-off were to be unsuccessful, a defence would be successful. In view of such risk, on the Closing Date, the Bank Savings Sub-Participation Agreement will be entered into, which will be materially in the same form as the Savings Insurance Sub-Participation Agreement (see also the section *Sub-Participation Agreements* below). Given that the amount of the claim of a Borrower in respect of the Bank Savings Deposit will in principle not exceed an amount equal to the Bank Savings Participation in the Bank Savings Mortgage Loan, normally the Issuer would not suffer any damages if the Borrower would invoke any such right of set-off or defences, if and to the extent that the amount for which the Borrower would invoke set-off or defence does not exceed the amount of the relevant Bank Savings Participation. There can be no assurance that the amount for which the Borrower can invoke set-off or defences cannot exceed the amount of the relevant Bank Savings Participation.

Risk of set-off or defences regarding 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 the 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 sole corporate 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 the rules and regulations promulgated thereunder with respect to a "beleggersgiro", 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 are segregated from those of AEGON Bank N.V. and will form part of the estate of Stichting AEGON Beleggersgiro and Stichting AEGON Beleggersgiro can be considered to be 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, albeit that because the Seller and Stichting AEGON Beleggersgiro are not the same legal entity - there is no mutuality (*wederkerigheid*) of claims – the Borrower would have to argue that three party set-off was intended, which may mean a successful set-off claim may be more difficult, but this fact will probably have little bearing on any of the defences available.

Borrower Investment Pledge and/or Borrower Bank Savings Deposit Pledge may be ineffective

A right of pledge over 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.

The Issuer has been advised that it is possible that some of the Borrower's rights under the Investment Accounts which have been pledged (the **Borrower Investment Pledge**) may qualify as future rights, such as options (*opties*). In addition, the increases in rights of the Borrower in connection with the Bank Savings Accounts which have been pledged in favour of the Seller (the **Borrower Bank Savings Deposit Pledge**) are future rights and any increases of the balance after bankruptcy of the Borrower will not be covered by the Bank Savings Deposit Pledge.

Reduced value of investments and incomplete or misleading marketing material may lead to reduced payments under the Mortgage Loans

The value of investments (i) made by the Insurance Company in connection with the Life Insurance Policies and Savings Investment Insurance Policies or (ii) 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 on the basis of misrepresentation (*bedrog*) or error (*dwaling*) 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 published a report on so-called unit-linked products 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 for insurance companies to improve

the information provided to the customers and to compensate the customers which were misled. In connection therewith, several customer interest groups 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*).

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 recommended insurers to compensate customers of products of which the costs over the duration of the policy are higher than an annual rate of 3.5 per cent. of the gross fund output at least for the incremental costs.

On the basis of this recommendation, most insurance companies, including the Insurance Company, entered into a settlement agreement with *Stichting Verliespolis* and *Stichting Woekerpolis Claim*. The settlement provides for a further limitation of the costs charged in unit-linked products. However, recently a public debate emerged on the adequacy generally of the settlement agreement reached between the various insurance companies and customer interest groups like *Stichting Verliespolis* and *Stichting Woekerpolis Claim*, and it is not possible to predict or determine the outcome thereof. This may stimulate consumers to file claims against the insurance companies, including the Insurance Company, to compensate for the costs charged and/or to dissolve or terminate the insurance policies taken out with such insurance companies. Such policies may include policies linked to Life Mortgage Loans and Universal Life Mortgage Loans, such as the Life Insurance Policies and the Savings Investment Insurance Policies. Moreover, in the Netherlands, there is increased litigation regarding the disclosure of contingent costs, commissions and premiums and other transparency issues. A substantial legal liability or a significant regulatory action could have a material adverse effect on the Insurance Company's business, results of operations, financial condition and solvency.

The Life Insurance Policies and the Savings Investment Insurance Policies may qualify as unit-linked products referred to in the paragraphs above. These Life Insurance Policies and Savings Investment Insurance Policies are 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 the paragraphs above be dissolved, nullified or otherwise 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. 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 in case of bankruptcy or emergency regulations having commenced in respect of the Seller and/or the Seller not indemnifying the Borrower. Any such set-off or defences may lead to losses under the Notes.

Litigation and regulatory investigations and actions may adversely affect the Seller's business, reputation, results of operations, cash flow, financial condition and solvency.

The Seller faces significant risks of litigation and regulatory investigations and actions in connection with its activities as an insurer, securities issuer, employer, investor and taxpayer among others.

Insurance companies are routinely the subject of litigation, investigation and regulatory activity by various governmental and enforcement authorities, individual claimants and policyholder advocate groups involving wide-ranging subjects such as employment or third party relationships, adequacy of operational processes, anti-competition and intellectual property infringement.

In addition, insurance companies are still increasingly the subject of litigation, investigations and regulatory activity concerning common industry practices such as the disclosure of contingent costs, commissions and premiums and other issues relating to the transparency relating to certain products and services. Adequate transparency of product features and cost levels is important for customer satisfaction especially when they apply for, or take effect over, a longer duration such as many of the Seller's products. In addition, many of the Seller's products offer returns that are affected by, among other things, fluctuations in equity markets as well as interest rates movements. As a result, such returns may prove to be volatile and occasionally disappointing. This from time to time results in disputes that lead to litigation and complaints to regulatory bodies. Complaints like these may then lead to inquiries or investigations regardless of their merit.

The Seller cannot predict at this time the effect litigation, investigations and actions will have on the insurance industry or the Seller's business. Lawsuits, including class actions and regulatory actions, may be difficult to assess or quantify, may seek recovery of very large and/or indeterminable amounts, and their existence and magnitude may remain unknown for substantial periods of time. Claimants may allege damages that are not quantifiable or supportable and may bear little relationship to their actual economic losses, or amounts they ultimately receive, if any.

In the Netherlands, certain current and former customers, and groups representing customers, have initiated litigation and certain groups are encouraging others to bring lawsuits against the Seller and other insurers in respect of certain products, including securities leasing products and unit-linked products (so called *'beleggingsverzekeringen'*).

The Seller has defended and intends to continue defending itself vigorously when it believes claims are without merit. The Seller has also sought and intends to continue to seek to settle certain claims including via policy modifications in appropriate circumstances such as the settlement it reached in 2009 with *Stichting Verliespolis* and *Stichting Woekerpolis* that, among other things, provided for up to EUR 250 million in potential policy modifications. The Ombudsman Financiële Dienstverlening supports this arrangement. However, recently a public debate emerged on the adequacy generally of the arrangements reached between the various insurance companies and customer interest groups like *Stichting Verliespolis* and *Stichting Woekerpolis Claim*, and it is not possible to predict or determine the outcome thereof. A substantial legal liability or a significant regulatory action could have a material adverse effect on the Seller's business, reputation, results of operations, cash flows, financial condition and solvency.

Risk that the Mortgage Rights on long leases may cease to exist

The Mortgage Rights securing the Portfolio Mortgage Loans may be vested on a long lease (*erfpacht*), as further described under *Description of the 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. In such event the mortgage right will, by operation of law, cease to exist. 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. The amount of the compensation will, *inter alia*, be determined by the conditions of the long lease and may be less than the market value of the long lease. In 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 Seller has represented in the Mortgage Receivables Purchase Agreement that when underwriting a Mortgage Loan to be secured by a mortgage right on a long lease, it has taken into consideration certain conditions, such as the term of the long lease and that, 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.

Risk that claims under a NHG Guarantee (if applicable) may be set aside or be insufficient to fully recover losses under the related NHG Mortgage Receivable.

A portion of the Mortgage Loans have the benefit of a guarantee under the *Nationale Hypotheek Garantie* (the **NHG Guarantee**). See *Description of the Mortgage Loans*. The resulting Mortgage Receivable (the **NHG Mortgage Receivables**) will thus have the benefit of an NHG Guarantee. However, pursuant to the terms and conditions (*voorwaarden en normen*) of the NHG Guarantee, the guarantor, *Stichting Waarborgfonds Eigen Woningen* (**WEW**) has no obligation to pay any loss (in whole or in part) incurred by a lender after a private or a forced sale of the mortgaged property if such lender has not complied with the terms and conditions of the NHG Guarantee. There is a risk that in respect of one or more NHG Mortgage Receivables, the Seller has not complied with the terms and conditions of the NHG Guarantee in which case the NHG Guarantee will not serve as additional credit support for such Mortgage Receivable(s).

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

It should be noted that Fitch, at the request of the Seller, has not given credit to the existence of the NHG Guarantees in respect of the NHG Mortgage Receivables in assigning ratings to the Notes despite the perceived lower risks associated with such Mortgage Receivables because of such guarantee.

NHG Guarantee (if applicable) may be affected by downgrade of the sovereign rating of the Dutch State

The NHG Guarantee is ultimately guaranteed by the Dutch State (see the section *NHG Guarantee Programme*) which is currently rated 'Aaa' by Moody's, 'AAA', with negative outlook, by Standard & Poor's Credit Market Services Europe Limited (S&P) and 'AAA' by Fitch. In the event that the Dutch State ceases to be rated 'Aaa' by Moody's, 'AAA' by S&P and/or 'AAA' by Fitch, this may result in a review by a Rating Agency of the Notes and could potentially result in a corresponding downgrade of the Notes.

The Security Trustee will be subject to statutory restrictions applying to holders of Dutch security rights

The Noteholders and other Security Beneficiaries indirectly have the benefit of (i) a first ranking undisclosed right of pledge granted by the Issuer to the Security Trustee over the Mortgage Receivables, (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 Agreements, the Back-Up Swap Agreements, the Servicing Agreement, the Floating Rate GIC, the Liquidity Facility Agreement, the Sub-Participation Agreements, the Beneficiary Waiver Agreement and in respect of the Issuer Accounts (other than the US Dollar Account) and (iii) a first ranking English law charge over the Issuer's claims in respect of the US Dollar Account. 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 (such as the Security Trustee) as if there were no bankruptcy or suspension of payments. However, bankruptcy or suspension of payments involving the Issuer would adversely affect the position of the Security Trustee as pledgee with respect to the Mortgage Receivables 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 certain rights associated with the right of pledge on the Mortgage Receivables and (iii) the pledgee (such as the Security Trustee) 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 relevant Issuer Accounts following the Issuer's bankruptcy or suspension of payments.

Risk that the Issuer does not have the authority to reset interest rates and that cooperation of the Seller will be required

The interest rate of the fixed rate Portfolio Mortgage Loans resets from time to time. The Issuer has been advised 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.

Notes of a Class may rank subordinate to other Classes

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.

All Notes rank subordinate to certain other creditors. See *Credit Structure - Priority of Payments*.

Depending on the losses under the Mortgage Loans, the Issuer may not receive sufficient amounts to fully redeem the Notes. Losses will be allocated on each Quarterly Payment Date, to the Notes in reverse alphabetical order, as more fully described in *Credit Structure* below.

Conflict of interests between holders of different Classes of Notes may result in the interest of one or more lower ranking Classes of Noteholders being disregarded

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 at such time, 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 different Security Beneficiaries the priority of payments upon enforcement set forth in the Trust Deed and as set out in the section *Credit Structure* below, determines which interest of which Security Beneficiary prevails.

No Extraordinary Resolution (as set forth in Condition 14) of the Senior Class A Noteholders to sanction a change which would have the effect of:

(i) 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

(ii) accelerating or extending any date for payment of interest thereon, reducing or cancelling the amount of principal or altering the rate of interest payable (if applicable) 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 (a) the Issuer has agreed thereto, and (b) the Swap Counterparty and, prior to the occurrence of a Swap Termination Event, the Back-Up Swap Counterparty have agreed thereto (unless such change is immediately succeeded by a resolution or other action pursuant to which all Notes (other than the Subordinated Class F Notes) are redeemed), and (c) 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.

In view of the abovementioned consent rights of the Swap Counterparty and the Back-Up Swap Counterparty, they effectively can veto certain proposed modifications, amendments or waivers supported by the Noteholders.

Back-Up Swap Agreement means either of the Back-Up Currency Swap Agreement or the Back-Up Interest Rate Swap Agreement, together, the **Back-Up Swap Agreements**.

Back-Up Currency Swap Agreement means an agreement in the form of the International Swaps and Derivatives Association, Inc. (**ISDA**) 1992 Master Agreement (Multicurrency - Cross Border) (the **ISDA Master Agreement**) between the Issuer and BNP Paribas, dated as of 26 April 2012, including the Schedule thereto and the Credit Support Annex and Confirmation entered into thereunder (as amended, restated and/or supplemented from time to time), in respect of a cross currency swap which becomes effective upon the occurrence of a Swap Termination Event.

Back-Up Interest Rate Swap Agreement means an ISDA Master Agreement between the Issuer and BNP Paribas, dated as of 26 April 2012, including the Schedule thereto and the Credit Support Annex and Confirmation entered into thereunder (as amended, restated and/or supplemented from time to time), in respect of an interest rate swap which becomes effective upon the occurence of a Swap Termination Event.

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 interests between holders of different Classes of Notes may result in the interest of one or more lower ranking Classes of Noteholders being disregarded*) only, a reference to (i) "Class" means if and to the extent it regards the Senior Class A Notes, the Senior Class A1a Notes and the Senior Class A1b Notes, collectively, and (ii) "Senior Class A Noteholders" means the Senior Class A1a Noteholders and the Senior Class A1b Noteholders, acting collectively.

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.

The Security Trustee may agree to modifications, authorisations and waivers 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 (other than a Basic Terms Change), 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 provided that each Rating Agency either:

(A) has provided a Rating Agency Confirmation in respect of the relevant event or matter or

(B) 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 or proposed breach.

Modifications to the Transaction Documents may only be made with the Swap Counterparty's, and, prior to the occurrence of a Swap Termination Event, the Back-Up Swap Counterparty's prior consent

The Swap Counterparty, and, prior to the occurrence of a Swap Termination Event, the Back-Up Swap Counterparty can effectively veto certain proposed modifications, amendments and waivers to any Transaction Document if (i) in the reasonable opinion of the Swap Counterparty or (prior to the occurrence of a Swap Termination Event, the Back-Up Swap Counterparty) immediately after such amendment, the Swap Counterparty would be required to pay materially more or receive materially less under either Swap Agreement or there would be a decrease (from the Swap Counterparty's perspective) in the value of the swap transaction under either Swap Agreement; or (ii) if the Swap Counterparty were to replace itself as swap counterparty under either Swap Agreement it would be required to pay materially more or receive materially less in connection with such replacement as compared to what the Swap Counterparty would have been required to pay or would have received had such amendment not been made; or (iii) the Swap Counterparty would be further contractually subordinated, relative to the Swap Counterparty's level of subordination as of the Closing Date, relative to the Issuer's obligation to any other Security Beneficiary. In addition, prior to the occurrence of a Swap Termination Event, the Initial Swap Counterparty's consent is required for any amendment to either Back-Up Swap Agreement, and the Back-Up Swap Counterparty's consent is required for any amendment to either Swap Agreement between the Initial Swap Counterparty and the Issuer, where such consent is not to be unreasonably withheld or delayed. Therefore, the Swap Counterparty and, prior to the occurrence of a Swap Termination Event, the Back-Up Swap Counterparty effectively can veto certain proposed modifications, amendments or waivers.

Risk that the Senior Class A1b Notes will not be eligible as Eurosystem Eligible Collateral

The Senior Class A1b Notes are intended to be held in a manner which will allow Eurosystem eligibility. This does not necessarily mean that such Notes will be recognised as 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 from time to time. If the Senior Class A1b Notes do not satisfy the criteria specified by the European Central Bank, there is a risk that they will not be Eurosystem Eligible Collateral at such time. The Issuer gives no representation, warranty, confirmation or guarantee to any investor in the Senior Class A1b Notes that the Senior Class A1b Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for Eurosystem eligibility from time to time and be recognised as Eurosystem Eligible Collateral. Any potential investors in the Senior Class A1b Notes should make their own determinations and seek their own advice with respect to whether or not such Notes constitute Eurosystem Eligible Collateral. The Senior Class A1a Notes, 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 Eurosystem Eligible Collateral.

Risk that the Issuer breaches the Act on the Financial Supervision if the Servicer ceases to be properly licensed

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. As the Portfolio Mortgage Loans are granted to consumers, the Issuer must also have a licence under the Act on the Financial Supervision. However, an exemption from the license requirement is available if the special purpose vehicle outsources the servicing of the loans and the administration thereof to an entity holding a license to service and administer loans to consumers. The Issuer has outsourced the servicing and administration of the Portfolio Mortgage Loans to the Servicer. The Servicer holds the relevant license under the Act on the Financial Supervision and the Issuer will thus benefit from the exemption. However, if the appointment of the Servicer under 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 such appointment under 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 (*afwikkelen*) its existing agreements itself. 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. If the Issuer cannot find an authorised servicer, it may be forced to sell the Mortgage Receivables which could result, among others, in early redemption of the Notes and repayment of principal in accordance with the Pre-Enforcement Principal Priority of Payments or the occurrence of a Notes Event of Default and repayment of principal in accordance with the Post-Enforcement Priority of Payments and is in either case likely to result in proceeds being insufficient to pay Noteholders.

EU Council Directive on taxation of savings income – risk of withholding tax

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established 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). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

Implementation of and/or changes to the Basel II framework may affect the capital requirements and/or the liquidity associated with a holding of the Notes for certain investors

In 1988, the Basel Committee on Banking Supervision (the **Basel Committee**) adopted capital guidelines that explicitly link the relationship between a bank's capital and its credit risks. In June 2006, the Basel Committee finalised and published new risk-adjusted capital guidelines (**Basel II**). Basel II includes the application of risk-weighting which depends upon, amongst other factors, the external or, in some circumstances and subject to approval of supervisory authorities, internal credit rating of the counterparty. The revised requirements also include allocation of risk capital in relation to operational risk and supervisory review of the process of evaluating risk measurement and capital ratios.

Basel II has not been fully implemented in all participating jurisdictions. The implementation of the framework in relevant jurisdictions may affect the risk-weighting of the Notes for investors who are or may become subject to capital adequacy requirements that follow the framework. The Basel II framework is implemented in the European Union by the Capital Requirements Directive. Certain amendments have been made to the Capital Requirements Directive, including by Directive 2010/76/EU (the so-called **CRD III**), which was required to be implemented by Member States by the end of 2011 and which introduces (amongst other things) higher capital requirements for certain trading book positions and re-securitisation positions.

It should also be noted that the Basel Committee has approved significant changes to the Basel II framework (such changes being commonly referred to as **Basel III**) and on 1 June 2011 issued its final guidance, which envisages a substantial strengthening of existing capital rules, including new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards and a maximum leverage ratio for financial institutions. In particular, the changes include, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio). Member countries will be required to implement the new capital standards from January 2013, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The Basel Committee is also considering introducing additional capital requirements for systemically important institutions from 2016. The changes approved by the Basel Committee may have an impact on the capital requirements in respect of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

The European authorities support the work of the Basel Committee on the approved changes in general and, on 20 July 2011, the European Commission adopted a legislative package of proposals (known as **CRD IV**) to implement the changes through the replacement of the existing Capital Requirements Directive with a new Directive and Regulation. As with Basel III, the proposals contemplate the entry into force of the new legislation from January 2013, with full implementation by January 2019; however the proposals allow individual Member States to implement the stricter definition and/or level of capital more quickly than is envisaged under Basel III.

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

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

In Europe, the US 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 Joint Lead Managers, the Security Trustee 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 CRD and any implementing rules in relation to a relevant jurisdiction, which applies in general to newly issued securitisations after 31 December 2010, and to notes issued under securitisations established on or before that date from the beginning of 2015 to the extent that new underlying exposures are added or substituted after 31 December 2014. Article 122a CRD restricts an EU regulated credit institution from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the EU regulated credit institution that it will retain, on an ongoing basis, a net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 122a CRD. Article 122a CRD 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 CRD 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 CRD applies in respect of the Notes. Investors should therefore make themselves aware of the requirements of Article 122a CRD (and any corresponding implementing rules of their regulator), 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 CRD 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 CRD, please see the section *Article 122a of the Capital Requirements Directive*. 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 CRD (and any corresponding implementing rules of their regulator) and none of the Issuer, the Seller, the Company Administrator, the Arranger, the Security Trustee nor the Joint Lead 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 CRD and its implementation in EEA states and it is not clear what will be required to demonstrate compliance to national regulators. It should be noted that EEA states may implement Article 122a CRD (and related provisions) differently. 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 CRD should seek guidance from their regulator. Similar requirements to those set out in Article 122a CRD 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 CRD and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

In addition, article 135 of the Solvency II framework directive requires the adoption by the European Commission of implementing measures laying down the requirements that will need to be met by originators of asset-backed securities in order for insurance and reinsurance companies located within the EU to be allowed to invest in such instruments following implementation of Solvency II, which may be as early as 1 January 2013. Without limitation to the matters which may be laid down in such implementing measures, article 135 states such measures will require that originators of asset-backed securities retain a net economic interest of no less than 5% and will specify the qualitative requirements that must be met by insurance or reinsurance undertakings that invest in asset-backed securities. The terms of the implementing measures which will be adopted by the European Commission are not yet finalised, but it is expected such measures will require insurance and reinsurance undertakings to carry out due diligence prior to investing in asset-backed securities and that failure to comply with the requirements set out in the implementing measures will result in a penal capital charge to the insurance or reinsurance company. In addition, the availability of transitional relief or "grandfathering" in respect of investments in asset-backed securities remains uncertain.

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

US Foreign Account Tax Compliance Withholding

Pursuant to the US Foreign Account Tax Compliance Act (**FATCA**), the Issuer and other non-US financial institutions through which payments on the Notes are made may be required to withhold US tax at a rate of 30% on all, or a portion of, payments made after 31 December 2016 in respect of any Notes which are treated as equity for US federal income tax purposes (as discussed under "*United States Taxation – Alternative Characterization of the Offered Notes*"). This withholding tax may be triggered if (i) the Issuer is a foreign financial institution (**FFI**) (as defined by FATCA), which enters into and complies with an agreement with the US Internal Revenue Service to provide certain information on its account holders (a term which includes the holders of its debt or equity interests that are not regularly traded on an established securities market), making the Issuer a "participating FFI", (ii) the Issuer has a positive "passthru percentage" (as defined by FATCA), and (iii)(A) an investor does not provide information sufficient for the participating FFI to determine whether the investor is a United States person or should otherwise be treated as holding a "United States account" of such Issuer or (B) any FFI to which (or through which) payment on such Notes is made is not a participating FFI.

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

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

Notes should consult their own tax advisors on how these rules may apply to payments they receive under the Notes.

US Regulatory Consideration Could Adversely Affect the Issuer and the Notes

Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted 21 July 2010 (**Dodd-Frank**), establishes a new US regulatory regime for derivatives contracts, including swaps, security-based swaps and mixed swaps (generically referred to in this risk factor as "swaps"). Among other things, Title VII provides the Commodities Futures Trading Commission (**CFTC**) and the SEC with jurisdiction and regulatory authority over a wide array of different types of swaps, requires the establishment of a comprehensive registration and regulatory framework applicable to dealers and other major market participants in swaps, requires many types of swaps to be exchange-traded or executed on swap execution facilities (**SEFs**) and cleared and contemplates the imposition of capital requirements and margin requirements for even uncleared swaps. Title VII provides the CFTC and the SEC a one-year period in which to implement much of the mandated rulemaking and regulations required by Dodd-Frank and in some cases much longer. Dodd-Frank became effective on 16 July 2011 and requires the SEC and CFTC to engage in certain definitional rulemaking. However, the SEC and CFTC have extended the deadline for rulemaking until the end of 2011, or indefinitely in some cases. Therefore, a complete assessment of the exact nature and effects of Dodd-Frank and the rules to be adopted thereunder cannot be made at this time. Nevertheless, it is clear that swap counterparties, dealers and other major market participants, as well as end users of swaps as defined under Dodd-Frank, will experience new and/or additional regulatory requirements, including, among other things, with respect to classification and reporting, swap clearing, margining and execution and additional compliance burdens and associated costs. Some of these will apply to existing swaps as well as swaps to be entered into in the future. It is unclear at this time to what extent transactions that (a) are based on underlying instruments not traded in the United States, (b) are entered into by non-US persons such as the Issuer or (c) involve dealers outside the US will be subject to such regulations. However, transactions in which the Issuer or Seller engages with a US person or certain persons connected to a US person or referencing a subject matter with a significant connection to, or that could have an impact on, the United States may be, or may be regulated as, swaps under Dodd-Frank and the related rules.

Moreover, in connection with transactions with a US person or certain persons connected to a US person or referencing a subject matter with a significant connection to, or that could have an impact on, the United States, the Issuer or Seller could be required to register as a commodity pool operator and to register the Notes as commodity pools with the CFTC through the US National Futures Association. Such additional registrations may result in increased reporting obligations and also in extraordinary, non-recurring expenses. The Issuer or Seller may engage in transactions that are securities-based swaps, which could result in additional regulatory burdens, costs and expenses. Any such additional regulatory requirements could result in one or more service providers or counterparties to the Issuer or Seller resigning, seeking to withdraw, renegotiating their relationship with the Issuer or Seller or requiring the unilateral option to withdraw from their transactions. To the extent any service providers resign or terminate transactions, it may be difficult or impracticable to replace such service providers or transactions.

Regulatory Call

The Issuer has the right to redeem the Notes upon the occurrence of a Regulatory Change (as defined below), provided that in each case, the Issuer has sufficient funds to redeem, subject to Condition 9(a), the Notes (other than the Subordinated Class F Notes) at their Principal Amount Outstanding plus, if applicable, accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to redemption of the Notes (see Condition 6(i)).

There can be no assurance whether or not such Regulatory Change will occur and if so, when it may occur. If it does occur, the Notes may be redeemed earlier than they would otherwise have been.

On each Quarterly Payment Date, the Seller has the option but not the obligation to repurchase the Mortgage Receivables upon the occurrence of a Regulatory Change (the **Regulatory Call Option**). The Issuer must use the proceeds to redeem the 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.

A **Regulatory Change** will be a change which is (a) published (regardless of when the change enters into force) on or after the Closing Date in (i) the European Parliament legislative resolution of 22 April 2009 on the amended proposal for a directive of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (the **Solvency II Framework Directive**) or (ii) the international, European or Dutch regulations, rules and instructions (which includes rules on solvency requirements) (the **Insurance and Reinsurance Regulations**) applicable to the Seller (including any change in the Insurance and Reinsurance Regulations enacted for purposes of implementing a change to the Solvency II Framework Directive) or (iii) the manner in which the Solvency II Framework Directive or such Insurance and Reinsurance Regulations are interpreted or applied by any relevant competent international, European or national body (including the Dutch Central Bank and any relevant international, European or other competent regulatory or supervisory authority) and (b) in the reasonable opinion of the Seller, has the effect of materially adversely affecting the rate of return on capital of the Seller or materially increasing the cost or reducing the benefit to the Seller with respect to the transaction contemplated by 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.

Change of law may adversely impact the position of Noteholders

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 Agreements and the Back-Up Swap Agreements, 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.

Risk that counterparties of the Issuer fail to perform their obligations under the Transaction Documents

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*, (i) (a) AEGON Levensverzekering N.V. in its capacity as Seller, Servicer, Insurance Company, Insurance Savings Mortgage Participant and Conversion Participant, (b) AEGON Derivatives N.V. or, upon a Swap Termination Event, BNP Paribas, in its capacity as Swap Counterparty, (c) BNP Paribas S.A., acting through its branch in the Netherlands 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 as US Dollar Account Provider and the Swap Collateral Account Provider, (f) Deutsche Bank AG, London Branch, Deutsche Bank AG, Deutsche Bank Trust Company Americas and Deutsche Bank AG, Amsterdam Branch in their capacity as Principal Paying Agent, US Paying Agent and Paying Agent, respectively, and (g) AEGON Bank N.V. as Bank Savings Mortgage Participant, will not perform their respective obligations vis-à-vis the Issuer and (ii) ATC Management B.V. as Director of the Issuer and the Shareholder, ANT Securitisation Services 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 mortgage loans of residential properties would be found who is 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.

Risk that the Seller fails to repurchase the Mortgage Receivables

The Seller is obliged under certain limited circumstances to repurchase Mortgage Receivables from the relevant Portfolio Mortgage Loan that are in breach of the warranties made by the Seller in the Mortgage Receivables Purchase Agreement. If the Seller is unable to repurchase loans or perform its ongoing obligations under the transactions described in this prospectus, the performance of the Notes may be adversely affected.

The Issuer is exposed to credit risk associated with the hedging arrangements

On the Signing Date, the Issuer will enter into (a) the Interest Rate Swap Agreement with the Initial Swap Counterparty and the Security Trustee to hedge the risk of a difference between the rate of interest to be received by the Issuer on the Mortgage Receivables (which will be a mixture of floating and fixed rates of interest) and the rate of interest payable by the Issuer on the Senior Class A1b Notes and under the Currency Swap Agreement; and (b) the Currency Swap Agreement with the Initial Swap Counterparty and the Security Trustee to hedge the risk of a deterioration of the euro-dollar exchange rate between the Closing Date and the time at which interest and/or principal is to be paid on the Senior Class A1a Notes, and the interest rate risk between the Euribor amounts received by the Issuer under the Interest Rate Swap and the USD LIBOR amounts payable by the Issuer on the Senior Class A1a Notes. If the Initial Swap Counterparty defaults on its obligation to make payments or deliver collateral under one or both Swap Agreements and the applicable grace period has expired, is declared bankrupt (*failliet*), or fails to make certain payments due from it to the Back-Up Swap Counterparty, the Swap Agreements will terminate and the hedging arrangements under the Back-Up Swap Agreements will become effective. In the event that the Initial Swap Counterparty fails to pay, when due, any amount owed to the Issuer under either Swap Agreement, the Back-Up Swap Counterparty will be obliged to pay such amount to the Issuer upon the Back-Up Swap Counterparty being notified of such failure to pay by the Initial Swap Counterparty, regardless of whether a Swap Termination Event results from such failure to pay.

The provisions of the Swap Agreements described below will apply whether the Swap Counterparty is the Initial Swap Counterparty or the Back-Up Swap Counterparty, other than as expressly stated in relation to the back-up swap structure and the operation of a Swap Termination Event. For so long as the Initial Swap Counterparty is the Swap Counterparty, the Initial Swap Counterparty will post collateral to the Issuer, pursuant to each Swap Agreement, based on the higher of the credit rating of the Initial Swap Counterparty and the credit rating of the Back-Up Swap Counterparty. For a more detailed discussion of the Swap Agreements see the section entitled *Credit Structure*.

The Issuer will rely on payments made by the Swap Counterparty in order to make interest payments on the Senior Class A Notes on each Quarterly Payment Date and principal payments on the Senior Class A1a Notes as such amounts become due. If the Swap Counterparty fails to pay any amounts when due under the Swap Agreements, the Available Revenue Funds and Available Principal 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 Agreements 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 Agreements will provide, however, that if due to any change in tax law after the date of the Swap Agreements, 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 Agreements in order to avoid the relevant Tax Event, provided that the requirements in the Swap Agreements are met. The Swap Counterparty will at its own cost, if it is unable to transfer its rights and obligations under the Swap Agreements to another office, have the right to terminate the relevant Swap Agreement(s). Upon such termination, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party.

The Swap Agreement may be terminated by either the Issuer or the Swap Counterparty 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 relevant 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 relevant Swap Agreement and (ii) insolvency events.

In the event that one or both Swap Agreements are 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 or is a result of a Swap Termination Event) it will rank in priority to or *pari passu* with (with respect to the Currency Swap Agreement) payments due from the Issuer under the Notes under the applicable Priorities of Payments, and could affect the availability of sufficient funds for the Issuer to make payments of amounts due from it under the Notes in full. Termination payments (which may be made up of cash and/or securities) due by the Issuer to the Initial Swap Counterparty as a result of a Swap Termination Event are paid or delivered (as applicable) outside of the Priorities of Payments and are limited to the collateral held by the Issuer at such time. Upfront premiums (which may be made up of cash and/or securities) (if any) due by the Issuer to the Back-Up Swap Counterparty as a result of a Swap Termination Event are delivered outside of the Priorities of Payment and are limited to the collateral held by the Issuer at such time.

Priorities of Payments means the Pre-Enforcement Revenue Priority of Payments, the Pre-Enforcement Principal Priority of Payments and the Post-Enforcement Priority of Payments.

In the event that one or both Swap Agreements are terminated by either party or the Swap Counterparty becomes insolvent, the Issuer may not be able to enter into replacement swap agreements with a replacement swap provider immediately or at a later date, if the Back-Up Swap Agreements are no longer in place. If a replacement swap provider cannot be found, the funds available to the Issuer to pay 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. If the Back-Up Swap Counterparty defaults or becomes insolvent, the Issuer may not be able to engage a replacement Back-Up Swap Counterparty, in which case the holders of Notes will be exposed to the credit risk of the Initial Swap

Counterparty. In each of 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 Swap Agreements 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 Agreements, transferring its obligations to a replacement swap provider 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 (if the Back-Up Swap Agreements are no longer in place) replacement swap provider 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 Agreements related to a downgrade in the ratings of the Swap Counterparty.

Insolvency proceedings and subordination provisions

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

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

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

actions would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

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

Noteholders may not receive and may not be able to trade Definitive Registered Note Certificates

It is possible that the Notes may be traded in amounts that are not integral multiples of EUR 100,000 or, in respect of the Senior Class A1a Notes, USD 200,000. In such a case, a holder who, as a result of trading such amounts, holds an amount which is less than EUR 100,000 or USD 200,000, as the case may be, in its account with the relevant clearing system in case Definitive Registered Note Certificates are issued may not receive a Definitive Registered Note Certificate in respect of such holding (should Definitive Registered Note Certificates be issued) and may need to purchase a principal amount of Notes such that its holding amounts to at least EUR 100,000 or USD 200,000, as the case may be. If Definitive Registered Note Certificates are issued, holders should be aware that Definitive Registered Note Certificates which have a denomination that is not an integral multiple of EUR 100,000 or USD 200,000, as the case may be, may be illiquid and difficult to trade.

Holders of beneficial interests in respect of the Notes evidenced by Global Registered Note Certificates are subject to certain limitations

Unless and until Definitive Registered Note Certificates are issued in exchange for the beneficial interests in the Notes evidenced by the Global Registered Note Certificates (**beneficial interests**), holders of beneficial interests will not be considered the legal owners or holders of Notes under the Trust Deed. After payment to the Principal Paying Agent, the Issuer will not have responsibility or liability for the payment of interest, principal or other amounts to DTC, Euroclear or Clearstream, Luxembourg or to holders of beneficial interests (See *Description of the Global Registered Note Certificates*).

Payments of principal and interest on, and other amounts due in respect of, Notes evidenced by Global Registered Note Certificates will be made by the Principal Paying Agent to (i) Cede & Co. (as nominee of DTC) in the case of the Rule 144A Senior Class A1a Notes evidenced by the Rule 144A Senior Class A1a Global Registered Note Certificate and (ii) the Common Depositary and Common Safekeeper (as common nominee for Euroclear and Clearstream, Luxembourg) in the case of the Notes other than those evidenced by the Rule 144A Senior Class A1a Global Registered Note Certificate. Upon receipt of any payment from the Principal Paying Agent, DTC, Euroclear and Clearstream, Luxembourg, as applicable, will promptly credit participants' accounts with payment in amounts proportionate to their respective ownership of beneficial interests as shown on their records. The Issuer expects that payments by participants or indirect participants to owners of interests in beneficial interests held through such participants or indirect participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in a street name, and will be the responsibility of such participants or indirect participants. None of the Issuer, the Security Trustee, any Paying Agent or the Registrar (as defined in *Terms and Conditions of the Notes*) will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, the beneficial interests or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Unlike Noteholders, holders of the beneficial interests will not have the right under the Trust Deed to act upon solicitations by or on behalf of the Issuer for consents or requests by or on behalf of the Issuer for waivers or other actions from Noteholders. Instead, a holder of beneficial interests will be permitted to act only to the extent it has received appropriate proxies to do so from DTC, Euroclear or Clearstream,

Luxembourg (as the case may be) and, if applicable, their participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of beneficial interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of a Notes Event of Default, holders of beneficial interests will be restricted to acting through DTC, Euroclear and Clearstream, Luxembourg unless and until Note Certificates are issued in accordance with the relevant provisions described herein under Terms and Conditions of the Notes. There can be no assurance that the procedures to be implemented by DTC, Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of beneficial interests among participants of DTC and account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Security Trustee or any of their agents will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

Because transactions in the Rule 144A Senior Class A1a Notes evidenced by the Rule 144A Senior Class A1a Global Registered Note Certificate will be effected only through DTC, direct or indirect participants in DTC's book-entry system and certain banks, the ability of a holder to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such interests, may be limited due to the lack of physical security representing such interest.

Certain transfers of Notes (or beneficial interests therein) may only be effected in accordance with, and subject to, certain transfer restrictions and certification requirements. See *Transfer Restrictions and Investor Representations*.

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

Global markets and economic conditions have been negatively impacted in 2010, 2011 and 2012 by market perceptions regarding the ability of certain EU member states to service their sovereign debt obligations, including in Greece, Spain, Ireland, Italy and Portugal. The continued uncertainty over the outcome of the EU governments' financial support programs and the possibility that other EU member states may experience similar financial troubles could further disrupt global financial markets. In particular, it has disrupted and could in the future disrupt, equity markets and result in volatile bond yields on the sovereign debt of EU members.

These conditions have also been exacerbated as a result of market perceptions regarding the level of sovereign debt in the United States. On 5 August 2011, S&P lowered the long-term sovereign credit rating of US Government debt obligations from AAA to AA+. On 8 August 2011, S&P also downgraded the long-term credit ratings of US government-sponsored enterprises. These actions initially had an adverse effect on financial markets and although the longer-term impact on global financial and credit markets and the participants therein are difficult to predict and may not be immediately apparent, such impact might be material and adverse.

These developments could have material adverse impacts on financial markets and economic conditions throughout the world and, in turn, the market's anticipation of these impacts could have a material adverse effect on the business, financial condition and liquidity of the Seller, the Insurance Company, the Floating Rate GIC Provider, the Account Bank, Liquidity Facility Provider, the Swap Counterparty or the Back-Up Swap Counterparty. In particular, these developments could disrupt payment systems, money markets, long-term or short-term fixed income markets, foreign exchange markets, commodities markets and equity markets and adversely affect the cost and availability of funding. Certain impacts, such as increased spreads

in money markets and other short term rates, have already been experienced as a result of market expectations.

In the event of continued or increasing market disruptions and volatility, the Insurance Company, the Floating Rate GIC Provider, the Liquidity Facility Provider, the Swap Counterparty or the Back-Up Swap Counterparty may experience reductions in business activity, increased funding costs, decreased liquidity, decreased asset values, additional credit impairment losses and lower profitability and revenues, which may affect their ability to perform their respective obligations under the Transaction Documents. Failure to perform obligations under the Transaction Documents may adversely affect the performance of the Notes.

These factors and general market conditions could adversely affect the performance of the Notes. There can be no assurance that governmental or other actions will improve these conditions in the future.

New legislation proposals to deal with ailing insurance companies could affect the Noteholders

On 27 October 2011, a draft act was submitted to Dutch Parliament giving the Dutch Minister of Finance and the Dutch prudential supervisory authority, *De Nederlandsche Bank N.V.* (**DNB**) additional powers to deal with ailing banks and insurance companies (the **Dutch Draft Act**). The Dutch Draft Act follows a consultation launched by the European Commission on 6 January 2011 on a comprehensive framework to deal with ailing banks and insurance companies (the **EU Proposal**). It is expected that a draft EU Directive on the basis of that EU Proposal will be published shortly. The EU Proposal contains a number of legislative proposals, some (but not all) of which are reflected in the Dutch Draft Act. Under the Dutch Draft Act, substantial new powers would be granted to DNB and the Minister of Finance enabling them to deal with ailing Dutch banks and insurance companies prior to insolvency. The measures would allow them to commence proceedings which may lead to: (i) the transfer of all or part of the business (including, in the case of a bank, deposits) of an ailing bank or insurance company to a private sector purchaser; (ii) the transfer of all or part of the business of an ailing bank or insurance company to a "bridge entity"; (iii) the transfer of the shares in an ailing bank or insurance company to a private sector purchaser or a "bridge entity"; (iv) immediate interventions by the Minister of Finance concerning an ailing bank or insurance company and (v) public ownership (nationalisation) of all or part of the business of an ailing bank or insurance company or of all or part of the shares or other securities issued by an ailing bank or insurance company. The Dutch Draft Act contains provisions prohibiting counterparties of banks and insurance companies to invoke contractual rights (such as, for instance, contractual rights to terminate or to invoke a right of set off or to require security to be posted) if the right to exercise such rights is triggered by intervention of DNB or the Minister of Finance based on the Dutch Draft Act or the Financial Supervision Act or by a circumstance which is the consequence of such intervention. The Dutch Draft Act has not been approved yet by Dutch Parliament, and it is possible that substantive amendments to the Dutch Draft Act will be carried through prior to its promulgation. The Dutch Draft Act is expected to come into force by 1 July 2012. If and when the above mentioned EU Directive is promulgated and needs to be implemented, the Dutch Draft Act will probably need to be amended to reflect the provisions of that EU Directive.

Although the exercise of powers by DNB or the Minister of Finance under the Draft Dutch Act if and when promulgated could not affect the transfer of legal title to the Mortgage Receivables to the Issuer, there is a risk that such exercise of powers could adversely affect the proper performance by each of the Seller, the Servicer or N.V. Bank Nederlandse Gemeenten (in its capacity as Floating Rate GIC Provider or Liquidity Facility Provider) of its payment and other obligations to the Issuer and enforcement thereof against the same under the Transaction Documents.

IMPORTANT INFORMATION

Global Registered Note Certificates

The Notes of each Class will be initially evidenced by a Global Registered Note Certificate (see *Description of the Global Registered Note Certificates*).

Eurosystem eligibility

The Senior Class A1b Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Senior Class A1b Notes will be issued under the NSS and are intended upon issue to be deposited with one of the International Central Securities Depositories (each an **ICSD**) and/or Central Securities Depositories (each a **CSD**) that fulfils the minimum standard established by the European Central Bank, as common safekeeper and does not necessarily mean that the Senior Class A1b Notes will be recognised as 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. The Senior Class A1a Notes, 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 Eurosystem Eligible Collateral.

Non-consistent information

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, the Security Trustee or the Notes Purchaser. To the fullest extent permitted by law, none of the Issuer, the Arranger, the Joint Lead Managers, the Security Trustee and the Notes Purchaser accept 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 have in respect of any such information or representation.

Incorporation by reference

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 4 November 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 offer to sell or solicitation of an offer to buy

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 *Transfer Restrictions and Investor Representations* and *Subscription and Sale* below.

Investors should undertake their own independent investigation

Each investor contemplating purchasing any Notes should undertake 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, the Security Trustee or the Notes Purchaser to any person to subscribe for or to purchase any Notes nor should it be considered as a recommendation by any of the Issuer, the Arranger, the Joint Lead Managers, the Security Trustee or the Notes Purchaser that any recipient of this Prospectus or any other information relating to the Notes, should 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, consider such an investment decision in light of the prospective investor's personal circumstances and should determine for itself the relevance of the information contained in this Prospectus and its purchase of the Notes should be based upon such investigation as it deems necessary.

Developments and events after date of Prospectus

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 Joint Lead Managers, the Notes Purchaser, the Arranger, the Security Trustee and the Seller expressly do not undertake to review the financial condition or affairs of the Issuer, the Seller, the Servicer or any other party during the life of the Notes, nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Lead Managers or the Arranger.

Notes not registered under Securities Act

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 US persons (see *Subscription and Sale* below).

