Offering Circular, dated 9 March 2005

ARENA 2005-I B.V.

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

euro 930,000,000 floating rate Senior Class A Mortgage-Backed Notes 2005 due 2063, issue price 100 per cent.

euro 22,000,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2005 due 2063, issue price 100 per cent.

euro 14,000,000 floating rate Mezzanine Class C Mortgage-Backed Notes 2005 due 2063, issue price 100 per cent.

euro 17,000,000 floating rate Mezzanine Class D Mortgage-Backed Notes 2005 due 2063, issue price 100 per cent.

euro 17,000,000 floating rate Junior Class E Mortgage-Backed Notes 2005 due 2063, issue price 100 per cent.

euro 5,000,000 floating rate Subordinated Class F Notes 2005 due 2063, issue price 100 per cent.

Application has been made to list the euro 930,000,000 floating rate Senior Class A Mortgage-Backed Notes 2005 due 2063 (the '**Senior Class A Notes**'), the euro 22,000,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2005 due 2063 (the '**Mezzanine Class B Notes**'), the euro 14,000,000 floating rate Mezzanine Class C Mortgage-Backed Notes 2005 due 2063 (the '**Mezzanine Class C Notes**'), the euro 17,000,000 floating rate Mezzanine Class D Mortgage-Backed Notes 2005 due 2063 (the '**Mezzanine Class D Notes**'), the euro 17,000,000 floating rate Junior Class E Notes Mortgage-Backed Notes 2005 due 2063 (the '**Junior Class E Notes**') and the euro 5,000,000 floating rate Subordinated Class F Notes 2005 due 2063 (the '**Subordinated Class F Notes**' and together with the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes, the '**Notes**'), to be issued by Arena 2005-I B.V. (the '**Issuer**'), on the Official Segment of the Stock Market of Euronext Amsterdam N.V. ('**Euronext Amsterdam**'). This offering circular (the '**Offering Circular**') constitutes a prospectus for the purpose of the listing and issuing rules of Euronext Amsterdam. The Notes are expected to be issued on 14 March 2005 (the '**Closing Date**').

The Notes will carry a floating rate of interest, payable quarterly in arrear, which will be three months Euribor (as defined herein) plus, up to but excluding the first Optional Redemption Date, a margin per annum, which will be for the Senior Class A Notes 0.09 per cent., for the Mezzanine Class B Notes 0.13 per cent., for the Mezzanine Class C Notes 0.15 per cent., for the Mezzanine Class D Notes 0.23 per cent., for the Junior Class E Notes 0.47 per cent. and for the Subordinated Class F Notes 0.47 per cent.. If on the first Optional Redemption Date the Notes of any Class will not be redeemed in full, in accordance with the terms and conditions of the Notes (the '**Conditions**'), the margin applicable to the relevant Class of Notes will be reset. The interest on the relevant Class of Notes from the first Optional Redemption Date will be equal to three months Euribor, plus a margin per annum which will be for the Senior Class A Notes 0.25 per cent., for the Mezzanine Class B Notes 0.26 per cent., for the Mezzanine Class C Notes 0.30 per cent., for the Mezzanine Class D Notes 0.46 per cent., for the Junior Class E Notes 0.94 per cent. and for the Subordinated Class F Notes 0.94 per cent., payable quarterly in arrear.

The Notes are scheduled to mature on the Quarterly Payment Date falling in February 2063 (the '**Final Maturity Date**'). On the Quarterly Payment Date falling in February 2011 and on each Quarterly Payment Date thereafter (each an '**Optional Redemption Date**') the Issuer will have the option to redeem all (but not some only) of the Notes then outstanding at their Principal Amount Outstanding, subject to and in accordance with the Conditions. If on the first Optional Redemption Date the Notes of any Class (excluding the Subordinated Class F Notes) are not redeemed in full, on such Optional Redemption Date and each Optional Redemption Date thereafter, the Notes (other than the Subordinated Class F Notes) will be subject to mandatory partial redemption in the circumstances set out in, and subject to and in accordance with the Conditions through the application of the Principal Redemption Amounts to the extent available. On the Quarterly Payment Date falling in May 2005 and each Quarterly Payment Date thereafter, the Subordinated Class F Notes will be subject to mandatory partial redemption in the circumstances set out in, subject to and in accordance with the Conditions through the application of the amount remaining of the Notes Interest Available Amount after all payments or deposits ranking higher have been made on such date.

It is a condition precedent to issuance that the Senior Class A Notes, on issue, be assigned an 'Aaa' rating by Moody's Investors Service Limited ('**Moody's**') and an 'AAA' rating by Fitch Ratings Ltd ('**Fitch**'), the Mezzanine Class B Notes, on issue, be assigned an Aa1 rating by Moody's and an AA+ rating by Fitch, the Mezzanine Class C Notes, on issue, be assigned at least an Aa3 rating by Moody's and an AA- rating by Fitch, the Mezzanine Class D Notes, on issue, be assigned at least an A2 rating by Moody's and an A rating by Fitch, the Junior Class E Notes, on issue, be assigned at least a Baa1 rating by Moody's and a BBB rating by Fitch and the Subordinated Class F Notes, on issue, be assigned at least a Baa2 rating by Moody's and a BBB- rating by Fitch.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. For a discussion of some of the risks associated with an investment in the Notes, see *Special Considerations* herein.

The Notes will be (indirectly) secured by a right of pledge over the Mortgage Receivables and the Beneficiary Rights in favour of Stichting Security Trustee Arena 2005-I (the '**Security Trustee**') and a right of pledge over certain of the assets of the Issuer. The right to payment of interest and principal on the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes will be subordinated and may be limited as more fully described herein.

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

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, ABN AMRO N.V., acting through its London branch (the '**Arranger**'), the Managers, the Floating Rate GIC Provider, the Listing Agent, the Originators and the Secured Parties or any other person, in whatever capacity acting. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes will be accepted by the Arranger, the Managers, the Floating Rate GIC Provider, the Listing Agent, the Originators and the Secured Parties, in whatever capacity acting. None of the Arranger, Managers, the Floating Rate GIC Provider, the Listing Agent, the Originators and the Secured Parties will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances as described herein).

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

Arranger

ABN AMRO

Joint Lead Managers

ABN AMRO | **Delta Lloyd Securities** | **The Royal Bank of Scotland**

IMPORTANT INFORMATION

Only the Issuer is responsible for the information contained in this Offering Circular, except for the information for which the Seller and STATER Nederland B.V. are responsible, as referred to in the following two paragraphs. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information, except for the information for which the Seller and STATER Nederland B.V. are responsible, as referred to in the following two paragraphs, contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the impact of such information. The Issuer accepts responsibility accordingly.

The Seller is responsible solely for the information contained in the following sections of this Offering Circular: *the Dutch Residential Mortgage Market, Delta Lloyd, Description of the Mortgage Loans* and *Mortgage Loan Underwriting and Mortgage Services*. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in these paragraphs is in accordance with the facts and does not omit anything likely to affect the impact of such information. The Seller accepts responsibility accordingly.

STATER Nederland B.V. is responsible solely for the information contained in the section *STATER Nederland B.V.*. STATER Nederland B.V. accepts responsibility accordingly.

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

Neither this Offering Circular nor any part thereof constitutes an offer or an invitation 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.

A fuller description of the restrictions on offers, sales and deliveries of the Notes and on the distribution of this Offering Circular is set out in the section entitled *Purchase and Sale* below. Persons into whose possession this Offering Circular (or any part thereof) comes are required to inform themselves about, and to observe, any such restrictions.

No one is authorised by the Seller or the Issuer to give any information or to make any representation concerning the issue of the Notes other than those contained in this Offering Circular in accordance with applicable laws and regulations. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular 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 or any of the Managers to any person to subscribe for or to purchase any Notes. Neither the delivery of this Offering Circular at any time nor any sale made in connection with the offering of the Notes shall imply that the information contained herein is correct at any time subsequent to the date of this Offering Circular. Neither the Issuer nor any party have any obligation to update this Offering Circular, except when required by the listing and issuing rules of Euronext Amsterdam.

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

The Arranger, the Managers and the Seller expressly do not undertake to review the financial conditions or affairs of the Issuer during the life of the Notes. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase, hold or sell any Notes during the life of the Notes.

The Notes have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Offering Circular. Any representation to the contrary is unlawful.

The Notes have not been and will not be registered under the US Securities Act of 1933, as amended (the '**Securities Act**') and may not be offered, sold or delivered in or into the United States or to or for the account or benefit of US persons (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 and applicable state securities laws. The Notes are subject to US tax law requirements.

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

In connection with the issue of the Notes, ABN AMRO Bank N.V., acting through its London branch, (the '**Stabilising Manager**', or any duly appointed person acting for the Stabilising Manager) may over-allot or effect transactions which stabilise or maintain the market price of the relevant Notes at a level higher than the market price which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time and shall be in compliance with all applicable laws and regulations. In accordance with the rules of Euronext Amsterdam, such stabilising will in any event be discontinued within 30 days after the issue date of the Notes. Stabilisation transactions conducted on the Stock Market of Euronext Amsterdam must be conducted on behalf of the Stabilising Manager, by a Member of Euronext Amsterdam and must be conducted in accordance with all applicable laws and regulations of Euronext Amsterdam and when conducted by Dutch persons or entities anywhere in the world or by non-Dutch persons or entities in the Netherlands, Article 32 (and Annex 6) of the Further Regulation on Market Conduct Supervision of the Securities Trade 2002 ('*Nadere Regeling Gedragstoezicht Effectenverkeer 2002*'), as amended.

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

CONTENTS

SUMMARY

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 Offering Circular.