Over-allotment

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 (provided that in the case of any Notes to be submitted to trading on Euronext Amsterdam or any other regulated market (within the meaning of the Markets in Financial Instruments Directive) in the EEA, the aggregate principal amount of such Notes allotted does not exceed 105% of the aggregate principal amount of the relevant Notes) 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 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.

Currency references

All references in this Prospectus to **US dollars**, **US$, USD** and **$** refer to United States dollars. 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 on the functioning of the European Union (as amended).

RESPONSIBILITY STATEMENT

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.

The Seller is responsible solely for the information contained in the following sections of this Prospectus: *Article 122a of the Capital Requirements Directive, Overview of the Dutch Mortgage Loan Market, AEGON, Description of the Mortgage Loans, NHG Guarantee Programme* and *Mortgage Loan Underwriting and Servicing*. 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 in the abovementioned sections 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 these sections 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.

The Arranger, the Security Trustee and the Joint Lead Managers have not separately verified the information contained in this Prospectus. To the fullest extent permitted by law, none of the Arranger, the Security Trustee and the Joint Lead Managers makes any representation, express or implied, or accepts any responsibility for the contents of this Prospectus or for any statement or information contained in or consistent with this Prospectus or for any other statement, whether or not made or purported to be made by the Arranger, the Security Trustee or a Joint Lead Manager or on its behalf, in connection with the Issuer, the Seller or the offering of the Notes. **The Arranger, the Security Trustee and each Joint Lead Manager accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it might have in respect of this Prospectus or any such statement or information.**

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 11 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 53900138. The entire issued share capital of the Issuer is held by the Shareholder.
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 the Director (as defined below) of the Issuer and the Shareholder.
Servicer:	AEGON Levensverzekering N.V. (the **Servicer**).
Security Trustee	Stichting Security Trustee SAECURE 11, established under Dutch law as a foundation (*stichting*) having its official seat in Amsterdam, the Netherlands and registered with the Trade Register under number 53900022 (the **Security Trustee**).
Shareholder:	Stichting Holding SAECURE 11, established under Dutch law as a foundation (*stichting*) having its official seat in Amsterdam, the Netherlands and registered with the Trade Register under number 53843479.
Directors:	ATC Management B.V., the sole director of each of the Issuer and the Shareholder and ANT Securitisation Services B.V., the sole director of the Security Trustee (collectively the **Directors**).
Swap Counterparty:	AEGON Derivatives 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 27194223 (and any successor) (the **Initial Swap Counterparty**). References in this Prospectus to the **Swap Counterparty** shall mean (i) the Initial Swap Counterparty, prior to a Swap Termination Event; (ii) the Back-Up Swap Counterparty, following a Swap Termination Event; and (iii) if a replacement

	swap provider has been appointed, such replacement swap provider.
Back-Up Swap Counterparty:	BNP Paribas (and any successor) (the **Back-Up Swap Counterparty**).
US Dollar Account Provider:	Deutsche Bank AG, London Branch (the **US Dollar Account Provider**).
Swap Collateral Account Provider:	Deutsche Bank AG, London Branch (the **Swap Collateral Account Provider** and together with the US Dollar Account Provider, the **Account Bank**).
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**). Each of Deutsche Bank AG, London Branch, Deutsche Bank AG, Deutsche Bank Trust Company Americas (referred to below) and Deutsche Bank AG, Amsterdam Branch (referred to below) are affiliated.
US Paying Agent:	Deutsche Bank Trust Company Americas, organised under the laws of the United States of America, acting through its office at 1761 East St. Andrew Place, Santa Ana, California, 92705, United States of America and for the purposes of transfer and surrender its office located at Deutsche Bank Trust Company Americas c/o DB Services Americas, Inc., 5022 Gate Parkway, Suite 200, Jacksonville, Florida 32256, United States of America, Attn: Securities Payment Unit (the **US 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 and the US Paying Agent, the **Paying Agents**).
Registrar and Transfer Agent:	Deutsche Bank Trust Company Americas, as registrar (in such capacity, the **Registrar**) and as transfer agent (in such capacity, the **Transfer Agent**).
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, Citigroup Global Markets Limited, J.P. Morgan Securities Ltd., RBS Securities Inc. and The Royal Bank of Scotland plc 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, and The Depository Trust Company (the **Clearing Institutions**).
Listing Agent:	BNP Paribas S.A., acting through its branch in the Netherlands (the **Listing Agent**).
Rating Agencies:	Moody's and Fitch (or their successors) 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 Rating Agency is established in the European Union and registered under the CRA Regulation. As such each of the Rating Agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority (ESMA) on its website in accordance with the CRA Regulation.
Insurance Company:	AEGON Levensverzekering N.V. (the **Insurance Company**).
Insurance Savings Mortgage Participant:	AEGON Levensverzekering N.V. (the **Insurance Savings Mortgage Participant**).
Bank Savings Mortgage Participant:	AEGON Bank N.V., incorporated under Dutch law as a public company with limited liability (*naamloze vennootschap*), having its corporate seat in Utrecht, the Netherlands and registered with the Trade Register under number 30100799 (**AEGON Bank** or the **Bank Savings Mortgage Participant**). AEGON Bank is an affiliate of the Seller.
Conversion Participant:	AEGON Levensverzekering N.V. (the **Conversion Participant**).
Seller Collection Account Bank:	ABN AMRO Bank N.V. (or its successor or successors) (the **Seller Collection Account Bank**).
THE NOTES:	
Notes:	The USD 600,000,000 Senior Class A1a Mortgage-Backed Notes 2012 due 2092 (the **Senior Class A1a Notes**), the EUR 212,000,000 Senior Class A1b Mortgage-Backed Notes 2012 due 2092 (the **Senior Class A1b Notes** and together with the Senior Class A1a Notes, the **Senior Class A Notes**), the EUR 13,000,000 Mezzanine Class B Mortgage-Backed Notes 2012 due 2092 (the **Mezzanine Class B Notes**), the EUR 13,000,000 Mezzanine Class C Mortgage-Backed Notes 2012 due 2092 (the **Mezzanine Class C Notes**), the EUR 13,000,000 Junior Class D Mortgage-Backed Notes 2012 due 2092 (the **Junior Class D Notes**), the EUR 15,000,000 Junior Class E Mortgage-Backed Notes 2012 due 2092 (the **Junior Class E Notes**) and the EUR 7,200,000 Subordinated Class F Notes 2012 due 2092 (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**, which expression, for the avoidance of doubt, does not refer to the beneficial interests therein whilst the Notes are evidenced by Global

Registered Note Certificates) will be issued by the Issuer on the Closing Date.

Issue Price: The issue price of each Class of Notes will be 100%

Global Registered Note Certificates: The Rule 144A Notes of each Class will be evidenced by a global registered note certificate (the **Rule 144A Global Registered Note Certificates**).

It is expected that the Rule 144A Global Registered Note Certificates evidencing the Senior Class A1a Notes will be (i) deposited with the Custodian and (ii) registered in the name of DTC or its nominee on or about the Closing Date.

It is expected that the Rule 144A Global Registered Note Certificates evidencing the Senior Class A1b Notes will be deposited with the Common Safekeeper for Euroclear and Clearstream, Luxembourg on or about the Closing Date.

It is expected that the Rule 144A Global Registered Note Certificates evidencing 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 deposited with the Common Depositary for Euroclear and Clearstream, Luxembourg on or about the Closing Date.

The Reg S Notes of each Class will be evidenced by a global registered note certificate (the **Reg S Global Registered Note Certificates**, and together with the Rule 144A Global Registered Note Certificates, the **Global Registered Note Certificates**).

It is expected that the Reg S Global Registered Note Certificates evidencing the Senior Class A1b Notes will be deposited with the Common Safekeeper for Euroclear and Clearstream, Luxembourg on or about the Closing Date.

It is expected that the Reg S Global Registered Note Certificates evidencing the Senior Class A1a Notes, 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 deposited with the Common Depositary for Euroclear and Clearstream, Luxembourg on or about the Closing Date.

Registration and Transfer of Notes: The Notes will be in registered form. Interests in the Notes are transferred in accordance with Condition 1.3 (*Transfers*).

Transfers of interests in Notes evidenced by the Global Registered Note Certificates will be subject to certain restrictions. In addition, transferees of interests in Notes evidenced by Global Registered Note Certificates will be deemed to have made certain representations relating to compliance with all applicable securities, ERISA and tax laws. See further *Transfer Restrictions and Investor Representations*.

Except in limited circumstances, the Notes will not be evidenced by certificates in definitive form.

For so long as Notes are evidenced by a Global Registered Note Certificate held by the Common Safekeeper or Common Depositary, interests in such Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg.

For so long as the Senior Class A1a Notes are evidenced by a Rule 144A Senior Class A1a Global Registered Note Certificate held by the Custodian and registered in the name of DTC or its nominee, interests in Notes evidenced by such Rule 144A Senior Class A1a Global Registered Notes will be transferable in accordance with the rules and procedures for the time being of DTC.

Interests in a Reg S Global Registered Note Certificate may be exchanged for interests in the corresponding Rule 144A Global Registered Note Certificate only in connection with transfers to US Persons who are eligible to hold such Notes pursuant to Rule 144A and otherwise in compliance with the Securities Act and upon appropriate certification at the times and in the manner provided in the Trust Deed.

During the 40 days after the later of the commencement of the offering of the Reg S Notes and the Closing Date (the **Distribution Compliance Period**), the interests in a Rule 144A Global Registered Note Certificate may be exchanged only for interests in a corresponding Reg S Global Registered Note Certificate only in connection with transfers to non-US persons in a transaction meeting the requirements of Rule 903 or 904 of Regulation S and otherwise in compliance with the Securities Act and upon appropriate certification in the manner provided in the Trust Deed.

Denomination: In respect of the Senior Class A1b Notes, 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 (together the **Euro Notes**), a minimum denomination of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof; and

In respect of the Senior Class A1a Notes (the **Dollar Notes**), a minimum denomination of USD 200,000 and integral multiples of USD 1,000 in excess thereof.

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) (and taking into account that 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 (the **Subordinated Notes**) do not carry any interest) (i) payments of principal on the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of principal and, if an Enforcement Notice has been served, interest on the Senior Class A Notes, (ii) payments of principal on the Mezzanine Class C Notes are subordinated to, *inter alia*, payments of principal and, if an Enforcement Notice has been served, interest on the Senior Class A Notes and payments of principal on the Mezzanine Class B Notes, (iii) payments of principal on the Junior Class D Notes are subordinated to, *inter alia*, payments of principal and, if an Enforcement Notice has been served, interest on the Senior Class A Notes and payments of principal on the Mezzanine Class B Notes and the Mezzanine Class C Notes, (iv) payments of principal on the Junior Class E Notes are subordinated to*, inter alia*, payments of principal and, if an Enforcement Notice has been served, interest on the Senior Class A Notes and payments of principal on the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes and (v) payments of principal on the Subordinated Class F Notes are

subordinated to*, inter alia*, payments of principal and, if an Enforcement Notice has been served, interest on the Senior Class A Notes and payments of principal on the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Junior Class E Notes. Principal on the Subordinated Class F Notes will only be payable in the limited circumstances set out in the Conditions. 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: The Subordinated Notes will not carry any interest.

Interest on the Senior Class A 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 (with regards to the Senior Class A1b Notes) or US dollars (with regards to the Senior Class A1a Notes) in respect of their Principal Amount Outstanding (as defined in the Conditions) on the 30th day of January, April, July and October 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 30th day is the relevant Business Day (each such day being a **Quarterly Payment Date**).

A **Business Day** means a day on which banks are open for business in Amsterdam, the Netherlands, New York, United States 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 (**TARGET2 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 July 2012. 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 Senior Class A1a Notes for the first Quarterly Interest Period will accrue at an annual rate equal to the linear interpolation between the London Interbank Offered Rate (**Libor**) for 2-month deposits in US dollars and the Libor for 3-month deposits in US dollars (determined in accordance with Condition 4) plus a margin per annum which will be 1.55%.

Interest on the Senior Class A1b 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 2-month deposits in euros and the Euribor for 3-months deposits in euros (determined in accordance with Condition 4) plus a margin per annum which will be 1.35%.

Interest on the Senior Class A1a Notes, for each successive Quarterly Interest Period up to (but excluding) the Quarterly Payment Date falling in July 2015 (the **First Optional Redemption Date**) will accrue from the first Quarterly

Payment Date at an annual rate equal to Libor for three-months deposits in US dollars (determined in accordance with Condition 4) plus a margin per annum which will be 1.55%.

Interest on the Senior Class A1b Notes, for each successive Quarterly Interest Period up to (but excluding) the First Optional Redemption Date will accrue from the first Quarterly Payment Date at an annual rate equal to Euribor for three-month deposits in euros (determined in accordance with Condition 4) plus a margin per annum which will be 1.35%.

Payment of interest on the Senior Class A 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 in accordance with the relevant priority of payments.

Interest Step-up in respect of the Senior Class A Notes:

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 (i) the Senior Class A1a Notes will then be equal to Libor for three-months deposits in US dollars, payable by reference to Quarterly Interest Periods on each Quarterly Payment Date, plus a margin per annum which will be 3.10% and (ii) the Senior Class A1b Notes will then be equal to Euribor for three-month deposits in euro, payable by reference to Quarterly Interest Periods on each Quarterly Payment Date, plus a margin per annum which will be 2.70%.

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 July 2092 (the **Final Maturity Date**) at their respective Principal Amount Outstanding (as defined in Condition 6) together with – in respect of the Senior Class A Notes - accrued interest, on such date, subject to and in accordance with the Conditions.

Amortisation of the Notes other than the Subordinated Class F Notes:

Prior to the delivery of an Enforcement Notice, the Issuer shall on each Quarterly Payment Date apply the Available Principal Funds (as defined in Condition 6), prior to the First Optional Redemption Date where applicable after satisfaction of the purchase price of any Further Advance Receivables, towards redemption, at (in the case of the Senior Class A Notes) their respective Euro Equivalent Principal Amount Outstanding, of (i) *first*, *pro rata* and *pari passu*, (x) the Senior Class A Notes until fully redeemed and (y) any amounts designated as principal and any Currency Swap Termination Payment (Principal) to the extent not paid with the Currency Swap Initial Premium (Principal) from a replacement swap provider, in each case due and payable to the Swap Counterparty under the Currency Swap Agreement and (z) any Currency Swap Initial Premium (Principal) to be paid to any replacement swap provider to the extent not paid with the Currency Swap Termination Payment (Principal) paid by the outgoing Swap Counterparty, but excluding any Subordinated Swap Amount and excluding, for the avoidance of doubt, (I) the payment to the Swap Counterparty of any Excess Swap Collateral and any Tax Credit and (II) the delivery of any Back-Up Swap Upfront Amount, (ii) *second*, the Mezzanine Class B Notes, until fully redeemed, (iii) *third*, the Mezzanine Class C Notes, until fully redeemed, (iv) *fourth*, the Junior Class D Notes, until fully redeemed and (v) *fifth*, the Junior Class E Notes, until fully redeemed.

Amortisation of the Subordinated Class F Notes:	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 First Optional Redemption Date and on each Quarterly Payment Date thereafter (each an **Optional Redemption Date**) redeem, subject to Condition 9, 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 regulatory call:	On each Quarterly Payment Date, the Seller has the option but not the obligation to repurchase the Mortgage Receivables upon the occurrence of a Regulatory Change (the **Regulatory Call Option**). The Issuer must use the proceeds to redeem the 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. A **Regulatory Change** will be a change which is (a) published (regardless of when the change enters into force) on or after the Closing Date in (i) the European Parliament legislative resolution of 22 April 2009 on the amended proposal for a directive of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (the **Solvency II Framework Directive**) or (ii) the international, European or Dutch regulations, rules and instructions (which includes rules on solvency requirements) (the **Insurance and Reinsurance Regulations**) applicable to the Seller (including any change in the Insurance and Reinsurance Regulations enacted for purposes of implementing a change to the Solvency II Framework Directive) or (iii) the manner in which the Solvency II Framework Directive or such Insurance and Reinsurance Regulations are interpreted or applied by any relevant competent international, European or national body (including the Dutch Central Bank and any relevant international, European or other competent regulatory or supervisory authority) and (b) in the reasonable opinion of the Seller, has the effect of materially adversely affecting the rate of return on capital of the Seller or materially increasing the cost or reducing the benefit to the Seller with respect to the transaction contemplated by 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% of the aggregate outstanding 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(a), 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 after payment of the amounts to be paid in priority to redemption of the Notes, 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 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).

Method of Payment: For as long as the Notes are evidenced by Global Registered Note Certificates, payments of principal and interest will be made in euro or USD, as applicable, to a common safekeeper or common depositary, as applicable, for Euroclear and Clearstream, Luxembourg, for the credit of the respective accounts of the Noteholders, or, in respect of the Senior Class A1a Notes evidenced by the Rule 144A Global Registered Note Certificate, in USD to Cede & Co. (as nominee of DTC), for the credit of the respective accounts of the Noteholders (see further under section *Global Registered Note Certificates* above).

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 or 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) (in case of the USD proceeds, after exchange into euro under the Currency Swap Agreement) (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 6,148,278.90 into the Construction Deposit Account (as defined below), pursuant to the provisions of a mortgage receivables purchase agreement (as amended, restated and/or supplemented from time to time, the **Mortgage Receivables Purchase Agreement**) to be entered into on 3 May 2012 (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 together with the other Security Beneficiaries have the indirect benefit of the security created by the Issuer in favour of the Security Trustee pursuant to the trust deed entered into on the Closing Date between the Issuer, the Security Trustee and the Shareholder (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 Registrar, the Transfer Agent, the Floating Rate GIC Provider, the Account Bank, the Bank Savings Mortgage Participant, the Insurance Savings Mortgage Participant, the Conversion Participant, the Liquidity Facility Provider, the Swap Counterparty, the Back-Up 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 Noteholders together with the other Security Beneficiaries have the indirect benefit of (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, (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 Agreements, the Servicing Agreement, the Floating Rate GIC, the Liquidity Facility Agreement, the Beneficiary Waiver Agreement and the Sub-Participation Agreements, and in respect of the Issuer Accounts (other than the US Dollar Account) and (iii) a first ranking English law charge over the Issuer's claims in respect of the US Dollar Account.

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.

The Notes will be limited recourse obligations of the Issuer alone and will not be the obligations of, or guaranteed by, or be the responsibility of, any other entity. The Issuer will have limited sources of funds available. See *Risk Factors*.

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*) (**Loan Parts**) 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 Interest-only Mortgage Loans are referred to as the **Interest-only Mortgage Receivables**, the Mortgage Receivables resulting from Linear Mortgage Loans are referred to as the **Linear Mortgage Receivables**, the Mortgage Receivables resulting from Annuity Mortgage Loans are referred to as the **Annuity Mortgage Receivables**, the Mortgage Receivables resulting from Savings Mortgage Loans are referred to as the **Savings Mortgage Receivables**, the Mortgage Receivables resulting from Universal Life Mortgage Loans are referred to as the **Universal Life Mortgage Receivables**, the Mortgage Receivables resulting from Bank Savings Mortgage Loans are referred to as the **Bank Savings Mortgage Receivables**, the Mortgage Receivables resulting from Life Mortgage Loans are referred to as the **Life Mortgage Receivables** and the Mortgage Receivables resulting from Investment Mortgage Loans are referred to as the **Investment Mortgage Receivables**, respectively.

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 and excluding, for the avoidance of doubt, Mortgage Loans of which the Mortgage Receivables have subsequently been sold and assigned by the Issuer pursuant to the Transaction Documents (the **Portfolio Mortgage Loans**).

See further *Description of the Mortgage Loans* below.

Beneficiary Rights The Seller has the benefit of Beneficiary Rights which entitles the Seller to receive final payment (*einduitkering*) 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 to the extent possible assign such Beneficiary Rights to the Issuer and the Issuer will accept such assignment.

Further Advances: All Mortgage Receivables are 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)* and (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*), ((i) and (ii) 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, to the extent possible, create a first right of pledge on such Further Advance Receivable and to the extent possible 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 (i) a Further Advance Receivable does not meet the Additional Purchase Conditions, (ii) there are insufficient Available Principal Funds as calculated and allocated on the immediately preceding Notes Calculation Date or (iii) 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 (as defined below) 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.

NHG Guarantee: Some of the Mortgage Receivables have the benefit of guarantees under the *Nationale Hypotheek Garantie* (**NHG Guarantee**) and the relevant Mortgage Receivables will hereinafter be referred to as the **NHG Mortgage Receivables**. See further the sections *Description of the Mortgage Loans* and *NHG Guarantee Programme*.

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:

(a) on the first Reconciliation Date falling in the calendar month immediately succeeding the date on which 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, proves to have been untrue or incorrect (subject to a remedy period if the breach is capable of being remedied);

(b) 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 or (ii) if such Further Advance is granted on or following the First Optional Redemption Date; and

(c) on the first Reconciliation Date falling in the calendar month immediately succeeding 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

(d) on the first Reconciliation Date falling in the calendar month immediately succeeding the date on which the NHG Mortgage Receivable no longer has the benefit of an NHG Guarantee as a result of action taken or omitted to be taken by the Seller or the Servicer.

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 upon the exercise of the Seller Clean-up Call Option or the Regulatory Call Option or in the case of redemption of the Notes on any Optional Redemption Date or for tax reasons in accordance with Condition 6(h).

See for a discussion of the calculation of the repurchase price in each of the above situations *Mortgage Receivables Purchase Agreement*.

Sub-Participation Agreements:

On the Closing Date, the Issuer will enter into a sub-participation agreement (as amended, restated and/or supplemented from time to time, the **Savings Insurance Sub-Participation Agreement**) with the Insurance Savings Mortgage Participant.

Furthermore, on the Closing Date, the Issuer will enter into a sub-participation

agreement with the Bank Savings Mortgage Participant (as amended, restated and/or supplemented from time to time, the **Bank Savings Sub-Participation Agreement**, and together with the Savings Insurance Sub-Participation Agreement, the **Sub-Participation Agreements**).

The main purpose of the Sub-Participation Agreements is to ensure the Issuer will continue to receive the amounts paid by Borrowers as Savings Premium (under Savings Mortgage Loans), or Savings Investment Premium (under Universal Life Mortgage Loans) or the deposits made on the Bank Savings Accounts (under Bank Savings Mortgage Loans). In each case such amounts economically serve as principal repayments.

Under the Savings Insurance Sub-Participation Agreement the Insurance Savings Mortgage Participant will acquire an economic interest in the form of a contractual participation right against the Issuer in each of (a) the relevant Savings Mortgage Receivables and (b) 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*).

The Insurance Company, as Insurance Savings Mortgage Participant, will undertake to pay to the Issuer on each Reconciliation Date (i) 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 (ii) the amounts (if any) switched under Savings Investment Insurance Policies from investments in certain investment funds to investments in the LHR during the Portfolio Calculation Period immediately preceding such Reconciliation Date (the **Switched Insurance Savings Participation**) plus (iii) the *pro rata* part, corresponding to the 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 in respect of the previous month.

The Issuer will apply the amounts referred to in (i), (ii) and (iii) above as Available Principal Funds towards redemption of the Notes other than the Subordinated Class F Notes and purchase of Further Advance Receivables. The Issuer will in principle only be exposed to credit risk in respect of then outstanding principal amount of the Savings Mortgage Receivable or Savings Investment Receivable, minus the relevant Savings Participation on such date in such Mortgage Receivable. In return, the Insurance Company is entitled to receive the Insurance Savings Participation Redemption Available Amount (as defined in the section *Sub-Participation Agreements* below) from the Issuer.

Under the Bank Savings Sub-Participation Agreement, the Bank Savings Mortgage Participant will undertake to pay to the Issuer on each Reconciliation Date (i) all amounts received as Monthly Bank Savings Deposit Instalments as well as (ii) the *pro rata* part, corresponding to the participation in the relevant Bank Savings Mortgage Receivable of the interest paid by the Borrower in respect of such Bank Savings Mortgage Receivable in respect of the previous month. The Bank Savings Mortgage Participation increases with the same amount.

The Issuer will apply the amounts referred to in (i) and (ii) above as Available Principal Funds towards redemption of the Notes other than the Subordinated Class F Notes. The Issuer will in principle only be exposed to credit risk in respect of then outstanding principal amount of the Bank Savings Mortgage Receivable minus the Bank Savings Participation on such date in such Mortgage Receivable. In return, the Bank Savings Mortgage Participant is entitled to receive the Bank Savings Participation Redemption Available Amount (as defined in the section *Sub-Participation Agreements* below) from the Issuer.

Initial Participations on the Cut-Off Date: The initial participations in the Bank Savings Mortgage Receivables (each a **Bank Savings Participation**, and together with the **Insurance Savings Participations**, the **Participations**) on the Cut-Off Date amounts to EUR 33,593,188.45.

See further *Sub-Participation Agreements* below, including for a discussion of the Conversion 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 6,148,278.90.

On the Closing Date the Construction Deposit Account will be credited with an amount equal to the aggregate amount of 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.

Interest accrued on the Construction Deposit Account will form part of the Available Revenue Funds.

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, 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 Land Registry (*Kadaster*) 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 (as amended, restated and/or supplemented from time to time, 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 (as amended, restated and/or supplemented from time to time, 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, the Shareholder and the Security Trustee will each enter into a management agreement (as amended, restated and/or supplemented from time to time, together the **Management Agreements**) with the relevant Director in which the relevant Director will undertake to act as a director of the Issuer, the Shareholder 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) (as amended, restated and/or supplemented from time to time, the **Security Beneficiaries Agreement**) each such 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.

US Dollar Account: The Issuer will maintain with the US Dollar Account Provider a US dollar account (the **US Dollar Account**) to which all amounts in US dollars received by the Issuer upon issuance of the Senior Class A1a Notes and from the Swap Counterparty under the Currency Swap Agreement will be paid. The Company Administrator will identify all amounts paid into the US Dollar Account.

Reserve Account: The net 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 (k) 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 sixth 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 (k) 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% of the aggregate Euro Equivalent Principal Amount Outstanding of the Notes (other than the Subordinated Class F Notes) on the Closing Date. **Euro Equivalent Principal Amount Outstanding** means, (i) in respect of the Senior Class A1a Notes the Principal Amount Outstanding of such Notes using the Exchange Rate and (ii) in respect of each other Class of Notes, the Principal Amount Outstanding of such Notes.

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**) 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 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. After the Closing Date, the Construction Deposit Account will be credited in case of a purchase of a Further Advance Receivable with a 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.

Account Bank Agreement: On the Signing Date, the Issuer, the Account Bank, the Security Trustee and the Company Administrator will enter into an account bank agreement (as amended, restated and/or supplemented from time to time, the **Account Bank Agreement**), under which the Account Bank will agree to pay a certain rate of interest in respect of the US Dollar Account and the Swap Collateral Accounts.

Liquidity Facility Agreement:

On the Signing Date, the Issuer will enter into a liquidity facility agreement with the Liquidity Facility Provider (as amended, restated and/or supplemented from time to time, 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 Agreements:

On the Signing Date, the Issuer will enter into an interest rate swap agreement with the Initial Swap Counterparty (as amended, restated and/or supplemented from time to time, the **Interest Rate Swap Agreement**) to hedge the risk of a difference between, among other things, 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 Senior Class A1b Notes and under the Currency Swap Agreement.

On the Signing Date, the Issuer will in addition enter into the Currency Swap Agreement with the Initial Swap Counterparty in order to hedge the risk of a deterioration of the euro-dollar exchange rate between the Closing Date and each day on which interest and/or principal is to be paid on the Senior Class A1a Notes and the interest rate risk between the EURIBOR amounts received by the Issuer under the Interest Rate Swap, and the USD LIBOR amounts payable by the Issuer on the Senior Class A1a Notes. See under *Credit Structure* below. Under the Currency Swap Agreement, the Currency Swap Provider undertakes to pay US Dollar amounts calculated by reference to a euro-dollar exchange rate of 1.32 (such exchange rate, the **Exchange Rate**).

On the Signing Date, the Issuer will also enter into the Back-Up Swap Agreements with BNP Paribas.

In certain circumstances, including if the Initial Swap Counterparty fails to make, when due, any payment or delivery to the Issuer under one or both Swap Agreements (and the applicable grace period has expired) or is declared bankrupt (*failliet*), the Swap Agreement(s) shall terminate and the hedging arrangements under the Back-Up Swap Agreements shall become effective. References to "the Swap Agreements" in this Prospectus will be to the Swap Agreements with (i) the Initial Swap Counterparty, prior to a Swap Termination Event; (ii) the Back-Up Swap Counterparty, following a Swap Termination Event; or (iii) the replacement swap provider, if any.

Swap Termination Event means (for so long as AEGON Derivatives N.V. is party to the Swap Agreements and the Back-Up Swap Agreements are in place):

(i) the occurrence of an Event of Default in respect of which the Initial Swap Counterparty is the Defaulting Party, or a Termination Event in respect of which the Initial Swap Counterparty is the sole Affected Party, in each case under one or both of the Swap Agreements and as such terms are defined therein; or

(ii) delivery by BNP Paribas to the Security Trustee, the Issuer and the Initial Swap Counterparty of a notice of an Event of Default under a Back-to-Back Swap Agreement, in respect of which AEGON Derivatives N.V. is the Defaulting Party, or a Termination Event under a Back-to-Back Swap Agreement, in respect of which AEGON Derivatives N.V. is an Affected Party.

Back-to-Back Swap Agreement means any ISDA Master Agreement including the Schedule thereto and the Credit Support Annex and Confirmation(s) in respect of one or more hedging transactions relating to the Notes entered into thereunder, entered into between BNP Paribas and AEGON Derivatives N.V. (as amended, restated and/or supplemented from time to time).

Pursuant to the Trust Deed, certain Extraordinary Resolutions of the Noteholders (as set forth in Condition 14) shall not take effect unless, *inter alia*, the Swap Counterparty and, for as long as either Back-Up Swap Agreement is in force, the Back-Up Swap Counterparty have agreed thereto. In addition, the Swap Counterparty and, for so long as either Back-Up Swap Agreement is in force, the Back-Up Swap Counterparty have certain consent rights in respect of modifications to the Transaction Documents.

In view of the abovementioned consent rights of the Swap Counterparty and the Back-Up Swap Counterparty, they effectively can veto certain proposed modifications, amendments or waivers supported by the Noteholders. See *Risk Factors - Conflict of interests between holders of different Classes of Notes may result in the interest of one or more lower ranking Classes of Noteholders being disregarded* for further details.

OTHER:

Listing: Application has been made to list the Senior Class A Notes on Euronext Amsterdam. Listing is expected to take place on or the Closing Date.

Rating: It is a condition precedent to issuance that, upon issue, the Senior Class A1a Notes be assigned an 'Aaa (sf)' rating by Moody's and an 'AAAsf' rating by Fitch, the Senior Class A1b Notes be assigned an 'Aaa (sf)' rating by Moody's and an 'AAAsf' rating by Fitch, the Mezzanine Class B Notes, upon issue, be assigned an 'Aa1 (sf)' rating by Moody's and an 'AAsf' rating by Fitch, the Mezzanine Class C Notes, upon issue, be assigned an 'AAsf' rating by Fitch, the Junior Class D Notes, upon issue, be assigned an 'Asf' rating by Fitch. The Junior Class E Notes and 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" (by Fitch) or "(sf)" (by Moody's) 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 Agreements and the Back-Up Swap Agreements, and any non-contractual obligations arising out of or in relation to the Transaction Documents other than the Swap Agreements and the Back-Up Swap Agreements (except as specified therein), will be governed by and construed in accordance with the laws of the Netherlands. Each Swap Agreement and Back-Up Swap Agreement, and any non-contractual obligations arising out of or in relation to each Swap Agreement and Back-Up Swap Agreement, will be governed by and construed in accordance with English law (other than the limited recourse, non petition and third party stipulation provisions, which are governed by the laws of the Netherlands).

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) (in case of the USD proceeds, after exchange into euro under the Currency Swap Agreement) (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 6,148,278.90 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 1 February 2012 (the **Cut-Off Date**) the weighted average interest rate of the Portfolio Mortgage Loans amounted to 4.99% per annum. Interest rates vary among individual Portfolio Mortgage Loans. The range of interest rates is described further in *Description of the 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 the Seller Collection Account Bank (the **Seller Collection Account**). 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 Seller 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 at any time (i) the rating of the short-term, unsecured, unsubordinated and unguaranteed debt obligations of the Seller Collection Account Bank are assigned a rating of less than Prime-1 by Moody's or (ii) the short-term issuer default rating of the Seller Collection Account Bank is less than F1 by Fitch or (iii) the long-term issuer default rating of the Seller Collection Account Bank is less than A by Fitch or (iv) such other lower rating or ratings as may be agreed by the relevant Rating Agency as would maintain the then current ratings of the Notes are no longer maintained by the Seller Collection Account Bank (the **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 Seller Collection Account relating to Mortgage Receivables will be guaranteed by a party having at least the Requisite Ratings; or (ii) (a) open an account with a party having at least the Requisite Ratings, 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 first 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 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% of all amounts of prepayments of principal received by the Seller in respect of the Portfolio Mortgage Loans during the Portfolio Calculation Period immediately

preceding the relevant Portfolio Payment Date. 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 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 by the Seller on account of principal and interest scheduled to be received in the relevant Portfolio Payment Period. 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 by the Seller on account of principal and interest scheduled to be received in the relevant Portfolio Payment Period 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) any Portfolio Payment Date and ending on (but excluding) the immediately following Portfolio Payment Date.

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 (or such other bank account as may be designated by the Issuer or the Security Trustee).

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 Bank Savings Mortgage Participant, the Insurance Savings Mortgage Participant and Conversion Participant under the Sub-Participation Agreements 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.

US Dollar Account

The Issuer will maintain with Deutsche Bank AG, London Branch a US dollar account (the **US Dollar Account**) to which all amounts received in US dollars will be paid. The Company Administrator will identify all amounts paid into the US Dollar Account.

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 if legal title to the Mortgage Receivables corresponding to the Construction Deposits or part thereof has been acquired by the Issuer. 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 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 any 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 corresponding part of 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 net proceeds of the Subordinated Class F Notes will be credited to the Reserve Account on the Closing Date.

Prior to delivery of an Enforcement Notice, amounts credited to the Reserve Account will be available for drawing on any Quarterly Payment Date to meet items (a) up to and including (k) 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.

Prior to delivery of an Enforcement Notice, 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 (k) 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.

Prior to delivery of an Enforcement Notice, the Reserve Account Target Level shall on any Notes Calculation Date be equal to 1% of the aggregate Euro Equivalent Principal Amount Outstanding of the Notes (other than the Subordinated Class F Notes) at the Closing Date.

Prior to delivery of an Enforcement Notice, 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.

Prior to delivery of an Enforcement Notice, if on any Notes Calculation Date all amounts of interest (in respect of the Senior Class A Notes) 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 in full 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, subject to higher ranking items in the Pre-Enforcement Revenue Priority of Payments, 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.

The Transaction Account, the US Dollar Account, the Construction Account and the Reserve Account are collectively referred to as the **Issuer Accounts**.

Swap Collateral Accounts

The Issuer will open a separate account in respect of each Swap Agreement, in each case maintained with an entity having at least the Requisite Ratings, in which any collateral in the form of cash provided by the Swap Counterparty will be held in accordance with the relevant Credit Support Annex. If any collateral in the form of securities is provided, the Issuer will be required to open a custody account in respect of each relevant Swap Agreement, in each case with an entity having at least the Requisite Ratings, into which such securities

will be transferred. Such accounts (each, a **Swap Collateral Account**) will not be subject to a security right in favour of the Security Trustee. No payments or deliveries may be made in respect of such accounts other than in relation to the provision of collateral, the return of Excess Swap Collateral unless, pursuant to the termination of the relevant Swap Agreement, a net amount is owed by the Swap Counterparty to the Issuer, in which case the collateral may be applied towards satisfaction of such amount in accordance with the relevant Swap Agreement and the delivery of any Back-Up Swap Upfront Amount, as applicable.

Back-Up Swap Upfront Amount means the amount (which may include cash and/or securities), if any, deliverable by the Issuer to the Back-Up Swap Counterparty in respect of an upfront premium under each Back-Up Swap Agreement upon the occurrence of a Swap Termination Event.

Payments in respect of the Dollar Notes

The Issuer will apply (i) a *pro rata* part of the Available Revenue Funds remaining after items (a) through (e) of the Pre-Enforcement Interest Priority of Payments, and (ii) of the Available Principal Funds, subject to and in accordance with the Pre-Enforcement Principal Priority of Payments, following exchange of euro amounts for US dollars amounts at the Exchange Rate under the Currency Swap Agreement or, if the Currency Swap Agreement has been terminated and not replaced at such time, against the spot rate determined by the Company Administrator. Upon the service of an Enforcement Notice the exchange of euros for US dollars payable in accordance with the Post-Enforcement Priority of Payments, will take place at the spot rate determined by the Company Administrator.

Rating of the Floating Rate GIC Provider, the US Dollar Account Provider and the Swap Collateral Account Provider

If at any time the Floating Rate GIC Provider is assigned a rating of less than the Requisite Ratings, or 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 (30) days after the occurrence of such event, in order to maintain the then current ratings on the Notes, undertake its best efforts to at its own cost either (x) find an alternative bank having at least the Requisite Ratings as a replacement, 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 relevant Issuer Accounts to such alternative bank, or (y) procure that a third party, having at least the Requisite 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.

If at the time when the Floating Rate GIC Provider should be replaced, there is no other bank which has the Requisite Ratings and if the Security Trustee so agrees and provided that each Rating Agency either (a) has provided a Rating Agency Confirmation in respect thereof or (b) by the 15th day after it was notified thereof has not indicated (i) which conditions are to be met before it is in a position to grant a Rating Agency Confirmation or (ii) that the then current ratings assigned by it to the Notes will be adversely affected by or withdrawn as a result thereof, the relevant Issuer Accounts will not need to be transferred until such time as there is a bank of international repute which has the Requisite Ratings and is willing to accept deposits, whereupon, subject to the prior written consent of the Security Trustee, such transfer will be made to the bank meeting such criteria within one (1) month of identification of such bank or such longer period as the Security Trustee may determine.

The above applies *mutatis mutandis* to the Account Bank.

Only the Senior Class A Notes are interest bearing

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 do not carry interest.

Application of Early Unpaid Amounts received from the Back-Up Swap Provider

In the event that the Initial Swap Counterparty fails to pay, when due, any amount (the **Nonpayment Amount**) owed to the Issuer under either Swap Agreement, the Back-Up Swap Counterparty will be obliged to pay such amount to the Issuer upon the Back-Up Swap Counterparty being notified of such failure to pay by the Initial Swap Counterparty, regardless of whether a Swap Termination Event results from such failure to pay. The Nonpayment Amount, and the Back-Up Swap Counterparty's obligation in respect of such payment, will not include collateral amounts owed by the Initial Swap Counterparty to the Issuer.

If and to the extent the Issuer receives such an amount (an **Early Unpaid Amount**) from the Back-Up Swap Counterparty, the Issuer will apply such Early Unpaid Amount as part of the Available Revenue Funds or the Available Principal Funds. Generally, the fact that payments under the Swap Agreements occur five business days prior to the corresponding Quarterly Payment Date means that the Issuer should receive the Early Unpaid Amount on or prior to the Quarterly Payment Date. However, should this not be the case, the Issuer will use the Early Unpaid Amount forthwith but before expiry of the grace period set out in Condition 10(a) towards satisfaction of amounts which were due but remained unpaid under the Notes on the Quarterly Payment Date to which such Nonpayment Amount relates. To the extent funds are used from the Reserve Account and/or a drawing is made under the Liquidity Facility Agreement as a result of such failure to pay by the Initial Swap Counterparty, replenishment of the Reserve Account and/or repayment of the Liquidity Facility, as applicable, will occur on the next succeeding Quarterly Payment Date, subject to and in accordance with the Pre-Enforcement Revenue Priority of Payments.

If the Issuer receives the Nonpayment Amount, in whole or in part, from the Initial Swap Counterparty after receipt of the Early Unpaid Amount, the Issuer will pay to the Back-Up Swap Counterparty an amount equal to the lesser of (i) such Early Unpaid Amount and (ii) such Nonpayment Amount to the extent actually received, outside the Priorities of Payments, in accordance with the terms of the relevant Back-Up Swap Agreement.