THE PARTIES:

Issuer:	Arena 2005-I B.V., incorporated under the laws of the Netherlands as a private company with limited liability ('*besloten vennootschap met beperkte aansprakelijkheid*') under number B.V. 1311098 and registered with the Commercial Register of the Chamber of Commerce of Amsterdam. The entire issued share capital of the Issuer is owned by the Shareholder.
Seller:	Amstelhuys N.V. ('**Amstelhuys**'), incorporated under the laws of the Netherlands as a public company ('*naamloze vennootschap*').
Originators:	Amstelhuys; Delta Lloyd Levensverzekering N.V. ('**Delta Lloyd Life**') incorporated under the laws of the Netherlands as a public company; and Triahome Hypotheken B.V. ('**Triahome**') incorporated under the laws of the Netherlands as a private company with limited liability.
Insurance Company:	Delta Lloyd Life.
Defaulted Loan Servicer:	Delta Lloyd Bank N.V. ('**Delta Lloyd Bank**') incorporated under the laws of the Netherlands as a public company.
MPT Provider:	Delta Lloyd Bank. The MPT Provider will appoint STATER Nederland B.V., incorporated under the laws of the Netherlands as a private company with limited liability as its sub-agent.
Issuer Administrator:	ATC Financial Services B.V., incorporated under the laws of the Netherlands as a private company with limited liability.
Subordinated Loan Provider:	Amstelhuys.
Security Trustee:	Stichting Security Trustee Arena 2005-I, established under the laws of the Netherlands as a foundation ('*stichting*') and registered with the Commercial Register of the Chamber of Commerce of Amsterdam.
Shareholder:	Stichting Arena Holding 2005-I, established under the laws of the Netherlands as a foundation and registered with the Commercial Register of the Chamber of Commerce of Amsterdam.
Directors:	ATC Management B.V., the sole director of the Issuer and the Shareholder and Amsterdamsch Trustee's Kantoor B.V., the sole director of the Security Trustee. Each of the Directors belongs to the same group of companies.
Liquidity Facility Provider:	ABN AMRO Bank N.V. ('**ABN AMRO**'), incorporated under the laws of the Netherlands as a public company.
Swap Counterparty:	ABN AMRO, acting through its London Branch.
Floating Rate GIC Provider:	ABN AMRO.
Paying Agent:	ABN AMRO.
Reference Agent:	ABN AMRO.

Listing Agent: ABN AMRO.

THE NOTES:

Notes: The euro 930,000,000 floating rate Senior Class A Mortgage-Backed Notes 2005 due 2063 (the '**Senior Class A Notes**'), the euro 22,000,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2005 due 2063 (the '**Mezzanine Class B Notes**'), the euro 14,000,000 floating rate Mezzanine Class C Mortgage-Backed Notes 2005 due 2063 (the '**Mezzanine Class C Notes)**, the euro 17,000,000 floating rate Mezzanine Class D Mortgage-Backed Notes 2005 due 2063 (the '**Mezzanine Class D Notes**'), the euro 17,000,000 floating rate Junior Class E Mortgage Backed Notes 2005 due 2063 (the '**Junior Class E Notes**') and the euro 5,000,000 floating rate Subordinated Class F Notes (the '**Subordinated Class F Notes**' and together with the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes, the '**Notes**') will be issued by the Issuer on 14 March 2005 (or such later date as may be agreed between the Issuer and ABN AMRO on behalf of the Managers) (the '**Closing Date**').

Issue Price: The issue prices of the Notes will be as follows:

(i) the Senior Class A Notes 100 per cent.;

(ii) the Mezzanine Class B Notes 100 per cent.;

(iii) the Mezzanine Class C Notes 100 per cent.;

(iv) the Mezzanine Class D Notes 100 per cent.;

(v) the Junior Class E Notes 100 per cent.; and

(vi) the Subordinated Class F Notes 100 per cent.

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

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 (i) payments of principal and interest on the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, (ii) payments of principal and interest on the Mezzanine Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes and the Mezzanine Class B Notes, (iii) payments of principal and interest on the Mezzanine Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes, (iv) payments of principal and interest on the Junior Class E Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Mezzanine Class D Notes, (v) payments of principal and interest on the Subordinated Class F Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes. See further *Terms and Conditions of the Notes* below.

Interest:

Interest on the Notes is payable by reference to successive quarterly interest periods (each a '**Floating Rate Interest Period**') and will be payable quarterly in arrear in euro in respect of the Principal Amount Outstanding on the 17th day of May, August, November and February (or, if such day is not a Business Day, the next succeeding Business Day) in each year (each such day being a '**Quarterly Payment Date**'). Each successive Floating Rate 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 Floating Rate Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date falling in May 2005. The interest will be calculated on the basis of the actual days elapsed in a Floating Rate Interest Period divided by a year of 360 days.

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

Interest on the Notes for each Floating Rate Interest Period from the Closing Date will accrue at a rate equal to the sum of the Euro Interbank Offered Rate ('**Euribor**') for three months deposits in euro (determined in accordance with condition 4(f)) (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for two and three months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.000005 being rounded upwards) plus a margin which up to (but excluding) the first Optional Redemption Date, will for the Senior Class A Notes be equal to 0.09 per cent. per annum, for the Mezzanine Class B Notes be equal to 0.13 per cent. per annum, for the Mezzanine Class C Notes be equal to 0.15 per cent. per annum, for the Mezzanine Class D Notes be equal to 0.23 per cent. per annum, for the Junior Class E Notes be equal to 0.47 per cent. per annum and for the Subordinated Class F Notes be equal to 0.47 per cent. per annum.

Interest Step-up:

If on the first Optional Redemption Date the Notes of any Class have not been redeemed in full, the margin applicable to the relevant Class of Notes will be reset to:

(i) for the Senior Class A Notes, a margin of 0.25 per cent. per annum;

(ii) for the Mezzanine Class B Notes, a margin of 0.26 per cent. per annum;

(iii) for the Mezzanine Class C Notes, a margin of 0.30 per cent. per annum;

(iv) for the Mezzanine Class D Notes, a margin of 0.46 per cent. per annum;

(v) for the Junior Class E Notes, a margin of 0.94 per cent. per annum; and

(vi) for the Subordinated Class F Notes, a margin of 0.94 per cent. per annum.

Average Life:	The estimated average life of the Notes from the Closing Date up to (but excluding) the first Optional Redemption Date based on the assumption that the Issuer will redeem the Notes on the first Optional Redemption Date will be as follows: (i) the Senior Class A Notes 5.9 years; (ii) the Mezzanine Class B Notes 5.9 years; (iii) the Mezzanine Class C Notes 5.9 years; (iv) the Mezzanine Class D Notes 5.9 years; (v) the Junior Class E Notes 5.9 years; and (vi) the Subordinated Class F Notes 7.5 months. The average life of the Notes given above should be viewed with caution; reference is made to the section *Special Considerations* below.
Final Maturity Date	Unless previously redeemed as provided below, the Issuer will redeem the Notes at their respective Principal Amount Outstanding on the Quarterly Payment Date falling in February 2063 (the '**Final Maturity Date**').
Optional Redemption of the Notes:	On the Quarterly Payment Date falling in February 2011 and on each Quarterly Payment Date thereafter (each an '**Optional Redemption Date**'), the Issuer will have the option to redeem all of the Notes, but not some only, at their respective Principal Amount Outstanding or, in case of a Principal Shortfall, the Issuer will have the option to partially redeem all (but not some only) Junior Class E Notes or, as the case may be, Mezzanine Class D Notes or, as the case may be, Mezzanine Class C Notes or, as the case may be, Mezzanine Class B Notes at their Principal Amount Outstanding less the relevant Principal Shortfall, on such date, subject to and in accordance with the Conditions.
Mandatory Redemption of the Notes:	If on the first Optional Redemption Date, the Notes of any Class (other than the Subordinated Class F Notes) are not redeemed in full, the Issuer will be obliged to apply the Notes Redemption Available Amount to (partially) redeem the Notes (other than the Subordinated Class F Notes) on such first Optional Redemption Date and each Optional Redemption Date thereafter at their respective Principal Amount Outstanding on a pro rata basis in the following order: (a) firstly, the Senior Class A Notes, until fully redeemed, (b) secondly, the Mezzanine Class B Notes, until fully redeemed, (c) thirdly, the Mezzanine Class C Notes, until fully redeemed, (d) fourthly, the Mezzanine Class D Notes, until fully redeemed, and (e) finally, the Junior Class E Notes, until fully redeemed. The Subordinated Class F Notes will be (partially) redeemed on each Quarterly Payment Date (the first of which will fall in May 2005). The amount available for redemption will be the remaining amount, if any, of the Notes Interest Available Amount after payment of item (a) up to and including (p) of the Interest Priority of Payments. In addition

thereto, on the earlier of (i) the Optional Redemption Date on which the Notes (other than Subordinated Class F Notes) will be redeemed in full or (ii) the Final Maturity Date, the balances standing to the credit of the Reserve Account and the Issuer Collection Account (if any) after all amounts of interest and principal due in respect of the Notes, (other than principal on the Subordinated Class F Notes), have been paid and all payments of the Interest Priority of Payments ranking higher in priority have been made, will be available for redemption of the Subordinated Class F Notes.

Redemption for tax reasons: If the Issuer is or will become obliged to make any withholding or deduction for, or on account of, any taxes, duties or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any change in, or amendment to, the laws or regulations of the Netherlands or any other jurisdiction or any political sub-division or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the Closing Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer has the option to redeem the Notes, in whole but not in part, on any Quarterly Payment Date at their Principal Amount Outstanding, together with interest accrued up to and including the date of redemption. No Class of Notes may be redeemed under such circumstances unless the other Classes of Notes (other than the Subordinated Class F Notes) (or such of them as are then outstanding) are also redeemed in full at the same time.

Clean-Up Call Option: On each Quarterly Payment Date the Seller has the option (but not the obligation) to repurchase the Mortgage Receivables if on the Quarterly Calculation Date immediately preceding such Quarterly Payment Date the aggregate Principal Amount Outstanding of the Notes (excluding the Subordinated Class F Notes) on such date is not more than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes (excluding the Subordinated Class F Notes) on the Closing Date (the '**Clean-Up Call Option**').

The Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Mortgage Receivables to the Seller or any third party appointed by the Seller in its sole discretion in case of the exercise of the Clean-Up Call Option. The proceeds of such sale shall be applied by the Issuer towards redemption of the Notes in accordance with Condition 6(b). The purchase price will be calculated as described in *Sale of Mortgage Receivables* below.

Regulatory Call Option: 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 has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Mortgage Receivables to the Seller, or any third party appointed by the Seller at its sole discretion, in case the Seller exercises the Regulatory Call Option. The purchase price will be calculated as described in *Sale of Mortgage Receivables* in *Credit Structure* below. If the Seller exercises its Regulatory Call Option, then the Issuer has the option to redeem the Notes by applying the proceeds of the sale of the Mortgage Receivables towards redemption of the Notes subject to and in accordance with Conditions 6(i) and 9(b).

Withholding Tax: All payments by the Issuer in respect of the Notes will be made without withholding of or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or charges are required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not pay any additional amounts to such Noteholders. In particular, but without limitation, no additional amounts shall be payable in respect of any Note presented for payment, where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Union Directive on the taxation of savings that was adopted on 3 June 2003 or any law implementing or complying with, or introduced in order to conform to, such Directive. See further paragraph *European Union Directive on the taxation of savings* and *Taxation in the Netherlands* below.

Method of Payment: For so long as the Notes are represented by a Global Note, payments of principal and interest will be made in euro to a common depositary for Euroclear and Clearstream, Luxembourg, for the credit of the respective accounts of the Noteholders (see *The Global Notes* below).

Use of proceeds: The Issuer will use part of the net proceeds from the issue of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes to pay to the Seller (part of) the Initial Purchase Price for the Mortgage Receivables, pursuant to the provisions of an agreement dated [9] March 2005 (the '**Mortgage Receivables Purchase Agreement**') and made between the Seller, the Issuer and the Security Trustee. See further *Mortgage Receivables Purchase Agreement* below.

The Issuer will credit the net proceeds from the issue of the Subordinated Class F Notes to the Reserve Account. See further *Credit Structure* below.

An amount equal to euro 600,000,000 will be deposited in the Pre-funded Account and will be available for the purchase of New Mortgage Receivables on any Purchase Date (see *Purchase of New Mortgage Receivables* below).

THE MORTGAGE RECEIVABLES:

Mortgage Receivables: Under the Mortgage Receivables Purchase Agreement, the Issuer will purchase and on the Closing Date accept the assignment of any and all rights (the '**Mortgage Receivables**', which will include any New Mortgage Receivables) of the Seller against certain borrowers (the '**Borrowers**') under or in connection with certain selected Mortgage Loans. The Issuer will be entitled to the proceeds of the Mortgage Receivables as of the first day of March 2005 or in the case of any New Mortgage Receivables, the first day of the calendar month wherein the relevant Purchase Date falls. The Mortgage Receivables resulting from Savings Mortgage Loans, Life Mortgage Loans and Investment

Mortgage Loans, will hereinafter be referred to as the '**Savings Mortgage Receivables**', the '**Life Mortgage Receivables**' and the '**Investment Mortgage Receivables**', respectively.

Purchase of New Mortgage Receivables:

The Mortgage Receivables Purchase Agreement will provide that on the 17th day of each month or, in case such day is not a business day, the next succeeding business day up to (and including), the Quarterly Payment Date immediately preceding the first Optional Redemption Date (each a **'Purchase Date'**), the Issuer will apply the Purchase Available Amount, towards the purchase from the Seller of any and all rights of the Seller against any Borrower under or in connection with any mortgage loan between the Seller and such Borrower (the '**New Mortgage Receivables**'), subject to the fulfilment of certain conditions which include the criteria set forth in *Mortgage Receivables Purchase Agreement* below and to the extent offered by the Seller. The Purchase Available Amount consists of the sum of (i) the Principal Available Amount, (ii) the amount of the Initial Participation relating to the relevant New Mortgage Receivables to be purchased on the relevant Purchase Date and (iii) any drawing from the Pre-funded Account on such Purchase Date in accordance with the Trust Deed.

Repurchase of Mortgage Receivables:

Under the Mortgage Receivables Purchase Agreement the Seller has undertaken to repurchase and accept re-assignment of a Mortgage Receivable on a Mortgage Payment Date:

(i) in case any of the representations and warranties given by the Seller in respect of such Mortgage Receivable or its related Mortgage Loan, including the representation and warranty that such Mortgage Receivable or its related Mortgage Loan meets certain mortgage loan criteria, are untrue or incorrect; or

(ii) if the Seller agrees with a Borrower to grant a further advance under the Mortgage Loan, which is to be secured by the mortgage right which also secures the Mortgage Receivable (the '**Further Advance**'); or

(iii) if the Seller agrees with a Borrower to either (a) amend the terms of the Mortgage Loan to which such Mortgage Receivable relates and as a result thereof such Mortgage Loan or its related Mortgage Receivable no longer meets certain criteria set forth in the Mortgage Receivables Purchase Agreement, or (b) grant a further loan with a construction amount, whether or not only to be secured by the same mortgage right as the Mortgage Receivable of such Borrower (the '**Further Construction Loan**'); or

(iv) if a Borrower under a Mortgage Loan objects to the proposed amendment of the terms and conditions relating to the Investment Account and the WoonPlus Investment Account, as further described in *Special Considerations* below; or

(v) if the Seller agrees with a Borrower under the terms of a Life Mortgage Loan with a Savings Element to switch whole or part of the premia accumulated in the relevant Life Insurance Policy with the Savings Alternative into the Unit-Linked Alternative (the '**Savings Switch**').