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 by the Issuer during the Notes Calculation Period (as defined in the Conditions) immediately preceding such Notes Calculation Date or expected to be received or drawn by the Issuer on the immediately succeeding Quarterly Payment Date or, in respect of the Swap Agreements, on the immediately succeeding Swap Payment Date (items (i) up to and including (xv) *less* (y) an amount equal to 25% of the higher of (A) EUR 2,500 or (B) 10% 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 which will be paid as dividend to the Shareholder) and (z) any Disruption Overpaid Amount to the extent it relates to amounts referred to under (i) through (xiv) of this definition and to the immediately preceding Quarterly Payment Date, being hereafter referred to as the **Available Revenue Funds**):

(i) interest on the Mortgage Receivables, less, with respect to each Participation-Linked Mortgage Receivable an amount equal to the interest amount received multiplied by a fraction which is equal to the relevant Participation divided by the outstanding principal amount of such Participation-Linked Mortgage Receivable (the **Participation Fraction**);

(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 Participation-Linked 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 designated as interest to be received from the Swap Counterparty under the Swap Agreements on the immediately succeeding Swap Payment Date, any Interest Rate Swap Termination Payment to be received from the Swap Counterparty under the Interest Rate Swap Agreement to the extent exceeding the portion (if any) of such Interest Rate Swap Termination Payment applied or to be applied towards payment of any Interest Rate Swap Initial Premium to a replacement swap provider and any Currency Swap Termination Payment (Interest) to be received from the Swap Counterparty to the extent exceeding the portion (if any) of such Currency Swap Termination Payment (Interest) applied or to be applied towards payment of Currency Swap Initial Premium (Interest) to a replacement swap provider (a) excluding, for the avoidance of doubt, any collateral transferred to the Issuer pursuant to the Swap Agreements and any swap termination payments received as a result of a Swap Termination Event, and (b) provided that, if sufficient funds are available for all *pari passu* and higher ranking items, any such amounts received under the Currency Swap Agreement shall be applied in accordance with item (f) of the Pre-Enforcement Revenue Priority of Payments;

(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 Participation-Linked 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 in respect of any Interest Rate Swap Initial Premium from a replacement swap provider, to the extent exceeding the portion (if any) of such Interest Rate Swap Initial Premium applied towards payment of the Interest Rate Swap Termination Payment to the Swap Counterparty and any Currency Swap Initial Premium (Interest) from a replacement swap provider, to the extent exceeding the portion (if any) of such Currency Swap Initial Premium (Interest) applied towards payment of the Currency Swap Termination Payment (Interest) to the Swap Counterparty;

(xii) amounts received in respect of the portion (if any) of any Early Unpaid Amount that corresponds to amounts designated as interest from the Back-Up Swap Counterparty under the Back-Up Currency Swap Agreement;

(xiii) amounts received in respect of any Early Unpaid Amount from the Back-Up Swap Counterparty under the Back-Up Interest Rate Swap Agreement;

(xiv) 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 immediately

preceding Quarterly Payment Date or will be available for payment on the immediately succeeding Quarterly Payment Date, any amount standing to the credit of the Reserve Account and of any other Issuer Account; and

(xv) any Disruption Underpaid Amount to the extent it relates to amounts referred to under (i) through (xiv) of this definition and to the immediately preceding Quarterly Payment Date,

will, pursuant to the terms of the Trust Deed, be applied by the Issuer on the immediately succeeding Quarterly Payment Date or, in respect of items (e), (f) and (n) below, on the immediately succeeding Swap Payment Date as follows (in each case only if and to the extent that payments of a higher order of priority have been or can be 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 Registrar, the Transfer Agent, the Floating Rate GIC Provider, the Liquidity Facility Provider, the US Dollar Account Provider, the Swap Collateral Account Provider, the Common Safekeeper, the Common Depositary, the Custodian 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 other than fees and expenses payable under (c) above 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 (o) below;

(e) *Fifth*, (A) in or towards satisfaction of any amounts designated as interest due and payable under the Interest Rate Swap Agreement or, if a Swap Termination Event has occurred and as a result the Issuer has not paid such amounts to the Initial Swap Counterparty and an STE Unpaid Amount will become due and payable to the Back-Up Swap Counterparty under the Back-Up Interest Rate Swap Agreement, towards reservation of such amount for payment to the Back-Up Swap Counterparty of the STE Unpaid Amount in accordance with the Back-Up Interest Rate Swap Agreement; (B) in or towards satisfaction of any Interest Rate Swap Termination Payment due and payable to the Swap Counterparty under the Interest Rate Swap Agreement to the extent not paid with the Interest Rate Swap Initial Premium from a replacement swap provider and (C) in or towards satisfaction of any Interest Rate Swap Initial Premium to be paid to any replacement swap provider to the extent not paid with the Interest Rate Swap Termination Payments paid by the outgoing Swap Counterparty but

excluding any Subordinated Swap Amount and excluding, for the avoidance of doubt, (i) the payment to the Swap Counterparty of any Excess Swap Collateral and any Tax Credit and (ii) the delivery of any Back-Up Swap Upfront Amount;

(f) *Sixth, pari passu* and *pro rata* according to their Euro Equivalent Amounts (i) in or towards satisfaction of the amounts of interest due or accrued but unpaid in respect of the Senior Class A Notes, (ii) (A) in or towards satisfaction of any amounts designated as interest due and payable to the Swap Counterparty under the Currency Swap Agreement, provided that, if a Swap Termination Event has occurred and as a result the Issuer has not paid such amounts to the Initial Swap Counterparty and an STE Unpaid Amount will become due and payable to the Back-Up Swap Counterparty under the Back-Up Currency Swap Agreement, towards reservation of the portion of the STE Unpaid Amount that relates to interest, for payment to the Back-Up Swap Counterparty in accordance with the Back-Up Currency Swap Agreement and (B) in or towards satisfaction of any Currency Swap Termination Payment (Interest) due and payable to the Swap Counterparty under the Currency Swap Agreement to the extent not paid with the Currency Swap Initial Premium (Interest) from a replacement swap provider and (iii) in or towards satisfaction of any Currency Swap Initial Premium (Interest) to be paid to any replacement swap provider to the extent not paid with the Currency Swap Termination Payment (Interest) paid by the outgoing Swap Counterparty, but excluding any Subordinated Swap Amount and excluding, for the avoidance of doubt, (I) the payment to the Swap Counterparty of any Excess Swap Collateral and any Tax Credit and (II) the delivery of any Back-Up Swap Upfront Amount;

(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 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;

(i) *Ninth*, 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*;*

(j) *Tenth*, 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*;*

(k) *Eleventh*, 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*;*

(l) *Twelfth*, 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;

(m) *Thirteenth*, 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;

(n) *Fourteenth*, in or towards satisfaction, *pari passu* and *pro rata* according to the respective amounts thereof, of the Subordinated Swap Amounts (Interest) due to the Swap Counterparty under the terms of the relevant Swap Agreement(s);

(o) *Fifteenth*, in or towards satisfaction of any gross-up amounts or additional amounts, if any, due under the Liquidity Facility Agreement; and

(p) *Sixteenth*, in or towards satisfaction of the Deferred Purchase Price to the Seller pursuant to the Mortgage Receivables Purchase Agreement.

business day shall mean a day on which banks are generally open for business in Amsterdam.

Currency Swap Initial Premium (Interest) means the portion (if any), that represents interest, of any initial premium in respect of a replacement currency swap agreement entered into other than as a result of a Swap Termination Event, provided that the Currency Swap Initial Premium (Interest) shall not exceed the total amount of such initial premium.

Currency Swap Termination Payment (Interest) means the portion (if any), that corresponds to amounts designated as interest, of any swap termination payment due and payable under the Currency Swap Agreement other than as a result of a Swap Termination Event, provided that the Currency Swap Termination Payment (Interest) shall not exceed the total amount of such swap termination payment.

Disruption means if the three mortgage reports relating to the relevant Notes Calculation Period are not received ultimately three business days prior to the relevant Notes Calculation Date by the Company Administrator in accordance with the Company Administration Agreement.

Disruption Overpaid Amount means any amount overpaid on the Notes on a Quarterly Payment Date as a consequence of insufficient information being available to calculate the exact amount due on the Notes following a Disruption.

Disruption Underpaid Amount means any amount underpaid on the Notes on a Quarterly Payment Date as a consequence of insufficient information being available to calculate the exact amount due on the Notes following a Disruption.

Euro Equivalent Amount means, at any time, (i) in respect of any amount denominated in US dollars, such amount converted into euros at the Exchange Rate (or, if the Currency Swap Agreement has been terminated and has not been replaced, the spot exchange rate at such time as determined by the Company Administrator) and (ii) in respect of any amount denominated in euros, such amount.

Interest Rate Swap Initial Premium means any initial premium in respect of a replacement interest rate swap agreement entered into other than as a result of a Swap Termination Event.

Interest Rate Swap Termination Payment means any swap termination payment due and payable under the Interest Rate Swap Agreement other than as a result of a Swap Termination Event.

STE Unpaid Amount means an amount payable under the Back-Up Interest Rate Swap Agreement or the Back-Up Currency Swap Agreement, as applicable, corresponding to amounts due and payable by the Issuer or the Initial Swap Counterparty under the Interest Rate Swap Agreement or the Currency Swap Agreement (as the case may be) but not paid as a result of a Swap Termination Event.

Subordinated Swap Amount means, in relation to a Swap Agreement, the Subordinated Swap Amount (Interest) and the Subordinated Swap Amount (Principal) or any such amount, as the case may be.

Subordinated Swap Amount (Interest) means,

(i) in relation to the Interest Rate Swap Agreement, an amount equal to the greater of zero and:

(A) the amount of any Interest Rate Swap Termination Payment due and payable to the Swap Counterparty as a result of the termination of the Interest Rate Swap Agreement following an Event of Default (as defined in the Interest Rate Swap Agreement) where the Swap Counterparty is the Defaulting Party (as defined in the Interest Rate Swap Agreement) or an Additional Termination Event (as defined in the Interest Rate Swap Agreement) resulting from the Swap Counterparty's failure to cure a downgrade below the Swap Required Ratings pursuant to the terms of the Interest Rate Swap Agreement; less

(B) any Interest Rate Swap Initial Premium received by the Issuer from a replacement swap provider as a result of a termination of the Interest Rate Swap Agreement specified in item (i)(A) of this definition; and

(ii) in relation to the Currency Swap Agreement, an amount equal to the greater of zero and:

(A) any Currency Swap Termination Payment (Interest) due and payable to the Swap Counterparty as a result of the termination of the Currency Swap Agreement following an Event of Default (as defined in the Currency Swap Agreement) where the Swap Counterparty is the Defaulting Party (as defined in the Currency Swap Agreement) or an Additional Termination Event (as defined in the Currency Swap Agreement) resulting from the Swap Counterparty's failure to cure a downgrade below the Swap Required Ratings pursuant to the terms of the Currency Swap Agreement; less

(B) any Currency Swap Initial Premium (Interest) received by the Issuer from a replacement swap provider as a result of a termination of the Currency Swap Agreement specified in item (ii)(A) of this definition,

and **Subordinated Swap Amounts (Interest)** means the amounts in respect of both (i) and (ii) of this definition.

Swap Payment Date means, in respect of a Swap Agreement, any date on which payments are scheduled to be made under such 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 by the Issuer during the Notes Calculation Period immediately preceding such Notes Calculation Date or expected to be received or drawn by the Issuer on the immediately succeeding Quarterly Payment Date or, in respect of the Swap Agreements, on the immediately succeeding Swap Payment Date (items (i) up to and including (xiii) *less* any Disruption Overpaid Amount to the extent it relates to amounts referred to under (i) through (xii) of this definition and to the immediately preceding Quarterly Payment Date, 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, up to, with respect to each Participation-Linked Mortgage Receivable, the Net Outstanding Principal Amount (as defined below) of such Participation-Linked Mortgage Receivable;

(ii) Net Proceeds in respect of any Mortgage Receivables, to the extent such proceeds relate to principal, up to, with respect to each Participation-Linked Mortgage Receivable, the Net Outstanding Principal Amount of such Participation-Linked 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, up to, with respect to each Participation-Linked Mortgage Receivable, the Net Outstanding Principal Amount of such Participation-Linked Mortgage Receivable;

(iv) amounts to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date;

(v) Further Participation Amounts;

(vi) Switched Insurance Savings Participation Amounts to the extent such amounts exceed the relevant 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, up to, with respect to each Participation-Linked Mortgage Receivable, the Net Outstanding Principal Amount of such Participation-Linked Mortgage Receivable;

(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;

(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;

(x) amounts designated as principal to be received from the Swap Counterparty under the Currency Swap Agreement on the immediately succeeding Swap Payment Date and any Currency Swap Termination Payment (Principal) to be received from the Swap Counterparty to the extent exceeding the portion (if any) of such Currency Swap Termination Payment (Principal) applied or to be applied towards payment of any Currency Swap Initial Premium (Principal) to a replacement swap provider (a) excluding, for the avoidance of doubt, any collateral transferred to the Issuer pursuant to the Swap Agreements and any swap termination payments received as a result of a Swap Termination Event, and (b) provided that, if sufficient funds are available for all *pari passu* and higher ranking amounts, any such amounts received under the Currency Swap Agreement shall be applied first in accordance with item (b) of the Pre-Enforcement Principal Priority of Payments;

(xi) amounts received in respect of any Currency Swap Initial Premium (Principal) from a replacement swap provider, to the extent exceeding the portion (if any) of such Currency Swap Initial Premium (Principal) applied or to be applied towards payment of the Currency Swap Termination Payment (Principal) to the Swap Counterparty under the Currency Swap Agreement;

(xii) amounts received in respect of the portion (if any) of any Early Unpaid Amount that corresponds to amounts designated as principal from the Back-Up Swap Counterparty under the Back-Up Currency Swap Agreement; and

(xiii) any Disruption Underpaid Amount to the extent it relates to amounts referred to under (i) through (xii) of this definition and to 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 or, in respect of items (b) and (g) below, on the immediately succeeding Swap Payment Date as follows (and in each case only if and to the extent that payments or provisions of a higher priority have been or can be 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*, *pari passu* and *pro rata* according to (in the case of the Senior Class A Notes) their Euro Equivalent Principal Amount Outstanding, of (i) in or towards satisfaction of principal amounts due on the Senior Class A Notes, until fully redeemed in accordance with the Conditions, (ii) (A) in or towards satisfaction of any amounts designated as principal due and payable to the Swap Counterparty under the Currency Swap Agreement or, if a Swap Termination Event has occurred and as a result the Issuer has not paid such amounts to the Initial Swap Counterparty and an STE Unpaid Amount will become due and payable to the Back-Up Swap Counterparty under the Back-Up Currency Swap Agreement, towards reservation of the portion of the STE Unpaid Amount that relates to principal, for payment to the Back-Up Swap Counterparty in accordance with the Back-Up Currency Swap Agreement and (B) in or towards satisfaction of any Currency Swap Termination Payment (Principal) due and payable to the Swap Counterparty under the Currency Swap Agreement to the extent not paid with the Currency Swap Initial Premium from a replacement swap provider, and (iii) in or towards satisfaction of any Currency Swap Initial Premium (Principal) to be paid to any replacement swap provider to the extent not paid with the Currency Swap Termination Payment (Principal) paid by the outgoing Swap Counterparty, but excluding any Subordinated Swap Amount and excluding, for the avoidance of doubt, (I) the payment to the Swap Counterparty of any Excess Swap Collateral and any Tax Credit and (II) the delivery of any Back-Up Swap Upfront Amount;

(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;

(f) *Sixth*, in or towards satisfaction of principal amounts due on the Junior Class E Notes, until fully redeemed in accordance with the Conditions; and

(g) *Seventh*, in or towards satisfaction of the Subordinated Swap Amount (Principal) due to the Swap Counterparty under the terms of the Currency Swap Agreement.

Currency Swap Initial Premium (Principal) means the portion (if any), that represents principal, of any initial premium in respect of a replacement currency swap agreement entered into other than as a result of a Swap Termination Event, provided that the Currency Swap Initial Premium (Principal) shall not exceed such initial premium.

Currency Swap Termination Payment (Principal) means the portion (if any), that corresponds to amounts designated as principal, of any swap termination payment due and payable under the Currency Swap Agreement other than as a result of a Swap Termination Event, provided that the Currency Swap Termination Payment (Principal) shall not exceed such swap termination payment.

Net Outstanding Principal Amount means, in respect of a Participation-Linked Mortgage Receivable, the outstanding principal amount of the related Participation-Linked Mortgage Loan minus the Insurance

Savings Participation, Conversion Participation, Switched Insurance Savings Participation or Bank Savings Participation, as the case may be, in respect of such Mortgage Receivable.

Subordinated Swap Amount (Principal) means, in relation to the Currency Swap Agreement, an amount equal to the greater of zero and:

(A) any Currency Swap Termination Payment (Principal) due and payable to the Swap Counterparty as a result of the termination of the Currency Swap Agreement following an Event of Default (as defined in the Currency Swap Agreement) where the Swap Counterparty is the Defaulting Party (as defined in the Currency Swap Agreement) or an Additional Termination Event (as defined in the Currency Swap Agreement) resulting from the Swap Counterparty's failure to cure a downgrade below the Swap Required Ratings pursuant to the terms of the Currency Swap Agreement; less

(B) any Currency Swap Initial Premium (Principal) received by the Issuer from a replacement swap provider as a result of a termination of the Currency Swap Agreement specified in item (A) of this definition.

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 Insurance Savings Mortgage Participant, the Conversion Participant or the Bank Savings Mortgage Participant under the Sub-Participation Agreements 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 payments and in respect of amounts paid out by the Seller to the Borrowers from the Construction Deposits in a Portfolio Calculation Period 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 and provided that the relevant part of the Portfolio Mortgage Loan had been assigned to the Issuer.

Pursuant to each Swap Agreement, any collateral transferred by the Swap Counterparty to the Issuer which is in excess of its obligations to the Issuer under the corresponding Credit Support Annex (the **Excess Swap Collateral**) will be returned to such Swap Counterparty. Upon the occurrence of a Swap Termination Event, certain amounts of such collateral remaining after payment of any amount due to the Initial Swap Counterparty under the corresponding Swap Agreement shall be used by the Issuer to deliver any Back-Up Swap Upfront Amount (outside of any of the Priorities of Payments) prior to the distribution of any amounts due to the Noteholders or the other Security Beneficiaries.

The cash benefit of any tax credit, allowance, set-off or repayment from the tax authorities of any jurisdiction obtained by the Issuer relating to any deduction or withholding giving rise to a payment made by the Swap Counterparty or Back-Up Swap Counterparty in accordance with the relevant Swap Agreement, shall be paid by the Issuer to the Swap Counterparty or Back-Up Swap Counterparty (outside of any priority of payments) pursuant to the terms of the relevant Swap Agreement or Back-Up Swap Agreement (any such amount, a **Tax Credit**).

If the Issuer receives any initial premium from a replacement swap provider in respect of a replacement swap agreement entered into other than as a result of a Swap Termination Event, such initial premium will first be used to pay (outside of any of the Priorities of Payments) any swap termination payment due and payable by the Issuer to the outgoing Swap Counterparty under the Swap Agreement or Swap Agreements being replaced.

If the Issuer receives a swap termination payment from the Swap Counterparty under one or both Swap Agreements, other than as a result of a Swap Termination Event, such swap termination payment will first be used to pay (outside of any of the Priorities of Payments) any initial premium due and payable by the Issuer to the replacement swap provider in respect of the corresponding replacement swap agreement(s).

The Issuer may pay any STE Unpaid Amounts due and payable to the Back-Up Swap Counterparty under the Back-Up Swap Agreements from amounts reserved for such purpose pursuant to the relevant Priority of Payments, directly to the Back-Up Swap Counterparty outside the relevant Priority of Payments.

Priority of Payments upon Enforcement (in respect of interest and principal)

Following delivery of an Enforcement Notice any amounts to be distributed by the Security Trustee under the Trust Deed to the Security Beneficiaries (including the Noteholders, but excluding the Bank Savings Mortgage Participant, the Insurance Savings Mortgage Participant and the Conversion Participant and, to the extent Excess Swap Collateral and Tax Credits are concerned, the Swap Counterparty, which shall be entitled outside, and with priority over, this priority of payments upon enforcement to receive an amount equal to the relevant Participation in each of the Participation-Linked Mortgage Receivables or, if the amount recovered is less than the relevant Participation, then an amount equal to the amount actually recovered or the Excess Swap Collateral or Tax Credits, as applicable) will be applied 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, the Registrar, the Transfer Agent and the Reference Agent under the provisions of the Paying Agency Agreement, (v) the costs and expenses due and payable to the Floating Rate GIC Provider under the provisions of the Floating Rate GIC and (vi) the costs and expenses due and payable to the US Dollar Account Provider and the Swap Collateral Account Provider under the provisions of the Account Bank Agreement;

(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 item (a) above), but excluding any gross up amounts or additional amounts due under the Liquidity Facility and payable under item (n) below;

(e) *Fifth*, in or towards satisfaction of any amounts due and payable to the Swap Counterparty under the Interest Rate 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, *pari passu* and *pro rata* according to their Euro Equivalent Amounts, of (i) all amounts of interest due or accrued but unpaid in respect of the Senior Class A

Notes and (ii) all amounts designated as interest and any Currency Swap Termination Payment (Interest) in each case due and payable to the Swap Counterparty under the Currency Swap Agreement, but excluding any Subordinated Swap Amount and excluding, for the avoidance of doubt, the payment to the Swap Counterparty of any Excess Swap Collateral and any Tax Credit;

(g) *Seventh*, in or towards satisfaction, *pari passu* and *pro rata* according to (in the case of the Senior Class A Notes) their Euro Equivalent Principal Amount Outstanding, of (i) all amounts of principal and other amounts due but unpaid in respect of the Senior Class A Notes and (ii) all amounts designated as principal and any Currency Swap Termination Payment (Principal) in each case due and payable to the Swap Counterparty under the Currency Swap Agreement but excluding any Subordinated Swap Amount and excluding, for the avoidance of doubt, the payment to the Swap Counterparty of any Excess Swap Collateral and any Tax Credit;

(h) *Eighth*, in or towards satisfaction of all amounts of principal and other amounts due 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 C Notes;

(j) *Tenth*, in or towards satisfaction of all amounts of principal and other amounts due but unpaid in respect of the Junior Class D Notes;

(k) *Eleventh*, in or towards satisfaction of all amounts of principal and other amounts due but unpaid in respect of the Junior Class E Notes;

(l) *Twelfth*, in or towards satisfaction of all amounts of principal and other amounts due but unpaid in respect of the Subordinated Class F Notes;

(m) *Thirteenth*, in or towards satisfaction, *pari passu* and *pro rata* in accordance with the respective amounts thereof, of the Subordinated Swap Amounts due to the Swap Counterparty under the terms of the relevant Swap Agreement(s);

(n) *Fourteenth*, in or towards satisfaction of any gross-up amounts or additional amounts, if any, due under the Liquidity Facility Agreement; and

(o) *Fifteenth*, in or towards satisfaction of the Deferred Purchase Price to the Seller pursuant to the Mortgage Receivables Purchase Agreement.

Liquidity Facility

On the Closing Date, the Issuer will enter into the Liquidity Facility Agreement with the Liquidity Facility Provider and the Security Trustee. On any Quarterly Payment Date (other than a Quarterly Payment Date on which the Notes are or will be redeemed in full) the Issuer will be entitled to make drawings under the Liquidity Facility (as defined in the Master Definitions Agreement) up to the Liquidity Facility Maximum Amount (as defined below). The Liquidity Facility Agreement is for a term of 364 days. Payments to the Liquidity Facility Provider other than in respect of gross-up and additional amounts 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 (f) of the Pre-Enforcement Revenue Priority of Payments in full on that 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% of the Euro Equivalent Principal Amount Outstanding of the Senior Class A Notes on such date and (ii) 1.00% of the Euro Equivalent Principal Amount Outstanding of the Senior Class A Notes as at the Closing Date.

If (A) (i) a Liquidity Facility Relevant Event of the type described in (a) or (b) of the definition of such term occurs in relation to the Liquidity Facility Provider and (ii) within thirty (30) days of the occurrence of such Liquidity Facility Relevant Event the Liquidity Facility Provider is not replaced with a suitable alternative liquidity facility provider, or, (B) a Liquidity Facility Relevant Event of the type described in (a) of the definition of such term occurs, a third party having the Requisite Ratings has not guaranteed the obligations of the Liquidity Facility Provider or another suitable solution in order to maintain the then current ratings of the Notes is not found, then 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**. 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 Requisite Ratings becomes effective, the Liquidity Facility Provider has again been assigned the Requisite 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**.

Liquidity Facility Relevant Event means any of the following events: (a) the downgrade on any day of the short-term or long-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider below the Requisite Ratings or (b) the refusal by the Liquidity Facility Provider to comply with an Extension Request (as defined in the Liquidity Facility Agreement) made pursuant to the Liquidity Facility Agreement, or (c) the Issuer and the Security Trustee (acting jointly) requesting pursuant to the Liquidity Facility Agreement that the Liquidity Facility Provider transfers its rights and obligations under the Liquidity Facility Agreement to a third party having at least the Requisite Ratings.

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 (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 Junior Class E Notes, and thereafter the Class D Principal Deficiency Ledger (such debit items being credited at item (j) 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 (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 C Notes, and thereafter such amounts shall be debited to the Class B Principal

Deficiency Ledger (such debit item being credited at item (h) 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* in accordance with the Euro Equivalent Principal Amount Outstanding of, respectively, the Senior Class A1a Notes and the Senior Class A1b Notes (such *pro rata* allocation to be recorded on two sub-ledgers of the Class A Principal Deficiency Ledger, one for the Senior Class A1a Notes and one for the Senior Class A1b 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 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 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 Seller 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 payments under the NHG Guarantee (if applicable) or of any guarantees or sureties, and (v) the proceeds of foreclosure on any other assets of the relevant debtor (including attachment of wages (*loonbeslag*)), 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.

The Swap Agreements

The Issuer will enter into two ISDA Master Agreements with the Initial Swap Counterparty and the Security Trustee on the Signing Date, one in order to hedge certain interest rate risk relating to the Senior Class A1b Notes, denominated in euros, and the Issuer's euro obligations under the Currency Swap Agreement (as amended, restated and/or supplemented from time to time, the **Interest Rate Swap Agreement**), and the other in order to hedge certain interest rate and currency exchange risk relating to the Senior Class A1a Notes, denominated in US dollars (as amended, restated and/or supplemented from time to time, the **Currency Swap Agreement**, together with the Interest Rate Swap Agreement, the **Swap Agreements** and each a **Swap Agreement**)). Each Swap Agreement will be governed by English law, other than the limited recourse, non-petition and third party beneficiary provisions in the Swap Agreements, which will be governed by Dutch law. The Issuer will also enter into two ISDA Master Agreements with the Back-Up

Swap Counterparty and the Security Trustee on the Signing Date (as amended, restated and/or supplemented from time to time, the **Back-Up Interest Rate Swap Agreement** and the **Back-Up Currency Swap Agreement**, together, the **Back-Up Swap Agreements**), the transactions under which will become effective only following the occurrence of a Swap Termination Event under the corresponding Swap Agreement (except for the Back-Up Swap Counterparty's obligation to pay the Early Unpaid Amount (if any), in the event that the Initial Swap Counterparty fails to make a payment on its due date under a Swap Agreement, regardless of whether the failure to pay results in a Swap Termination Event). The terms of the Back-Up Swap Agreements as described below are identical to those of the Swap Agreements between the Issuer and the Initial Swap Counterparty, save for those provisions in the Swap Agreements between the Issuer and the Initial Swap Counterparty that relate to the consequences of a Swap Termination Event or to the identity of the Initial Swap Counterparty or the Back-Up Swap Counterparty.

In certain circumstances, including if (i) the Initial Swap Counterparty fails to make, when due, any payment or delivery to the Issuer under the relevant Swap Agreement and the applicable grace period has expired or (ii) the Initial Swap Counterparty is declared bankrupt (*failliet*), the Issuer shall promptly, after becoming aware thereof, give notice thereof to the Back-Up Swap Counterparty. Following such notice, the relevant Swap Agreement shall terminate, payments under the Back-Up Swap Agreements will become effective and the Initial Swap Counterparty will be replaced by the Back-Up Swap Counterparty. Upon such replacement having become effective (i) references to the Swap Counterparty shall be deemed to be references to the Back-Up Swap Counterparty; (ii) references to the Swap Agreement(s) shall be deemed to be references to the Back-Up Swap Agreement(s); and (iii) the Initial Swap Counterparty shall be released from its obligations under the Swap Agreements.

In the event that the Initial Swap Counterparty fails to pay, when due, any amount owed to the Issuer under either Swap Agreement, the Back-Up Swap Counterparty will be obliged to pay such amount to the Issuer upon the Back-Up Swap Counterparty being notified of such failure to pay by the Initial Swap Counterparty, regardless of whether a Swap Termination Event results from such failure to pay.

For so long as the Initial Swap Counterparty is the relevant Swap Counterparty, the Initial Swap Counterparty will post collateral to the Issuer, pursuant to each Swap Agreement, based on the higher of the credit rating of the Initial Swap Counterparty and the credit rating of the Back-Up Swap Counterparty. If a Swap Termination Event occurs, the collateral (if any) posted by the Initial Swap Counterparty may be used to compensate the Back-Up Swap Counterparty for the initial premium (if any) due in respect of the transactions under the Back-Up Swap Agreements. In these circumstances, the Issuer will set off the collateral posted by the Initial Swap Counterparty against the termination value of the swap transaction owed by the Initial Swap Counterparty under each Swap Agreement. The Issuer will then be deemed to pay the Back-Up Swap Upfront Amount due to the Back-Up Swap Counterparty by crediting this portion of the collateral against the Back-Up Swap Counterparty's obligation to deliver collateral under the Back-Up Swap Agreements. If such collateral is not sufficient to cover the Back-Up Swap Counterparty's obligation to deliver collateral under the Back-Up Swap Agreements, the Back-Up Swap Counterparty will deliver any remainder to the Issuer. The Back-Up Swap Counterparty's obligation to deliver collateral will commence only upon the occurrence of a Swap Termination Event and will be based on only the credit rating of the Back-Up Swap Counterparty.

In certain limited circumstances the relevant Swap Counterparty may transfer its obligations under one or both Swap Agreements to another entity, or obtain a guarantee of its obligations under one or both Swap Agreements by another entity, subject to certain conditions including the satisfaction of certain requirements of the Rating Agencies, contained in the relevant Swap Agreement.

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 Senior Class A1b Notes is equal to three-month Euribor plus a margin per annum, which margin will increase after the First Optional Redemption Date. In addition, certain amounts payable by the Issuer under the Currency Swap Agreement corresponding to the Senior Class A1a Notes are also determined by reference to three-month Euribor. The Issuer will hedge the resulting interest rate exposure by entering into the Interest Rate Swap Agreement with the Swap Counterparty and the Security Trustee.

Under the Interest Rate 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 Participation-Linked 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 (which amount is paid to the Seller outside the relevant Priority of Payments) 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 (i) 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 annum applied to the Euro Equivalent Principal Amount Outstanding of the Notes other than the Subordinated Class F Notes on each Quarterly Payment Date.

In exchange for the Issuer's payments to the Swap Counterparty under the Interest Rate Swap Agreement, the Swap Counterparty will in return agree to pay amounts equal to the scheduled interest due under the Senior Class A1b Notes, calculated by reference to the floating rate of interest applied to the Euro Equivalent Principal Amount Outstanding of the relevant Classes of Notes, on each Quarterly Payment Date, and amounts equal to the amounts scheduled to be payable by the Issuer in respect of interest under the Currency Swap Agreement (or, if the Currency Swap Agreement has been terminated and has not been replaced, that would have been payable by the Issuer under the Currency Swap Agreement).

The Euro Equivalent Principal Amount Outstanding of the Notes (other than the Subordinated Class F Notes) as used for making the required calculations under the Interest Rate Swap Agreement will be reduced to the extent there is a debit balance on the corresponding sub-ledgers of the Principal Deficiency Ledger on the first day of the relevant Quarterly Interest Period. For the purposes of calculations made under the Interest Rate Swap Agreement, the Principal Amount Outstanding of the Senior Class A1a Notes will be converted to euro by reference to the Exchange Rate.

If, on any Quarterly Payment Date, any payment made by the Issuer to the Swap Counterparty under the Interest Rate Swap Agreement is less than the scheduled amount to be paid, then the corresponding payment obligation of the Swap Counterparty shall be reduced by an amount equal to such shortfall.

Exchange Rate Hedging

The Mortgage Receivables are denominated in euro and interest receipts thereon are swapped into a EURIBOR-based amount under the Interest Rate Swap. The Senior Class A1a Notes are denominated in US dollars and the interest rate payable on the Senior Class A1a Notes is equal to three-month USD Libor plus a margin per annum. The Issuer will hedge the resulting exchange rate and interest rate exposure by entering into the Currency Swap Agreement with the Swap Counterparty and the Security Trustee.

Under the Currency Swap Agreement, the Issuer will agree to pay to the Swap Counterparty a US dollar denominated initial exchange amount and the Swap Counterparty will agree to pay to the Issuer a euro denominated initial exchange amount, in each case on the effective date, and on each Swap Payment Date, the Issuer will agree to pay to the Swap Counterparty a Euribor-based rate on a euro notional amount equal to the then-current aggregate Euro Equivalent Principal Amount Outstanding of the Senior Class A1a Notes and the Swap Counterparty will agree to pay to the Issuer an amount in US dollars equal to the interest

payable on the Senior Class A1a Notes. In order for the notional amount of the Currency Swap Agreement to amortise at the same rate as the Senior Class A1a Notes, the Currency Swap Agreement will include interim exchanges so that, as and when the Senior Class A1 Notes amortise, the notional amount of the Currency Swap Agreement will amortise by the same amount. Pursuant to the terms of the Currency Swap Agreement, these interim exchange amounts will be swapped from euros into US dollars on the date on which the Senior Class A1 Notes amortise, at the Exchange Rate.

On the final maturity date of the Senior Class A1a Notes or, if earlier, the date on which such Notes are redeemed in full (other than as a result of any early redemption of the Notes that results in an early termination of the Currency Swap Agreement), the Swap Counterparty will pay to the Issuer an amount in US dollars equal to the Principal Amount Outstanding of the Senior Class A1a Notes, and the Issuer will pay to the Swap Counterparty the Euro Equivalent Principal Amount Outstanding of the Senior Class A1a Notes.

If an early termination event occurs under the Currency Swap Agreement, the termination amount (if any) will be denominated in US dollars. If the Currency Swap Agreement is not replaced, the Issuer may not have sufficient US dollars to pay all amounts then due on the Senior Class A1a Notes. To the extent the Issuer requires additional US dollars to make payments of principal and interest on the Senior Class A1a Notes, it will need to exchange euro for US dollars at the spot rate.

The Principal Amount Outstanding of the Senior Class A1a Notes as used for making calculations under the Currency Swap Agreement will be reduced to the extent there is a debit balance on the corresponding sub-ledger of the Class A Principal Deficiency Ledger on the first day of the relevant Quarterly Interest Period.

If, on any Quarterly Payment Date, any payment made by the Issuer to the Swap Counterparty under the Interest Rate Swap Agreement is less than the scheduled amount to be paid, then the payment obligations of the Issuer and the Swap Counterparty under the Currency Agreement on such Quarterly Payment Date will be reduced *pro rata* by reference to such shortfall.

Termination of the Swap Agreements:

If AEGON Derivatives N.V. defaults on its obligation to make payments or deliver collateral under one or both Swap Agreements and the applicable grace period has expired, is declared bankrupt (*failliet*), or fails to make certain payments due from it to BNP Paribas under the Back-to-Back Swap Agreements, the Swap Agreements between the Issuer and the Initial Swap Counterparty will terminate and payments under the transactions entered into under the Back-Up Swap Agreements will become effective. In addition, each Swap Agreement will be terminable by either the Issuer or the Swap Counterparty, as applicable if (i) an applicable Event of Default or Termination Event (as defined in the relevant Swap Agreement) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Swap Agreements or (iii) an Enforcement Notice is served. Under the Swap Agreement, Events of Default (as defined in the relevant Swap Agreement) in relation to the Issuer will be limited to (i) non-payment under the Swap Agreement and (ii) certain insolvency events. Termination Events include, *inter alia*, the tax events and rating downgrade events described below. If a Swap Termination Event occurs as a result of an Event of Default or other Termination Event, the Event of Default or other Termination Event will be deemed not to apply for the purposes of the applicable termination provisions and instead, the provisions relating to a Swap Termination Event will apply and the Back-Up Swap Agreements will become active.

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 Agreements to pay the Swap Counterparty any additional amounts.

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 due to any action taken by a taxing authority or brought in by a court or

competent jurisdiction or due to a change in the law, the Swap Counterparty will be required pursuant to the terms of the Swap Agreements to pay to the Issuer any additional amounts.

In either of the tax events described immediately above, the Swap Counterparty will at its own cost, if it is unable to transfer its rights and obligations under the Swap Agreements to another office, have the right to terminate the relevant 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 Agreements will terminate if the Notes are redeemed early pursuant to Condition 6(f)(*Redemption following a clean-up call*), Condition 6(h)(*Redemption for tax reasons*) or Condition 6(i)(*Redemption for Regulatory Reasons*), or are accelerated as a result of a Notes Event of Default under the Conditions.

Upon the early termination of a 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 transaction entered into under such Swap Agreement. Upon termination other than as a result of a Swap Termination Event, 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). Upon termination as a result of a Swap Termination Event, a swap termination payment to the Initial Swap Counterparty and/or an upfront payment to the Back-Up Swap Counterparty will be due only if and to the extent that the Initial Swap Counterparty has delivered collateral to the Issuer at that time. In such circumstances, the amount of the termination payment will be based upon the Issuer's loss (or gains), as determined pursuant to the terms of the Swap Agreements. In addition, upon termination as a result of a Swap Termination Event, the Issuer or the Back-Up Swap Counterparty may be obligated to pay an amount equal to any missed payments outstanding at the time of the Swap Termination Event. See above under "*The Swap Agreements*" for further detail regarding termination of the Swap Agreements with the Initial Swap Counterparty as a result of a Swap Termination Event.

Ratings Downgrade of Swap Counterparty

Unless:

(a) the short-term, unsecured and unsubordinated debt obligations of the Swap Counterparty, or a guarantor of the Swap Counterparty's obligations under the Swap Agreements, or, prior to the occurrence of a Swap Termination Event, of the Back-Up Swap Counterparty, are rated at least as high as (x) Prime-1 by Moody's (if the long-term, unsecured and unsubordinated debt obligations of the Swap Counterparty, or a guarantor of the Swap Counterparty's obligations under the Swap Agreements, or, prior to the occurrence of a Swap Termination Event, of the Back-Up Swap Counterparty, are also rated at least as high as A2 by Moody's) or (y) the long-term unsecured and unsubordinated debt obligations of the Swap Counterparty, or a guarantor of the Swap Counterparty's obligations under the Swap Agreements, or, prior to the occurrence of a Swap Termination Event, of the Back-Up Swap Counterparty, are rated at least as high as A1 by Moody's (if the short-term, unsecured and unsubordinated debt obligations of the Swap Counterparty, or a guarantor of the Swap Counterparty's obligations under the Swap Agreements, or, prior to the occurrence of a Swap Termination Event, of the Back-Up Swap Counterparty, are not rated by Moody's); and

(b) the long-term issuer default rating of the Swap Counterparty, or a guarantor of the Swap Counterparty's obligations under the Swap Agreements, or, prior to the occurrence of a Swap Termination Event, the Back-Up Swap Counterparty, or a guarantor of the Back-Up Swap Counterparty under the Back-Up Swap Agreements (in each case if such entity is so rated by Fitch) is at least as high as A by Fitch (if the Notes are assigned a rating of AA- or above by Fitch) or BBB+ (if the Notes are assigned a rating of A+, A or A- by Fitch) or (y) the short-term issuer default

rating of the Swap Counterparty, or a guarantor of the Swap Counterparty's obligations under the Swap Agreements, or, prior to the occurrence of a Swap Termination Event, the Back-Up Swap Counterparty, or a guarantor of the Back-Up Swap Counterparty under the Back-Up Swap Agreements (in each case if such entity is so rated by Fitch), is at least as high as F1 by Fitch (if the Notes are assigned a rating of AA- or above by Fitch) or F2 by Fitch (if the Notes are assigned a rating of A+, A- or A by Fitch) (the ratings of the Swap Counterparty or a guarantor of the Swap Counterparty's obligations under the Swap Agreements, or the Back-Up Swap Counterparty, or a guarantor of the Back-up Swap Counterparty under the Back-Up Swap Agreements (in each case if such entity is so rated by Fitch), as applicable, referred to under item (a) above and this item (b) together, the **Swap Required Ratings**),

the Swap Counterparty will be required to take certain remedial measures which, depending on the then-current rating of the Swap Counterparty, may include the provision of collateral for the obligations of the Swap Counterparty under the Swap Agreements, arranging for the obligations of the Swap Counterparty under the Swap Agreements 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 Agreements, or the taking of such other action as is required to maintain or restore the rating of the relevant Notes by the relevant Rating Agency. A failure to take such steps, subject to certain conditions, will give the Issuer the right to terminate the Swap Agreements, in which event either the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party. If the failure to take such steps results in a Swap Termination Event, the swap transactions with the Initial Swap Counterparty will terminate and payments under the Back-Up Swap Agreements will become effective, as described above.

The Issuer, the Swap Counterparty and the Security Trustee have entered into a Credit Support Annex to each 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) and, prior to the occurrence of a Swap Termination Event, the Back-Up Swap Counterparty ceases to have at least the Swap Required Ratings. For so long as the Initial Swap Counterparty is the swap provider, the Initial Swap Counterparty will post collateral to the Issuer, pursuant to each Swap Agreement, based on the higher of the credit rating of the Initial Swap Counterparty and the credit rating of the Back-Up Swap Counterparty.

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 Credit Support Annex will be deposited. Any Excess Swap Collateral will be returned to such Swap Counterparty and, upon the occurrence of a Swap Termination Event certain amounts of such collateral shall be delivered by the Issuer to the Back-Up Swap Counterparty in order to satisfy the Issuer's obligation to deliver any Back-Up Swap Upfront Amount due to the Back-Up Swap Counterparty (outside of any priority of payments) prior to the distribution of any amounts due to the Noteholders or the other Security Beneficiaries. The Issuer will not be obliged to deliver any Back-Up Swap Upfront Amount (whether by delivery of such collateral or otherwise) if no such collateral is held by the Issuer at the time of the Swap Termination Event. See above under "*The Swap Agreements*" for further detail regarding termination of the Swap Agreements with the Initial Swap Counterparty as a result of a Swap Termination Event.

Rights of the Swap Counterparty with respect to modifications to the Conditions and the Transaction Documents

Pursuant to the Conditions and the Noteholders' meeting provisions set out in the Trust Deed, no Extraordinary Resolution (as set forth in Condition 14) of the Senior Class A Noteholders to sanction a change which would have the effect of:

(i) 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

(ii) accelerating or extending any date for payment of interest thereon, reducing or cancelling the amount of principal or altering the rate of interest payable (if applicable) 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 in each case unless (a) the Issuer has agreed thereto, and (b) the Swap Counterparty and, prior to the occurrence of a Swap Termination Event the Back-Up Swap Counterparty have agreed thereto (unless such change is immediately succeeded by a resolution or other action pursuant to which all Notes (other than the Subordinated Class F Notes) are redeemed), and (c) 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.

In view of the above-mentioned consent rights of the Swap Counterparty and the Back-Up Swap Counterparty, each effectively can veto these proposed modifications, amendments or waivers supported by the Noteholders.

In addition, pursuant to the Trust Deed, the Security Trustee has agreed not to consent to any modification to the Transaction Documents that would (i) in the reasonable opinion of the Swap Counterparty or, prior to the occurrence of a Swap Termination Event, the Back-Up Swap Counterparty, cause the Swap Counterparty to pay materially more or receive materially less than it would have if the modification had not been made or cause a decrease (from the Swap Counterparty's perspective) in the value of the swap transaction under either Swap Agreement; (ii) result in any of the Issuer's obligations to the Swap Counterparty under either Swap Agreement to be further contractually subordinated, relative to the level of subordination of such obligations as of the Closing Date, to the Issuer's obligation to any other Security Beneficiary; or (iii) require the Swap Counterparty or, following the occurrence of a Swap Termination Event, the Back-Up Swap Counterparty to pay materially more or to receive materially less in connection with replacing itself as Swap Counterparty than it would have if the modification had not been made; without the consent of the Swap Counterparty and, prior to the occurrence of a Swap Termination Event the Back-Up Swap Counterparty. Further, pursuant to the Trust Deed, the Security Trustee has agreed not to amend, or consent to any amendment to, either Back-Up Swap Agreement without the consent of the Initial Swap Counterparty, or to either Swap Agreement between the Initial Swap Counterparty and the Issuer without the consent of the Back-Up Swap Counterparty, in each case prior to the occurrence of a Swap Termination Event, where such consent is not to be unreasonably withheld or delayed.

Also pursuant to the Trust Deed, the Security Trustee shall consent to any amendment to a Swap Agreement in respect of which the Servicer has certified in writing to the Security Trustee (upon which certification the Security Trustee shall rely without further enquiry) that such amendment is required to reflect, and to ensure consistency with, the final adopted form of the criteria for derivative counterparty and supporting party risk that will be published by Fitch to reflect its "Proposed Enhancements to SF Counterparty Criteria to Address Changing Landscape" announced on 14 February 2012, provided that the Security Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Security Trustee, would have the effect of (i) exposing the Security Trustee to any additional liability or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Security Trustee in respect of the Notes, the Transaction Documents and/or the Conditions and further provided that the Security Trustee has received written confirmation from the relevant Swap Counterparty in respect of such Swap Agreement that it has consented to such amendment.

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, 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.

ARTICLE 122A OF THE CAPITAL REQUIREMENTS DIRECTIVE

Retention statement

In the Mortgage Receivables Purchase Agreement and in the Subscription Agreement, the Seller has undertaken, for as long as the Notes are outstanding, to retain a material net economic interest of not less than 5% 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** or **CRD**). As at the Closing Date, such interest will in accordance with Article 122a paragraph (1) sub-paragraph d) CRD be comprised of an interest in the first loss tranche within the meaning of Article 122a(1)(d) CRD and, if necessary, other tranches having the same or a more severe risk profile than those sold to investors. Such retention requirement will be satisfied at the Closing Date by the Seller holding the Retained Notes.

Any change in the manner in which this interest is held, to the extent allowed under Article 122a CRD will be notified to investors by the Issuer in its investor report, subject to the Issuer having received such information from the Seller.

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) CRD, which can be obtained from the Seller upon request. After the Closing Date, the Issuer will prepare quarterly investor reports wherein relevant information with regard to the Mortgage Loans and Mortgage Receivables will be disclosed publicly together with a confirmation of the retention of the material net economic interest by the Seller. Such information will be available on www.loanbyloan.eu.

Investors are required to assess compliance

Each prospective investor is required independently to assess and determine the sufficiency of the information referred to above for the purposes of complying with Article 122a CRD and none of the Issuer, the Seller (in its capacity as the Seller and the Servicer), the Company Administrator, the Security Trustee, the Arranger 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 set out in this section entitled 'Article 122a of the Capital Requirements Directive'.

Furthermore, each prospective Noteholder should ensure that they comply with the implementing provisions in respect of Article 122a CRD in its 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.

OVERVIEW OF THE DUTCH MORTGAGE LOAN MARKET

The Netherlands has a developed mortgage loan market. This has resulted in a wide range of mortgage loan products and a mortgage loan market that has certain characteristics that it does not share with other mortgage loan 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 loan market.

In the Netherlands mortgage loans are primarily provided by banks, followed by insurers and other financial institutions such as pension funds and building funds. The top ten lenders provide more than 80 per cent. of the mortgage loans. Below is an overview of the mortgage lending market share in the Netherlands (December 2011; Source: Land Registry).

Market share	**%**
Rabobank	26.90%
ING	18.40%
ABN AMRO	17.70%
AEGON	5.70%
Obvion	5.50%
SNS	4.90%
Westland Utrecht	3.50%
BNP	3.00%
Delta Lloyd	2.50%
Other	12.00%

Dutch mortgage loans are predominantly of a fixed rate nature and the fixed term is typically set for a period of between five and ten years.

Lending terms in the Netherlands generally allow a borrower to prepay 10 to 20 per cent. per annum of the original principal amount borrowed without penalty. Under the terms and conditions of most mortgage loans, full prepayment without penalty is only possible in exceptional cases. Borrowers are usually only allowed to prepay without a penalty in the case of death of the borrower, when moving to another property, or on an "interest-reset" date. If prepayment occurs outside of these scenarios, prepayment penalties may be significant: the borrower generally has to pay the lender compensation in line with the lender's loss of income, if any. This compensation equals the present value of the loss in interest income. However, prepayment penalties are tax deductible to the borrower.

Code of Conduct

In January 2007, the Dutch Association of Banks (*Nederlandse Vereniging van Banken*) introduced the Mortgage Code of Conduct (*Gedragscode Hypothecaire Financieringen*, the **Code of Conduct**). The aim of the Code of Conduct is to protect consumers from excessive mortgage debts, and applies to all standard product mortgage loans that are offered publicly by mortgage lenders complying with the Code of Conduct. It covers how lenders must adequately inform consumers in a clear and understandable way about the mortgage loan, borrower affordability calculations and terms and conditions that loan contracts must include. Affordability calculations under the Code of Conduct apply affordability tables prepared by NIBUD (*Nationaal Instituut voor Budgetvoorlichting*), an independent organisation that informs and advises on household finances, and regardless of the relevant mortgage product or interest rate assume the mortgage loan to be a 30 year amortising mortgage loan.

On 10 November 2010, NIBUD lowered the allowed debt-to-income ratio for residential mortgage lending, which took effect on 1 January 2011. As a consequence, households in 2011 were able to borrow a lower amount than in 2010 given the same income.

A revised Code of Conduct came into force in August 2011. The revised criteria, *inter alia*, limit the possibility of issuing mortgage loans which are higher than the value of the property which they are secured against. Households are no longer permitted to borrow more than 104 per cent. of the property's market value plus transfer tax. Under the previous iteration of the Code of Conduct, households could borrow approximately 110 per cent. of the property's market value (equivalent to 104 per cent. + 6 per cent., where 6 per cent. was the previous transfer tax rate). As the government has temporarily lowered the real estate transfer tax (*overdrachtsbelasting*) on residential properties from 6 per cent. to 2 per cent. for the period 15 June 2011 until 1 July 2012, see however below proposal to permanently reduce the transfer tax to 2 per cent., this rate now stands at 106 per cent (equivalent to 104 percent. + 2 per cent., where 2 per cent. is the new transfer tax rate). In addition, a new criterion of the Code is a limitation on interest-only mortgage loans (*aflossingsvrije hypotheek*) of up to 50 per cent. of the property value.

According to the Code of Conduct, mortgage lenders need to make enquiries at the National Credit Register (*Bureau Krediet Registratie*) (**BKR**) in the underwriting process and provide information to it regarding payment defaults by borrowers. BKR registers all loans as well as their status, and financial institutions use the historical information of the BKR to determine potential borrowers' creditworthiness. In case of BKR registrations, a consumer will find it significantly more difficult to obtain credit from Dutch financial institutions.

Stability Programme for the Netherlands 2012 (*Nederlandse Stabiliteitsprogramma 2012*)

On 26 April 2012, the Dutch Minister of Finance published a draft report for the European Commission, called Stability Programme for the Netherlands 2012 (*Nederlandse Stabiliteitsprogramma 2012*) in which it is, among others, proposed that the reduction of the real estate transfer tax as discussed above will be permanent. In addition it is also proposed that the maximum loan-to-value ratio will gradually be set at 100 per cent. Furthermore, it is proposed that the interest deductibility will be further restricted (See risk factor *Changes to tax deductibility of interest may result in adverse effects on house prices and an increase of defaults, prepayments and repayments* above).

Tax incentives for borrowers

The Dutch government promotes homeownership by offering relatively generous mortgage subsidies. The most important tax incentive is Mortgage Interest Deduction (*hypotheekrenteaftrek*), which allows taxpayers who own their home to reduce their taxable income by the amount of interest paid on the loan, which is secured by their primary residence. This type of tax deduction has been in effect in one form or another since 1893.

As a consequence of tax incentives, borrowers are encouraged to borrow and maintain the maximum loan balance permitted rather than reduce their debt over time. As a result, lenders have historically granted loans up to a maximum of 130 per cent. loan-to-foreclosure value (**LTFV**) which is approximately 117 per cent loan-to-value (**LTV**). The weighted average LTV in Dutch RMBS transactions is therefore high in comparison to their European counterparts. However, lenders typically limit interest-only mortgage loans to a figure below 100 per cent. LTV, with loan amounts in excess of this linked to a repayment vehicle, which is anticipated at origination to accumulate sufficient capital to repay that part of the mortgage loan at maturity.

As of January 2001, mortgage tax deductibility has been limited by new tax legislation. Firstly, deductibility applies only to mortgage loans on the borrower's primary residence. Secondly, interest deductibility on a

mortgage loan for a principal residence is only allowed for a period up to thirty (30) years. Lastly, the highest income tax rate has been reduced from 60% to 52%.

As of 2004, the tax deductibility of mortgage loan interest payments has been restricted under the Additional Borrowing regulation (*Bijleenregeling*). On the basis of this regulation, if a home owner acquires a new home and realises a profit on the sale of his old home, the home owner is required to invest this net profit into the new home. If not, mortgage loan interest deductibility is limited to the interest that relates to a maximum loan equal to the value of the new home less the net profit of the old home. Special rules apply to moving home owners that do not immediately sell their previous home.

Since the scale of government debt has been put under scrutiny since the onset of the economic crisis, political pressure has been mounting to limit the scope of the mortgage subsidy worth approximately €11 billion in 2009[1]. However, altering the Mortgage Interest Deduction is a controversial issue within Dutch politics. Recently, there have been a lot of discussions to reduce the levels of deductibility but there have been no legislative changes as of the date of this Prospectus. In its 2012 tax reform (**Belastingplan 2012**) the Dutch government affirmed its commitment to supporting the Dutch housing market by stating that mortgage interest deductibility remains unchanged.

Recent enquiry of the Dutch Competition Authority in the Dutch mortgage market

On 1 November 2010, the Netherlands Competition Authority (*Nederlandse Mededingingsautoriteit*, **NMa**) published the "Mortgage Rate Quick Scan", concluding that the margins on Dutch mortgage loans have been relatively high since mid 2009, both by historical standards and in comparison with neighbouring countries. This preliminary inquiry was part of a broader sector study of the level of competition on the mortgage market. In May 2011, the NMa published the results of the more extensive follow-up sector study. According to the NMa, the margins on Dutch mortgage loans have declined since the introduction of the Mortgage Rate Quick Scan and at the beginning of 2011 they were at levels comparable to those before the credit crisis. This decline in margins resulted in an increase in competition in the mortgage market. The investigation led to the conclusion that there has not been a price-fixing agreement among mortgage lenders or other violations of the Dutch Competitive Trading Act (*Mededingingswet*).

Trends in the Dutch housing market

Figures released on the Dutch residential property market in 2011 paint a mixed picture. The fourth quarter recorded a quarterly drop in house prices of 1.8 per cent., following a quarterly drop of 0.6 per cent. in the third quarter of the year. As of the fourth quarter of 2011, house prices were 3.4 per cent. lower compared to the same period in 2010.[2]

Alongside house prices, transaction volumes have also declined. 32,080 transactions were completed in the fourth quarter of 2011, down 5.9 per cent. from the fourth quarter of 2010. There are several factors behind this trend, including the lower borrowing capacity and economic uncertainty faced by buyers. As described previously, the lowering of the debt-to-income ratio by NIBUD means households can borrow less based on the same income and interest rate than they could in the previous year. Despite a marginal increase in supply, the unwillingness or inability for Sellers to reduce their prices has contributed to an increase in the average sale period for homes from 268 days to 271 days in the fourth quarter of 2011.

According to the CBS (*Central Bureau of Statistics*)[3], 56,000 new homes were completed in 2010 compared with almost 83,000 in 2009. This decline in completions was most marked in the non-rental sector (down by 39.8 per cent. since 2009), but even rental home completions declined considerably. In 2010, just over

[1] http://www.abnamro.nl/nl/prive/hypotheken/uitleg/hypotheekrenteaftrek.html
[2] Based on the Price index of Existing Houses (*Prijsindex Bestaande Koopwoningen - PBK-index*) of Statistics Netherlands/Land Registry (*Centraal Bureau voor de Statistiek/Kadaster*)
[3] *Centraal Bureau voor de Statistiek*, statline.cbs.nl

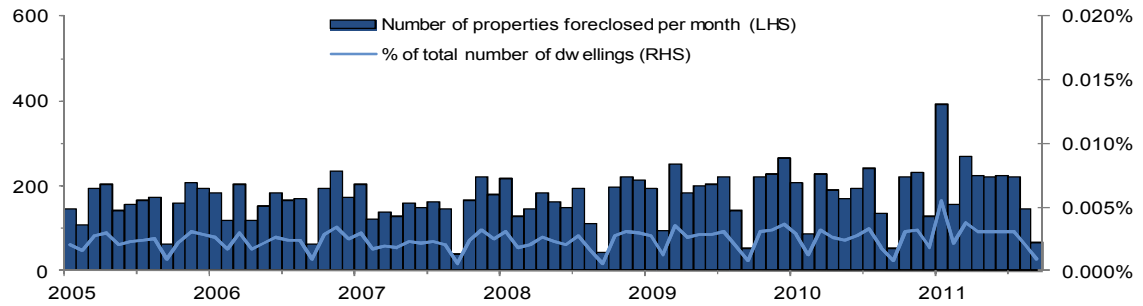
61,000 building permits were issued for new housing. This represents a drop of 16.0 per cent. compared to 2009.

Home foreclosures in the Netherlands

The proportion of mortgage loans foreclosed upon in the Netherlands is historically lower than in the rest of Europe and the US. The relatively prolonged economic downturn of 2001 to 2005 has led to a rise in foreclosures. The number of foreclosures reported by the Land Registry (*Kadaster*) has consistently been in excess of 1,800 per annum since 2005.

The Dutch land registry recorded a total of 2,811 forced sales in 2011 (0.039% of total dwellings) compared to 2,086 forced sales in 2010 (0.029% of total dwellings). Whilst the increase in foreclosures in the Netherlands over the previous years is relatively substantial, the absolute number is still very low compared to the total number of residential mortgage loans outstanding.

See graph below for historic data on foreclosures in the Netherlands (source: www.statline.cbs.nl).



Mortgage loan production trends

According to data provided by the Land Registry (*Kadaster*), 58,619 mortgage loans were provided in the fourth quarter of 2011. The number of mortgage loans provided decreased by 19.0 per cent. compared to the fourth quarter of 2010. The large spike in the number of mortgage loans that occurred in the fourth quarter of 2010 can be attributed mainly to the number of re-mortgages, which increased substantially. Premature re-mortgaging was financially appealing due to the lower mortgage interest rates in the autumn of 2010. Additionally, the adjusted NIBUD finance charge rates for 2011 and the implementation of the more stringent Code of Conduct for mortgage financing effective 1 August 2011 prompted homeowners to bring forward the re-mortgage of their home. A total of 204,283 mortgage loans are currently granted in the Netherlands on an annual basis; this represents a 19.0 per cent. decrease from 2010. Since mortgage loans are recorded in the Land Registry's system with a delay of several months, the effect of a lower transfer tax rate, and therefore growing transaction volumes, are likely to be reflected in the data during the first quarter of 2012.

Most of the information contained in this section "Overview of the Dutch Mortgage Loan Market" of this Prospectus has been obtained from public sources as identified that the Seller believes to be reliable, and has, according to the Seller been accurately reproduced and, as far as the Seller is aware and is able to ascertain from the relevant source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

AEGON[4]

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 number 27076669). AEGON was formed in 1983, the result of a merger between two Dutch insurance companies, AGO and Ennia.

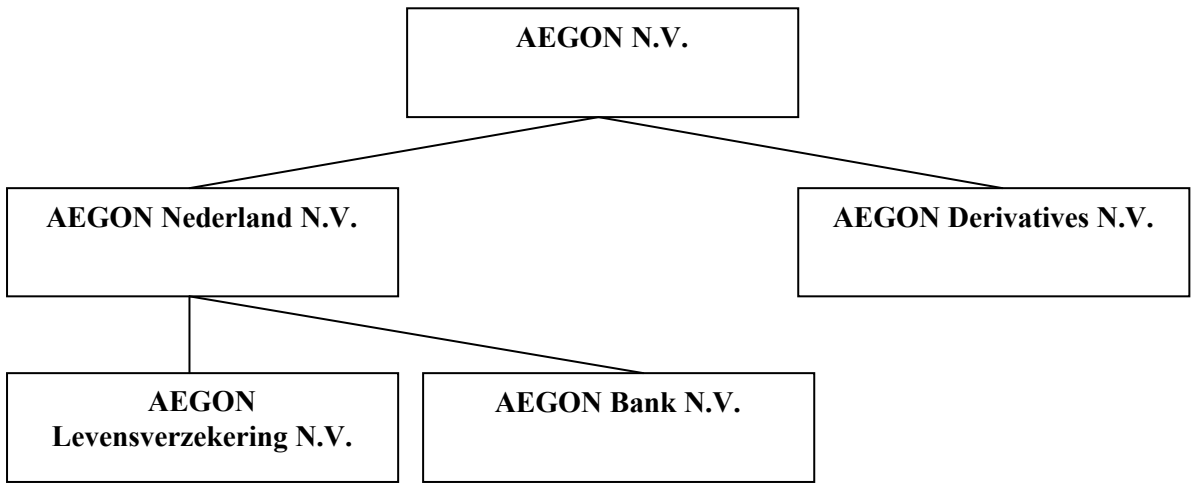
AEGON is the sole and direct shareholder of the under Dutch law incorporated public limited liability company AEGON Nederland N.V., registered in the Dutch trade register under nr. 27111251. AEGON Nederland N.V. is the sole and direct shareholder of the under Dutch law incorporated public limited liability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

AEGON N.V., through its member companies, collectively referred to as **AEGON** or the **AEGON Group**, is an international life insurance, pension and asset management company. 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 total AEGON is present in over 20 other markets in the Americas, Europe and Asia. AEGON Group employs approximately 25,000 people and has some 47 million customers across the globe.

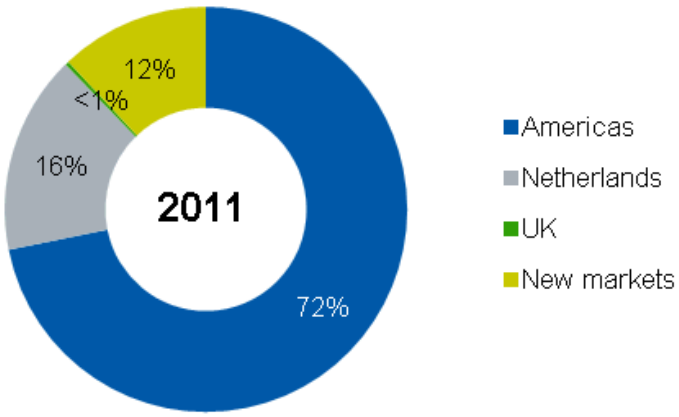
AEGON's headquarters are located at AEGONplein 50, P.O. Box 85, 2501 CB The Hague, the Netherlands (telephone +31 70 344 3210).

Simplified structure of AEGON Group



[4] 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.

Underlying earnings of AEGON Group before tax by geography FY 2011[5]

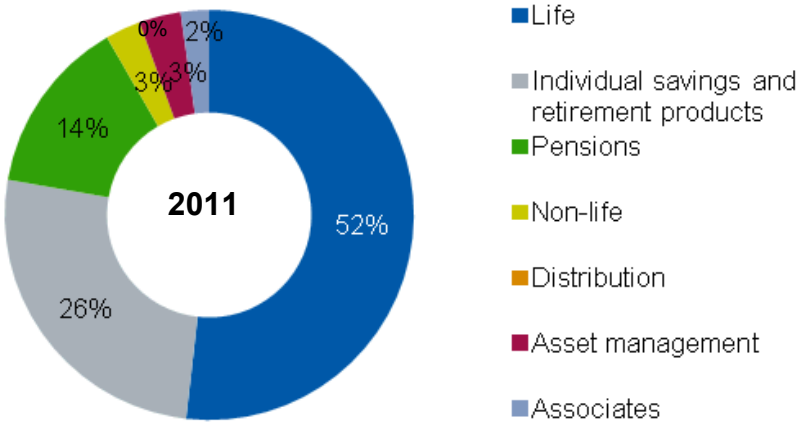


AEGON N.V. Credit ratings as at the date of this Prospectus

Rating Agency	Long-term		Short-term
	Rating	Outlook	Rating
S&P	A-	Stable	A-2
Moody's	A3	Stable	P-2
Fitch	A-	Stable	F1

Source: S&P, Moody's and Fitch

Underlying earnings AEGON N.V. before tax by line of business FY 2011[6]

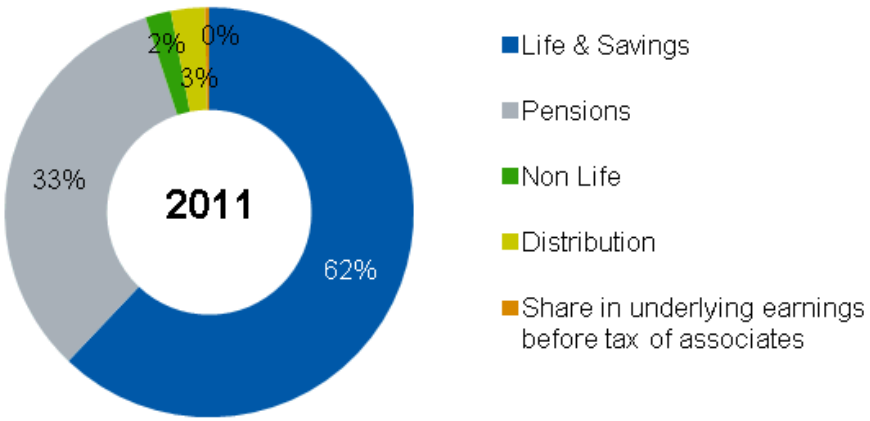


[5] Underlying earnings before tax by geography excluding "Holdings and other activities".
[6] Underlying earnings before tax by line of business excluding "Other".

AEGON Nederland N.V.

AEGON Nederland N.V. is a subsidiary of AEGON N.V. and offers a wide range of financial products and services to its clients, including pension, life insurance, mortgage loans, savings and investment products. The product range also includes protection and general insurances. AEGON Nederland N.V. announced a strategic transformation of the organisation in September 2011.

Underlying earnings of AEGON Nederland N.V. before tax FY 2011 by product segment



AEGON Levensverzekering N.V.

AEGON Levensverzekering N.V. is a subsidiary of AEGON Nederland N.V. and it is involved in pension, life insurance, mortgage loans, savings and investment products. As of the date of this Prospectus, AEGON Levensverzekering has a AA- (Stable) IFSR from S&P.

Key consolidated figures AEGON N.V. (in EUR million)[7,8]

	2011	2010	2009
Underlying earnings before tax			
Americas	1,310	1,459	761
The Netherlands	298	385	398
United Kingdom	5	72	52
New Markets	212	200	170
Holding and other	(303)	(283)	(252)
Underlying earnings before tax	**1,522**	**1,833**	**1,129**
Fair value items	(416)	221	(544)
Realized gains/(losses) on investments	446	658	518
Impairment charges	(388)	(452)	(1,277)
Other income/(charges)	(267)	(309)	(323)
Run-off businesses	28	(26)	43
Income before tax	**925**	**1,925**	**(454)**
Income tax	(53)	(165)	658
Net Income	**872**	**1,760**	**204**
Net underlying earnings[9]	**1,233**	**1,417**	**934**
Production[10]			
New life sales	1,835	2,081	1,950
Gross deposits	31,688	32,578	27,616
Value of new business (VNB)	332	514	693
Total revenue generating investments	423,518	413,191	362,832

[7] 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 12 May 2011 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.
[8] For the basis of preparation of the key figures, please refer to the 2011 annual report of AEGON N.V.
[9] Net underlying earnings are unaudited.
[10] Production numbers are unaudited.

AEGON files annual reports with and furnishes other information to the US 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. 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.

DESCRIPTION OF THE MORTGAGE LOANS

Products

The Mortgage Loans (or any Loan Parts thereof) comprising the Mortgage Receivables sold to and purchased by the Issuer pursuant to the Mortgage Receivables Purchase Agreement (the **Portfolio**) may consist of any of the following types of redemption:

- Linear mortgage loans (*lineaire hypotheek*)
- Interest-only mortgage (*aflossingsvrije hypotheek*)
- Annuity mortgage loans (*annuiteitshypotheek*)
- Investment mortgage loans (*beleggingshypotheek*)
- Traditional life insurance mortgage loans (*traditionele levenhypotheek*)
- Universal life mortgage loans (*levensloophypotheek*)
- Savings mortgage loans (*spaarhypotheek*)
- Bank savings mortgage loans (*bankspaarhypotheek*)

Borrowers may convert from one type of Mortgage Loan into another on interest reset dates.

Mortgage Type	Description
Linear Mortgage Loans:	A portion of the Portfolio Mortgage Loans or Loan Parts thereof will be 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). The aggregate monthly payments by borrowers, consequently, are higher in the beginning but decrease as the remaining term decreases. Linear mortgage loans do not have a large share of the mortgage market (typically less than 1%). This type of mortgage loan also typically has a decreasing loan to value (**LTV**), assuming no change in value of the relevant Mortgaged Asset over the life of the mortgage loan.
Interest-only Mortgage Loans:	A portion of the Portfolio Mortgage Loans (or Loan Parts thereof) will be 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). An Interest-only Mortgage Loan is usually redeemed either by selling the property or by taking a new mortgage loan. The underwriting criteria for this

type of loan are stricter than for the other mortgage loan types.

As no redemption is required under the current tax regime, the maximum amount of interest is deductible from income tax during the entire life of the mortgage (for a maximum period of thirty (30) years). The maximum legal maturity of an Interest-only Mortgage Loan is one hundred (100) years minus the age of the youngest Borrower of such Interest-only Mortgage Loan at the time of origination. As the Interest-only Mortgage Loan has no principal payments other than at maturity and assuming there is no change in value of the relevant Mortgaged Asset, the LTV is not decreasing during the life of the mortgage.

Annuity Mortgage Loans: A portion of the Portfolio Mortgage Loans (or Loan Parts thereof) will be annuity mortgage loans (hereinafter **Annuity Mortgage Loans**). Under an Annuity Mortgage Loan, the Borrower pays a fixed monthly instalment, comprised of an initially high and thereafter decreasing interest portion and an initially low and thereafter increasing principal portion.

The Borrower pays the same cash amount on a monthly basis 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 Loans run for a fixed term, usually 30 years. By the time the maturity of the mortgage loan is reached, principal will have been fully repaid. Hence, the LTV of the Annuity Mortgage Loans decreases as maturity approaches.

Investment Mortgage Loans: A portion of the Portfolio Mortgage Loans or parts thereof will be 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. It is the intention that an Investment Mortgage Loan will be fully or partially repaid with the proceeds of the investments made for the account of the relevant Borrower.

See *Risk Factors* for certain specific set-off risks associated with Investment Mortgage Loans.

Life Mortgage Loans: A portion of the Portfolio Mortgage Loans (or Loan Parts thereof) will be life mortgage loans (hereinafter **Life Mortgage Loans**). The Borrowers have taken out the related life insurance policies with the Insurance Company (such policies referred to as the **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.

As the Life Mortgage Loans have no principal payments other than at maturity, and assuming there is no change in value of the relevant Mortgaged Asset, the LTV is not decreasing during the life of the Life Mortgage Loan.

See *Risk Factors* for certain specific set-off risks associated with Life Mortgage Loans.

Universal Life Mortgage Loans:

A portion of the Portfolio Mortgage Loans (or Loan Parts thereof) will be 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.

The Borrowers have taken out the related insurance policies with the Insurance Company (a **Savings Investment Insurance Policy**). 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 (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. Universal Life Mortgage Loans whereby the premiums (or part thereof) are invested in the LHR are hereinafter referred to as **Savings Investment Mortgage Loans**.

Premiums invested in LHR (the **Savings Investment Premium**) will be on-paid to the Issuer by the Insurance Company pursuant to the relevant Sub-Participation Agreement (see the section *Sub-Participation Agreement*). Although the LTV of Savings Investment Mortgage Loans does not decrease because no redemption payments are made prior to maturity of the Savings Investment Mortgage Loan, assuming there is no change in value of the relevant Mortgaged Asset, de facto the net exposure decreases to the extent Savings Investment Premiums are paid under the LHR. This decrease is reflected in a decreasing net LTV in the stratification tables. To the extent a Conversion Participation exists in respect of a Universal Life Mortgage Loan, the LTV in the stratification tables will take this into consideration. The Issuer applies the Savings Investment Premiums as part of the Available Principal Funds.

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. The insurance proceeds may not be sufficient to meet repayment of the loan in full, depending on the performance of the fund, unless the premiums have always been fully invested in LHR, in which case the return should be equal to the principal amount of the mortgage loan. The Borrower must make whole any shortfall.

See *Risk Factors* for a discussion of certain set-off risks associated with Universal Life Mortgage Loans.

At the date of this Prospectus, the majority of the investments under Universal Life Mortgage Loans goes to either (i) AEGON Mix fund (approximately 25% equity, 55% bonds, 20% commodities/real estate/cash) with a guaranteed return if used for a minimum of ten years or (ii) LHR.

Savings Mortgage Loans:

A portion of the Portfolio Mortgage Loans (or Loan Parts thereof) will be 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**). Savings Premiums received by the Insurance Company, will be on-paid by the Insurance Company pursuant to the Insurance Savings Sub-Participation Agreement to the Issuer (see below under *Sub-Participation Agreements*) and economically serve as principal repayments. The Issuer will accordingly apply the Savings Investment Premiums as part of the Available Principal Funds.

Although the LTV of Savings Mortgage Loans does not decrease because no redemption payments are made prior to maturity of the Savings Mortgage Loan, assuming there is no change in the value of the Mortgaged Asset, *de facto* the net exposure decreases taking into account the receipt by the Issuer of the Savings Premiums. This decrease is reflected in a decreasing net LTV in the stratification tables. It is the intention that the Savings Mortgage Loans will be fully repaid by means of the proceeds of the Savings Insurance Policies.

See *Risk Factors* for certain specific set-off risks associated with Savings Mortgage Loans.

Bank Savings Mortgage Loans:

A portion of the Mortgage Loans (or Loan Parts thereof) may be bank savings mortgage loans (*bankspaarhypotheken* and hereinafter **Bank Savings Mortgage Loans**), which consist of Mortgage Loans combined with a blocked savings account (the **Bank Savings Account**) held with the Bank Savings Mortgage Participant. Under a Bank Savings Mortgage Loan, the Borrower is only required to pay interest until maturity and is not required to pay principal until maturity. The Borrower undertakes to pay a monthly deposit in the Bank Savings Account (the **Monthly Bank Savings Deposit Instalment**). The Monthly Bank Savings Deposit Instalment is calculated in such a manner that, on an annuity basis, the balance standing to the credit of the Bank Savings Account (the **Bank Savings Deposit**) is equal to the amount due by the Borrower upon maturity of the Bank Savings Mortgage Loan, thus similar to the way a traditional Savings Mortgage Loan works. The Bank Savings Deposit is pledged to the Seller.

The Monthly Bank Savings Deposit Instalments will be paid to the Issuer by the Bank Savings Mortgage Participant pursuant to the Bank Savings Sub-Participation Agreement. The Issuer will accordingly apply the Bank Savings Deposit Instalments as part of the Available Principal Funds.

Although the LTV of Bank Mortgage Loans does not decrease because no redemption payments are made prior to maturity of the Bank Savings Mortgage Loan, assuming there is no change in the value of the Mortgaged Asset, *de facto* the net exposure decreases taking into account the receipt by the Issuer of the Bank Savings Deposit. The stratification tables in respect of Bank Savings Mortgage Loans therefore take into consideration the building up of the Bank Savings Deposits.

See *Risk Factors – Risk of set-off or defences regarding Bank Savings Mortgage Loans.*

Risk Insurance Policies In the event and to the extent the relevant Portfolio Mortgage Loan (excluding NHG Mortgage Loans) exceeds 90% of the loan to foreclosure value of the relevant Mortgaged Asset each Portfolio Mortgage Loan has 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 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.

For a description of NHG Mortgage Loans see *NHG Guarantee Programme*.

The Portfolio as of the Cut-off Date

The key characteristics of the Portfolio Mortgage Loans as of the Cut-off Date forming part of the pool selected as at such date are set out below. Each mortgage loan can consist of one or more mortgage loan parts, e.g. an interest only loan part and a savings mortgage loan part or parts with different interest reset dates and/or different final maturities. The Portfolio Mortgage Loans as of the Cut-off Date 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 Portfolio Mortgage Loans (or in case of Portfolio Mortgage Loans consisting of more than one Loan Part, the aggregate of such Loan Parts) as of the Cut-off Date 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 Portfolio Mortgage Loan and is vested over property situated in the Netherlands. The Portfolio Mortgage Loans and the Mortgage Rights securing the liabilities arising therefrom are governed by Dutch law. The Mortgage Rights securing the 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 as of the Cut-off Date 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 Portfolio as of the Cut-off Date

In Table 1 the key characteristics of the Portfolio as of the Cut-Off Date 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	1-Feb-2012
Outstanding Principal Balance (EUR)	754,208,473.30
Savings (EUR)	33,593,188.45
Outstanding Net Principal Balance (EUR)	720,615,284.85
Average Loan Balance (EUR)	193,974.50
Minimum Loan Balance (EUR)	5,000.00
Maximum Loan Balance (EUR)	695,396.77
Number of Loans	3,715
Number of Loanparts	7,085
WA Seasoning (months)	39.36
WA Maturity (months)	525.88
WA Remaining Fixed Rate Period (months)	184.51
WA Coupon (%)	4.99
Minimum Coupon (%)	3.00
Maximum Coupon (%)	9.20
Construction Amount (EUR)	6,148,278.90
WA Loan to Foreclosure Value (%)	89.56%
WA Loan to Foreclosure Value (hdexed) (%)	93.65%
WA Loan to Market Value (%)	80.61%
WA Loan to Market Value (Indexed) (%)	84.28%

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

** The WA Seasoning is based on the origination date of the deed not taking into account changes to the Loan Parts.

*** The WA Loan to Foreclosure Value is based on the 'Net Outstanding Principal Amount' divided by the 'foreclosure value upon origination of the Mortgage Loan'.

**** The 'WA Remaining Fixed Interest Rate Period is based on both Mortgage Loans with a fixed interest rate and Mortgage Loans with a floating interest rate. The term of the Mortgage Loans with a floating rate has been set to zero.

Type of mortgage loan

The distribution of the Portfolio (both by net principal balance and by number of Loan Parts) by reference to redemption type is set out in Table 2. As part of the 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	of Loanparts (%)	WA LTFV (%)	WA Coupon (%)
Investment Mortgage	42,239,153	*5.9%*	286	*4.0%*	98.12%	4.52
Linear	11,323	-	1	*0.0%*	9.93%	3.00
Universal Life Mortgage	79,422,411	*11.0%*	655	*9.2%*	94.43%	5.12
Savings Mortgage	210,924,862	*29.3%*	2,018	*28.5%*	94.68%	5.34
Annuity	5,565,003	*0.8%*	137	*1.9%*	89.66%	5.18
Interest Only	359,540,684	*49.9%*	3,748	*52.9%*	84.29%	4.83
Traditional life	22,911,849	*3.2%*	240	*3.4%*	92.50%	4.61
Total	**720,615,285**	***100.0%***	**7,085**	***100.0%***	**89.56%**	**4.99**

Geographical distribution

The distribution of the Portfolio (both by net principal balance and by number of Mortgage Loans) by reference to geographical distribution is set out in Table 3. Amsterdam is situated in Noord-Holland. The Hague and Rotterdam are situated in Zuid-Holland. In Noord-Brabant cities as Eindhoven and Den Bosch are situated.

Table 3 Geographical distribution

Geographical Distribution						
Province	Balance (EUR)	Balance (%)	Nr of Loans	Nr of Loans (%)	WA LTFV (%)	WA Coupon (%)
Brabant	116,079,776	*16.1%*	580	*15.6%*	86.02%	4.97
Drenthe	15,761,436	*2.2%*	94	*2.5%*	88.25%	4.93
Flevoland	14,464,991	*2.0%*	84	*2.3%*	92.30%	5.01
Friesland	26,138,471	*3.6%*	162	*4.4%*	87.50%	4.82
Gelderland	83,074,962	*11.5%*	427	*11.5%*	87.06%	4.99
Groningen	32,453,937	*4.5%*	197	*5.3%*	87.56%	4.91
Limburg	42,765,230	*5.9%*	248	*6.7%*	87.94%	5.15
Noord-Holland	109,743,086	*15.2%*	507	*13.7%*	91.30%	4.91
Overijssel	54,684,262	*7.6%*	301	*8.1%*	88.99%	4.95
Utrecht	61,203,282	*8.5%*	271	*7.3%*	94.39%	4.98
Zeeland	30,341,816	*4.2%*	171	*4.6%*	94.60%	5.10
Zuid-Holland	133,904,037	*18.6%*	673	*18.1%*	90.91%	5.05
Total	**720,615,285**	***100.0%***	**3,715**	***100.0%***	**89.56%**	**4.99**

Interest rates

The distribution of the Portfolio (both by net principal balance and by number of Loan Parts) by reference to interest rates is set out in Table 4.

Table 4 Interest rates

Interest Rate						
Rate	Balance (EUR)	Balance (%)	Nr of Loanparts	of Loanparts (%)	WA LTFV (%)	WA Coupon (%)
<= 2.50%	-	-	-	-	0.00%	-
2.50% - 3.00%	11,323	-	1	*0.0%*	9.93%	3.00
3.00% - 3.50%	7,385,184	*1.0%*	89	*1.3%*	84.59%	3.26
3.50% - 4.00%	52,946,592	*7.4%*	476	*6.7%*	86.65%	3.79
4.00% - 4.50%	97,289,085	*13.5%*	853	*12.0%*	93.32%	4.32
4.50% - 5.00%	204,276,373	*28.4%*	1,957	*27.6%*	90.39%	4.81
5.00% - 5.50%	224,393,555	*31.1%*	2,257	*31.9%*	90.12%	5.27
5.50% - 6.00%	117,016,730	*16.2%*	1,240	*17.5%*	87.08%	5.71
6.00% - 6.50%	11,452,281	*1.6%*	124	*1.8%*	89.08%	6.22
6.50% - 7.00%	3,385,575	*0.5%*	49	*0.7%*	63.70%	6.75
7.00% - 7.50%	1,791,581	*0.3%*	26	*0.4%*	58.71%	7.28
7.50% - 8.00%	252,853	*0.0%*	7	*0.1%*	40.13%	7.75
8.00% - 8.50%	195,809	*0.0%*	2	*0.0%*	55.59%	8.33
8.50% - 9.00%	122,036	*0.0%*	2	*0.0%*	43.87%	8.67
9.00% - 9.50%	96,306	*0.0%*	2	*0.0%*	50.70%	9.20
Total	**720,615,285**	***100.0%***	**7,085**	***100.0%***	**89.56%**	**4.99**

Seasoning

The distribution of the Portfolio (both by net principal balance and by number of Loan Parts) by reference to the year of origination is set out in Table 5.

Table 5 Seasoning

Seasoning						
Year of origination	Balance (EUR)	Balance (%)	Nr of Loanparts	of Loanparts (%)	WA LTFV (%)	WA Coupon (%)
< 1995	-	-	-	-	0.00%	-
1995 - 2000	17,899,225	*2.5%*	228	*3.2%*	64.70%	5.77
2000	3,786,471	*0.5%*	39	*0.6%*	71.67%	5.59
2001	2,439,187	*0.3%*	25	*0.4%*	79.46%	5.24
2002	7,916,679	*1.1%*	51	*0.7%*	90.80%	5.13
2003	9,347,944	*1.3%*	67	*0.9%*	90.57%	4.91
2004	6,509,797	*0.9%*	52	*0.7%*	94.72%	4.63
2005	39,014,587	*5.4%*	298	*4.2%*	98.51%	4.52
2006	28,626,249	*4.0%*	251	*3.5%*	99.85%	4.32
2007	71,866,855	*10.0%*	804	*11.3%*	86.81%	4.72
2008	121,375,114	*16.8%*	1,433	*20.2%*	80.40%	5.22
2009	123,250,182	*17.1%*	1,320	*18.6%*	87.43%	5.40
2010	119,271,224	*16.6%*	1,166	*16.5%*	94.04%	4.89
2011	169,311,771	*23.5%*	1,351	*19.1%*	94.76%	4.82
> 2011	-	-	-	-	0.00%	-
Total	**720,615,285**	***100.0%***	**7,085**	***100.0%***	**89.56%**	**4.99**

** Agreed-upon procedures tests performed prior to the Closing Date have disclosed that in respect of some of the Mortgage Loans, the origination date in AEGON's mortgage administration system was replaced by the relevant interest rate reset date, hence such Mortgage Loans show a more recent origination date in the table above than is in fact the case.*

Legal maturity

The distribution of the Portfolio (both by net principal balance and by number of Loan Parts) by reference to the legal maturity of the Loan Part is set out in Table 6.

Table 6 Legal maturity

Legal Maturity						
Year of maturity	Balance (EUR)	Balance (%)	Nr of Loanparts	of Loanparts (%)	WA LTFV (%)	WA Coupon (%)
< 2012	-	-	-	-	0.00%	-
2012 - 2020	6,889,851	*1.0%*	111	*1.6%*	60.90%	5.45
2020 - 2030	33,696,270	*4.7%*	453	*6.4%*	76.84%	5.41
2030 - 2040	265,329,151	*36.8%*	2,331	*32.9%*	95.43%	5.10
2040 - 2050	77,441,783	*10.7%*	662	*9.3%*	92.70%	5.02
2050 - 2060	46,451,639	*6.4%*	428	*6.0%*	68.36%	4.75
2060 - 2070	94,928,092	*13.2%*	949	*13.4%*	77.98%	4.78
2070 - 2080	121,688,451	*16.9%*	1,244	*17.6%*	92.82%	4.82
2080 - 2090	74,190,049	*10.3%*	907	*12.8%*	96.49%	4.99
>2090	-	-	-	-	0.00%	-
Total	**720,615,285**	***100.0%***	**7,085**	***100.0%***	**89.56%**	**4.99**

Remaining fixed interest period

The distribution of the Portfolio (both by net principal balance and by number of Loan Parts) by reference to the remaining fixed interest period is set out in Table 7.

Table 7 Remaining fixed interest period

Remaining Fixed Interest Period						
Nr of Months	Balance (EUR)	Balance (%)	Nr of Loanparts	of Loanparts (%)	WA LTFV (%)	WA Coupon (%)
Floating	58,347,929	*8.1%*	551	*7.8%*	91.34%	3.81
<= 12	10,716,035	*1.5%*	99	*1.4%*	95.54%	4.60
12 - 24	15,426,653	*2.1%*	125	*1.8%*	97.80%	4.70
24 - 36	6,860,580	*1.0%*	73	*1.0%*	87.04%	5.32
36 - 48	11,657,624	*1.6%*	127	*1.8%*	87.39%	4.78
48 - 60	18,174,697	*2.5%*	179	*2.5%*	95.25%	4.96
60 - 72	14,398,715	*2.0%*	177	*2.5%*	88.61%	5.28
72 - 84	19,782,687	*2.8%*	200	*2.8%*	87.29%	5.29
84 - 96	32,478,655	*4.5%*	339	*4.8%*	91.47%	5.35
96 - 108	73,491,701	*10.2%*	686	*9.7%*	95.77%	4.70
108 - 120	38,551,174	*5.4%*	338	*4.8%*	98.90%	4.93
120 - 144	8,853,281	*1.2%*	97	*1.4%*	85.29%	5.09
144 - 168	10,394,063	*1.4%*	104	*1.5%*	84.58%	4.81
168 - 192	35,514,949	*4.9%*	353	*5.0%*	88.45%	4.73
192 - 216	22,630,087	*3.1%*	267	*3.8%*	85.01%	5.39
216 - 240	100,811,365	*14.0%*	708	*10.0%*	93.53%	5.06
240 - 300	31,183,338	*4.3%*	331	*4.7%*	88.29%	5.18
300 >	211,341,751	*29.3%*	2,331	*32.9%*	83.39%	5.30
Total	**720,615,285**	***100.0%***	**7,085**	***100.0%***	**89.56%**	**4.99**

Type of employment

The distribution of the Portfolio (both by net principal balance and by number of Mortgage Loans) by reference to the type of employment is set out in Table 8.

Table 8 Type of employment

Borrower Employment Type						
Employment Type	Balance (EUR)	Balance (%)	Nr of Loans	Nr of Loans (%)	WA LTFV (%)	WA Coupon (%)
Employed	656,768,735	*91.1%*	3,386	*91.1%*	90.57%	5.01
Pensioner	13,914,666	*1.9%*	115	*3.1%*	55.30%	4.67
Self employed	46,758,258	*6.5%*	183	*4.9%*	88.21%	4.75
Unemployed	3,173,626	*0.4%*	31	*0.8%*	51.41%	4.75
Total	**720,615,285**	***100.0%***	**3,715**	***100.0%***	**89.56%**	**4.99**

Underlying property

The distribution of the 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 9.

Table 9 Underlying property

Property Type						
Property	Balance (EUR)	Balance (%)	Nr of Loans	Nr of Loans (%)	WA LTFV (%)	WA Coupon (%)
Apartment	78,421,820	*10.9%*	460	*12.4%*	93.31%	5.00
Single Family House	468,997,624	*65.1%*	2,409	*64.9%*	90.23%	4.98
Single Family House With Garage	173,195,840	*24.0%*	846	*22.8%*	86.07%	4.99
Total	**720,615,285**	***100.0%***	**3,715**	***100.0%***	**89.56%**	**4.99**

Loan Size

The distribution of the Portfolio (both by net principal balance and by number of Mortgage Loans) by reference to the size of the Mortgage Loan is set out in Table 10.