Mortgage Loans:

The Mortgage Receivables to be sold by the Seller pursuant to the Mortgage Receivables Purchase Agreement will result from loans secured by a first-ranking mortgage right or first and sequentially lower ranking mortgage rights, over (i) a real property (‘*onroerende zaak*’), (ii) an apartment right (‘*appartementsrecht*’) or (iii) a long lease (‘*erfpacht*’), together with real property and apartment rights (the ‘**Mortgaged Assets**’) situated in the Netherlands and entered into by the Seller or, as the case may be, any of the other Originators with the relevant Borrowers which meet or, in case of New Mortgage Receivables, will meet the criteria set forth in the Mortgage Receivables Purchase Agreement and which will be selected prior to or on the Closing Date or, in case of New Mortgage Receivables, the relevant Purchase Date (the ‘**Mortgage Loans**’).

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

(i) Savings Mortgage Loans (‘*spaarhypotheken*’);

(ii) Linear Mortgage Loans (‘*lineaire hypotheken*’);

(iii) Annuity Mortgage Loans (‘*annuïteiten hypotheken*’);

(iv) Interest-only Mortgage Loans (‘*aflossingsvrije hypotheken*’);

(v) Life Mortgage Loans (‘*levenhypotheken*’) to which a Life Insurance Policy is connected with (a) a guaranteed final payment; (b) the Unit-Linked Alternative; or (c) a combination of the Unit-Linked Alternative and the Savings Alternative;

(vi) Investment Mortgage Loans (‘*beleggingshypotheken*’ under the name ‘*EffectPlusHypotheek*’); and

(vii) combinations of any of the abovementioned types of mortgage loans.

These types of Mortgage Loans are offered by the Seller or, as the case may be, any of the other Originators, *inter alia*, under the following product names:

(i) *Delta Lloyd Life hypotheken* (Life Mortgage Loan);

(ii) *Financieel Vrijheidsplan* (Life Mortgage Loan);

(iii) *Meerkeuzeplan* (Life Mortgage Loan with a policy with the Unit-Linked Alternative);

(iv) *CombiPlusHypotheek* (Life Mortgage Loan with a policy with a combination of the Unit-Linked Alternative and the Savings Alternative);

(v) *EffectPlusHypotheek* (Investment Mortgage Loan); and

(vi) *WoonPlusHypotheek* (a Mortgage Loan which combines any type of redemption described above with the possibility for a Borrower to invest his own funds in certain investment funds - or to deposit such funds in a savings account (or a combination of both options) (the ‘**WoonPlus Investment Account**’), whereby the proceeds of the investments or the deposits in the savings account are used by the Borrower to pay the monthly interest instalments in respect of the relevant Mortgage Loan).

If a Mortgage Loan consists of one or more loan parts, the Seller will sell and assign and the Issuer shall purchase and accept the assignment of all rights associated with all, but not some, loan parts of such Mortgage Loan at the Closing Date or, as the case may be, the relevant Purchase Date. See further *Description of the Mortgage Loans* and *Special Considerations* below.

Interest-only Mortgage Loans: A portion of the Mortgage Loans (or parts thereof) will be in the form of interest-only mortgage loans ('*aflossingsvrije hypotheken*', hereinafter '**Interest-only Mortgage Loans**') entered into by the Seller or, as the case may be, any of the other Originators with relevant Borrowers. Under an Interest-only Mortgage Loan, the Borrower does not pay principal towards redemption of the Interest-only Mortgage Loan until maturity of such Interest-only Mortgage Loan.

Linear Mortgage Loans: A portion of the Mortgage Loans (or parts thereof) will be in the form of linear mortgage loans ('*lineaire hypotheken*', hereinafter '**Linear Mortgage Loans**') entered into by the Seller or, as the case may be, any of the other Originators with relevant Borrowers. Under a Linear Mortgage Loan, the Borrower pays a decreasing monthly payment, made up of an initially high and subsequently decreasing interest portion and a fixed principal portion, and calculated in such a manner that the Linear Mortgage Loan will be fully redeemed at the maturity of such Linear Mortgage Loan.

Annuity Mortgage Loans: A portion of the Mortgage Loans (or parts thereof) will be in the form of annuity mortgage loans ('*annuïteiten hypotheken*', hereinafter '**Annuity Mortgage Loans**') entered into by the Seller or, as the case may be, any of the other Originators with relevant Borrowers. Under an Annuity Mortgage Loan, the Borrower pays a constant total monthly payment, made up of an initially high and subsequently decreasing interest portion and an initially low and subsequently increasing principal portion, and calculated in such a manner that the Annuity Mortgage Loan will be fully redeemed at the maturity of such Annuity Mortgage Loan.