Table 10 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	3,303,737	*0.5%*	96	*2.6%*	32.64%	5.64
50,000 - 100,000	31,746,307	*4.4%*	394	*10.6%*	53.44%	5.24
100,000 - 150,000	113,276,266	*15.7%*	888	*23.9%*	75.79%	5.11
150,000 - 200,000	159,963,983	*22.2%*	918	*24.7%*	87.14%	5.04
200,000 - 250,000	131,600,589	*18.3%*	588	*15.8%*	94.09%	4.96
250,000 - 300,000	101,584,152	*14.1%*	373	*10.0%*	98.26%	4.95
300,000 - 350,000	56,475,258	*7.8%*	175	*4.7%*	95.13%	4.92
350,000 - 400,000	44,640,628	*6.2%*	119	*3.2%*	102.82%	4.90
400,000 - 450,000	32,486,039	*4.5%*	76	*2.1%*	100.86%	4.85
450,000 - 500,000	20,416,504	*2.8%*	43	*1.2%*	101.62%	4.77
500,000 - 600,000	19,290,294	*2.7%*	36	*1.0%*	100.52%	4.66
600,000 - 700,000	5,831,527	*0.8%*	9	*0.2%*	101.93%	4.47
>700,000	-	-	-	-	0.00%	-
Total	**720,615,285**	***100.0%***	**3,715**	***100.0%***	**89.56%**	**4.99**

Debt to Income Ratio

The distribution of the Portfolio (both by net principal balance and by number of Mortgage Loans) by reference to the Debt to Income Ratio is set out in Table 11.

Table 11 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	1,175,415	*0.2%*	31	*0.8%*	26.79%	4.91
1.00 - 2.00	15,469,996	*2.2%*	179	*4.8%*	51.91%	5.10
2.00 - 3.00	74,573,140	*10.4%*	524	*14.1%*	72.48%	5.02
3.00 - 3.50	92,447,536	*12.8%*	512	*13.8%*	85.78%	5.02
3.50 - 4.00	113,538,578	*15.8%*	583	*15.7%*	88.57%	5.04
4.00 - 4.50	162,671,600	*22.6%*	799	*21.5%*	93.94%	4.97
4.50 - 5.00	169,980,070	*23.6%*	754	*20.3%*	95.30%	5.01
5.00 - 5.50	67,301,121	*9.3%*	246	*6.6%*	96.83%	4.88
5.50 - 6.00	22,476,154	*3.1%*	83	*2.2%*	98.83%	4.64
6.00 - 6.50	981,675	*0.1%*	4	*0.1%*	95.77%	4.81
>6.50	-	-	-	-	0.00%	-
Total	**720,615,285**	***100.0%***	**3,715**	***100.0%***	**89.56%**	**4.99**

Current Loan to Original Foreclosure Value (LT original FV)

The distribution of the Portfolio (both by net principal balance and by number of Mortgage Loans) by reference to the Current Loan to Original Foreclosure Value is set out in Table 12.

Table 12 Current Loan to Original Foreclosure Value[11]

Current Loan to Original Foreclosure Value						
LTFV	Balance (EUR)	Balance (%)	Nr of Loans	Nr of Loans (%)	WA LTFV (%)	WA Coupon (%)
0% - 30%	8,033,539	*1.1%*	132	*3.6%*	22.86%	5.15
30% - 40%	13,056,550	*1.8%*	126	*3.4%*	35.99%	5.02
40% - 50%	23,710,503	*3.3%*	206	*5.6%*	45.72%	5.08
50% - 60%	36,222,717	*5.0%*	257	*6.9%*	55.14%	4.93
60% - 70%	53,592,181	*7.4%*	321	*8.6%*	65.47%	4.97
70% - 80%	80,453,900	*11.2%*	437	*11.8%*	75.03%	4.97
80% - 90%	122,588,459	*17.0%*	648	*17.4%*	85.77%	5.00
90% - 100%	124,698,498	*17.3%*	612	*16.5%*	94.65%	5.14
100% - 110%	99,673,661	*13.8%*	374	*10.1%*	105.34%	4.95
110% - 120%	129,561,173	*18.0%*	484	*13.0%*	115.11%	4.87
120% - 125%	29,024,105	*4.0%*	118	*3.2%*	121.61%	4.92
> 125%	-	-	-	-	0.00%	-
Total	**720,615,285**	***100.0%***	**3,715**	***100.0%***	**89.56%**	**4.99**

Current Loan to Indexed Foreclosure Value (LT indexed FV)

The distribution of the Portfolio (both by net principal balance and by number of Mortgage Loans) by reference to the Current Loan to Indexed Foreclosure Value is set out in Table 13.

Table 13 Current Loan to Indexed Foreclosure Value

Current Loan to Indexed* Foreclosure Value						
Indexed LTFV	Balance (EUR)	Balance (%)	Nr of Loans	Nr of Loans (%)	WA LTFV (%)	WA Coupon (%)
0% - 30%	10,120,414	*1.4%*	166	*4.5%*	30.56%	5.58
30% - 40%	13,534,656	*1.9%*	132	*3.6%*	45.06%	5.23
40% - 50%	21,104,031	*2.9%*	181	*4.9%*	47.32%	5.07
50% - 60%	33,310,063	*4.6%*	242	*6.5%*	54.51%	4.97
60% - 70%	39,784,876	*5.5%*	243	*6.5%*	62.75%	4.92
70% - 80%	67,179,848	*9.3%*	353	*9.5%*	71.67%	4.86
80% - 90%	83,139,530	*11.5%*	435	*11.7%*	80.93%	4.94
90% - 100%	118,797,689	*16.5%*	619	*16.7%*	89.86%	5.08
100% - 110%	121,669,325	*16.9%*	560	*15.1%*	98.56%	5.08
110% - 120%	121,453,439	*16.9%*	429	*11.6%*	110.33%	4.89
120% - 125%	57,777,272	*8.0%*	221	*6.0%*	117.20%	4.87
125% - 130%	27,446,866	*3.8%*	110	*3.0%*	119.83%	5.01
130% - 135%	5,297,274	*0.7%*	24	*0.7%*	120.73%	4.98
> 135%	-	-	-	-	0.00%	-
Total	**720,615,285**	***100.0%***	**3,715**	***100.0%***	**89.56%**	**4.99**

** Current Loan to Indexed Foreclosure Value is defined as: (Net Outstanding Principal Amount – Total Savings Amount)/Indexed Foreclosure Value*

** Indexed Foreclosure Value is defined as: Original Foreclosure Value * Index

*** Index is based on Kadaster Data up to December 2011

[11] The Loan-to-Foreclosure-Value of most loans is based on the foreclosure value upon origination of the Mortgage Loans except for a few Mortgage 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 Portfolio (both by net principal balance and by number of Mortgage Loans) by reference to the Current Loan to Original Market Value is set out in Table 14.

Table 14 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%	10,623,810	*1.5%*	163	*4.4%*	24.96%	5.15
30% - 40%	18,028,346	*2.5%*	163	*4.4%*	39.35%	5.03
40% - 50%	37,514,246	*5.2%*	292	*7.9%*	50.64%	4.96
50% - 60%	47,012,854	*6.5%*	303	*8.2%*	61.74%	4.98
60% - 70%	85,806,740	*11.9%*	463	*12.5%*	72.64%	4.94
70% - 80%	115,500,052	*16.0%*	624	*16.8%*	84.07%	5.01
80% - 90%	147,870,298	*20.5%*	731	*19.7%*	93.85%	5.12
90% - 100%	109,276,143	*15.2%*	412	*11.1%*	105.80%	4.93
100% - 110%	142,757,223	*19.8%*	539	*14.5%*	116.40%	4.89
110% - 120%	6,225,572	*0.9%*	25	*0.7%*	122.74%	4.97
> 120%	-	-	-	-	0.00%	-
Total	**720,615,285**	***100.0%***	**3,715**	***100.0%***	**89.56%**	**4.99**

** Current Loan to Original Market Value is defined as: (Net Outstanding Principal Amount)/Original Market Value*

** The Original Market Value is defined as Original Foreclosure Value/0.9

Current Loan to Indexed Market Value (LT indexed MV)

The distribution of the Portfolio (both by net principal balance and by number of Mortgage Loans) by reference to the Current Loan to Indexed Market Value is set out in Table 15.

Table 15 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%	12,791,803	*1.8%*	197	*5.3%*	32.31%	5.51
30% - 40%	20,384,019	*2.8%*	183	*4.9%*	45.38%	5.15
40% - 50%	27,509,024	*3.8%*	222	*6.0%*	51.39%	5.04
50% - 60%	41,314,245	*5.7%*	274	*7.4%*	58.79%	4.91
60% - 70%	65,091,433	*9.0%*	349	*9.4%*	69.45%	4.89
70% - 80%	90,616,067	*12.6%*	476	*12.8%*	79.27%	4.92
80% - 90%	129,264,517	*17.9%*	670	*18.0%*	89.46%	5.06
90% - 100%	135,201,330	*18.8%*	604	*16.3%*	99.27%	5.07
100% - 110%	135,948,899	*18.9%*	488	*13.1%*	111.96%	4.86
110% - 120%	62,164,503	*8.6%*	251	*6.8%*	119.17%	4.98
120% - 125%	329,444	*0.1%*	1	*0.0%*	122.70%	4.77
> 125%	-	-	-	-	0.00%	-
Total	**720,615,285**	***100.0%***	**3,715**	***100.0%***	**89.56%**	**4.99**

** Current Loan to Indexed Market Value is defined as: (Net Outstanding Principal Amount)/Indexed Market Value*

** Indexed Market Value is defined as: Original Market Value * Index

*** Index is based on Kadaster Data up to December 2011

**** The Original Market Value is defined as Original Foreclosure Value/0.9

Employee Loans

The distribution of the Portfolio (both by net principal balance and by number of Mortgage Loans) by reference to employer of the Borrowers is set out in Table 16.

Table 16 Employee Loans

Employee Loans						
Description	Balance	Balance (%)	Nr of Loanparts	of Loanparts (%)	WA LTFV	WA Coupon
Not employed by AEGON	720,615,285	*100.0%*	7,085	*100.0%*	89.56%	4.99
Total	**720,615,285**	***100.0%***	**7,085**	***100.0%***	**89.56%**	**4.99**

NHG Mortgage Loans

The distribution of the Portfolio (both by net principal balance and by number of Mortgage Loans) by reference to an NHG Guarantee being applicable in respect of the entire Mortgage Loan is set out in Table 17.

Table 17 NHG Mortgage Loans

Full NHG Guaranteed Loan						
NHG	Balance (EUR)	Balance (%)	Nr of Loans	Nr of Loans (%)	WA LTFV (%)	WA Coupon (%)
No	487,225,005	*67.6%*	2,202	*59.3%*	94.07%	4.89
Yes	233,390,279	*32.4%*	1,513	*40.7%*	80.14%	5.19
Total	**720,615,285**	***100.0%***	**3,715**	***100.0%***	**89.56%**	**4.99**

NHG Guarantee for Loan Parts

The distribution of the Portfolio (both by net principal balance and by number of Mortgage Loans) by reference to an NHG Guarantee being applicable in respect of certain Loan Parts is set out in Table 18.

Table 18 NHG Guarantee for Loan Parts

NHG Guaranteed per Loanpart						
NHG	Balance	Balance (%)	Nr of Loanparts	of Loanparts (%)	WA LTFV	WA Coupon
Yes	324,161,419	*45.0%*	3,697	*52.2%*	87.24%	5.09
No	396,453,866	*55.0%*	3,388	*47.8%*	91.46%	4.90
Total	**720,615,285**	***100.0%***	**7,085**	***100.0%***	**89.56%**	**4.99**

Arrears

The distribution of the Portfolio (both by net principal balance and by number of Mortgage Loans) by reference to arrears as at the Cut-Off Date is set out in Table 19.

Table 19 Arrears

Arrears							
Months in Arrears	Amount in Arrears	Balance	Balance (%)	Nr of Loans	Nr of Loans (%)	WA LTFV	WA Coupon
No Arrears	-	720,615,285	*100.0%*	3,715	*100.0%*	89.56%	4.99
Total	**-**	**720,615,285**	***100.0%***	**3,715**	***100.0%***	**89.56%**	**4.99**

Weighted average lives of the Notes

Weighted average life (**WAL**) refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in net reduction of principal of such security. The WALs of the Notes will be influenced by, among other things, the actual rates of repayment and prepayment of the Portfolio Mortgage Loans. The WALs of the Notes cannot be stated, as the actual rates of repayment and prepayment of the Portfolio Mortgage Loans and a number of other relevant factors are unknown. However, calculations of the possible WALs of the Notes can be made based on certain assumptions.

The model used for the Portfolio Mortgage Loans represents an assumed constant per annum rate of prepayment (**CPR**) each month relative to the then current principal balance of a pool of mortgage loans. CPR does not purport to be either a historical description of the prepayment experience of any pool of loans or a prediction of the expected rate of prepayment of any loans, including the Portfolio Mortgage Loans to be included in the Portfolio.

The following tables were prepared based on the characteristics of the Portfolio Mortgage Loans included in the Portfolio and the following additional assumptions (the **Modelling Assumptions**):

(a) the Issuer exercises its option to redeem the Notes on the First Optional Redemption Date, in the first scenario, or the Issuer does not exercise its option to redeem the Notes on or after the First Optional Redemption Date, in the second scenario;

(b) there is no exercise of the Regulatory Call Option and no redemption of the Notes for tax reasons;

(c) the Seller Clean-up Call Option is exercised;

(d) the net principal balance of the Portfolio Mortgage Loans (i.e. net of Participations) continue to be fully performing and there are no arrears or enforcements, i.e. no losses;

(e) no Mortgage Receivable is sold by the Issuer;

(f) there is no debit balance on the Principal Deficiency Ledger on any Quarterly Payment Date;

(g) the Seller is not in breach of the terms of the Mortgage Receivables Purchase Agreement;

(h) no Portfolio Mortgage Loan is required to be repurchased by the Seller;

(i) no Further Advance Receivables are purchased in respect of the Portfolio;

(j) at the Closing Date, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Junior Class E Notes represent 7.5% of the capital structure and the Subordinated Class F Notes represent 1% of the capital structure;

(k) the Notes are issued on 2 May 2012 and all payments on the Notes are received on the 30th day of every January/April/July/October commencing from 30 July 2012;

(l) the Final Maturity Date of the Notes is July 2092;

(m) the WALs have been calculated on an Actual/360 basis;

(n) the WALs have been modelled on the net principal balance of the Portfolio Mortgage Loans;

(o) the Savings Mortgage Loans and Bank Savings Mortgage Loans will be assumed to be Annuity Mortgage Loans due to the Sub-Participation Agreements;

(p) Linear Mortgage Loans will be assumed to be Annuity Mortgage Loans;

(q) the day in the month of the origination date of the Mortgage Loan will be the same day in the month as the maturity date of the Mortgage Loan;

(r) the Notes will be redeemed in accordance with the Conditions;

(s) no Security has been enforced;

(t) the assets of the Issuer are not sold by the Security Trustee except as may be necessary to enable the Issuer to realise sufficient funds to exercise its option to redeem the Notes;

(u) no Enforcement Notice has been served on the Issuer and no Notes Event of Default has occurred; and

(v) the Portfolio as of the Cut-Off Date will be purchased on the Closing Date.

The actual characteristics and performance of the Portfolio Mortgage Loans are likely to differ from the assumptions. The following tables are hypothetical in nature and are provided only to give a general sense of how the principal cash flows might behave under varying prepayment scenarios. For example, it is not expected that the Portfolio Mortgage Loans will prepay at a constant rate until maturity, that all of the Portfolio Mortgage Loans will prepay at the same rate or that there will be no defaults or delinquencies on the Portfolio Mortgage Loans. Moreover, the diverse remaining terms to maturity and mortgage rates of the Portfolio Mortgage Loans could produce slower or faster principal distributions than indicated in the tables at the various percentages of CPR specified. Any difference between such assumptions and the actual characteristics and performance of the Portfolio Mortgage Loans, or actual prepayment or loss experience, will affect the percentage of the initial amount outstanding of the Notes which are outstanding over time and cause the WALs of the Notes to differ (which difference could be material) from the corresponding information in the tables for each indicated percentage CPR.

The first scenario of assumption (a) above reflects the current intention of the Issuer and the Seller, but no assurance can be given that such assumption will occur as described. The WALs of the Notes are subject to factors largely outside the control of the Issuer and consequently no assurance can be given that the assumptions and estimates above will prove in any way to be realistic. They must therefore be viewed with considerable caution.

Assuming Issuer call on First Optional Redemption Date

CPR	Possible Average Life of the Senior Class A1a Notes (years)	Possible Average Life of the Senior Class A1b Notes (years)
5%	2.96	2.96
10%	2.70	2.70
15%	2.45	2.45
20%	2.22	2.22
25%	2.00	2.00
30%	1.80	1.80

Assuming no Issuer call

CPR	Possible Average Life of the Senior Class A1a Notes (years)	Possible Average Life of the Senior Class A1b Notes (years)
5%	11.89	11.89
10%	6.83	6.83
15%	4.60	4.60
20%	3.40	3.40
25%	2.66	2.66
30%	2.16	2.16

NHG GUARANTEE PROGRAMME

Certain Mortgage Loans and Loan Parts have the benefit of an NHG Guarantee. This section discusses certain matters regarding the NHG Guarantee Programme.

NHG Guarantee

In 1956, the Netherlands government introduced the 'municipal government participation scheme', (or, short, the **Municipality Guarantee**) also referred to in an open ended scheme in which both the Dutch State and the municipalities guaranteed, according to a set of defined criteria, residential mortgage loans made by authorised lenders to eligible borrowers to purchase a primary family residence. The municipalities and the Dutch State shared the risk on a 50/50 basis. If a municipality was unable to meet its obligations under the municipality guarantee, the Dutch State would make an interest free loan to the municipality to cover its obligations. The aim was to promote house ownership among lower income groups.

Since 1 January 1995, WEW is responsible for the administration and granting of the NHG Guarantee, under a set of uniform rules. The NHG Guarantee covers the outstanding principal, accrued unpaid interest and foreclosure costs. Irrespective of scheduled repayments or prepayments made on the mortgage loans, the NHG Guarantee reduces on a monthly basis by an amount which is equal to the monthly payments (principal and interest) as if the mortgage loan were being repaid on a thirty year annuity basis. In respect of each mortgage loan, the NHG Guarantee reduces further to take account of scheduled repayments and prepayments under such mortgage loan (See *Risk Factors*).

Financing of the WEW

The WEW finances itself, *inter alia*, by a one-off charge to the borrower of 0.70% (as of 1 January 2012) of the principal amount of the mortgage loan at origination. Besides this, the NHG scheme provides for liquidity support to the WEW from the Dutch State and, for mortgage loans, benefiting from the NHG Guarantee, originated before 1 January 2011, the participating municipalities. In the event that the WEW is not able to meet its obligations under guarantees issued relating to mortgage loans originated before 1 January 2011, the Dutch State will provide subordinated interest free loans to the WEW of up to 50% of the difference between the WEW's own funds and a pre-determined average loss level, while municipalities participating in the NHG scheme will provide subordinated interest free loans to the WEW of the other 50% of the difference. In the event that the WEW is not able to meet its obligations under guarantees issued relating to mortgage loans originated after 1 January 2011, the Dutch State will provide subordinated interest free loans to the WEW of up to 100% of the difference between the WEW's own funds and a pre-determined average loss level. Both the agreements between the Dutch State and the WEW and the agreements between the municipalities and the WEW contain general undertakings of the Dutch State and the municipalities to enable the WEW at all times (including in the event of bankruptcy (*faillissement*), suspension of payments (*surseance van betaling*) or liquidation (*ontbinding*) of the WEW) to meet its obligations under guarantees issued.

As at the date of this Prospectus, Moody’s and Fitch have assigned WEW an Aaa/AAA credit rating, respectively.

Terms and conditions of the NHG Guarantee

Under the NHG scheme, the lender is responsible for ensuring that the guarantee application meets the NHG terms and conditions. If the application qualifies, the mortgage is (electronically) registered with the NHG to establish the guarantee. The WEW has, however, no obligation to pay any loss (in whole or in part) incurred by a lender after a private or a forced sale of the mortgaged property if such lender has not complied with the

terms and conditions of the NHG Guarantee, which were applicable at the date of origination of the mortgage loan, unless such non-payment is unreasonable towards the lender.

The specific terms and conditions for the granting of NHG Guarantees, such as eligible income, purchasing or building costs etc., are set forth in published documents (available on www.nhg.nl).

The NHG has specific rules for the level of credit risk that will be accepted. The credit worthiness of the prospective borrower must be verified with the BKR.

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

The mortgage conditions applicable to each mortgage loan should include certain provisions, including, inter alia, the provision that any proceeds of foreclosure on the mortgage right and the right of pledge on the Life Insurance Policy or the investment funds shall be applied firstly towards repayment of the mortgage loan guaranteed under the NHG scheme.

An NHG Guarantee can be issued up to a maximum of EUR 350,000 (three hundred and fifty thousand euro) (as of 1 July 2009) until 1 July 2012 when the maximum amount will be lowered to EUR 320,000 (three hundred and twenty thousand euro). The maximum amount of the NHG Guarantee was EUR 265,000 (two hundred and sixty-five thousand euro) from 1 January 2007 until 1 July 2009.

Claiming under the NHG Guarantee

When a borrower is in arrears with payments under the mortgage loan for a period of four months or when a third party puts an attachment (*beslag*) on the property of the borrower, the lender informs the WEW in writing within thirty (30) days of the outstanding payments and/or the existence of the charge, including the guarantee number, borrower's name and address, information about the underlying security, the start date of the late payments and the total of outstanding payments. When the borrower is in arrears the WEW may approach the lender and/or the borrower to resolve the problem and make the borrower aware of the consequences. If an agreement cannot be reached, the WEW reviews the situation with the lender to endeavour to generate the highest possible proceeds from the property. The situation is reviewed to see whether a private sale of the property, rather than a public auction, would generate proceeds sufficient to cover the outstanding mortgage loan. In addition to permission from the competent Dutch court (*voorzieningenrechter*) permission of the WEW is required in case of a private sale unless sold for an amount higher than the market value.

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

In the event that a borrower fails to meet its obligation to repay the mortgage loan and/or no full payment is made to the lender under the NHG Guarantee by the WEW because of the lender's culpable negligence

(*verwijtbaar handelen of nalaten*), the lender must act vis-à-vis the borrower as if the WEW were still guaranteeing the repayment of the mortgage loan during the remainder of the term of the mortgage loan. In addition, the lender is not entitled to recover any amounts due under the mortgage loan from the borrower in such case. The only exception to this is where the borrower did not act in good faith with respect to his inability to repay the mortgage loan and has failed to render his full cooperation in trying to have the mortgage loan repaid to the lender to the extent possible.

Additional loans

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

Main NHG Underwriting Criteria (*Normen*)

With respect to each relevant borrower, the underwriting criteria include but are not limited to, and for the avoidance of doubt, are subject to the criteria set out in the Code of Conduct:

- The lender has to perform a BKR check.

- As a valid source of income the following qualifies: indefinite contract of employment, temporary contract of employment if the employer states that the employee will be provided an indefinite contract of employment in case of equal performance of the employee and equal business circumstances, for flexworkers a three year history of income statements, for self employed borrowers three year annual statements.

- Up to 1 April 2007, the maximum loan based on the income of a borrower was based on the so-called "*toetsinkomen toegestane financieringslasten*" tables (i.e. the DTI table) and an annuity style redemption (even if the actual loan is (partially) interest only). The applicable interest rate is set by NHG for loans with an interest rate period less than or equal to five years and the actual commercial interest rate of the relevant mortgage loan for loans with an interest rate period in excess of five years.

- From 1 April 2007 onwards, the maximum loan based on the income of a borrower is based on the so-called "*toetsinkomen toegestane financieringslasten*" tables (i.e. the DTI table) and an annuity style redemption (even if the actual loan is (partially) interest only). The applicable interest rate is the published interest by CHF for loans with an interest rate period less than or equal to 10 years and the actual commercial interest rate of the relevant mortgage loan for loans with an interest rate period in excess of 10 years.

- The maximum loan amount is EUR 350,000 (since 1 July 2009, before 1 July 2009 the maximum amount was EUR 265,000). The loan amount is also limited by the amount of income of a borrower and the market value of the property.

- For the purchase of existing properties, the loan amount is broadly based on the sum of (i) the lower of the purchase price and the market value based on a valuation report, (ii) the costs of

improvements, (iii) 8% of the amount under (i) plus (ii). In case an existing property can be bought without paying stamp duty (*vrij op naam*), the purchase amount under (i) is multiplied by 97%.

- For the purchase of a properties to be built, the maximum loan amount is broadly based on the sum of (i) purchase-/construction cost increased with a number of costs such as the cost of construction interest, VAT and architects (to the extent not included already in the purchase-/construction cost), (ii) 8% of the amount under (i).

- The maximum loan amount that is interest only is 50% of the market value (as defined by NHG) of the property.

- The Risk Insurance policy should at a minimum cover the loan amount in excess of 80% of the market value of the property (as defined by NHG).

MORTGAGE LOAN UNDERWRITING AND SERVICING

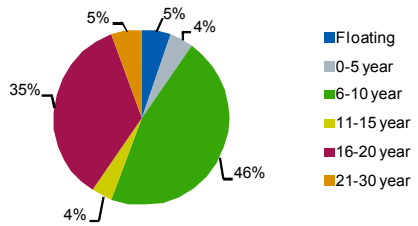
Approval Process and Underwriting

AEGON's mortgage loan underwriting and approval process is performed by the approval and underwriting department which is part of AEGON's 'Service Center Leven' (SCL). In 2011, the underwriting department received approximately 30,000 applications for mortgage loans, of which approximately 75% were checked by the automated Fast Hypotheken Systeem (FHS) and consequently accepted by an underwriter, approximately 5% were checked by the FHS and approved by a senior underwriter of the loan committee (*maatwerk*), the remaining 20% of the loan applications were rejected.

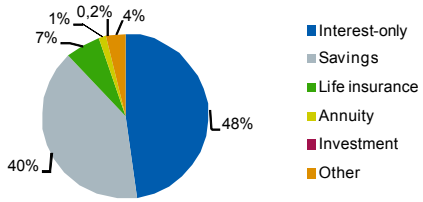
Approximately 95% of all mortgage loans are sold through intermediaries and the remaining approximately 5% directly through AEGON. AEGON uses a wide range of intermediaries (self owned as well as other independent financial advisors). Furthermore, only professional regional and national parties who adhere to AEGON's standards and requirements can act as intermediary for AEGON. Intermediaries only collect data from the client, but are not involved in the underwriting and approval process.

AEGON mortgage loan production

by interest reset period (2011 FY)



by product type (2011 FY)



In the underwriting process, three key aspects are reviewed: i) applicant (credit history, employment, etc), ii) borrower income, and iii) property. AEGON's underwriting criteria are consistent with the Code of Conduct which AEGON endorsed. AEGON is allowed to deviate from the Code of Conduct on an individual basis in respect to maximum borrowing capacity. These mortgage loans contain extensive documentation and are to be flagged as "explain mortgage loans" (*maatwerk*).

Applicant

The credit history of all applicants is checked with the BKR and the Fraud Register (*fraude register,* SFH). Applicants are required to provide proof of employment and salary information. Self-employed applicants are required to provide three years of annual accounts, a copy of the certificate of the chamber of commerce, an "IB60 form" (formal income statement provided by the Dutch tax authorities) and at least 3 tax returns.

Borrower income

The ratio of the loan balance to the income of the applicant is an important measure to determine affordability of the loan. AEGON has historically not granted a loan to an applicant with a loan to foreclosure value that exceeds 130%. All properties with an LTFV exceeding 90%, which is approximately 81% LTV, must have a recent valuation report from an approved external valuation agent. In case of a newly built house AEGON must have a building and purchase agreement instead of a valuation report. All property

must be covered by insurance and proof of ownership is required. When recommended in the valuation report, an architect's certificate which confirms the structural integrity of the building is mandatory.

Property

Three types of valuation reports (each a Valuation Report) are acceptable in the underwriting process of the Seller to determine the value of a property:

(1) A valuation by a qualified Dutch appraiser (**Appraisal Report**);

(2) A valuation by the Dutch tax authorities in the context of the Valuation of Immovable Property Act (**WOZ Value Statement**); and

(3) A building and purchase agreement (**Building and Purchase Agreement**) in the context of newly built properties.

The types of Valuation Reports described above are generally acceptable as part of the standard market practice by financial institutions originating mortgage loans in the Netherlands. The tables below show an estimate of the proportion of the Portfolio as of the Cut-off Date which has each of the above three types of Valuation Report.

Proportion of Portfolio as of the Cut-off Date (by Net Outstanding Principal Amount) per type of Valuation Report

Portfolio Mortgage Loans	**Net outstanding principal amount as at Cut-Off Date**	**% Net outstanding principal amount as at Cut-Off Date**
Net current balance < Eur 190,000	273,142,060	37.9%
Net current balance => Eur 190,000	447,473,225	62.1%
	720,615,285	

Portfolio Mortgage Loans <Eur 190,000	**Net outstanding principal amount as at Cut-Off Date**	**% Net outstanding principal amount as at Cut-Off Date (total pool)**
Estimate with Appraisal Report	264,093,165	36.6%
Estimate with WOZ Value Statement	3,268,714	0.5%
Estimate with Contract and Purchase Agreement	5,780,181	0.8%
	273,142,060	**37.9%**

Portfolio Mortgage Loans =>Eur 190,000	**Net outstanding principal amount as at Cut-Off Date**	**% Net outstanding principal amount as at Cut-Off Date (total pool)**
Estimate with Appraisal Report	401,251,365	55.7%
Estimate with WOZ Value Statement	2,346,659	0.3%
Estimate with Contract and Purchase Agreement	43,875,201	6.1%
	447,473,225	**62.1%**

Proportion of Portfolio as of the Cut-off Date (by number of Mortgage Loans) per type of Valuation Report

Portfolio Mortgage Loans	**Loans**	**% Loans**
Net current balance < Eur 190,000	2,116	57.0%
Net current balance => Eur 190,000	1,599	43.0%
	3,715	

Portfolio Mortgage Loans <Eur 190,000	**Loans**	**% Loans (total pool)**
Estimate with Appraisal Report	2,037	54.8%
Estimate with WOZ Value Statement	39	1.0%
Estimate with Contract and Purchase Agreement	40	1.1%
	2,116	**57.0%**

Portfolio Mortgage Loans =>Eur 190,000	**Loans**	**% Loans (total pool)**
Estimate with Appraisal Report	1,464	39.4%
Estimate with WOZ Value Statement	9	0.2%
Estimate with Contract and Purchase Agreement	126	3.4%
	1,599	**43.0%**

The provision of an Appraisal Report is mandatory for all mortgage loans unless the circumstances described below allow the borrower to instead submit a WOZ Value Statement or a Building and Purchase Agreement. In these circumstances, whilst an Appraisal Report is not mandatory, an Appraisal Report is still acceptable for underwriting purposes if provided. Furthermore, whilst the circumstances described below apply in general, any mortgage loan underwriter can decide on a case-by-case basis that an Appraisal Report is required.

Appraisal Reports must be carried out by a qualified appraiser (Appraiser) who satisfies all of the following mandatory requirements:

(a) They must be a member of either:

(i) "*Nederlandse Vereniging van Makelaars*" (Netherlands Association of Real Estate Brokers, **NVM**);

(ii) "*Vereniging Bemiddeling Onroerend Goed*" (Association of Real Estate Agents and Appraisers, **VBO**); or

(iii) "*Vastgoed PRO*" (Property Pro);

(b) In order to verify their membership of the above, they must be registered with either:

(i) "*Stichting VastgoedCert, kamer Wonen*" (Foundation VastgoedCert, section Housing); or

(ii) "*Stichting Certificering VBO-Makelaars (SCVM)*" (Foundation for Accreditation of VBO Affiliated Real Estate Agents);

(c) In order to ensure they have adequate knowledge of the local area, their office must be within 20km of the surveyed property;

(d) They must be independent and may therefore not take part in or have any financial or other interest in the purchase or sale of the relevant property;

(e) They must take out and maintain adequate insurance against liability for damages resulting from an imputable short-coming and/or wrongful act; and

(f) Their remuneration may not depend on the approval or disapproval of the relevant mortgage loan by the Seller.

Appraisers use reporting forms prepared by the professional associations of appraisers (NVM, VBO, Vastgoed Pro) and the "*Contactorgaan Hypothecair Financiers*" (Code of Conduct Working Group). The Appraisal Report contains a market valuation (*vrije verkoopwaarde*), a foreclosure valuation (*executiewaarde*), and as additional information at least one model-based valuation. The Seller only accepts Appraisal Reports which have been validated by "*Nederlands Woning Waarde Instituut*" (**NWWI***)* (Dutch Institute for Property Valuations) which is an independent non-profit organisation. The NWWI validates Appraisal Reports with its own trained and experienced staff of surveyors. Whilst the use of NWWI or similar organisations approved by WEW is mandatory for NHG mortgage loans, the Seller chooses to submit the Appraisal Reports for non-NHG mortgage loans to NWWI for verification.

In the following circumstances, it is acceptable for a borrower to submit a WOZ Value Statement (for non-newly built properties):

(1) Property is a 'regular' property. The property must be permanently residential with no commercial use (i.e. office space etc.);

(2) Mortgage loan has an LTV of no more than 81%; and

(3) The mortgage loan underwriter does not deem it necessary for an Appraisal Report to be required.

WOZ Value Statements are independent desktop valuations arranged by the municipalities which serve as a basis to calculate property tax.

Building and Purchase Agreements are legal agreements between borrowers and property developers which have consideration over the sale of New Build Properties.

A Valuation Report is acceptable in the underwriting process if it is dated within 18 months of the application date. In relation to WOZ Value Statements, which in the years prior to 2004 were not made available on an annual basis, the most recent WOZ Value Statement is acceptable.

The review of Valuation Reports is performed by a mortgage loan underwriter of the Seller not related to the intermediary or sales organisation of the Seller. As part of this review process, a mortgage loan underwriter compares the market valuation of the property, as shown on the applicable Valuation Report, with the purchase price of the property to confirm that the amount to be paid for the property is reasonable. In case of significant differences, where the amount to be paid for the property appears to be unreasonably high or unreasonably low, the mortgage loan underwriter will investigate the reasons for the differential with a particular focus on potential fraud. During the review process, the mortgage loan underwriter also checks that the property is covered by insurance, which is mandatory, and confirms proof of ownership. In cases where the property was constructed prior to 1940, the borrower is also required to provide an architect's certificate which confirms the structural integrity of the building.

Prior to August 2011, it was standard market practice by financial institutions originating mortgage loans in the Netherlands to base underwriting decisions on the foreclosure valuation of a property. Valuation Reports explicitly show the foreclosure valuation of the property but in the case of a WOZ Value Statement or a Building and Purchase Agreement, where a foreclosure valuation was not available, the market valuation was multiplied by a factor (typically no greater than 1) in order to derive a foreclosure value.

In respect of WOZ Value Statements, the foreclosure valuation is approximately 90% of the market valuation of the property.

In respect of Building and Purchase Agreements, the foreclosure valuation is approximately 90% of the market valuation of the property. The maximum principal amount outstanding under a mortgage loan varies between 100% and 130% of the foreclosure valuation of the property.

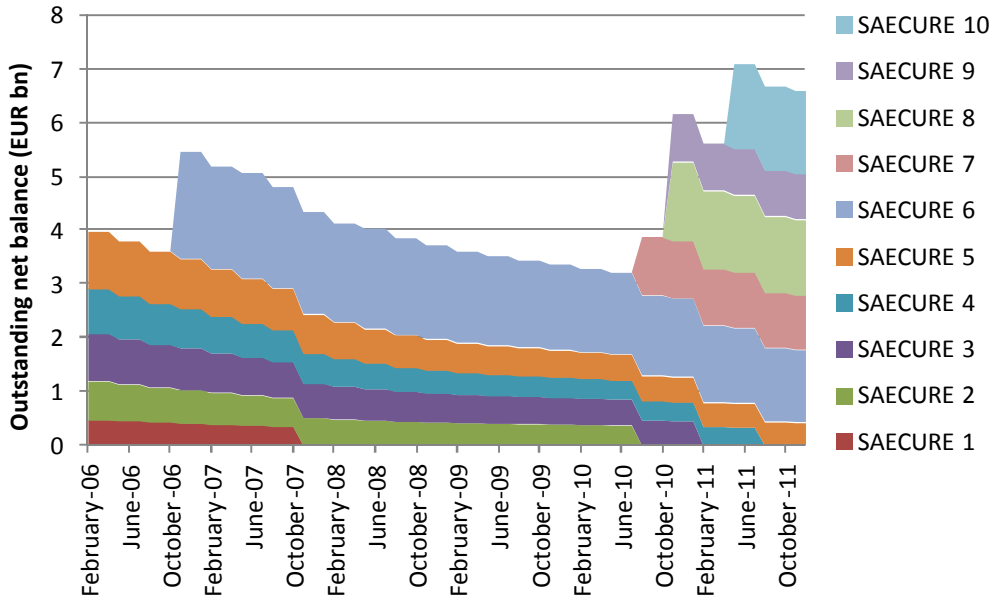
Changes to the Code of Conduct in August 2011 shifted the focus away from the foreclosure valuation to the market valuation of properties. All Valuation Reports explicitly show a market valuation for the property and thus a factor no longer needs to be applied.

EUR 1 billion of the above mentioned EUR 20 billion is serviced by the third party servicer Stater Nederland BV. These mortgages are not included in the SAECURE 11 transaction.

Regular servicing

AEGON SCL is responsible for the regular servicing of AEGON’s residential mortgage loan portfolio which is owned by several AEGON units and several external parties. As of 31 December 2011, AEGON’s residential mortgage loan portfolio amounted to approximately EUR 20 billion (120,000 mortgage loans) of which approximately EUR 6.6 billion is used as collateral in securitisation transactions as shown in the graph below. The underwriting of mortgage loans and regular servicing of the portfolio is done by approximately 128 full-time employees. AEGON SCL is using a highly automated and robust underwriting system (FHS) and mortgage administration system (HAS) that allows it to make lending decisions on a timely basis.

Outstanding net balance of AEGON's residential mortgage portfolio per transaction[12]



Source: Quarterly Investor Reports and Monthly Stratification Reports (2006 - 2011 FY)

Collection and Foreclosures

The Financial Services department (Financial Services) of AEGON is responsible for collections and foreclosures (C&F). Financial Services manages the payments from both performing and non-performing loans. The collection and foreclosure activities are divided over two different divisions: '*Debiteuren Beheer Hypotheken*' (DBH) and '*Bijzonder Beheer Hypotheken*' (BBH). DBH is responsible for the arrears procedures and BBH is responsible for the foreclosure procedures.

The C&F employees have an average of approximately ten years relevant work experience and utilise the standard operating procedures for loan management. Resources available to the C&F employees include (non-exhaustive): FHS, HAS, Land Registry, Chamber of Commerce, information desk Nobel, BAAB-claimcare B.V. and an internal legal department.

Arrears Procedures

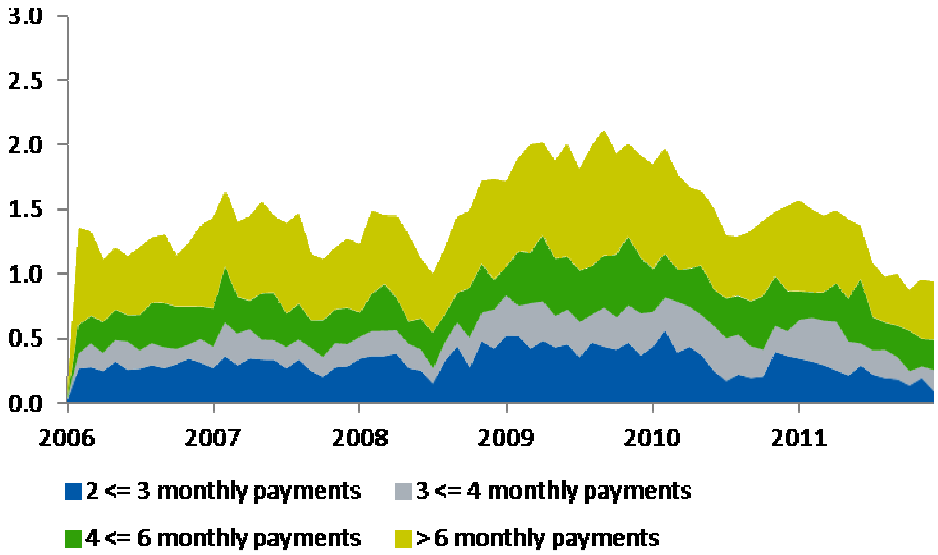
Payments are scheduled to be collected on the first day of each month, practically all by direct debit. If any amounts remain unpaid for 15 days after the due date, the HAS automatically generates a reminder notice that is mailed to the borrower. After 45 days a formal warning is sent to the borrower. After 60 days the loan file is transferred to DBH and 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.

[12] - Quarterly Investor Reports are published in February, May, August and November for SAECURE 2 – 7 and 10, and in March, June, September and December for SAECURE 8 and 9. The end of quarter outstanding net balance is reported for each transaction in each Quarterly Investor Report and these amounts, where available, are shown in the graph above. Where unavailable, for the months which fall between each end of quarter month (the "non end of quarter months"), the latest end of quarter amounts are used. For SAECURE 1, Quarterly Stratification Reports are published instead of Quarterly Investor Reports and the respective outstanding net balances are reported in the same way.

- SAECURE 1 -4 were each repaid at their respective first optional redemption dates.

During this period attachment of earnings (*loonbeslag*) is also considered. If the risk of non-payment of the arrears is perceived to be high, the loan file is immediately transferred to BBH. For purposes of the attachment of earnings, BAAB-claimcare B.V. will be approached. After four missed payments (120 days), the client receives a warning that a registration will be made in the BKR and subsequently such an application is made with the code A (in arrears), which will remain visible for five years and can have serious consequences for the borrower. In case of an NHG mortgage loan, notice is also given to the WEW. The entire mortgage loan (including accrued but unpaid interest) will be declared immediately due and payable. If no payment is received an additional letter is sent to the borrower, announcing that the notary will be requested to start the foreclosure procedures.

Arrears (> 2 months) in bps of total outstanding net balance of all SAECURE transactions



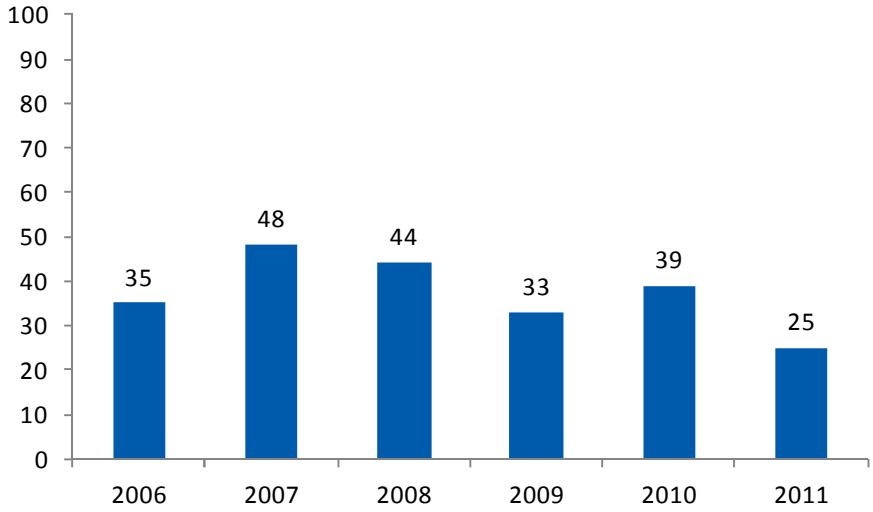
Source: Quarterly Investor Reports and Monthly Stratification Reports (2006 - 2011 FY)

The preceding steps of the process are necessary to be able to eventually start enforcement of the mortgage rights. Consequently the loan file is transferred to BBH, which is responsible for the final phase of the arrears process and foreclosure.

Foreclosure Procedures

The foreclosure procedure is managed by BBH and will differ depending on the likelihood of realising a loss on the mortgage loan. If there is a limited risk of loss, the debt collection department will manage the enforcement. If there is a substantial risk of loss, BBH will proceed with a private sale (in approximately 50% of cases) or begin an auction process (in approximately 50% of cases).

Number of defaulted mortgage loans per year



Source: Quarterly Investor Reports and Monthly Stratification Reports (2006 - 2011 FY)

BBH has the right to select its preferred enforcement method. In the case of a private sale, a real estate agent will be contacted by BBH who will manage the sale on behalf of AEGON. In case of an auction BBH will normally attend the auction to ensure a minimum price is achieved at the auction. In some cases, BBH will actually purchase the property at the auction and sell the property in the market.

Post-foreclosure Procedures

To the extent there is a loss at the end of the foreclosure process, the process for post-foreclosure procedures differs depending on whether it concerns an NHG or a non-NHG mortgage loan. In the case of non-NHG mortgage loans the process is outsourced to BAAB-claimcare B.V., which will attempt to negotiate a repayment agreement or start sequestration procedures. Any proposals for full discharge of any remaining payment obligations will need to be approved by AEGON. BAAB-claimcare B.V. also ensures that the running period of a claim will be interrupted (*gestuit*).

For NHG mortgage loans AEGON will claim any loss with the WEW. This is done by filing a standard 'loss declaration form', a payment overview and a full loan file based on the information requested by NHG. In those cases where the claim is partially rejected by the WEW, AEGON will engage BAAB-claimcare B.V. to attempt to retrieve any remaining outstanding debt. In case BBH considers a loan write-off, this has to be approved by senior management of C&F.

Outstanding net balance at year-end (transaction included from relevant closing date onwards)[13]

SAECURE - Net losses			
Year	Outstanding net balance (EUR mln)	Total net losses (EUR mln)	Total net losses (bps of current net balance)
2006	5,463	1.51	2.76
2007	4,339	1.60	3.69
2008	3,714	1.37	3.68
2009	3,356	1.18	3.51
2010	6,148	1.91	3.11
2011	6,593	0.90	1.36

Source: Quarterly Investor Reports and Monthly Stratification Reports (2006 - 2011 FY)

[13] Net realised losses are calculated by deducting recovered amounts from the total realised losses.

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 listed under Assignment Notification Event below (the **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 754,138,643, 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), after converting the US dollar proceeds into euros under the Currency Swap Agreement, and (ii) the amount payable to the Issuer as consideration for each Participation granted by it to the Insurance Savings Mortgage Participant and the Bank Savings Mortgage Participant. A portion 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) prior to an Enforcement Notice any amount remaining after all payments as set forth in the Pre-Enforcement Revenue Priority of Payments under (a) up to and including (o) 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 (n) 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.

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 deposits are called construction deposits (*bouwdepots*)). 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 any Construction Deposits due to it against the amounts due by it to the Seller under the relevant Portfolio

Mortgage Loan. 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.

Representations and warranties

The Seller will represent and warrant on the Signing Date and the Closing Date with respect to the Portfolio Mortgage Loans and the Mortgage Receivables, inter alia, 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 (*beperkte 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 eighteen (18) 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% 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*));

(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 Receivable(s) will follow such Mortgage Receivable(s);

(h) 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;

(i) each Portfolio Mortgage Loan was originated by the Seller;

(j) all Mortgage Rights and rights of pledge granted to secure the Mortgage Receivables (i) constitute valid Mortgage Rights *(hypotheekrechten)* 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;

(k) 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 Schedule 1 to the Deed of Assignment, are correct and complete in all material respects;

(l) each of the Portfolio Mortgage Loans meets the Mortgage Loan Criteria and, if it concerns a Further Advance Receivable, the Additional Purchase Conditions as set forth below;

(m) 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);

(n) 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;

(o) each of the Portfolio Mortgage Loans (i) has been granted in accordance with all applicable legal requirements, (ii) meets the Code of Conduct on Mortgage Loans *(Gedragscode Hypothecaire Financieringen)* and (iii) meets the Seller's underwriting policy and procedures prevailing at the time of origination including any manual overrules as permitted by and in accordance with internal policies and procedures in all material respects or, in respect of the NHG Mortgage Receivables, the NHG Underwriting Criteria, and (iv) is subject to terms and conditions customary in the Dutch mortgage market at the time of origination;

(p) 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 in all material respects 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 Duty of Care (*financiële bijsluiter*);

(q) 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;

(r) 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;

(s) 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;

(t) 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;

(u) all Bank Savings Accounts are held with the Bank Savings Mortgage Participant;

(v) with respect to each of the Bank Savings Mortgage Receivables, the Seller has the benefit of the Borrower Bank Savings Deposit Pledge and such right of pledge has been notified to the Bank Savings Mortgage Participant;

(w) other than in respect of any Bank Savings Mortgage Loan, any current account or savings deposit of the Borrower held with AEGON Bank and the relevant Mortgage Loan are offered in such manner that it should be clear to the Borrower that (i) the current account or savings deposit is held with AEGON Bank, (ii) the relevant Mortgage Loan is granted by the Seller, (iii) AEGON Bank and the Seller are different legal entities and (iv) the conditions pertaining to the current accounts or savings deposits do not contain contractual provisions entitling the Borrower to set-off claims under these legal relationships against each other even though there is no mutuality;

(x) it has not been notified and is not aware of anything affecting its title to the Mortgage Receivables;

(y) it has no Other Claims;

(z) the loan files relating to the Portfolio Mortgage Loans, which include a scanned version of authenticated copies (*afschrift*) of the notarial mortgage deeds, are kept by AEGON Levensverzekering N.V. in its capacity as Servicer;

(aa) 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;

(bb) 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*);

(cc) each receivable under a Portfolio Mortgage Loan which is secured by the same Mortgage Right as the Mortgage Receivable is sold and assigned to the Issuer pursuant to the Mortgage Receivables Purchase Agreement;

(dd) with respect to each of the Mortgage Receivables resulting from a 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 granted to the Seller by the relevant Borrower on such Insurance Policy and such right of pledge has been notified to the Insurance Company;

(ee) with respect to each of the Mortgage Receivables resulting from an Investment Mortgage Loan, a valid right of pledge has been granted to the Seller by the relevant Borrower with respect to the relevant Investment Accounts and such right of pledge has been notified to AEGON Bank N.V.;

(ff) 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;

(gg) 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;

(hh) the current Mortgage Conditions provide that all payments by the Borrower should be made without any deduction or set-off (for the avoidance of doubt, other than in respect of Construction Deposits);

(ii) the principal amount outstanding of each Mortgage Receivable as indicated on the List of Loans (as defined in the Mortgage Receivables Purchase Agreement) is accurate as at the Cut-Off Date or in the case of a Further Advance Receivable as at the cut-off date agreed between the Issuer and the Seller in respect of such Further Advance Receivable; and

(jj) in respect of each NHG Mortgage Receivable: (i) it has the benefit of an NHG Guarantee which has been granted for the full outstanding principal amount in respect of the Mortgage Loan or Loan Part at origination and constitutes legal, valid and binding obligations of *Stichting Waarborgfonds Eigen Woningen* enforceable in accordance with its terms, (ii) all terms and conditions (*voorwaarden en normen*) applicable to the NHG Guarantee at the time of origination of the Mortgage Loans (the **NHG Underwriting Criteria**) were complied with and (iii) the Seller is not aware of any reason why any claim under the NHG Guarantee granted by Stichting Waarborgfonds Eigen Woningen in respect of any NHG Mortgage Receivable should not be met in full and in a timely manner.

Mandatory Repurchase

Breach of representations and warranties

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, at the Seller's expense, after receipt of written notice thereof from the Issuer or within fourteen (14) days after becoming aware thereof, within fourteen (14) days 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 its own expense, on the first Reconciliation Date falling in the calendar month immediately succeeding either such date, 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.

Further Advances / Other Claims

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, such re-assignment to take place on the first Reconciliation Date falling in the calendar month immediately succeeding the date on which such Further Advance is granted.

The Seller shall repurchase and accept re-assignment of a Mortgage Receivable at a price which is at least equal to the aggregate outstanding principal amount of such Mortgage Receivable together with accrued but unpaid interest up to but excluding the date of repurchase and re-assignment of the relevant Mortgage Receivable if the Seller obtains an Other Claim(s) against the same Borrower, other than a Further Advance, such re-assignment to take place on the first Reconciliation Date falling in the calendar month immediately succeeding the date on which such Further Advance is granted.

Amendments of terms and conditions of Mortgage Loans

The Seller shall also undertake to repurchase and accept re-assignment of a Mortgage Receivable on the first Reconciliation Date falling in the calendar month immediately succeeding the date on which an amendment of the terms and conditions 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.

NHG Guarantee

If the relevant Mortgage Loan from which an NHG Mortgage Receivable results no longer has the benefit of the NHG Guarantee as a result of action taken or omitted to be taken by the Seller or the Servicer, the Seller shall also repurchase and accept re-assignment of such NHG Mortgage Receivable on the first Reconciliation Date falling in the calendar month immediately succeeding the date on which the Seller or the Servicer has become aware or has been notified thereof.

Acceptance of offer to repurchase on Optional Redemption Date

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 re-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% of the aggregate principal amount outstanding of the Portfolio Mortgage

Loans 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.

Regulatory Call

The Seller has the right to repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables if a Regulatory Change occurs, such repurchase to take place on the immediately succeeding Quarterly Payment 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 Linear Mortgage Loan (*lineaire hypotheek*);

(ii) an Interest-only Mortgage Loan (*aflossingsvrije hypotheek*);

(iii) an Annuity Mortgage Loan (*annuïteitshypotheek*);

(iv) an Investment Mortgage Loan (*beleggingshypotheek*);

(v) a (Traditional) Life Mortgage Loan (*traditionele levenhypotheek*);

(vi) a Universal Life Mortgage Loan (*levensloophypotheek*);

(vii) a Savings Mortgage Loan (*spaarhypotheek*); or

(viii) a Bank Savings Mortgage Loan (*bankspaarhypotheek*)

(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) 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;

(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 fully disbursed construction mortgage loan subject only to the related

Construction Deposit not exceeding 50% of the original amount outstanding under such Portfolio Mortgage Loan;

(g) (i) the applicable Mortgage Conditions provide that (a) the Mortgaged Asset may not be the subject of residential letting at the time of origination, and (b) the Mortgaged Asset is for residential use and has to be occupied by the relevant Borrower at and after the time of origination and (ii) 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 gross outstanding principal amount of the Portfolio Mortgage Loan does not exceed EUR 800,000;

(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 2090;

(n) if it is an NHG Mortgage Loan, its outstanding principal amount as applicable at the time it was originated does not exceed the maximum loan amount as stipulated by the relevant NHG Underwriting Criteria; and

(o) upon origination the outstanding principal amount of each Mortgage Loan did not exceed 130 per cent. of the foreclosure value of the Mortgaged Asset.

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 Baa3 by Moody's and BBB- by Fitch or is withdrawn by both and (ii) the solvency ratio as calculated by the Seller in accordance with (A) the guidelines issued by the Dutch Central Bank (*De Nederlandsche Bank N.V.*) as in force on the Closing Date and reported to the Dutch Central Bank or (B) after the introduction of a new applicable solvency regime for the Seller, such new applicable solvency regime - which relevant calculation commences immediately if the credit rating of AEGON N.V.'s long-term unsecured, unsubordinated and unguaranteed debt obligations falls below Baa3 by Moody's and BBB- by Fitch or is withdrawn by both - in the case of (A) falls below 150 per cent. or in the case of (B) falls below a level equivalent to 150 per cent. under the guidelines referred to under (A) above, in each case for two consecutive semi-annual reporting dates after the last such downgrade or withdrawal; or

(f) the occurrence of a Pledge Notification Event,

then,

(A) the Seller shall forthwith notify the Issuer and the Security Trustee thereof, and

(B) *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 and each Rating Agency either

(A) has provided a Rating Agency Confirmation (as defined below) in respect of such instruction; or

(B) by the 15th day after it was notified of such instruction has not indicated (1) which conditions are to be met before it is in a position to grant a Rating Agency Confirmation or (2) 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 Seller undertakes to (x) forthwith notify the relevant Borrowers, 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 substantially in accordance with the form of notification letter attached to the Mortgage Receivables Purchase Agreement, and (y) (if requested by the Issuer or the Security Trustee) 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 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 for as long as no Enforcement Notice is served, subject to the Pre-Enforcement Principal Priority of Payments, the Issuer shall on each Quarterly Payment Date use the Available Principal Funds as calculated and allocated on the immediately preceding Notes Calculation Date to purchase and accept assignment of any Further Advance Receivables (and Beneficiary Rights relating thereto) resulting from Further Advances granted by the Seller to Borrowers 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 Receivable;

(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 Receivable 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% 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% 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 60% 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 relevant Further Advance Receivable no amounts due under the relevant Mortgage Loan are overdue and unpaid.

If (i) a Further Advance Receivable does not meet the Additional Purchase Conditions, (ii) there are insufficient Available Principal Funds as calculated and allocated on the immediately preceding Notes Calculation Date or (iii) 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

Servicing Agreement

In the Servicing Agreement the Servicer will agree to provide management services to the Issuer on a day-to-day basis in relation to the Portfolio 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 promptly 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*) in order to perform any of the obligations under the Servicing Agreement or any substitute agreement. 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 Agreements 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 promptly 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 (as defined below), *mutatis mutandis*, to the satisfaction of the Security Trustee.

SUB-PARTICIPATION AGREEMENTS

Participation-Linked Mortgage Receivables and Sub-Participation Agreements

Under the Savings Insurance Sub-Participation Agreement the Issuer will grant to the Insurance Savings Mortgage Participant a contractual sub-participation right in each of the Savings Mortgage Receivables and in each of the Savings Investment Mortgage Receivables.

Under the Bank Savings Sub-Participation Agreement, the Issuer will grant to the Bank Savings Mortgage Participant a contractual participation right in each of the Bank Savings Mortgage Receivables.

The Bank Savings Mortgage Receivables together with the Savings Mortgage Receivables and the Savings Investment Mortgage Receivables are collectively referred to as the **Participation-Linked Mortgage Receivables** and the related Mortgage Loans, the **Participation-Linked Mortgage Loans**.

Payments by Participants

(A) In the Savings Insurance Sub-Participation Agreement, the Insurance Savings Mortgage Participant undertakes to pay to the Issuer for each Savings Mortgage Receivable and Savings Investment Mortgage Receivable (as applicable):

(a) (i) on the Closing Date an amount equal to the sum of the amounts received as Savings Premium or Savings Investment Premium (as applicable) and accrued interest in respect of the relevant Savings Mortgage Loan or Savings Investment Mortgage Loan, up to and excluding the Cut-Off Date and (ii) in the case of the purchase and assignment on a Quarterly Payment Date of a Further Advance Receivable to which a Savings Insurance Policy or Savings Investment Insurance Policy is connected, as the case may be, on the relevant Quarterly Payment Date, the sum of the amounts received as Savings Premium or Savings Investment Premium and accrued interest thereon up to the first day of the calendar month in which such Quarterly Payment Date falls (each an **Initial Insurance Savings Participation Amount**);

(b) on the first Reconciliation Date an amount equal to the sum of (i) the amounts switched under the relevant Savings Investment Insurance Policy from investments in certain investment funds to the LHR from and including the Cut-Off Date to and including 30 April 2012 and on each Reconciliation Date following the first Reconciliation Date an amount equal to the amounts so switched during the Portfolio Calculation Period immediately preceding such Reconciliation Date (each a **Switched Insurance Savings Participation Amount**);

(c) on the first Reconciliation Date the amounts scheduled to be received by the Insurance Savings Mortgage Participant from and including the Cut-Off Date to and including 30 April 2012 as Savings Premium or Savings Investment Premiums in respect of the Savings Investment Insurance Policy; and on each Reconciliation Date following the first Reconciliation Date an amount equal to the amount scheduled to be received by the Insurance 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 Policy or Savings Investment Insurance Policy, respectively; and

(d) on each subsequent Reconciliation Date an amount equal to the *pro rata* part of the interest on the Participation-Linked Mortgage Loan to which it is entitled pursuant to its Insurance

Savings Participation in respect of the Portfolio Calculation Period immediately preceding such Reconciliation Date (the amounts under (c) and (d) the **Further Insurance Savings Participation Amounts**).

(B) In the Bank Savings Sub-Participation Agreement, the Bank Savings Mortgage Participant undertakes to pay to the Issuer in respect of each Bank Savings Mortgage Receivable:

(a) (i) on the Closing Date or (ii) in the case of a switch from a different type of Mortgage Loan into a Bank Savings Mortgage Loan or in respect of a purchase of Further Advance Receivables, on the relevant Reconciliation Date, respectively, an amount equal to the sum of the Monthly Bank Savings Deposit Instalments received by the Bank Savings Mortgage Participant with accrued interest up to the first calendar day of the month of the Closing Date or the relevant Reconciliation Date, as the case may be (an **Initial Bank Savings Participation Amount**);

(b) on each Reconciliation Date an amount equal to the amounts received by the Bank Savings Mortgage Participant as Monthly Bank Savings Deposit Instalments during the relevant Mortgage Calculation Period; and

(c) on each Reconciliation Date an amount equal to the *pro rata* part of the interest to which it is entitled pursuant to its Bank Savings Participation in respect of the Portfolio Calculation Period immediately preceding such Reconciliation Date (the amounts under (b) and (c) the **Further Bank Savings Participation Amounts**).

In respect of each Participation-Linked Mortgage Receivable no amounts will be paid to the extent that as a result thereof the relevant Participation in such Participation-Linked Mortgage Receivable would exceed the outstanding principal amount of such Mortgage Receivable at such time (the **Maximum Participation Amount**).

Initial Participation Amounts means the Initial Insurance Savings Participation Amounts and the Initial Bank Savings Participation Amounts, collectively.

Further Participation Amounts means the Further Insurance Savings Participation Amounts and the Further Bank Savings Participation Amounts.

Participants means, depending on the context, the Insurance Savings Mortgage Participant, the Conversion Participant and/or the Bank Savings Mortgage Participant, collectively.

Application of Initial Participation Amounts

The Initial Participation Amounts will be applied by the Issuer towards payment of the Initial Purchase Price. The obligation of the relevant Participant to pay the Initial Participation Amounts in respect of a Participation-Linked Mortgage Receivable, will be discharged following netting of (i) the obligation of the Issuer to pay an amount equal to the Initial Participation Amount as part of the Initial Purchase Price, (ii) if applicable, the obligation of the Seller to pay to the Participant a final termination payment in respect of the terminating participation which the Participant had with the Seller, equal to the Initial Participation Amounts and (iii) the obligation of the Participant to pay the Initial Participation Amount in order to acquire the relevant Participation in respect of such Participation-Linked Mortgage Receivable.

Application of Further Participation Amounts

The Further Participation Amounts received by the Issuer will be applied by the Issuer towards redemption of the Notes (other than the Subordinated Class F Notes) and the purchase of Further Advance Receivables See *Credit Structure, Priority of Payments in respect of principal (prior to Enforcement Notice*).

Conversion Participation in respect of the Savings Investment Mortgage Loans

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 Insurance Savings Sub-Participation Agreement, upon such conversion, the corresponding part of the relevant Insurance 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 an Insurance Savings Participation, not increase on a monthly basis. 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 Insurance Savings Participations.

Participations and Participation Increases

As a consequence of and in consideration for the payments by the Participants above, each Participant will acquire from the Issuer contractual participation rights in respect of each Participation-Linked Mortgage Receivable (each a **Participation**) representing beneficial interests in respect of each of the relevant Participation-Linked Mortgage Receivables.

In respect of each Participation-Linked Mortgage Receivable, such Participation is initially equal to the relevant Initial Participation Amount or, as the case may be, the Switched Insurance Savings Participation Amount (the **Initial Participation**). Except for the Conversion Participation, a Participation increases on a monthly basis 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

P = the relevant Participation on the first day of the relevant Portfolio Calculation Period in the Participation-Linked Mortgage Receivable;

H = the principal sum outstanding on the Participation-Linked Mortgage Receivable on the first day of the relevant Portfolio Calculation Period;

R = the amount (i) of interest due, but not overdue, on the Participation-Linked Mortgage Receivable 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 Insurance Savings Mortgage Participant or Bank Savings Mortgage Participant, as the case may be, under the relevant Sub-Participation Agreement;

S = the amount of the Savings Investment Premium or Savings Premium or, as the case may be, Monthly Bank Savings Deposit Instalments received in the relevant Portfolio Calculation Period in respect of the relevant Participation-Linked Mortgage Receivable, and paid to the Issuer by the Insurance Savings Mortgage Participant or Bank Savings Mortgage Participant, respectively.

The Participations in respect of the Savings Mortgage Receivables or Savings Investment Mortgage Receivables are collectively referred to as the **Savings Insurance Participations**, those in respect of the Bank Savings Mortgage Receivables the **Bank Savings Participations** and a participation remaining upon conversion is referred to as a **Conversion Participation** (and together with the Insurance Savings Participations and the Bank Savings Participations, the **Participations**).

In consideration for the undertakings above, the Issuer will undertake to pay to the relevant Participant on each Reconciliation Date an amount *up to* the relevant Participation in those of the Participation-Linked Mortgage Receivables from the following amounts to the extent 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 or prepayment in full and, to the extent exceeding the Net Outstanding Principal Amount, repayment or prepayment in part under the relevant Participation-Linked Mortgage Receivables from any person, whether by set-off or otherwise (but, for the avoidance of doubt, excluding prepayment penalties, if any);

(ii) in connection with a repurchase of such Participation-Linked 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 Participation-Linked 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 other than in respect of the relevant Insurance Policy or Bank Savings Account by way of enforcement of the relevant Borrower Pledge or otherwise on such Participation-Linked Mortgage Receivables to the extent such amounts relate to principal and to the extent such amounts received exceed the Net Outstanding Principal Amount of each Participation-Linked Mortgage Receivable;

(v) collections received by the Issuer under the Insurance Policy or Bank Savings Account by way of enforcement of the relevant Borrower Pledge or otherwise to the extent relating to principal.

The amount so payable by the Issuer is referred to as the **Savings Participation Redemption Available Amount** in respect of the Savings Mortgage Loans and Savings Investment Mortgage Loans and the **Bank Savings Participation Redemption Available Amount** in respect of the Bank Savings Mortgage Loans, respectively, and collectively the **Participation Redemption Available Amount**.

Reduction of a Participation

If:

(a) a Borrower invokes a right of set-off or a defence in respect of a Participation-Linked Mortgage Receivable, 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 relevant Participant, of its payment obligations under the relevant Savings Insurance Policy, Savings Investment Insurance Policy or Bank Savings Account relationship, as the case may be; or

(b) the relevant 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 or the relevant Bank Savings Account, and/or the Seller fails to pay an amount

equal to any such amount due by it to the Issuer in accordance with the Mortgage Receivables Purchase Agreement;

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 Participation-Linked Mortgage Receivable, the relevant Participation of relevant Participant in respect of such Participation-Linked Mortgage Receivable, will be reduced by an amount equal to the amount which the Issuer has failed to so receive.

Enforcement Notice

If an Enforcement Notice is given by the Security Trustee to the Issuer, then and at any time thereafter the Security Trustee on behalf of a Participant may, and if so directed by a Participant, shall in respect of such Participant, by notice to the Issuer:

(a) declare that the obligations of relevant Participant under the applicable Sub-Participation Agreement(s) are terminated; and

(b) declare the respective Participations in Participation-Linked Mortgage Receivables to be immediately due and payable, whereupon they shall become so due and payable, provided that the resulting payment obligations shall in no event exceed the relevant Participation Redemption Available Amount received or collected by the Issuer or, in case of enforcement, the Security Trustee under the relevant Participation-Linked Mortgage Receivables and without prejudice to the rights of the Issuer and the Security Trustee under the Borrower Pledges.

Termination of Participations

If one or more of the Participation-Linked 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 relevant Participation in such Participation-Linked Mortgage Receivable will terminate and the relevant Participation Redemption Available Amount in respect of such Participation-Linked Mortgage Receivable will be paid by the Issuer to the relevant Participant. If so requested by the relevant Participant, the Issuer will use its best efforts to ensure that the acquirer of the Participation-Linked Mortgage Receivables will enter into a sub-participation agreement with the relevant Participant in a form similar to the relevant Sub-Participation Agreement. Furthermore, each Participation shall terminate if at the close of business of any Portfolio Calculation Date, the Participant has received an amount equal to its full Participation in respect of the relevant Participation-Linked Mortgage Receivable.

SAECURE 11 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 4 November 2011. 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 53900138.

The objectives of the Issuer are (a) to acquire, to purchase, to manage, to alienate and to encumber assets and to exercise any rights connected to these assets, (b) to acquire funds to finance the acquisition of the assets mentioned under (a) by way of issuing bonds or by way of entering into loan agreements, (c) to invest, including to lend, any funds held by the Issuer, (d) to limit interest rate and other financial risks, amongst others by entering into derivatives agreements, such as swaps and options, (e) in connection with the foregoing, (i) to borrow funds against the issue of bonds or by entering into loan agreements, inter alia to repay the obligations under the securities mentioned under (b), (ii) to grant security rights and (iii) to enter into agreements relating to bank accounts, administration, custody, asset management and sub participation; and (f) to perform all activities which are, in the widest sense of the word, incidental to or which may be conducive to the attainment of these objects.

The Issuer was established for the limited purposes of the issuing 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 90,000, of which EUR 18,000 has been issued and is fully paid. All shares of the Issuer are held by the Shareholder.

The Shareholder is a foundation *(stichting)* incorporated under the laws of the Netherlands on 28 October 2011. The Shareholder is registered with the Trade Register under number 53843479. The objects of the Shareholder are to, inter alia, acquire shares in the capital of the Issuer in its own name and to hold such shares whether or not for its own account, whether or not in exchange for depositary receipts issued for such shares, to exercise the voting rights and other rights attributable to such shares, to collect dividends and other distributions due on account of such shares, to borrow monies and to acquire any other form of financing in view of the acquisition of such shares. Pursuant to the articles of association of the Shareholder an amendment of the articles of association of the Shareholder requires the prior written consent of the Security Trustee. Moreover, the Director shall only be authorised to dissolve the Shareholder 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 the Shareholder 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 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., the sole managing director of both the Issuer and the Shareholder, belongs to the same group of companies as ATC Financial Services B.V., the Company Administrator. Therefore a conflict of interests may arise.

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 2012.

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 and for as long 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.

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 objectives 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 directors of ATC Group B.V. are M.J. Rourke, M.J. Block, J. Lont, and J.H. Scholts.

ATC Management B.V., the sole managing director of both the Issuer and the Shareholder, belongs to the same group of companies as ATC Financial Services B.V., the Company Administrator. Therefore a conflict of interests may arise.

USE OF PROCEEDS

The aggregate proceeds of the Senior Class A1a Notes to be issued on the Closing Date amount to USD 600,000,000 and the aggregate proceeds of the Notes, excluding the Senior Class A1a Notes, to be issued on the Closing Date amount to EUR 273,200,000.

The net proceeds from the issue of the Notes (other than the Subordinated Class F Notes) will be applied on the Closing Date (in case of the USD proceeds, after exchange into euro under the Currency Swap Agreement):

(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 6,148,278.90 into the Construction Deposit Account.

Furthermore, the Issuer will receive an amount of EUR 33,593,188.45 as consideration for the Initial Savings Participation granted to the Insurance Savings Mortgage Participant in the Savings Mortgage Receivables and Savings Investment Mortgage Receivables, and EUR 0 as consideration for the Initial Bank Savings Participation granted to the Bank Savings Mortgage Participant in the Bank Savings 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 Noteholders and the other Security Beneficiaries have the indirect benefit of security granted to 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 Insurance Savings Mortgage Participant, (xi) the Conversion Participant, (xii) the Seller, (xiii) the Bank Savings Mortgage Participant, (xiv) the Registrar, (xv) the Transfer Agent and (xvi) the Back-Up Swap Counterparty (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 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 relevant 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 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 Beneficiary Rights, (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 Agreements, the Back-Up Swap Agreements, the Servicing Agreement, the Floating Rate GIC, the Liquidity Facility Agreement, the Beneficiary Waiver Agreement, the Sub-Participation Agreements, and in respect of the Issuer Accounts (other than the US Dollar Account) and (iii) a first ranking English law charge over the Issuer's claims in respect of the US Dollar Account.

The Issuer and the Security Trustee will enter into a pledge agreement (as amended, restated and/or supplemented from time to time, 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.

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. 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 Agreements, (iv) the Back-Up Swap Agreements, (v) the Liquidity Facility Agreement, (vi) the Sub-Participation Agreements and (vii) the Beneficiary Waiver Agreement (as amended, restated and/or supplemented from time to time, the **Issuer Rights Pledge Agreement**) in favour of the Security Trustee. This right of pledge secures 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. 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 (other than the US Dollar Account) (as amended, restated and/or supplemented from time to time, 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*) within the meaning of section 3:22 of the Dutch Civil Code. In addition, the Issuer will create a first ranking charge under English law in respect of the US Dollar Account.

Upon enforcement of the rights of 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 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. The Security Trustee shall subsequently distribute such net proceeds (after deduction of the amounts due and payable to the Bank Savings Mortgage Participant, the Insurance Savings Mortgage Participant and the Conversion Participant under the Sub-Participation Agreements 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 Bank Savings Mortgage Participant, Insurance Savings Mortgage Participant and the Conversion Participant). All amounts to be so distributed by the Security Trustee to such Security Beneficiaries will be paid in accordance with the Post-Enforcement Priority of Payments (as set forth in *Credit Structure* above).

The security provided pursuant to the provisions of the Security Documents 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 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 and the amounts will be paid in accordance with the Post-Enforcement Priority of Payments as set forth in the Trust Deed, except in respect of certain payments to the Participants which are made outside the relevant Priority of Payment.

The Security Trustee has not undertaken and will not undertake any investigations, searches or other actions in respect of the Mortgage Receivables and any other assets pledged pursuant to the Security Documents and will rely instead on, *inter alia*, the warranties given in relation thereto in the relevant Security Documents.

THE SECURITY TRUSTEE

Stichting Security Trustee SAECURE 11 (the **Security Trustee**) is a foundation (*stichting)* established under the laws of the Netherlands on 4 November 2011. It has its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Claude Debussylaan 24, 1082 MD Amsterdam, the Netherlands. The Security Trustee is registered with the Trade Register under number 53900022.

The objectives of the Security Trustee are (a) to act as agent and/or trustee of the Noteholders and any other creditor of the Issuer under the Transaction Documents, (b) to acquire, keep and administer security rights in its own name, and if necessary to enforce such security rights, for the benefit of the creditors of the Issuer, including the holders of the Notes to be issued by the Issuer, and to perform acts and legal acts, including the acceptance of a parallel debt obligation from, inter alia, the Issuer, which are conducive to the holding of the abovementioned security rights, (c) to borrow money and 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 ANT Securitisation Services 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 ANT Securitisation Services B.V. are A.G.M. Nagelmaker and H.M. van Dijk.

The Senior Class A Noteholders (and, after redemption of the Senior Class A Notes, the Mezzanine Class B Noteholders, and, after redemption of the Mezzanine Class B Notes, the Mezzanine Class C Noteholders, and after redemption of the Mezzanine Class C Notes, the Junior Class D Noteholders, and after redemption of the Junior Class D Notes, the Junior Class E Noteholders, and after redemption of the Junior Class E Notes, the Subordinated Class F Noteholders) may by Extraordinary Resolution of a meeting of such Class remove any or all of the managing directors of the Security Trustee, provided that the other Security Beneficiaries have been consulted. Any managing director so removed will not be responsible for any costs or expenses arising from any such removal. Before any managing directors of the Security Trustee are so removed, the Issuer will procure that successor managing directors are appointed in accordance with the Security Trustee's articles of association as soon as reasonably practicable. The removal of a managing director of the Security Trustee will not become effective until a successor managing director is appointed.

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

DESCRIPTION OF THE GLOBAL REGISTERED NOTE CERTIFICATES

General

The Notes will be issued pursuant to a trust deed dated the Closing Date (the **Trust Deed**, which expression includes such trust deed as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto as from time to time so modified) and made between the Issuer and the Security Trustee as trustee for, among others, the holders for the time being of the Notes (the **Noteholders**).

Provision for the payment of principal and interest in respect of the Notes is made under the terms of the paying agency agreement (as amended, restated and/or supplemented from time to time, the **Paying Agency Agreement**, which expression includes any modification thereto) and made between, among others, the Issuer, the Security Trustee, Deutsche Bank AG, London Branch as agent bank (in such capacity, the **Agent Bank**, which expression includes any other agent bank appointed in respect of the Notes), as principal paying agent (in such capacity, the **Principal Paying Agent**, which expression includes any other principal paying agent appointed in respect of the Notes) Deutsche Bank Trust Company Americas as registrar for the Notes (the **Registrar**, which expression includes any other registrar appointed in respect of the Notes), Deutsche Bank Trust Company Americas as transfer agent in respect of the Notes (the **Transfer Agent**, which expression includes any other transfer agent appointed in respect of the Notes) and Deutsche Bank Trust Company Americas as US paying agent (the **US Paying Agent**, which expression includes any other US paying agent appointed in respect of the Notes, and, together with the Principal Paying Agent, the **Paying Agents** which expression includes any further or other paying agents for the time being appointed in respect of the Notes).

The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

Copies of the relevant Transaction Documents are available for inspection by the Noteholders upon reasonable notice during normal business hours at the principal office for the time being of each of the Issuer and the Security Trustee and at the specified offices of the Paying Agents. 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 and each other Transaction Document.

Global Registered Note Certificates

The Notes constitute registered claims (*vorderingen op naam*). As such, as a matter of Dutch law, the Notes are not embodied in the Note Certificates. A Note Certificate serves as documentary evidence of the holding of the Note(s) of the Class to which it relates, but the persons registered in the Register are deemed to be the holders of the Notes.

The Notes of each Class sold to non-US persons in an offshore transaction in reliance on Regulation S (the **Reg S Notes**) will be evidenced on issue by a global registered note certificate relating to each such Class in fully registered form without interest coupons or principal receipts attached (each a **Reg S Global Registered Note Certificate**). Beneficial interests in Notes evidenced by Reg S Global Registered Note Certificates may only be held through Euroclear or Clearstream, Luxembourg or their participants at any time.

The Notes of each Class sold in the United States to Qualified Institutional Buyers in reliance on Rule 144A (the **Rule 144A Notes**) will be evidenced on issue by a global registered note certificate relating to each such Class in fully registered form without interest coupons or principal receipts attached (each a **Rule 144A Global Registered Note Certificate**).

The Rule 144A Global Registered Note Certificates and the Reg S Global Registered Note Certificates are together referred to as the **Global Registered Note Certificates**.

Deposit of Global Registered Note Certificates

DTC – Rule 144A Senior Class A1a Notes

The Rule 144A Senior Class A1a Global Registered Note Certificate will be deposited on behalf of the subscribers of such Notes with a custodian (the **Custodian**) and registered in the name of Cede & Co. as nominee for The Depository Trust Company (**DTC**).

Common Safekeeper for Euroclear and Clearstream, Luxembourg – the Senior Class A1b Notes

The Global Registered Note Certificates evidencing the Senior Class A1b Notes will be deposited with the Common Safekeeper for Euroclear and Clearstream, Luxembourg on the Closing Date and registered in the name of a common nominee for Euroclear and Clearstream, Luxembourg. Reference to Euroclear or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Security Trustee.

Common Depositary for Euroclear and Clearstream, Luxembourg – Notes other than the Rule 144A Senior Class A1a Notes and the Senior Class A1b Notes

The Global Registered Note Certificates evidencing the Notes other than the Rule 144A Senior Class A1a Notes and the Senior Class A1b Notes, will be deposited on behalf of the subscribers of such Notes with a common depositary (the **Common Depositary**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) on the Closing Date and registered in the name of a common nominee for Euroclear and Clearstream, Luxembourg. Reference to Euroclear or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Security Trustee.

Beneficial interests in respect of the Notes evidenced by Global Registered Note Certificates

Upon confirmation by DTC that the Custodian for DTC has custody of the Rule 144A Senior Class A1a Global Registered Note Certificate, and upon acceptance of the DTC Letter of Representations sent by the Issuer to DTC, DTC will record beneficial interests in respect of the Rule 144A Senior Class A1a Notes attributable thereto.

Upon confirmation by the Common Safekeeper that it has custody of the Rule 144A Senior Class A1b Global Registered Note Certificate, Euroclear or Clearstream, Luxembourg, as the case may be, will record beneficial interests in the Rule 144A Senior Class A1b Notes attributable thereto.

Upon confirmation by the Common Depositary that it has custody of the relevant Reg S Global Registered Note Certificates (other than the Reg S Senior Class A1b Global Registered Note Certificate), Euroclear or Clearstream, Luxembourg, as the case may be, will record the beneficial interests in the Reg S Notes of the relevant Classes attributable thereto.

Upon confirmation by the Common Safekeeper that it has custody of the Reg S Senior Class A1b Global Registered Note Certificate, Euroclear or Clearstream, Luxembourg, as the case may be, will record the beneficial interests in the Reg S Senior Class A1b Notes attributable thereto.

Upon confirmation by the Common Depositary that it has custody of the Rule 144A Mezzanine Class B Global Registered Note Certificate, the Rule 144A Mezzanine Class C Global Registered Note Certificate, the Rule 144A Junior Class D Global Registered Note Certificate, the Rule 144A Junior Class E Global

Registered Note Certificate and Rule 144A Subordinated Class F Global Registered Note Certificate, Euroclear or Clearstream, Luxembourg, as the case may be, will record beneficial interests in respect of the Rule 144A Notes attributable thereto.

Ownership of beneficial interests will be limited to persons that have accounts with Euroclear, Clearstream, Luxembourg or, in respect of the Rule 144A Senior Class A1a Global Registered Notes only, DTC (**participants**) or persons that hold interests in respect of the Notes evidenced by the Global Registered Note Certificates through participants (**indirect participants**), including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear, Clearstream, Luxembourg or DTC, either directly or indirectly. Indirect participants shall also include persons that hold beneficial interests through such indirect participants. Euroclear, Clearstream, Luxembourg and DTC, as applicable, will credit the participants' accounts with the respective amount of Notes in respect of which such participants own a beneficial interest on each of their respective book-entry registration and transfer systems. The accounts to be initially credited shall be designated by the Joint Lead Managers. Beneficial interests will be shown on, and transfers of book-entry interests or the interest therein will be effected only through, records maintained by Euroclear, Clearstream, Luxembourg or DTC (with respect to the interests of their participants) and on the records of participants or indirect participants (with respect to the interests of their indirect participants). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability to own, transfer or pledge book-entry interests.

Beneficial interests in Notes evidenced by a Rule 144A Global Registered Note Certificate may only be held by persons who are QIBs holding their interests for their own account or for the account of another QIB. By acquisition of a beneficial interest in Notes evidenced by a Rule 144A Global Registered Note Certificate, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and that, if in the future it decides to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Rule 144A Global Registered Note Certificate (see *Transfer Restrictions and Investor Representations*).

So long as Cede & Co. is the registered holder of the Notes evidenced by the Rule 144A Senior Class A1a Global Registered Note Certificate to which the beneficial interests relate, Cede & Co., will be considered the sole Noteholder of the Senior Class A1a Notes for all purposes under the Trust Deed.

So long as a nominee of the Common Safekeeper or Common Depositary (as applicable) is the registered holder of the Notes evidenced by the Rule 144A Global Registered Note Certificate (other than the Rule 144A Senior Class A1a Global Registered Note Certificate) to which the beneficial interests relate, the nominee of the Common Safekeeper or Common Depositary (as applicable) will be considered the sole Noteholder of the Notes evidenced by such Rule 144A Global Registered Note Certificates for all purposes under the Trust Deed. So long as a nominee of the Common Safekeeper or Common Depositary (as applicable) the registered holder of the Notes evidenced by such Reg S Global Registered Note Certificates to which the beneficial interests relate, the nominee of the Common Safekeeper or Common Depositary (as applicable) will be considered the sole Noteholder of the Notes evidenced by such Reg S Global Registered Note Certificates for all purposes under the Trust Deed.

Except as set forth under "*Issue of Definitive Registered Note Certificates*", below, participants and indirect participants will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Note Certificates in definitive registered form and will not be considered the holders of the Notes evidenced thereby under the Trust Deed. Accordingly, each person holding a beneficial interest must rely on the rules and procedures of Euroclear, Clearstream, Luxembourg or DTC, as the case may be, and indirect participants must rely on the procedures of the participants or indirect participants through which such person owns its interest in the relevant beneficial interests, to exercise any rights and obligations of a holder of Notes under the Trust Deed.

The Trust Deed will provide a mechanism for relevant account holders with Euroclear, Clearstream, Luxembourg or DTC to whose securities account(s) with such clearing system(s) the beneficial interests in the Notes evidenced by such Global Note Certificate are credited to be able to enforce rights directly against the Issuer.

No such election may however be made on or before an exchange date in connection with the occurrence of an Exchange Event (an **Exchange Date**) fixed in accordance with a Global Note Certificate with respect to the Notes to which that Exchange Date relates.

Unlike legal owners or holders of the Notes, holders of the beneficial interests will not have the right under the Trust Deed to act upon solicitations by the Issuer or consents or requests by the Issuer for waivers or other actions from Noteholders. Instead, a holder of beneficial interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear, Clearstream, Luxembourg or DTC, as the case may be, and, if applicable, their participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of beneficial interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of a Notes Event of Default under the Notes, holders of beneficial interests will be restricted to acting through Euroclear, Clearstream, Luxembourg or DTC unless and until Definitive Registered Note Certificates are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by DTC, Euroclear or Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Payments in respect of the Notes evidenced by Global Registered Note Certificates

Principal and interest on the Notes evidenced by a Global Registered Note Certificate will be made in US Dollars in respect of the Senior Class A1a Notes and in euro in respect of the other Notes. Payments will be made on behalf of the Issuer in each case payable to the registered owner thereof and such registered owner will be the only person entitled to receive payments in respect of such Global Registered Note Certificate and the Issuer will be discharged by payment to, or to the order of the registered owner of such Global Registered Note Certificates in respect of each amount so paid. No person other than the registered owner of the Notes evidenced by a Global Registered Note Certificate shall have any claim against the Issuer in respect of any payment due on such Global Registered Note Certificate.

All amounts of principal and interest in respect of the Notes evidenced by Global Registered Note Certificates shall be paid by the Principal Paying Agent on behalf of the Issuer to (i) DTC or its nominee as registered holder of the Rule 144A Senior Class A1a Notes (ii) to the Common Depositary or Common Safekeeper (as applicable) (or their nominees) as the registered holders of the other Notes. Each holder of a beneficial interest must look solely to DTC (in respect of interests in the Senior Class A1a Notes) or the Common Depositary or the Common Safekeeper or their nominees (as applicable) in respect of payments relating to those beneficial interests.