Investment Mortgage Loans: A portion of the Mortgage Loans (or parts thereof) will be in the form of investment mortgage loans ('*beleggingshypotheken*' under the name '*EffectPlusHypotheek*', hereinafter the '**Investment Mortgage Loans'**) entered into by the Seller or, as the case may be, any of the other Originators with relevant Borrowers. Under the Investment Mortgage Loans the Borrower undertakes to invest, whether on a lump sum basis or on an instalment basis, by applying his own funds or (part of) the proceeds of the Investment Mortgage Loans, (i) in certain investment funds or (ii) by depositing such amount in a savings account with Delta Lloyd Bank or (iii) at the option of the Borrower, a combination of option (i) and (ii). Borrowers may switch their investments among the investment funds and to and from the savings account with Delta Lloyd Bank. The rights under these investments are intended to be pledged to the Seller or, as the case may be, any of the other Originators as security for repayment of the Investment Mortgage

Loan. See for more details *Special Considerations* and *Description of Mortgage Loans*.

Savings Mortgage Loans: A portion of the Mortgage Loans will be in the form of savings mortgage loans, which consist of savings mortgage loans ('*spaarhypotheken*', hereinafter '**Savings Mortgage Loans**') entered into by the Seller or, as the case may be, any of the other Originators with relevant Borrowers combined with an insurance policy (a '**Savings Insurance Policy**') with the Insurance Company. A Savings Insurance Policy is a combined risk and capital insurance policy taken out by the relevant Borrower with the Insurance Company in connection with the relevant Savings Mortgage Loan. In relation to the Savings Insurance Policies the savings part of the premium (the '**Savings Premium**') is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Insurance Policy due by the Insurance Company to the relevant Borrower is equal to the amount due by the Borrower to the Seller at maturity of the Savings Mortgage Loan. See further *Special Considerations* below.

Life Mortgage Loans: A portion of the Mortgage Loans will be in the form of life mortgage loans ('**Life Mortgage Loans**') entered into by the Seller or, as the case may be, any of the other Originators with relevant Borrowers, i.e. Mortgage Loans which have the benefit of combined risk and capital insurance policies ('**Life Insurance Policies**') taken out by Borrowers with the Insurance Company. Under a Life Mortgage Loan, no principal towards redemption is paid until maturity. The Life Insurance Policies connected to such Life Mortgage Loans are offered by the Insurance Company in several alternatives. The Borrower has the choice between (i) a guaranteed amount to be received when the Life Insurance Policy pays out, (ii) the Unit-Linked Alternative or (iii), a combination of (i) and (ii), in which case the Borrower has the option to switch between the Unit-Linked Alternative and the Savings Alternative. '**Unit-Linked Alternative**' means the alternative under which the amount to be received upon pay out of the Life Insurance Policy depends on the performance of certain investment funds chosen by the Borrower. '**Savings Alternative**' means the alternative under which a certain pre-agreed amount to be received upon pay out of the Life Insurance Policy with, in such case, the Insurance Company and the Savings Premium thereof is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Alternative is equal to the amount due by the Borrower to the Seller at maturity of the Life Mortgage Loan. Life Mortgage Loans of which the relevant Borrower has opted for a Savings Alternative are referred to as '**Life Mortgage Loans with a Savings Element',** and the Life Insurance Policies connected to such Life Mortgage Loans are referred to as '**Life Insurance Policies with the Savings Alternative**'. See further *Special Considerations* and *Description of the Mortgage Loans* below.

Sub-Participation Agreement: On the Closing Date, the Issuer will enter into a sub-participation agreement (the '**Sub-Participation Agreement**') with the Insurance Company under which the Insurance Company will acquire participations in the relevant Savings Mortgage Receivables and/or Life Mortgage Receivables with a Savings Element in consideration for the undertaking of the Insurance Company to pay to the Issuer all amounts received as Savings Premia on the Savings Insurance Policies and/or Life Insurance Policies with the Savings Alternative. In return, the

Insurance Company is entitled to receive the Participation Redemption Available Amount (as defined in *Sub-Participation Agreement* below) from the Issuer. The amount of the participation (the '**Participation**') with respect to a Savings Mortgage Receivable and/or a Life Mortgage Receivable with a Savings Element consists of the initial participation at the Closing Date or the relevant Purchase Date (which is equal to the sum of all amounts received as Savings Premia and accrued interest) (a) up to but excluding 1 March 2005 in the case of the Closing Date, being the amount of euro 734,546.45, or (b) up to the first day of the month in which the relevant Purchase Date falls, by the Insurance Company increased on a monthly basis with the sum of (i) the Savings Premia received by the Insurance Company and paid to the Issuer and (ii) a *pro rata* part, corresponding to the Participation in the relevant Savings Mortgage Receivable and/or Life Mortgage Receivable with a Savings Element, of the interest paid by the Borrower in respect of such Savings Mortgage Receivable and/or Life Mortgage Receivable with a Savings Element. See further *Sub-Participation Agreement* below.