The Issuer expects that, in accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment from the Principal Paying Agent to the order of the Common Safekeeper or Common Depositary (as applicable) in respect of a Global Registered Note Certificate held by the Common Depositary or Common Safekeeper (as applicable) for Euroclear and Clearstream, Luxembourg, the respective systems will promptly credit their participants' accounts with payments in amounts proportionate to their respective beneficial interests in the Notes evidenced by such Global Registered Note Certificate as shown in the records of Euroclear or of Clearstream, Luxembourg.

The Issuer expects that in the case of DTC, upon receipt of any payment from the Principal Paying Agent in respect of the Rule 144A Senior Class A1a Global Registered Note Certificate, DTC will promptly credit its participants' accounts with payments in amounts proportionate to their respective beneficial interests in the relevant Senior Class A1a Notes as shown on the records of DTC.

The Issuer expects that payments by participants to owners of beneficial interests in respect of the Notes held through such participants or indirect participants will be governed by standing customer instructions and customary practices. Any payments by the participants or indirect participants will be the responsibility of such participants or indirect participants. None of the Issuer, the Security Trustee or any of their respective agents will have any responsibility or liability for any aspect of the records relating to or payments made on account of a participant's ownership of beneficial interests in such Notes or for maintaining, supervising or reviewing any records relating to a participant's ownership of beneficial interests in such Notes.

Transfers and Transfer Restrictions

Title to Notes evidenced by Global Registered Note Certificates will pass by transfer and registration. The Common Depositary, the Common Safekeeper, DTC or their nominees, as applicable, may only transfer the Notes evidenced by the Global Certificates and in respect of which they are the registered holder, to their successor.

For so long as Notes are evidenced by a Global Registered Note Certificate held through Euroclear, Clearstream, Luxembourg or DTC, as appropriate, the beneficial interests in respect of such Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg or DTC, as appropriate. See *Clearance and Settlement* below. Beneficial owners will not receive definitive registered note certificates evidencing their holding unless an Exchange Event occurs.

The Rule 144A Global Registered Note Certificates will bear a legend substantially identical to that appearing under *Transfer Restrictions and Investor Representations*, and neither the Notes evidenced by such Rule 144A Global Registered Note Certificates nor any beneficial interest therein may be transferred except in compliance with the transfer restrictions set forth in such legend and the regulations referred to in Condition 1 (*Form, Denomination, Register, Title and Transfers*). Beneficial interests in the Notes evidenced by a Rule 144A Global Registered Note Certificate may be transferred to a person who takes delivery in the form of a beneficial interest in the corresponding Reg S Global Registered Note Certificate, whether before or after the expiration of the Distribution Compliance Period, only upon receipt by the Registrar of a written certification from the transferor (in the form provided in the Trust Deed) to the effect that among other things, such transfer is being made to a non-US person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or Rule 144A under the Securities Act (if available).

Each Reg S Global Registered Note Certificate will bear a legend substantially identical to that appearing under *Transfer Restrictions and Investor Representations* below. On or before the expiration of the Distribution Compliance Period a beneficial interest in the Notes evidenced by a Reg S Global Registered Note Certificate may be transferred to a person who takes delivery in the form of a beneficial interest in Notes evidenced by the corresponding Rule 144A Global Registered Note Certificate only upon receipt by the Registrar, of a written certificate from the transferor (in the form provided in the Trust Deed) to the effect that, among other things, such transfer is being made to a person whom the transferor reasonably believes is a Qualified Institutional Buyer.

If any beneficial interest in a Note evidenced by a Reg S Global Registered Notes Certificate is transferred to a person who takes delivery in the form of a beneficial interest in a Note evidenced by the corresponding Rule 144A Global Registered Note Certificate, then such Note will, upon such transfer, cease to be evidenced by such Reg S Global Registered Note Certificate and will become evidenced by such Rule 144A Global Registered Note Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to Notes evidenced by such Rule 144A Global Registered Note Certificate. If any beneficial interest in a Note evidenced by a Rule 144A Global Registered Note Certificate is transferred to a person who takes delivery in the form of a beneficial interest in a Note evidenced by the corresponding Reg S Global Registered Note Certificate, then such Note will, upon such transfer, cease to be represented by such Rule 144A Global Registered Note Certificate and will become evidenced by such Reg S Global

Registered Note Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to Notes evidenced by such Reg S Global Registered Note Certificate.

A person acquiring a beneficial interest in Notes evidenced by a Rule 144A Global Registered Note Certificate shall be deemed to have agreed to be bound by the transfer restrictions applicable to such Note and may be requested to agree in writing to be so bound. These transfer restrictions are set forth in the section entitled *Transfer Restrictions and Investor Representations*.

Trading between DTC seller and Euroclear/Clearstream, Luxembourg purchaser

When beneficial interests in Notes evidenced by the Rule 144A Senior Class A1a Registered Note Certificate are to be transferred from the account of a DTC participant holding a beneficial interest in a Global Registered Note Certificate to the account of a Euroclear or Clearstream, Luxembourg account holder wishing to purchase a beneficial interest in Notes of the same Class evidenced by that Global Registered Note Certificate (subject to the certification procedures provided in the Trust Deed and Paying Agency Agreement), the DTC participant is required to deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg account holder to DTC by 12 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the Custodian of the Global Registered Note Certificate will instruct the Registrar to (i) decrease the amount of Dollar Notes registered in the name of Cede & Co. (or such other name as may be requested by an authorised representative of DTC) evidenced by the relevant Global Registered Note Certificate and (ii) increase the amount of Dollar Notes registered in the name of the nominee of the Common Depositary for Euroclear and Clearstream, Luxembourg (as applicable) evidenced by the relevant Global Registered Note Certificate. Beneficial interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant account holder on the first Business Day following the settlement date.

Trading between Euroclear/Clearstream, Luxembourg seller and DTC purchaser

When beneficial interests are to be transferred from the account of a Euroclear or Clearstream, Luxembourg account holder to the account of a DTC participant wishing to purchase a beneficial interest in Notes evidenced by a Global Registered Note Certificate (subject to the certification procedures provided in the Trust Deed and Paying Agency Agreement), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7.45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the Common Depositary for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg account holder, as the case may be. On the settlement date, the Common Depositary for Euroclear and Clearstream, Luxembourg will: (a) transmit appropriate instructions to the custodian of the Global Registered Note Certificate who will in turn deliver evidence of such book-entry interests in the Dollar Notes free of payment to the relevant account of the DTC participant; and (b) instruct the Registrar to (i) decrease the amount of Dollar Notes registered in the name of the nominee of the Common Depositary for Euroclear and Clearstream, Luxembourg and evidenced by the relevant Global Registered Note Certificate and (ii) increase the amount of Dollar Notes registered in the name of Cede & Co. (or such other name as may be requested by an authorised representative of DTC) and evidenced by the relevant Global Registered Note Certificate.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of beneficial interests in Notes evidenced by the Global Registered Note Certificates among participants of DTC and account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Security Trustee or any of their respective agents will have any

responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

Eurosystem Eligibility

The Senior Class A1b Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Senior Class A1b Notes are issued under the NSS and 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. It does not necessarily mean that the Senior Class A1b Notes will be recognised as 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. The Senior Class A1a Notes, 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 Eurosystem Eligible Collateral.

Pre-issue trades settlement

It is expected that delivery of the Notes evidenced by Global Registered Note Certificates will be made against payment therefor on the Closing Date, which could be more than three business days following the date of pricing. Under Rule 15c6-l under the Exchange Act, trades in the United States secondary market generally are required to settle within three business days (T+3), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding business days until three days prior to the relevant closing date will be required, by virtue of the fact the Notes initially may settle beyond T+3, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of beneficial interests in such Notes may be affected by such local settlement practices and purchasers of beneficial interests in respect of the Notes who wish to trade beneficial interests in respect of the Notes between the date of pricing and the Closing Date should consult their own adviser.

Information Regarding DTC, Euroclear and Clearstream, Luxembourg

The Issuer has been advised in respect of DTC, Euroclear and Clearstream, Luxembourg as follows:

(a) *DTC* - DTC is a limited-purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities of its participants and to facilitate the clearance and settlement of transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations, some of whom (and/or their representative) own DTC.

(b) *Euroclear and Clearstream, Luxembourg* - Euroclear and Clearstream, Luxembourg each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of certificates and any risk from lack of simultaneous transfers of securities.

Euroclear and Clearstream, Luxembourg each provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending

and borrowing. Euroclear and Clearstream, Luxembourg each also deal with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.

Account holders in both Euroclear and Clearstream, Luxembourg are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to both Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

An account holder's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under such rules and operating procedures only on behalf of their respective account holders, and have no record of or relationship with persons holding through their respective account holders.

The Issuer understands that under existing industry practices, if either the Issuer or the Security Trustee requests any action of owners of beneficial interests in Global Registered Note Certificates or if an owner of a beneficial interest in Notes evidenced by a Global Registered Note Certificate desires to give instructions or take any action that a holder is entitled to give or take under the Trust Deed, Euroclear, Clearstream, Luxembourg or DTC, as the case may be, would authorise the participants owning the relevant beneficial interest in the Notes evidenced by the Global Registered Note Certificate to give instructions or take such action, and such participants would authorise indirect participants to give or take such action or would otherwise act upon the instructions of such indirect participants.

Issue of Definitive Registered Note Certificates

The Issuer will within 30 days of the occurrence of an Exchange Event, issue serially numbered Definitive Registered Note Certificates and as applicable, in fully registered form in exchange for the whole outstanding interest in the Notes evidenced by the relevant Global Registered Note Certificates.

Any Note issued evidenced by a Definitive Registered Note Certificate in exchange for a beneficial interest in a Rule 144A Global Registered Note or a Reg S Global Registered Note will be registered by the Registrar in such name or names as the Issuer shall instruct the Principal Paying Agent based on the instructions of DTC (in respect of the Rule 144A Senior Class A1a Notes) or Euroclear or Clearstream, Luxembourg, as the case may be, in respect of the other Notes. It is expected that such instructions will be based on directions received from the participants of DTC, Euroclear or Clearstream, Luxembourg, as applicable, in respect of the relevant beneficial interests.

Notices

Any notice to Noteholders shall be deemed to have been duly given if published in accordance with Condition 13 (*Notices*).

TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions (the **Conditions**) which will be applicable to the Notes, including the Notes which are evidenced by Global Registered Note Certificates but only to the extent that such terms and conditions are appropriate for such Notes evidenced by Global Registered Note Certificates. The Conditions will be attached to the Note Certificates. See Description of the Global Registered Note Certificates.*

The issue of the USD 600,000,000 Senior Class A1a Mortgage-Backed Notes 2012 due 2092 (the **Senior Class A1a Notes**), the EUR 212,000,000 Senior Class A1b Mortgage-Backed Notes 2012 due 2092 (the **Senior Class A1b Notes** and together with the Senior Class A1a Notes, the **Senior Class A Notes**), the EUR 13,000,000 Mezzanine Class B Mortgage-Backed Notes 2012 due 2092 (the **Mezzanine Class B Notes**), the EUR 13,000,000 Mezzanine Class C Mortgage-Backed Notes 2012 due 2092 (the **Mezzanine Class C Notes**), the EUR 13,000,000 Junior Class D Mortgage-Backed Notes 2012 due 2092 (the **Junior Class D Notes**), the EUR 15,000,000 Junior Class E Mortgage-Backed Notes 2012 due 2092 (the **Junior Class E Notes**) and the EUR 7,200,000 Subordinated Class F Notes 2012 due 2092 (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 11 B.V. (the **Issuer**) passed on 27 April 2012. The Notes have been issued under a trust deed (the **Trust Deed**, which expression includes such trust deed as from time to time modified in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto as from time to time so modified) dated 8 May 2012 (the **Closing Date**) between the Issuer, Stichting Holding SAECURE 11 and Stichting Security Trustee SAECURE 11 (the **Security Trustee**).

Under a paying agency agreement (as amended, restated and/or supplemented from time to time, 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**), Deutsche Bank Trust Company Americas as US paying agent (the **US Paying Agent** and, together with the Principal Paying Agent and the Paying Agent, the **Paying Agents**) and Deutsche Bank AG, London Branch as reference agent (the **Reference Agent** and Deutsche Bank Trust Company Americas as registrar of the Notes (the **Registrar**) and as transfer agent (**Transfer Agent**, and together with the Principal Paying Agent, the Paying Agent, the Reference Agent, the Registrar and the Transfer Agent, the **Agents**) provision is made for, among other things, the payment of principal and, in respect of the Senior Class A Notes, 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 Definitive Registered Note Certificates and the forms of the Global Registered Note Certificates, (iii) a mortgage receivables purchase agreement (as amended, restated and/or supplemented from time to time, 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 (as amended, restated and/or supplemented from time to time, 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 (as amended, restated and/or supplemented from time to time, 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 (as amended, restated and/or supplemented from time to time, the **Mortgage Receivables Pledge Agreement**) dated the Signing Date between the Issuer and the Security Trustee, (vii) an issuer rights pledge agreement (as amended, restated and/or supplemented from time to time, the **Issuer Rights Pledge Agreement**) dated the Signing Date between, *inter alia*, the Issuer and the Security Trustee, (viii) an issuer accounts pledge agreement (as amended, restated and/or supplemented from

time to time, the **Issuer Accounts Pledge Agreement**) dated the Signing Date between, *inter alia*, the Issuer and the Security Trustee and (ix) a deed of charge (as amended, restated and/or supplemented from time to time, the **Deed of Charge**) (jointly with the three pledge agreements referred to under (vi), (vii) and (viii) 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 Agreements, the Floating Rate GIC, the Account Bank Agreement, the Liquidity Facility Agreement, the Swap Agreements, the Back-Up Swap Agreements, 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, novated 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 (as amended, restated and/or supplemented from time to time, 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 A1a Notes, the Senior Class A1b 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 Claude Debussylaan 24, 1082 MD Amsterdam, the Netherlands. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement, the Pledge Agreements and the Master Definitions Agreement.

1. Form, Denomination, Register, Title and Transfers

1.1 Form and denomination

(a) *Form*

The Notes are in registered form (*vorderingen op naam*), evidenced by Note Certificates (as defined below under Condition 1.1(b)) without interest coupons, talons or principal receipts attached.

(b) *Notes evidenced by Global Registered Note Certificates*

The Notes of each class initially offered and sold to non US persons in an offshore transaction pursuant to Regulation S (**Regulation S**) under the United States Securities Act of 1933, as amended (the **Securities Act**) are initially evidenced by global registered note certificates (collectively the **Reg S Global Registered Note Certificates**). The Notes of each Class initially offered and sold within the United States to persons who are "qualified institutional buyers" as defined in and in reliance on Rule 144A of the Securities Act (**Rule 144A**), in transactions made in accordance with Rule 144A are initially evidenced by global registered note certificates (the **Rule 144A Global Registered Note Certificates** and, together with the Reg S Global Registered Note Certificates, the **Global Registered Note Certificates**) and, together with any Definitive Registered Note Certificate (as defined below in Condition 1.1(c)) issued in exchange for a Global Registered Note Certificate pursuant to Condition 1.1(c) below, a **Note Certificate**. The Note Certificates evidencing the

Euro Notes are referred to as the **Euro Note Certificates** and the Note Certificates evidencing the Dollar Notes are referred to as the **Dollar Note Certificates**, both in global and definitive form.

(c) If, while any Notes are evidenced by Global Registered Note Certificates:

(i) in the case of a Global Registered Note Certificate held for Euroclear or Clearstream, Luxembourg, Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or has in fact done so and no alternative or successor clearing system acceptable to the Security Trustee is available; or

(ii) in the case of a Global Registered Note Certificate held for DTC, DTC has notified the Issuer that it is at any time unwilling or unable to continue as the holder with respect to the Global Registered Note Certificates, or is at any time unwilling or unable to continue as, or ceases to be a clearing agency under the Exchange Act and a successor to DTC registered as a clearing agency under the Exchange Act is not appointed by the Issuer within 90 days of such notification or cessation; or

(iii) as a result of any amendment to, or change in (a) 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 (b) the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer is or a Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required were the Notes evidenced by Note Certificates in definitive form,

(each an **Exchange Event**) then the Issuer will, within 30 days of the occurrence of the relevant event, issue the following Note Certificates in exchange for the whole outstanding interest in that Global Registered Note Certificate:

(i) in respect of each Class, definitive registered note certificates in an aggregate principal amount equal to the Principal Amount Outstanding of the Notes evidenced by the Reg S Global Registered Note Certificates (**Reg S Definitive Registered Note Certificates**); and

(ii) in respect of each Class, definitive registered note certificates in an aggregate principal amount equal to the Principal Amount Outstanding of the Notes evidenced by the Rule 144A Global Registered Note Certificates (the **Definitive Registered Rule 144A Note Certificates** and together with the Reg S Definitive Registered Note Certificates, the **Definitive Registered Note Certificates**).

A Definitive Registered Note Certificate will be issued to each Noteholder in respect of its registered holding. Each Definitive Registered Note Certificate will be serially numbered with an identifying number which will be recorded in the Register.

(d) *Denomination*

(i) As long as the Notes are evidenced by Global Registered Note Certificates and Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) and The Depository Trust Company (**DTC**) so permit (i) the interests in the Senior Class A1a Notes (the **Dollar Notes**) will be tradable

only in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof; and the interests in the Notes other than the Dollar Notes (the **Euro Notes**) will be tradable only in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

(ii) Definitive Registered Note Certificates, if issued, will be issued (i) when evidencing definitive Dollar Notes, in a minimum denomination of $200,000 and (ii) when evidencing Euro Notes of any Class, in a minimum denomination of €100,000, in each case increased with any amount in excess thereof in integral multiples of $1,000 or €1,000 respectively.

(e) *Notes and Noteholder*

(i) References to **Notes** shall mean the claims (*vorderingsrechten*) against the Issuer as evidenced by the Note Certificates.

(ii) In these Conditions, **Noteholder** or **holder of a Note** means the person in whose name a Registered Note is registered and capitalised terms have the meanings given to them herein.

(f) The Senior Class A1b Notes are issued under the new safekeeping structure (the **NSS**).

(g) For so long as any Notes are evidenced by a Global Registered Note Certificate, transfers and exchanges of beneficial interests in such Notes and entitlement to payments thereunder will be effected subject to and in accordance with the rules and procedures from time to time of DTC or Euroclear or Clearstream, Luxembourg, as the case may be.

1.2 Title and Register

(a) *Title*

The person registered in the Register as the holder of any Note will to the fullest extent permitted by law, be deemed and treated by all persons and for all purposes as the absolute owner of such Note (whether or not payment under such Note shall be overdue and notwithstanding any notice of ownership or writing on, or any notice of previous loss or theft of the related Note Certificate), including for the making of payments, and no person shall be liable for so treating such person.

(b) *Register*

The Issuer shall cause to be kept at the specified offices of the Registrar, a register on which the names and addresses of the holders of the Notes and the particulars of the Notes and of all transfers and redemptions of the Notes shall be entered.

The Issuer will procure that, as long as any of the Notes remains outstanding, there will at all times be a Registrar.

1.3 Transfers

(a) No transfer shall be valid unless and until entered on the Register.

(b) Title to a Note may pass by (i) due execution and completion of a written instrument (a **Transfer Certificate**) in the form attached to the Note Certificate, (ii) delivery of the Transfer Certificate together with the relevant Note Certificate to the Registrar and the Issuer

(which delivery shall constitute notification to the Issuer), together with such evidence as the Registrar may reasonably require and (iii) registration of the transfer in the Register. In case of a transfer of part only of a Note evidenced by a Note Certificate, a new Note Certificate shall be issued to the transferee in respect of the part transferred and a further new Note Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

(c) A Note may only be transferred in the minimum denominations specified in Condition 1.1 (*Form and denomination*).

(d) A new Definitive Registered Note Certificate, to be issued upon transfer of a Note evidenced by a Definitive Registered Note Certificate will, within five business days of such surrender of the old Note Certificate, be available for delivery at the specified office of the Registrar as stipulated in the request for transfer. The Registrar will register the transfer in question and deliver a new Note Certificate evidencing the transferred (part of the) Note to the relevant holder at its specified office.

(e) The transfer of a Note will be effected without charge by the Registrar, but subject to payment of (or the giving of such indemnity as the Registrar may require for) any tax or other governmental charges which may be imposed in relation to it.

(f) Noteholders may not require transfers of Notes to be registered during the period of 15 days ending on the due date for any payment of principal or, if applicable, interest in respect of the Notes.

(g) All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Paying Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Security Trustee and the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

(h) *Transfers of interests in Reg S Note*

(i) On or before the expiration of the Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Reg S Note to a transferee in the United States or who is a US person will only be made:

(A) upon receipt by the Registrar of a duly completed Transfer Certificate in the form set out in the Trust Deed from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A; or

(B) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of US counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

(ii) and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. In the case of (A) above, such transferee may take delivery through a Rule 144A Note.

(i) *Transfers of interests in Rule 144A Notes*

(i) Transfers of Rule 144A Notes may be made:

(A) to a transferee upon receipt by the Registrar of a duly completed Transfer Certificate in the form set out in the Trust Deed from the transferor to the effect that such transfer is being made in accordance with Regulation S if such transfer is being made prior to expiry of the Distribution Compliance Period, the interests in the Notes evidenced by the Registered Note Certificates being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

(B) to a transferee where the transferee is a person whom the transferor reasonably believes is a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A, without certification; or

(C) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of US counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Upon the transfer or exchange of Rule 144A Notes or replacement of Note Certificates pertaining to Rule 144A Notes, or upon specific request for removal of the legend thereon, the Registrar shall deliver only Rule 144A Note Certificates evidencing the relevant Rule 144A Note or refuse to remove the legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of US counsel, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

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 on the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of principal and, if an Enforcement Notice has been served, interest on the Senior Class A Notes, (ii) payments of principal on the Mezzanine Class C Notes are subordinated to, *inter alia,* payments of principal and, if an Enforcement Notice has been served, interest on the Senior Class A Notes and payments of principal on the Mezzanine Class B Notes, (iii) payments of principal on the Junior Class D Notes are subordinated to, *inter alia*, payments of principal and, if an Enforcement Notice has been served, interest on the Senior Class A Notes and payments of principal on the Mezzanine Class B Notes and the Mezzanine Class C Notes, (iv) payments of principal on the Junior Class E Notes are subordinated to, *inter alia*, payments of principal and, if an Enforcement Notice has been served, interest on the Senior Class A Notes and payments of principal on the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes and (v) payments of principal on the Subordinated Class F Notes are subordinated to, *inter alia*, payments of principal and, if an

Enforcement Notice has been served, interest on the Senior Class A Notes and payments of principal on 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, indirectly 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 Initial Swap Counterparty and the Back-Up Swap Counterparty under or in connection with the Swap Agreements; (e) against the Liquidity Facility Provider under or in connection with the Liquidity Facility Agreement; (f) against the Bank Savings Mortgage Participant, the Insurance Savings Mortgage Participant and Conversion Participant under the Sub-Participation Agreements; 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 (other than the US Dollar Account); and

(iv) a first ranking English law charge by the Issuer to the Security Trustee over the Issuer's claims in respect of the US Dollar Account.

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 3 May 2012 and as contemplated in the Transaction Documents;

(b) incur or permit to subsist any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness, except as contemplated in the Transaction Documents;

(c) create, 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;

(d) consolidate or merge with any other person or convey or transfer its assets substantially or as an entirety to one or more persons;

(e) 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;

(f) have any employees or premises or have any subsidiary or subsidiary undertaking;

(g) have an interest in any bank account other than (i) the Issuer Accounts or (ii) an account into which collateral under the Swap Agreements is transferred, unless all rights in relation to such account (other than the account(s) into which collateral under the Swap Agreements is transferred and the US Dollar Account) will have been pledged to the Security Trustee as provided in Condition 2(b)(iii);

(h) amend, supplement or otherwise modify its articles of association or other constitutive documents;

(i) pay any dividend or make any other distribution to its shareholder(s) or issue any further shares, other than in accordance with the applicable Priority of Payments; or

(j) 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

(i) The Senior Class A Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition 6) from and including the date the Senior Class A Notes are issued. Each Senior Class A Note (or, in the case of the redemption of only part of a Senior Class A Note, that part only of such Senior Class A 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 judgment) at the rate applicable to such Senior Class A Note up to but excluding the date on which, on presentation of such Senior Class A 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 Senior Class A 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.

(ii) 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 not bear interest.

(b) Interest Periods and Payment Dates

Interest on the Senior Class A Notes shall be payable by reference to successive interest periods (each a **Quarterly Interest Period**) and will be payable in arrear in respect of the Principal Amount Outstanding (as defined in Condition 6) of the Senior Class A Notes, respectively, on the 30th day of January, April, July and October 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 30th 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, New York, United States 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 **TARGET2 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 July 2012.

(c) Interest on the Senior Class A1a 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 London Interbank Offered Rate (**Libor**) for 2-months deposits in US Dollar and Libor for 3-months deposits in US Dollar, interest on the Senior Class A1a Notes for each Quarterly Interest Period up to (but excluding) the First Optional Redemption Date accrue at an annual rate equal to USD Libor for three-months deposits in US Dollar, plus a margin of 1.55% per annum.

(d) *Interest on the Senior Class A1b 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 2-months deposits in euros and Euribor for 3-months deposits in euros, interest on the Senior Class A1b Notes for each Quarterly Interest Period up to (but excluding) the First Optional Redemption Date accrue at an annual rate equal to Euribor for three-months deposits in euro, plus a margin of 1.35% per annum.

(e) *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.

The rate of interest applicable to the Senior Class A1a Notes will then be equal to the sum of USD Libor for three-months deposits, payable by reference to Quarterly Interest Periods on each Quarterly Payment Date, plus a margin of 3.10% per annum.

The rate of interest applicable to the Senior Class A1b 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 a margin of 2.70% per annum;

(f) *USD Libor*

For the purposes of Conditions 4(c) and (e), USD Libor (**USD Libor**) will be determined as follows:

(i) the Reference Agent will obtain for each Quarterly Interest Period the rate equal to Libor for three-months deposits in US Dollar. The Reference Agent shall use the USD Libor rate as determined and published by the British Bankers' Association and which appears for information purposes on the Reuters Screen LIBOR01 (or, if not available, any other display page on any screen service maintained by any registered information vendor for the display of the relevant USD Libor rate selected by the Reference Agent) at or about 11:00 a.m. (London 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 USD Libor rate is not determined and published by the British Banker's Association, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will:

(A) request the principal London office of each of four (4) major banks in the London interbank market (the **London Reference Banks**) to provide a quotation for the rate at which US Dollar deposits are offered by it to prime banks in the London interbank market for three months at approximately 11.00 a.m. (London time) on the relevant Interest Determination Date and 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 in New York City, of which there shall be at least two in number, selected by the Reference Agent, at

approximately 11.00 a.m. (London time) on the relevant Interest Determination Date for three-months deposits to leading European banks in an amount that is representative for a single transaction in that market at that time,

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

(g) Euribor

For the purposes of Conditions 4(d) and (e), 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 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 European Reference Banks) to provide a quotation for the rate at which euro deposits are offered by it to prime banks in the euro-zone interbank market for three months at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date and 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 in the euro-zone, of which there shall be at least two in number, 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 European 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 Euribor for euro deposits as determined in accordance with this paragraph (g), 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.

(h) *Determination of Floating Rate of Interest and Calculation of the Floating Interest Amount*

The Reference Agent will, as soon as practicable after (x) 11.00 a.m. (London time) for the Senior Class A1a Notes or (y) 11.00 a.m. (Central European Time) for the Senior Class A1b Notes, on each relevant Interest Determination Date, (i) determine the floating rates of interest referred to in paragraphs (c), (d) and (e) 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.

(i) *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.

(j) *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 (h) above, the Security Trustee shall, or a party so appointed by the Security Trustee shall on behalf of the Security Trustee, 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 (h) 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 (h) above, and each such determination or calculation shall be final and binding on all parties.

(k) *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, if applicable, interest in respect of Note Certificates will be made by transfer to a euro account maintained by the payee with a bank in the Netherlands or, in respect of the Senior Class A1a Notes, to a US Dollar account maintained by the payee with a bank in New York City, 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) 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 Certificate (**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.

(c) 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 the sum of the following amounts, calculated as at each Notes Calculation Date as being received or held by the Issuer during the Notes Calculation Period immediately preceding such Notes Calculation Date or expected to be received or drawn by the Issuer on the immediately succeeding Quarterly Payment Date or, in respect of the Swap Agreements, on the Swap Payment Date (items (i) up to and including (xiii) *less* any Disruption Overpaid Amount to the extent it relates to amounts referred to under (i) through (xii) of this definition and to the immediately preceding Quarterly Payment 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, up to, with respect to each Participation-Linked Mortgage Receivable, the Net Outstanding Principal Amount (as defined below) of such Participation-Linked Mortgage Receivable;

(ii) Net Proceeds in respect of any Mortgage Receivables, to the extent such proceeds relate to principal, up to, with respect to each Participation-Linked Mortgage Receivable, the Net Outstanding Principal Amount of such Participation-Linked 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, up to, with respect to each Participation-Linked Mortgage Receivable, the Net Outstanding Principal Amount of such Participation-Linked Mortgage Receivable;

(iv) amounts to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date;

(v) Further Participation Amounts;

(vi) Switched Insurance Savings Participation Amounts to the extent such amounts exceed the relevant 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, up to, with respect to each Participation-Linked Mortgage Receivable, the Net Outstanding Principal Amount of such Participation-Linked Mortgage Receivable;

(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;

(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;

(x) amounts designated as principal to be received from the Swap Counterparty under the Currency Swap Agreement on the immediately succeeding Quarterly Payment Date and any Currency Swap Termination Payment (Principal) to be received from the Swap Counterparty to the extent exceeding the portion (if any) of such Currency Swap Termination Payment (Principal) applied or to be applied towards payment of any Currency Swap Initial Premium (Principal) to a replacement swap provider (a) excluding, for the avoidance of doubt, any collateral transferred to the Issuer pursuant to the Swap Agreements and any swap termination payments received as a result of a Swap Termination Event, and (b) provided that, if sufficient funds are available for all *pari passu* and higher ranking amounts, any such amounts received under the Currency Swap Agreement shall be applied first in accordance with item (b) of the Pre-Enforcement Principal Priority of Payments;

(xi) amounts received in respect of any Currency Swap Initial Premium (Principal) from a replacement swap provider, to the extent exceeding the portion (if any) of such Currency Swap Initial Premium (Principal) applied or to be applied towards payment of the Currency Swap Termination Payment (Principal) to the Swap Counterparty under the Currency Swap Agreement;

(xii) amounts received in respect of the portion (if any) of any Early Unpaid Amount that corresponds to amounts designated as principal from the Back-Up Swap Counterparty under the Back-Up Currency Swap Agreement; and

(xiii) any Disruption Underpaid Amount to the extent it relates to amounts referred to under (i) through (xii) of this definition and to 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 payments under the NHG Guarantee (if applicable) or any other guarantees or sureties, and (v) the proceeds of foreclosure on any other assets of the relevant debtor (including attachment of wages (*loonbeslag*)), 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 sixth 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) any Portfolio Payment Date and ending on (but excluding) the immediately following Portfolio Payment Date.

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 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 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 Seller 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(a), redeem any remaining Notes at their Principal Amount Outstanding on the Quarterly Payment Date falling in July 2092 (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 or, in respect of item (ii) below, on the immediately succeeding Swap 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, as follows:

(i) *First*, up to the First Optional Redemption Date in or towards satisfaction of the purchase price of any Further Advance Receivables;

(ii) *Second*, *pari passu* and *pro rata* according to (in the case of the Senior Class A Notes) their Euro Equivalent Principal Amount Outstanding (i) in or towards satisfaction of principal amounts due on the Senior Class A Notes, until fully redeemed in accordance with the Conditions, (ii) (A) in or towards satisfaction of any amounts designated as principal due and payable to the Swap Counterparty under the Currency Swap Agreement, or if a Swap Termination Event has occurred and as a result the Issuer has not paid such amounts to the Initial Swap Counterparty and an STE Unpaid Amount relating to principal will become due and payable to the Back-Up Swap Counterparty under the Back-Up Currency Swap Agreement, towards reservation of the portion of the STE Unpaid Amount that relates to principal, for payment to the Back-Up Swap Counterparty in accordance with the Back-Up Currency Swap Agreement and (B) in or towards satisfaction of any Currency Swap Termination Payment (Principal) due and payable to the Swap Counterparty under the Currency Swap Agreement to the extent not paid with the Currency Swap Initial Premium from a replacement swap provider, and (iii) in or towards satisfaction of any Currency Swap Initial Premium (Principal) to be paid to any replacement swap provider to the extent not paid with the Currency Swap Termination Payment (Principal) paid by the outgoing Swap Counterparty, but excluding any Subordinated Swap Amount and excluding, for the avoidance of doubt, (I) the payment to the Swap Counterparty of any Excess Swap Collateral and any Tax Credit and (II) the delivery of any Back-Up Swap Upfront Amount;

(iii) *Third*, in or towards satisfaction of principal amounts due on the Mezzanine Class B Notes, until fully redeemed in accordance with the Conditions;

(iv) *Fourth*, in or towards satisfaction of principal amounts due on the Mezzanine Class C Notes, until fully redeemed;

(v) *Fifth*, in or towards satisfaction of principal amounts due on the Junior Class D Notes, until fully redeemed;

(vi) *Sixth*, in or towards satisfaction of principal amounts due on the Junior Class E Notes, until fully redeemed; and

(vii) *Seventh*, in or towards satisfaction of the Subordinated Swap Amounts (Principal) due to the Swap Counterparty under the terms of the Currency Swap Agreement.

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) available to redeem such Class of Notes, divided by the number of Notes of the relevant Class subject to such redemption (rounded

down to the nearest euro or US Dollar), 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, Euronext Amsterdam and to the holders of Notes and, as long as the Notes are evidenced by a Global Registered Note Certificate, DTC, Euroclear and Clearstream, Luxembourg. 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 July 2015 (the **First Optional Redemption Date**) and on each Quarterly Payment Date thereafter (each an **Optional Redemption Date**) redeem, subject to Condition 9(a) all (but not only part) of the Notes (other than the Subordinated Class F Notes) at their Principal Amount Outstanding plus, in respect of the Senior Class A Notes, accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to redemption of the Notes, provided that in each case, the Issuer has sufficient funds to redeem, subject to Condition 9(a), 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).

(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% of the aggregate outstanding principal amount of the Mortgage Receivables on the Cut-Off Date (the **Seller Clean-up Call Option**),

provided that in each case, the Issuer has sufficient funds to redeem, subject to Condition 9(a), 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). 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(a), all (but not only part of) the Notes (other than the Subordinated Class F Notes) at their Principal Amount Outstanding plus, if applicable, 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 (m) 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(a), redeem the Subordinated Notes at their Principal Amount Outstanding on the Quarterly Payment Date falling in July 2092.

(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, if applicable, 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(a), 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 Closing Date. 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(a), 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).

(i) Redemption for regulatory reasons

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 upon the occurrence of a Regulatory Change (the **Regulatory Call Option**) provided that in each case, the Issuer has sufficient funds to redeem, subject to Condition 9(a), 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). On the Quarterly Payment Date following the exercise by the Seller of its Regulatory Call Option, the Issuer shall redeem, subject to Condition 9(a), all (but not only part of) the Notes (other than the Subordinated Class F Notes) at their Principal Amount Outstanding

plus, if applicable, accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to redemption of the Notes.

A **Regulatory Change** will be a change which is (a) published (regardless of when the change enters into force) on or after the Closing Date in (i) the European Parliament legislative resolution of 22 April 2009 on the amended proposal for a directive of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (the **Solvency II Framework Directive**) or (ii) the international, European or Dutch regulations, rules and instructions (which includes rules on solvency requirements) (the **Insurance and Reinsurance Regulations**) applicable to the Seller (including any change in the Insurance and Reinsurance Regulations enacted for purposes of implementing a change to the Solvency II Framework Directive) or (iii) the manner in which the Solvency II Framework Directive or such Insurance and Reinsurance Regulations are interpreted or applied by any relevant competent international, European or national body (including the Dutch Central Bank and any relevant international, European or other competent regulatory or supervisory authority) and (b) in the reasonable opinion of the Seller, has the effect of materially adversely affecting the rate of return on capital of the Seller or materially increasing the cost or reducing the benefit to the Seller with respect to the transaction contemplated by the Notes.

7. Taxation

All payments of, or in respect of, principal and, if applicable, 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 or 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 shall become prescribed unless made within five (5) years from the date on which such payment first becomes due.

9. Subordination

(a) Principal

The Senior Class A Notes will be redeemed in accordance with the provisions of Condition 6. 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. If on any Quarterly Payment Date, there is a balance on the Class A Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions, the principal amount payable on redemption of the Senior Class A Notes on such Quarterly Payment Date shall not exceed their Principal Amount Outstanding less a *pro rata* part of the relevant Principal Shortfall in accordance with their respective Euro Equivalent Principal Amount Outstanding as allocated to the sub-ledgers of the Class A Principal Deficiency Ledger relating to such Senior Class A Note on such date.

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.

(b) General

In the event that the Security in respect of the Notes has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking 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 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, for the avoidance of doubt, the Security Trustee) in respect of any such unpaid amounts.

10. Notes 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 (b), 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, if applicable, accrued interest, if any of the following (each a **Notes Event of Default**) 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 that, if more than one Class of Notes is outstanding, no Enforcement Notice may or shall be given by the Security Trustee to the Issuer in respect of any Class of Notes ranking junior to the Most Senior Class of Notes irrespective of whether an Extraordinary Resolution is passed by the holders of such Class or Classes of Notes ranking junior to the Most Senior Class of Notes, unless an Enforcement Notice in respect of the Most Senior Class of Notes has been given by the Security Trustee. In exercising its discretion as to whether or not to give an Enforcement Notice to the Issuer in respect of the Most Senior Class of Notes, the Security Trustee shall not be required to have regard to the interests of the holders of any Class of Notes ranking junior to the Most Senior Class of Notes. **Most Senior Class** means the Senior Class A Notes or if there are no Senior Class A Notes outstanding, the Mezzanine Class B Notes, or if there are no Mezzanine Class B Notes outstanding, the Mezzanine Class C Notes, or if there are no Mezzanine Class C Notes outstanding, the Mezzanine Class D Notes, or if there are no Mezzanine Class D Notes outstanding, the Junior Class E Notes, or if there are no Junior Class E Notes outstanding, the Subordinated Class F Notes.

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 Bank Savings Mortgage Participant, the Insurance Savings Mortgage Participant and the Conversion Participant under the Sub-Participation Agreements) to the Security Beneficiaries (other than the Bank Savings Mortgage Participant, the Insurance Savings Mortgage Participant and the Conversion Participant) in accordance with the Post-Enforcement Priority of Payments set forth in the Trust Deed.

(b) No direct 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 by 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. The proceeds will be applied in accordance with the Post-Enforcement Priority of Payments. If the foreclosure proceeds are insufficient, after payment of all other claims ranking in priority to a Class of Notes, to fully pay the amounts due and payable in respect of such Class of Notes, the unpaid amount shall cease to be due and payable by the Issuer and the relevant Noteholders shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

12. Indemnification of the Security Trustee

The Trust Deed contains provisions for the indemnification of the Security Trustee and for its relief from responsibility.

13. Notices

With the exception of the publications of the Reference Agent in Condition 4(i) and of the Issuer in Condition 6(d)(ii), all notices to the Noteholders will, subject to the following paragraphs of this Condition, be valid if published in (i) 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 (ii) 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.

Until such time as any Registered Definitive Note Certificates are issued, there may (provided that, in the case of any publication required by a listing authority, stock exchange and/or quotation system, the rules of the listing authority, stock exchange and/or quotation system so permit), so long as the Global Note(s) is or are held in its or their entirety on behalf of Euroclear and Clearstream, Luxembourg and/or (in respect of the Senior Class A1a Notes) DTC, as the case may be, be substituted for publication in some or all of the newspapers referred to above, the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and/or (in respect of the Senior Class A1a Notes) DTC, as the case may be, for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg and/or (in respect of the Senior Class A1a Notes) DTC.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent. Whilst any of the Notes are evidenced by a Global Note Certificate, such notice may be given by any holder of a Note to the Principal Paying Agent through Euroclear and/or Clearstream, Luxembourg and/or (in respect of the Senior Class A1a Notes) DTC, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg and/or (in respect of the Senior Class A1a Notes) DTC, as the case may be, may approve for this purpose.

14. Meetings of Noteholders; Modification; Consents; Waiver; Removal of Managing Directors

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 Terms Change, provided that such resolution is unanimously adopted in writing – including by email, 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% 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% of the Euro Equivalent 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, a Notes 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, provided that in each case (i) the Issuer has agreed thereto and (ii) the Swap Counterparty and, prior to the occurrence of a Swap Termination Event, the Back-Up Swap Counterparty, have agreed thereto (unless such Basic Terms Change is immediately succeeded by a resolution or other action pursuant to which all Notes (other than the Class F Notes) are redeemed).

A meeting as referred to above may be convened by the Issuer, the Seller or by Noteholders of any Class holding at least 10% in Euro Equivalent Principal Amount Outstanding of Notes of such Class. The quorum for any meeting convened to consider an Extraordinary Resolution for any Class of Notes will be 66.67% of the Euro Equivalent 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% of the amount of the Euro Equivalent Principal Amount Outstanding of the Notes of the relevant Class and the majority required shall be at least 75% 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% of the validly cast votes, regardless of the Euro Equivalent Principal Amount Outstanding of the Notes of the relevant Class then represented.

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 on the Senior Class A Notes, reducing or cancelling the amount of principal or altering the rate of interest payable in respect of the Senior Class A Notes, reducing or cancelling the amount of principal payable 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, 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) a resolution thereto by the Security Trustee if the Security Trustee is of the opinion that the relevant Basic Terms Change will not be materially prejudicial to the respective interests of all 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 all Senior Class A Noteholders or (ii) a resolution thereto by 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 paragraphs 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) a resolution thereto by 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*

Every Voter (as defined in the Trust Deed) shall have one vote in respect of (i) each EUR 1.00, in the case the relevant Class is comprised of EUR Notes, (ii) each USD 1.00, in the case the relevant Class is comprised of Senior Class A1a Notes, (iii) in the case of a Meeting of holders of Notes of a Class comprised of Notes denominated in more than one currency, each EUR 1.00 Euro Equivalent Principal Amount Outstanding in aggregate face amount of the outstanding Notes or (iv) such other amount as the Security Trustee may in its absolute discretion stipulate in Principal Amount Outstanding of the Notes represented or held by

such Voter. The Issuer 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. 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) *Swap Counterparty and Back-Up Swap Counterparty consent to amendment of Transaction Documents*

The Trust Deed provides that without prejudice to the Swap Agreements, the Security Trustee shall not amend, or consent to the amendment of, any Transaction Document if (i) it would cause, in the reasonable opinion of the Swap Counterparty, or, prior to the occurrence of a Swap Termination Event, the Back-Up Swap Counterparty (A) the Swap Counterparty to pay materially more or receive materially less under either Swap Agreement or (B) a decrease (from the Swap Counterparty's perspective) in the value of the swap transaction under either Swap Agreement; or (ii) it would result in any of the Issuer's obligations to the Swap Counterparty under either Swap Agreement to be further contractually subordinated, relative to the level of subordination of such obligations as of the Closing Date, to the Issuer's obligation to any other Security Beneficiary or (iii) if the Swap Counterparty were to replace itself as swap counterparty under either Swap Agreement it would be required to pay materially more or receive materially less in connection with such replacement, as compared to what the Swap Counterparty would have been required to pay or would have received had such amendment not been made unless (x) the Swap Counterparty, and, prior to the occurrence of a Swap Termination Event, the Back-Up Swap Counterparty has each provided its prior written consent, such consent not to be unreasonably withheld or delayed and (y) the Rating Agencies have been informed in accordance with Clause 33.1 of the Trust Deed of the consent or the absence of consent. The Trust Deed also provides that the Security Trustee shall not amend, or consent to any amendment to, either Back-Up Swap Agreement without the consent of the Initial Swap Counterparty, or to either Swap Agreement between the Initial Swap Counterparty and the Issuer without the consent of the Back-Up Swap Counterparty, in each case prior to the occurrence of a Swap Termination Event, where such consent is not to be unreasonably withheld or delayed. The Security Trustee may not waive, modify or amend, or consent to any waiver, modification or amendment of Clause 33.2 of the Trust Deed without the prior written consent of the Swap

Counterparty, and, prior to the occurrence of a Swap Termination Event, the Back-Up Swap Counterparty.

Subject to the above, as provided for in Clause 33.2 of the Trust Deed, the Security Trustee shall consent to any amendment to a Swap Agreement in respect of which the Servicer has certified in writing to the Security Trustee (upon which certification the Security Trustee shall rely without further enquiry) that such amendment is required to reflect, and to ensure consistency with, the final adopted form of the criteria for derivative counterparty and supporting party risk that will be published by Fitch to reflect its "Proposed Enhancements to SF Counterparty Criteria to Address Changing Landscape" announced on 14 February 2012, provided that the Security Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Security Trustee, would have the effect of (i) exposing the Security Trustee to any additional liability or (ii) adding to or increasing the obligations, liabilities or duties, or decreasing the protections, of the Security Trustee in respect of the Notes, the Transaction Documents and/or the Conditions and further provided that the Security Trustee has received written confirmation from the relevant Swap Counterparty in respect of such Swap Agreement that it has consented to such amendment.

(e) *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.

(f) *Removal of managing director of Security Trustee*

The Senior Class A Noteholders (and, after redemption of the Senior Class A Notes, the Mezzanine Class B Noteholders, and, after redemption of the Mezzanine Class B Notes, the Mezzanine Class C Noteholders, and after redemption of the Mezzanine Class C Notes, the Junior Class D Noteholders, and after redemption of the Junior Class D Notes, the Junior Class E Noteholders, and after redemption of the Junior Class E Notes, the Subordinated Class F Noteholders) may by Extraordinary Resolution of a meeting of such Class remove any or all of the managing directors of the Security Trustee, provided that the other Security Beneficiaries have been consulted. Any managing director so removed will not be responsible for any costs or expenses arising from any such removal. Before any managing directors of the Security Trustee are so removed, the Issuer will procure that successor managing directors are appointed in accordance with the Security Trustee's articles of association as soon as reasonably practicable. The removal of a managing director of the Security Trustee will not become effective until a successor managing director is appointed.

For the purposes of this Condition 14 only, a reference to (i) "Class" means if and to the extent it regards the Senior Class A Notes, the Senior Class A1a Notes and the Senior Class A1b Notes, collectively, and (ii) "Senior Class A Noteholders" means the Senior Class A1a Noteholders and the Senior Class A1b Notes, acting collectively.

15. Replacements of Note Certificates

Should any Note Certificate be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal 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 Note Certificates must be surrendered before replacements will be issued.

16. Governing Law

The Notes, and any non-contractual obligations arising out of or in relation to the Notes, 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 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.

DUTCH TAXATION

General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the Notes, but does not purport to be a comprehensive description of all Netherlands tax considerations in relation thereto. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

(i) holders of Notes holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer or the Seller and holders of Notes of whom a certain related person holds a substantial interest in the Issuer or the Seller. Generally speaking, a substantial interest in the Issuer or the Seller arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Issuer or the Seller respectively or of 5% or more of the issued capital of a certain class of shares of the Issuer or the Seller respectively, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer or the Seller respectively;

(ii) investment institutions (*fiscale beleggingsinstellingen*); and

(iii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax

Where this summary refers to a holder of Notes, such reference is restricted to a holder holding legal title to as well as an economic interest in such Notes.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Withholding Tax

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

Corporate and Individual Income Tax

(a) Residents of the Netherlands

If a holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are generally taxable in the Netherlands (at up to a maximum rate of 25%) under the Netherlands corporate income tax act 1969 (*Wet op de vennootschapsbelasting 1969*).

If an individual holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including an individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Notes and gains realised upon the redemption, settlement or disposal of the Notes are taxable at the progressive rates (at up to a maximum rate of 52%) under the Netherlands income tax act 2001 (*Wet inkomstenbelasting 2001*), if:

(i) the holder is an entrepreneur (*ondernemer*) and has an enterprise to which the Notes are attributable or the holder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Notes are attributable; or

(ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the Notes that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. As of 1 January 2011, this deemed return on income from savings and investments has been fixed at a rate of 4% of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year, insofar as the individual's yield basis exceeds a certain threshold. The individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments is taxed at a rate of 30%.

(b) Non-residents of the Netherlands

If a holder is not a resident nor is deemed to be a resident of the Netherlands for Netherlands tax purposes (nor has opted to be taxed as a resident of the Netherlands), such holder is not liable to Dutch income tax in respect of income derived from the Notes and gains realised upon the settlement, redemption or disposal of the Notes, unless:

(i) the holder is not an individual and such holder (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) is (other than by way of securities) entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

This income is subject to Netherlands corporate income tax at up to a maximum rate of 25%.

(ii) the holder is an individual and such holder (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or permanent representative the Notes are attributable, or (2) realises income or gains with respect to the Notes that qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*) in the Netherlands, which activities include the performance of activities in the Netherlands with respect to the Notes which exceed regular, active portfolio management (*normaal, actief vermogensbeheer*), or (3) is (other than by way of securities) entitled to a share in the profits of an enterprise which is effectively managed in the Netherlands and to which enterprise the Notes are attributable.

Income derived from the Notes as specified under (1) and (2) is subject to individual income tax at up to a maximum rate of 52%. Income derived from a share in the profits as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on income from savings and investments (as described above under "Residents of the Netherlands"). The fair market value of the share in the profits of the enterprise (which includes the Notes) will be part of the individual's Netherlands yield basis.

Gift and Inheritance Tax

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

(i) the holder of a Note is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or

(ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Notes or in respect of a cash payment made under the Notes, or in respect of a transfer of Notes.

Other Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Notes.

UNITED STATES TAXATION

To ensure compliance with IRS Circular 230, investors are hereby notified that: (a) any discussion of US federal tax issues contained or referred to in this base prospectus is not intended or written to be used, and cannot be used, by investors for the purpose of avoiding penalties that may be imposed on them under the Internal Revenue Code of 1986, as amended; (b) such discussion is written to support the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax adviser.

The following is a general summary of certain material US federal income tax consequences that may be relevant with respect to the purchase, ownership and disposition of the Senior Class A Notes (the **Offered Notes**). In general, the discussion assumes that a holder acquires the Offered Notes at original issuance and holds the Offered Notes as capital assets. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the Notes. In particular, it does not discuss special tax considerations that may apply to certain types of taxpayers, including, without limitation, the following: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in stocks, securities, notional principal contracts or currencies; (iv) tax-exempt entities; (v) regulated investment companies; (vi) real estate investment trusts; (vii) persons that will hold the Offered Notes as part of a "hedging" or "conversion" transaction or as a position in a "straddle" for US federal income tax purposes; (viii) persons that own (or are deemed to own) 10% or more of the voting shares of the issuing entity; (ix) partnerships, pass-through entities or persons who hold Offered Notes through partnerships or other pass-through entities; (x) persons that have a "functional currency" other than the US dollar; and (xi) certain US expatriates and former long-term residents of the United States. This discussion also does not address alternative minimum tax consequences or the indirect effects on the holders of equity interests in a holder of Offered Notes, nor does it describe any tax consequences arising under the laws of any taxing jurisdiction other than the US federal government.

This discussion is based on the US Internal Revenue Code of 1986, as amended (the **Code**), US Treasury regulations and judicial and administrative interpretations thereof, in each case as in effect or available on the date hereof. All of the foregoing are subject to change, and any change may apply retroactively and could affect the tax consequences described below.

As used in this section, the term **US Holder** means a beneficial owner of Offered Notes that is for US federal income tax purposes: (i) a citizen or individual resident of the United States; (ii) a corporation, created or organized in or under the laws of the United States or any state thereof (including the District of Columbia); (iii) any estate the income of which is subject to US federal income tax regardless of the source of its income; or (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust. A **non-US Holder** is a beneficial owner of Offered Notes that is not a US Holder. If a partnership holds Offered Notes, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. Partners of partnerships holding Offered Notes are encouraged to consult their own tax advisers regarding the personal tax consequences to them.

Characterization of the Offered Notes

Although there is no authority regarding the treatment of instruments that are substantially similar to the Offered Notes, upon issuance of the Offered Notes, Allen & Overy LLP as US tax counsel will deliver an opinion that the Offered Notes, when issued, will be treated as debt for US federal income tax purposes. The Issuer intends to treat the Offered Notes as indebtedness of the Issuer for all purposes, including US federal income tax purposes. The Offered Notes will not be qualifying real property loans in the hands of domestic savings and loan associations, real estate investment trusts, or REMICs under Sections 7701(a)(19)(C), 856(c) or 860G(a)(3) of the Code, respectively.

An opinion of US tax counsel is not binding on the US Internal Revenue Service (the **IRS**) or the courts, and no rulings will be sought from the IRS on any of the issues discussed in this section and there can be no assurance that the IRS or courts will agree with the conclusions expressed herein. **Accordingly, investors are encouraged to consult their own tax advisers as to the personal US federal income tax consequences to the investor of the purchase, ownership and disposition of the Offered Notes, including the possible application of state, local, non-US or other tax laws, and other US tax issues affecting the transaction**.

Taxation of US Holders of the Offered Notes

Payments of Interest

Interest on an Offered Note will be taxable to a US Holder as ordinary income at the time it is received or accrued, in accordance with the holder's method of accounting for tax purposes. Interest paid by the Issuer on an Offered Note and will generally constitute income from sources outside the United States.

If an interest payment is denominated in a currency other than US dollars (a foreign currency), the amount of income recognized by a cash basis US Holder will be the US dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into US dollars.

An accrual basis US Holder may determine the amount of income recognized with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years of a US Holder, the part of the period within the taxable year).

Under the second method, the US Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period or taxable year, an electing accrual basis US Holder may instead translate the accrued interest into US dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the US Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the US Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of the interest payment (including a payment attributable to accrued but unpaid interest upon the sale or other disposition of an Offered Note) denominated in a foreign currency, the US Holder will recognize US source exchange gain or loss (taxable as ordinary income or loss) equal to the difference, if any, between the amount received (translated into US dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into US dollars.

Sales and retirement

In general, a US Holder of an Offered Note will have a basis in such Note equal to the cost of the Note to such holder. A US Holder’s basis in an Offered Note denominated in a foreign currency will be determined by reference to the US dollar cost of the Offered Note. The US dollar cost of an Offered Note purchased with a foreign currency will generally be the US dollar value of the purchase price on the date of purchase (or, in the case of Offered Notes traded on an established securities market, as defined in the applicable US Treasury regulations, that are purchased by a cash basis US Holder (or an accrual basis US Holder that so elects), on the settlement date for the purchase.

Upon a sale or exchange of the Offered Note, a US Holder will generally recognise gain or loss equal to the difference between the amount realized (less any accrued interest, which would be taxable as such) and the holder's tax basis in the Note. The amount realized on a sale or other disposition for an amount in foreign currency will be the US dollar value of this amount on the date of sale or other disposition or, in the case of Offered Notes traded on an established securities market, as defined in the applicable US Treasury regulations, sold by a cash basis US Holder (or an accrual basis US holder that so elects), on the settlement date for the sale. Such an election by an accrual basis US holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

Gain or loss recognized on the sale or other disposition of an Offered Note will be long-term capital gain or loss if the US Holder has held the Note for more than one year at the time of disposition. **Prospective investors are encouraged to consult their own tax advisers regarding the treatment of capital gains (which may be taxed at lower rates than ordinary income for taxpayers who are individuals, trusts or estates that hold the Offered Notes for more than one year) and capital losses (the deductibility of which is subject to limitations) for them as a consequence of an investment in the Offered Notes**.

Gain or loss recognised by a US Holder on the sale or other disposition of an Offered Note that is attributable to changes in exchange rates will be treated as US source ordinary income or loss. However, exchange gain or loss is taken into account only to the extent of total gain or loss realised on the transaction.

Alternative characterization of the Notes

Although there is no authority regarding the treatment of instruments that are substantially similar to the Offered Notes, upon issuance of the Offered Notes, Allen & Overy LLP as US tax counsel will deliver an opinion that the Offered Notes, when issued, will be treated as debt for US federal income tax purposes. The Issuer intends to treat the Offered Notes as debt for all US federal income tax purposes. One possible alternative characterization is that the IRS could assert that the Offered Notes should be treated as equity in the Issuer for US federal income tax purposes because the Issuer may not have substantial equity. If the Offered Notes were treated as equity, US Holders of such Notes would be treated as owning equity in a passive foreign investment company (**PFIC**) which, depending on the level of ownership of such US Holders and certain other factors, might also constitute an interest in a controlled foreign corporation (**CFC**) for such US Holder. An Offered Note that is treated as an equity interest in a PFIC or CFC rather than a debt instrument for US federal income tax purposes would have certain timing and character consequences to a US Holder and could require certain elections and disclosures that would need to be made shortly after acquisition to avoid potentially adverse US tax consequences. Prospective investors are encouraged to consult their own tax advisers regarding the personal tax consequences with respect to the potential impact of an alternative characterization of the Offered Notes for US federal income tax purposes.

Taxation of non-US Holders of the Notes

Subject to the backup withholding rules discussed below, a non-US Holder generally should not be subject to US federal income or withholding tax on any payments on a Note and gain from the sale, redemption or other disposition of a Note unless: (i) that payment and/or gain is effectively connected with the conduct by that non-US Holder of a trade or business in the United States; (ii) in the case of any gain realized on the sale or exchange of a Note by an individual non-US Holder, that holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met; or (iii) the non-US Holder is subject to tax pursuant to provisions of the Code applicable to certain expatriates. **Non-US Holders are encouraged to consult their own tax advisers regarding the US federal income and other tax consequences to them of owning Notes**.

Backup withholding and information reporting

Backup withholding and information reporting requirements may apply to certain payments with respect to the Notes by a US Paying Agent or other US intermediary to US Holders. The issuing entity, its agent, a broker, or any paying agent, as the case may be, may be required to withhold tax from any payment that is subject to backup withholding if the US Holder fails to furnish the US Holder's taxpayer identification number (usually on IRS Form W-9), to certify that such US Holder is not subject to backup withholding, or to otherwise comply with the applicable requirements of the backup withholding rules. Certain US Holders are not subject to the backup withholding and information reporting requirements. Non-US Holders may be required to comply with applicable certification procedures (usually on IRS Form W-8BEN) to establish that they are not US Holders in order to avoid the application of such information reporting requirements and backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be refunded or credited against the US Holder's US federal income tax liability, provided that the required information is furnished to the IRS. **Holders of Notes are encouraged to consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption**.

Recently enacted legislation may require individual US Holders to report to the IRS certain information with respect to their beneficial ownership of the Offered Notes. Investors who fail to report required information could be subject to substantial penalties.

IRS disclosure reporting requirements

US Treasury Regulations (the **disclosure regulations**) meant to require the reporting of certain tax shelter transactions (**reportable transactions**) could be interpreted to cover transactions generally not regarded as tax shelters. Under the disclosure regulations it may be possible that certain transactions with respect to the Offered Notes may be characterized as reportable transactions requiring a US Holder to disclose such transaction, such as a sale, exchange, retirement or other taxable disposition of a Note that results in a loss that exceeds certain thresholds and other specified conditions are met. **Accordingly, investors are encouraged to consult with their own tax advisers to determine the tax return obligations, if any, with respect to an investment in the Offered Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Statement).**

CERTAIN ERISA CONSIDERATIONS

Unless otherwise provided in any supplement to this Prospectus, the Senior Class A1a Notes should be eligible for purchase by employee benefit plans and other plans subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (**ERISA**), and/or the provisions of section 4975 of the Code and by governmental, church and non-US plans that are subject to state, local, other federal law of the United States or non-US law that is substantially similar to ERISA or the Code (**Similar Law**) subject to consideration of the issues described in this section. ERISA imposes certain requirements on "employee benefit plans" (as defined in section 3(3) of ERISA) subject to ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such plans (collectively, **ERISA Plans**), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including the requirements of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan by taking into account the ERISA Plan's particular circumstances and all of the facts and circumstances of the investment including, but not limited to, the matters discussed under *Risk factors*.

Section 406 of ERISA and section 4975 of the Code prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, the **Plans**)) and certain persons (referred to as **parties in interest** or **disqualified persons**) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person, including a Plan fiduciary, who engages in a prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

The Issuer, the Seller, the Security Trustee or any other party to the transactions contemplated by the Transaction Documents may be parties in interest or disqualified persons with respect to many Plans. Prohibited transactions within the meaning of section 406 of ERISA or section 4975 of the Code may arise if any of the Notes is acquired or held by a Plan, including but not limited to where the Issuer, the Seller, the Security Trustee or any other party to such transactions is a party in interest or a disqualified person. Certain exemptions from the prohibited transaction provisions of section 406 of ERISA and section 4975 of the Code may be applicable, however, depending in part on the type of Plan fiduciary making the decision to acquire any Notes and the circumstances under which such decision is made. Included among these exemptions are section 408(b)(17) of ERISA and section 4975(d)(20) of the Code (relating to transactions between a person that is a party in interest (other than a fiduciary or an affiliate that has or exercises discretionary authority or control or renders investment advice with respect to assets involved in the transaction) solely by reason of providing services to the plan, provided that there is adequate consideration for the transaction), Prohibited Transaction Class Exemption (**PTCE**) 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a qualified professional asset manager), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by in-house asset managers). Prospective investors should consult with their advisors regarding the prohibited transaction rules and these exceptions. There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving any Notes.

Governmental plans (as defined in section 3(32) of ERISA) and certain church plans (as defined in section 3(33) of ERISA) and other plans, while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of section 406 of ERISA and section 4975 of the Code, may nevertheless be subject to Similar Law. Fiduciaries of any such plans should consult with their counsel before purchasing the Notes to determine the need for, if necessary, and the availability of, any exemptive relief under any Similar Law.

Accordingly, except as otherwise provided in any supplement to this Prospectus, each purchaser and subsequent transferee of any Senior Class A1a Notes will be deemed by such purchase or acquisition of any such Senior Class A1a Notes to have represented and warranted, on each day from the date on which the purchaser or transferee acquires such Senior Class A1a Notes (or any interest therein) through and including the date on which the purchaser or transferee disposes of such Class A1a Notes (or any interest therein), either that (a) it is not a Plan or any entity whose underlying assets include, or are deemed for purposes of ERISA or the Code to include, the assets of any Plan or a governmental, church or non-US plan which is subject to any Similar Law or (b) its acquisition, holding and disposition of such Senior Class A1a Notes (or any interest therein) will not constitute or result in a prohibited transaction under section 406 of ERISA or section 4975 of the Code (or, in the case of a governmental, church or non-US plan subject to Similar Law, a violation of any Similar Law) for which an exemption is not available.

In addition, the US Department of Labor has promulgated a regulation, 29 C.F.R. section 2510.3-101, as modified by section 3(42) of ERISA (the **Plan Asset Regulation**) describing what constitutes the assets of a Plan with respect to the Plan's investment in an entity for purposes of certain provisions of ERISA, including the fiduciary responsibility provisions of Title I of ERISA and section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an **equity interest** of an entity that is neither a **publicly-offered security** nor a security issued by an investment company registered under the Investment Company Act, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless one of the exceptions to such treatment described in the Plan Asset Regulation applies. Under the Plan Asset Regulation, a security which is in debt form may be considered an **equity interest** if it has **substantial equity features**. If the Issuer were deemed under the Plan Asset Regulation to hold plan assets by reason of a Plan's investment in any of the Notes, such plan assets would include an undivided interest in the assets held by the Issuer and transactions by the Issuer would be subject to the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of section 406 of ERISA and section 4975 of the Code. While there is little pertinent authority in this area and no assurance can be given, the Issuer believes that the Senior Class A1a Notes should not be treated as **equity interests** for the purposes of the Plan Asset Regulation.

Each Plan fiduciary who is responsible for making the investment decisions whether to purchase or commit to purchase and to hold any of the Senior Class A1a Notes should determine whether, under the documents and instruments governing the Plan, an investment in such Senior Class A1a Notes is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan's investment portfolio. Any Plan proposing to invest in such Senior Class A1a Notes (including any governmental, church or non-US plan) should consult with its counsel to confirm that such investment will not constitute or result in a non-exempt prohibited transaction and will satisfy the other requirements of ERISA and the Code (or, in the case of a governmental, church or non-US plan, any Similar Law).

The sale of any Senior Class A1a Notes to a Plan is in no respect a representation by the Issuer, the Seller, the Security Trustee or any other party to the transactions that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

UNITED STATES LEGAL INVESTMENT CONSIDERATIONS

None of the Notes will constitute "mortgage related securities" under the United States Secondary Mortgage Market Enhancement Act of 1984, as amended.

No representation is made as to the proper characterization of the Notes for legal investment purposes, financial institutional regulatory purposes or other purposes or as to the ability of particular investors to purchase the Notes under applicable legal investment restrictions. These uncertainties may adversely affect the liquidity of the Notes. Accordingly, all institutions whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements or review by regulatory authorities should consult with their legal advisors in determining whether and to what extent the Notes constitute legal investments or are subject to investment, capital or other restrictions.

SUBSCRIPTION AND SALE

The Arranger, the Joint Lead Managers, the Notes Purchaser, the Issuer, and the Seller have entered into a subscription agreement dated 26 April 2012 (the **Subscription Agreement**). The Joint Lead Managers have agreed to subscribe for the Senior Class A Notes at their issue price. The Notes Purchaser will on the Closing Date purchase all of the Retained Notes at their issue price. The Notes Purchaser is entitled to exercise voting rights in respect of the Retained Notes that may be prejudicial to other Noteholders. The Seller 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.

122A CRD

The Seller has undertaken with the Issuer and the Joint Lead Managers in the Subscription Agreement that it will comply with the requirement to retain a material net economic interest of not less than 5% 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 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 retention of the material net economic interest by the Seller and will comply with requests of any of the Noteholders or potential investor in any of the Notes to provide such data to the extent required to comply with Article 122a of the Capital Requirements Directive.

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 any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive; 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.

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 amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU).

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

Each Joint Lead Manager has acknowledged in the Subscription Agreement that the Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, US persons except pursuant to the requirements of Rule 144A. Each of the Joint Lead Managers and the Notes Purchaser has agreed that it will not offer or sell, directly or indirectly, any Notes, respectively, within the United States or to or for the account or benefit of, US persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. In addition, the Notes cannot be resold in the United States or to US persons unless they are subsequently registered or an exemption from registration is available. In connection with any Reg S Notes, each Joint Lead Manager has agreed that with respect to the relevant Reg S Notes for which it has subscribed that it will not offer or sell the Reg S Notes, (i) as part of their distribution at any time or (ii) otherwise until after the Distribution Compliance Period within the United States or to, or for the account or benefit of, US persons except pursuant to Rule 144A or an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Joint Lead Manager has further agreed that it will have sent to each affiliate, manager or person receiving a selling commission, fee or other remuneration that purchases Reg S Notes from it during the Distribution Compliance Period (other than resales pursuant to Rule 144A) a confirmation or other notice setting forth the restrictions on offers and sales of the Reg S Notes within the United States or to, or for the account or benefit of, US persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until the expiration of the Distribution Compliance Period, an offer or sale of the Notes within the United States by any Joint Lead Manager (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in compliance with Rule 144A or pursuant to another exemption from the registration requirements under the Securities Act.

The Joint Lead Managers may directly or through their respective US broker-dealer affiliates arrange for the offer and resale of Rule 144A Notes within the United States only to Qualified Institutional Buyers in reliance on Rule 144A and each purchaser of Notes is hereby notified that the Joint Lead Managers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Rule 144A Notes which may be purchased by a Qualified Institutional Buyer pursuant to Rule 144A is $200,000 in the case of the Dollar Notes, and EUR 100,000 in the case of the Euro Notes. To permit compliance with Rule 144A in connection with any resales or other transfers of Rule 144A Notes that are "restricted securities" within the meaning of the Securities Act, the Issuer has undertaken to furnish, upon the request of a holder of such Rule 144A Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Rule 144A Notes remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States. The Issuer and the Joint Lead Managers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any US person, other than any Qualified Institutional Buyer within the meaning of Rule 144A to whom an offer has been made directly by one of the Joint Lead Managers or its US broker-dealer affiliate. Distribution of this Prospectus by any non-US person outside the United States or by any Qualified Institutional Buyer in the United States to any US person or to any other person within the United States, other than any Qualified Institutional Buyer and those persons, if any, retained to advise such non-US person or Qualified Institutional Buyer with respect thereto, is unauthorized and any disclosure without the prior written consent of the Issuer of any of its contents to any such US person or other person within the United States, other than any Qualified Institutional Buyer and those persons, if any, retained to advise such non-US person or Qualified Institutional Buyer, is prohibited.

General

The Joint Lead Managers will represent and agree that they have complied and will comply with all applicable securities laws and regulations in force in any jurisdiction in which they purchase, offer, sell or deliver Notes or possess them or distribute the Prospectus or any other offering material and will obtain any consent, approval or permission required by them for the purchase, offer, sale or delivery by them of Notes under the laws and regulations in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries and the Issuer shall have no responsibility for them. Furthermore, the Joint Lead Managers will represent and agree that they have not and will not directly or indirectly offer, sell or deliver any Notes or distribute or publish any prospectus, form of application, offering circular, advertisement or other offering material except under circumstances that will, to the best of their knowledge and belief, result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of Notes by them will be made on the same terms.

Neither the Issuer nor the Joint Lead Managers represent that Notes may at any time lawfully be sold in compliance with any application, registration or other requirements in any jurisdiction (other than as described above), or pursuant to any exemption available thereunder, or assume any responsibility for facilitating such sale.

The Joint Lead Managers will agree that they will, unless prohibited by applicable law, furnish to each person to whom they offer or sell Notes a copy of the Prospectus (as then amended or supplemented) or, unless delivery of the Prospectus is required by applicable law, inform each such person that a copy will be made available upon request. The Joint Lead Managers are not authorized to give any information or to make any representation not contained in the Prospectus in connection with the offer and sale of Notes to which this Prospectus relates.

TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS

Offers and sales by the initial purchasers

The Reg S Notes and the Rule 144A Notes have not been and will not be registered under the Securities Act or any state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, US persons except pursuant to an effective registration statement or in accordance with an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. Accordingly, the Reg S Notes and the Rule 144A Notes (and any interests therein) are being offered and sold (i) in the case of the Rule 144A Notes, in the United States only to Qualified Institutional Buyers in transactions exempt from the registration requirements of the Securities Act pursuant to Rule 144A and in accordance with any state securities law and (ii) in the case of the Reg S Notes, to non-US persons in an offshore transaction in compliance with Regulation S.

On or prior to the end of the Distribution Compliance Period, ownership of interests in Notes evidenced by the Reg S Global Registered Note Certificates will be limited to persons who have accounts with Euroclear or Clearstream, Luxembourg, or persons who hold interests through Euroclear or Clearstream, Luxembourg and any sale or transfer of such interests to US persons shall not be permitted during such period unless such resale or transfer is made pursuant to Rule 144A as provided below. The Notes evidenced by the Rule 144A Senior Class A1a Global Registered Note Certificates held through DTC may be transferred only to another custodian for DTC or DTC's nominee. The Notes evidenced by the Global Registered Note Certificates held through Euroclear and Clearstream, Luxembourg may, for as long as they are evidenced by Global Registered Notes Certificates, be transferred only to another common depositary or common safekeeper (as applicable) for Euroclear and Clearstream, Luxembourg.

Investors' representations and restrictions on resale

As a result of the following restrictions, purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of such Notes.

Each purchaser of the Notes (which term for the purposes of this section *Investors' representations and restrictions on resale* will be deemed to include beneficial interests in the Notes, including interests in the Notes evidenced by a Registered Global Note Certificate and book-entry interests) will be deemed to have acknowledged, represented and agreed as follows:

1. it is either (A) a Qualified Institutional Buyer and is acquiring such Notes for its own account or as a fiduciary or agent for others (which others must also be Qualified Institutional Buyers) and it is aware, and each beneficial owner of the Notes has been advised, that the sale of such Notes is being made in reliance on Rule 144A; or (B) it is not a US person and is acquiring such Notes for its own account or as a fiduciary or agent for other non-US persons in an offshore transaction (as defined in Regulation S, an **offshore transaction**) pursuant to an exemption provided by Regulation S;

2. such Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, US persons except as set forth below;

3. unless it solely holds an interest in a Reg S Note and either is a person located outside the United States or is not a US person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is one year after the later of the Closing Date and the last date on which the Issuer was the owner of such Notes, only

(a) to the Issuer, (b) inside the United States to a person whom the seller reasonably believes is a Qualified Institutional Buyer purchasing for its own account or for the account of a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 of Regulation S, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable US State securities laws;

4. it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (3) above, if then applicable;

5. each purchaser and subsequent transferee of any Rule 144A Note that is an ERISA-eligible Note will be deemed by such purchase or acquisition of any such ERISA-eligible Note to have represented and warranted, on each day from the date on which the purchaser or transferee acquires such ERISA-eligible Note through and including the date on which the purchaser or transferee disposes of such ERISA-eligible Note, either that (A) it is not a "Benefit Plan Investor" (as defined in "*the Plan Asset Regulation*") or a governmental, church or non-US plan which is subject to any US or non-US federal, state or local law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code or (B) its acquisition, holding and disposition of such ERISA-eligible Note will not result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a governmental, church or non-US plan, any substantially similar US or non-US federal, state or local law) for which an exemption is not available;

6. each purchaser and subsequent transferee of any Reg S Note or any Rule 144A Note that is not an ERISA-eligible Note will be deemed by such purchase or acquisition of any such Note to have represented and warranted, on each day from the date on which the purchaser or transferee acquires such Note through and including the date on which the purchaser or transferee disposes of such Note, either that (A) it is not and will not be a Benefit Plan Investor (as defined in "*the Plan Asset Regulation*") and that in purchasing and holding such Note is not and will not be acting on behalf of a, or using assets of a, Benefit Plan Investor or (B) it is a governmental, church or non-US plan and its acquisition, holding and disposition of the Note will not violate any US federal, state, local or non-US laws substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code;

7. it understands that the Notes offered in reliance on Rule 144A will be evidenced by the Rule 144A Global Registered Note Certificates. Before any interest in a Note evidenced by a Rule 144A Global Registered Note Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Note evidenced by the Reg S Global Note Certificate of the same Class, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Trust Deed) as to compliance with applicable securities laws;

8. it also understands that the Notes offered in reliance on Regulation S will be evidenced by the Reg S Global Registered Note Certificates. Prior to the expiration of the Distribution Compliance Period, before any interest in a Note evidenced by the Reg S Global Registered Note Certificates may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Note evidenced by the Rule 144A Global Registered Note Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Trust Deed) as to compliance with applicable securities laws;

9. if it is outside the United States and is not a US person, that if it should resell or otherwise transfer the Notes prior to the expiration of the Distribution Compliance Period, it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 of Regulation S or (ii) to a Qualified Institutional Buyer in compliance with Rule 144A and (b) in accordance with all applicable US State

securities laws; and it acknowledges that the Reg S Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THE NOTES (WHICH TERM INCLUDES ANY BENEFICIAL INTEREST THEREIN) EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES AND, AS A MATTER OF US LAW (1) AS PART OF THEIR DISTRIBUTION AT ANY TIME OR (2) PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE CLOSING DATE, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A US PERSON (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION OF THE UNITED STATES.

EACH PURCHASER AND TRANSFEREE OF AN INTEREST IN THE NOTES EVIDENCED BY THIS CERTIFICATE, SHALL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT (I) IT IS NOT AND FOR SO LONG AS IT HOLDS ANY NOTE EVIDENCED BY THIS CERTIFICATE OR INTEREST THEREIN WILL NOT BE AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE EMPLOYMENT RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (ERISA) AND SUBJECT THERETO, A "PLAN" AS DEFINED IN SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986 AS AMENDED (THE CODE) SUBJECT TO SECTION 4975 OF THE CODE, AN ENTITY USING THE ASSETS OF OR ACTING ON BEHALF OF SUCH AN EMPLOYEE BENEFIT PLAN OR PLAN, OR AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE PLAN ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN, AND (II) IF IT IS OR IS ACTING ON BEHALF OF A PERSON THAT IS OR WHILE ANY NOTE EVIDENCED BY THIS NOTE CERTIFICATE OR INTEREST THEREIN IS HELD THEREBY WILL BE AN EMPLOYEE BENEFIT PLAN THAT IS NOT SUBJECT TO ERISA OR NOT A PLAN SUBJECT TO SECTION 4975 OF THE CODE, THE PURCHASE AND HOLDING OF SUCH NOTE EVIDENCED BY THIS NOTE CERTIFICATE OR INTEREST THEREIN WILL NOT VIOLATE ANY LAW SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE."

10. The Rule 144A Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THE NOTES (WHICH TERM INCLUDES ANY BENEFICIAL INTEREST THEREIN) EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE NOTES EXCEPT IN ACCORDANCE WITH THE SUBSCRIPTION

AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE (LAST) ISSUE DATE FOR THE CLASS AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH NOTES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION;

[(C) [[LEGEND TO BE INCLUDED IN THE NOTES [OTHER THAN THE SENIOR CLASS A1A NOTES] ONLY:] EACH PURCHASER AND TRANSFEREE OF AN INTEREST IN THE NOTES EVIDENCED BY THIS CERTIFICATE, SHALL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT (I) IT IS NOT AND FOR SO LONG AS IT HOLDS ANY NOTE EVIDENCED BY THIS CERTIFICATE OR INTEREST THEREIN WILL NOT BE AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE EMPLOYMENT RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (ERISA) AND SUBJECT THERETO, A "PLAN" AS DEFINED IN SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986 AS AMENDED (THE CODE) SUBJECT TO SECTION 4975 OF THE CODE, AN ENTITY USING THE ASSETS OF OR ACTING ON BEHALF OF SUCH AN EMPLOYEE BENEFIT PLAN OR PLAN, OR AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED TO INCLUDE PLAN ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN, AND (II) IF IT IS OR IS ACTING ON BEHALF OF A PERSON THAT IS OR WHILE ANY NOTE EVIDENCED BY THIS CERTIFICATE OR INTEREST THEREIN IS HELD THEREBY WILL BE AN EMPLOYEE BENEFIT PLAN THAT IS NOT SUBJECT TO ERISA OR NOT A PLAN SUBJECT TO SECTION 4975 OF THE CODE, THE PURCHASE AND HOLDING OF SUCH NOTE EVIDENCED BY THIS CERTIFICATE OR INTEREST THEREIN WILL NOT VIOLATE ANY LAW SUBSTANTIALLY SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF ERISA OR SECTION 4975 OF THE CODE.]

[[LEGEND TO BE INCLUDED IN [SENIOR CLASS A1A NOTES] ONLY:] [EACH PURCHASER AND TRANSFEREE OF A NOTE EVIDENCED BY THIS CERTIFICATE OR ANY INTEREST THEREIN, BY ITS ACQUISITION OF SUCH NOTE, SHALL BE DEEMED TO REPRESENT, WARRANT AND AGREE THAT EITHER (A) IT IS NOT AND FOR SO LONG AS IT HOLDS SUCH NOTE WILL NOT BE (I) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (ERISA) WHICH IS SUBJECT THERETO OR A "PLAN" SUBJECT TO SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE CODE), (II) ANOTHER EMPLOYEE BENEFIT PLAN SUBJECT TO ANY FEDERAL, STATE OR LOCAL LAW SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (SIMILAR LAW), (III) AN ENTITY DEEMED TO BE USING THE ASSETS OF OR ACTING ON BEHALF OF SUCH AN EMPLOYEE BENEFIT PLAN SUBJECT TO ERISA OR PLAN SUBJECT TO SECTION 4975 OF THE CODE, OR (IV) AN ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA OR SECTION 4975 OF THE CODE TO INCLUDE PLAN ASSETS OF ANY SUCH EMPLOYEE BENEFIT PLAN, PLAN OR OTHER BENEFIT PLAN, OR (B) ITS PURCHASE AND HOLDING OF THE NOTE OR ANY INTEREST THEREIN WILL NOT

RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER ERISA OR SECTION 4975 OF THE CODE OR, AS APPLICABLE, A VIOLATION OF ANY SIMILAR LAW.]

THE NOTE (WHICH TERM INCLUDES A BENEFICIAL INTEREST THEREIN) EVIDENCED BY THIS CERTIFICATE AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES UNDERTAKEN OR REPRESENTED BY THE HOLDER, FOR RESALES AND OTHER TRANSFERS OF THE NOTE EVIDENCED BY THIS CERTIFICATE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OR RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THE NOTE EVIDENCED BY THIS CERTIFICATE AND ANY BENEFICIAL OWNER OF ANY INTEREST THEREIN SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THE NOTE EVIDENCED BY THIS CERTIFICATE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION HEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON) AND AGREES TO TRANSFER THE NOTE EVIDENCED BY THIS CERTIFICATE ONLY IN ACCORDANCE WITH ANY SUCH AMENDMENT OR SUPPLEMENT IN ACCORDANCE WITH APPLICABLE LAW IN EFFECT AT THE DATE OF SUCH TRANSFER. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A UNDER THE SECURITIES ACT FOR RESALES OF THE NOTE EVIDENCED BY THIS CERTIFICATE."; and

11. it understands that the Issuer, the Registrar, the Joint Lead Managers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer. If it is acquiring any Notes as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Prospective purchasers are hereby notified that sellers of the Notes (or beneficial interests therein) may be relying on the exemptions from the provisions of Section 5 of the Securities Act provided by Rule 144A.

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

GENERAL INFORMATION

1. The issue of the Notes has been authorised by a resolution of the managing director of the Issuer passed on 27 April 2012.

2. The Notes sold in offshore transactions in reliance on Regulation S and evidenced by Reg S Global Note Certificates and the Notes sold in reliance on Rule 144A other than the Rule 144A Senior Class A1a Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. In addition, the Senior Class A1a Notes sold in reliance on Rule 144A have been accepted for clearance by DTC. The table below lists the CUSIP Numbers, Common Codes and the ISIN Codes for the Notes.

Class	**Common Code**	**ISIN Code**
Reg S Senior Class A1a Notes	065291304	XS0652913046
Reg S Senior Class A1b Notes	065291274	XS0652912741
Reg S Mezzanine Class B Notes	065291428	XS0652914283
Reg S Mezzanine C Notes	065291266	XS0652912667
Reg S Junior Class D Notes	065291231	XS0652912311
Reg S Junior Class E Notes	065291258	XS0652912584
Reg S Subordinated Class F Notes	065291215	XS0652912154

Class	**Common Code**	**ISIN Code**	**CUSIP Number**
Rule 144A Senior Class A1a Notes	061917144	US786354AA87	786354AA8
Rule 144A Senior Class A1b Notes	065291401	XS0652914010	786354AB6
Rule 144A Mezzanine Class B Notes	065291371	XS0652913715	786354AC4
Rule 144A Mezzanine C Notes	065291339	XS0652913392	786354AD2
Rule 144A Junior Class D Notes	065291282	XS0652912824	786354AE0
Rule 144A Junior Class E Notes	065291240	XS0652912402	786354AF7
Rule 144A Subordinated Class F Notes	065291193	XS0652911933	786354AG5

3. Copies of the following documents may be inspected by the Noteholders at the specified offices of the Security Trustee and the Paying Agents during normal business hours, as long as any Notes are outstanding:

   (a) this Prospectus;

   (b) the deed of incorporation of the Issuer;

   (c) the Mortgage Receivables Purchase Agreement;

   (d) the Paying Agency Agreement;

   (e) the Trust Deed;

   (f) the Security Beneficiaries Agreement;

   (g) the Mortgage Receivables Pledge Agreement;

(h) the Issuer Rights Pledge Agreement;

(i) the Issuer Accounts Pledge Agreement;

(j) the Deed of Charge;

(k) the Servicing Agreement;

(l) the Company Administration Agreement;

(m) the Sub-Participation Agreements;

(n) the Floating Rate GIC;

(o) the Account Bank Agreement;

(p) the Liquidity Facility Agreement;

(q) the Swap Agreements;

(r) the Back-Up Swap Agreements;

(s) the Beneficiary Waiver Agreement;

(t) the Master Definitions Agreement; and

(u) the deed of incorporation of the Security Trustee.

4. 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.

5. The following document is incorporated herein by reference: the deed of incorporation of the Issuer which includes the articles of association of the Issuer dated 4 November 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.

6. 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.

7. The estimated aggregate upfront costs of the transaction amount to approximately 0.25% 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.

8. 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.atccapitalmarkets.com

9. In this Prospectus, references to websites are inactive textual references and are included for information purposes only. The contents of any such website shall not form part of, or be deemed to be incorporated into, this Prospectus.

10. Prior to the Closing Date, a loan-by-loan data file on an anonymous basis is available from the website www.loanbyloan.eu upon due execution of a confidentiality agreement available on such website. The data file does not form part of this Prospectus and is not incorporated by reference into this Prospectus.

INDEX OF TERMS

REGISTERED OFFICES

ISSUER
SAECURE 11 B.V.
Frederik Roeskestraat 123
1076 EE Amsterdam
The Netherlands

SELLER
AEGON Levensverzekering N.V.
Capital Management & Policies
AEGONplein 50
2591 TV 's-Gravenhage
The Netherlands

NOTES PURCHASER
AEGON Levensverzekering N.V.
Capital Management & Policies
AEGONplein 50
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.
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1076 EE Amsterdam
The Netherlands

SECURITY TRUSTEE
Stichting Security Trustee SAECURE 11
Claude Debussylaan 24
1082 MD Amsterdam
The Netherlands

LEGAL ADVISERS
to the Seller and the Issuer

As to Dutch law matters	*As to English law matters*	*As to US law matters*
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PAYING AGENT
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US PAYING AGENT, REGISTRAR AND TRANSFER AGENT
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Santa Ana
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The Netherlands

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1017 CE Amsterdam
The Netherlands

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2591 TV 's-Gravenhage
The Netherlands

BACK-UP SWAP COUNTERPARTY
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16 boulevard des Italien
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France

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London EC2Y 5AJ
United Kingdom

JOINT LEAD MANAGERS
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10 Harewood Avenue
London NW1 6AA
United Kingdom

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Citigroup Centre
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London E14 5LB
United Kingdom

J.P. Morgan Securities Ltd.
125 London Wall
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United Kingdom

RBS Securities Inc.
RBS Americas HQ
600 Washington Boulevard
Stamford, CT 06901
United States of America

The Royal Bank of Scotland plc
135 Bishopsgate
London EC2M 3UR
United Kingdom

COMMON SAFEKEEPER

In respect of the Senior Class A1b Notes

Euroclear Bank SA/NV
1 Boulevard du Roi Albert II
B-1210 Brussels
Belgium

COMMON DEPOSITARY

In respect of the Notes (other than the Senior Class A1b Notes)

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

AMBA:3312349.1