Construction Amounts: Pursuant to the Mortgage Conditions, the Borrowers have the right to request that a part of the Mortgage Loan will be withheld and will be applied towards construction of or improvements to the Mortgaged Asset. Such amounts including any interest accrued thereon (the '**Construction Amount**') will only be paid to the Borrower in case certain conditions are met. The aggregate amount of the Construction Amounts on 1 March 2005 is euro 42,288,296.45. The Issuer and the Seller will agree in the Mortgage Receivables Purchase Agreement that the Issuer will be entitled to withhold from the Initial Purchase Price an amount equal to the aggregate Construction Amounts on 1 March 2005 or, as the case may be, the first day of the month wherein the relevant Purchase Date falls. Such amount will be deposited in the Construction Account. On each Quarterly Payment Date, the Issuer will release from the Construction Account such part of the Initial Purchase Price which equals the amount by which the aggregate Construction Amounts have been reduced during the preceding Quarterly Calculation Period and pay such amount to the Seller.

Pursuant to the Mortgage Conditions, Construction Amounts have to be paid out within 12 months. After such period, any remaining Construction Amounts will be set-off against the relevant Mortgage Loan up to the amount of the Construction Amount. The Issuer shall have no further obligation towards the Seller to pay the remaining part of the Initial Purchase Price in such case and any balance standing to the credit of the Construction Account will be transferred to the Issuer Collection Account and form part of the Principal Available Amount.

Sale of Mortgage Receivables: The Issuer will on any Optional Redemption Date have the right to sell and assign the Mortgage Receivables to a third party, which may also be the Seller, provided that the Issuer shall apply the proceeds of such sale, to the extent relating to principal, to redeem the Notes, other than the Subordinated Class F Notes. In addition, pursuant to the Mortgage Receivables Purchase Agreement, the Seller has the obligation to repurchase certain Mortgage Receivables in certain events (see above under *Repurchase of Mortgage Receivables*) and the right to exercise the Clean-Up Call Option and the Regulatory Call Option. The purchase price of the Mortgage Receivables shall be equal to the relevant Outstanding Principal Amount, together with accrued interest due but unpaid, if any, except that with respect to Mortgage Loans which are in arrears for a period exceeding 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 at least the lesser of (a) the sum of the relevant Outstanding Principal Amount, together with accrued interest due but unpaid, if any, and any other amount due under the Mortgage Conditions up to the relevant date of sale or repurchase and (b) an amount equal to the foreclosure value of the Mortgaged Assets less the amount of external foreclosure costs or, if no valuation report of less than 12 months old is available, the indexed foreclosure value less the amount of external foreclosure costs.

Security for the Notes: The Notes will be (indirectly) secured (a) by a first ranking right of pledge by the Seller to the Security Trustee over the Mortgage Receivables and the Beneficiary Rights; and (b) by a first ranking right of pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Swap Agreement, the Sub-Participation Agreement, the Issuer Services Agreement, the Liquidity Facility Agreement and the Floating Rate GIC and in respect of the Transaction Accounts. The amount payable to the Noteholders and the other Secured Parties will be limited to the amounts available for such purpose to the Security Trustee which, *inter alia*, will consist of amounts recovered by the Security Trustee on the Mortgage Receivables and the Beneficiary Rights and amounts received by the Security Trustee as creditor under the Mortgage Receivables Purchase Agreement and the Parallel Debt Agreement. Payments to the Secured Parties will be made in accordance with the Priority of Payments upon Enforcement. See further *Special Considerations* and for a more detailed description see *Description of Security* below.

Parallel Debt Agreement: On the Closing Date, the Issuer and the Security Trustee will enter into a parallel debt agreement (the '**Parallel Debt Agreement**') for the benefit of the Secured Parties under which the Issuer shall, by way of parallel debt, undertake to pay to the Security Trustee amounts equal to the amounts due by it to the Secured Parties, in order to create a claim of the Security Trustee thereunder which can be validly secured by the rights of pledge created by the Trustee Pledge Agreement I and the Trustee Pledge Agreement II.

CASH-FLOW STRUCTURE:

Liquidity Facility: On the Closing Date, the Issuer will enter into a (up to) 364 day term liquidity facility agreement with the Liquidity Facility Provider (the '**Liquidity Facility Agreement**') whereunder the Issuer will be entitled to make drawings in order to meet certain shortfalls in its available revenue receipts. See further *Credit Structure* below.

Seller Collection Account: The Seller maintains an account (the '**Seller Collection Account**') to which collections of all amounts of interest, prepayment penalties and principal received under the Mortgage Loans will be paid. The Seller Collection Account is administered by STATER Nederland B.V.

Issuer Collection Account: The Issuer shall maintain with the Floating Rate GIC Provider an account (the '**Issuer Collection Account**') to which, *inter alia*, on a monthly basis all amounts from the Seller Collection Account will be transferred by the Seller or by STATER Nederland B.V. on its behalf.

Pre-funded Account: The Issuer shall maintain with the Floating Rate GIC Provider an account (the '**Pre-funded Account**') to which on the Closing Date an amount of euro 600,000,000 of the net proceeds of the Notes will be credited. On each Purchase Date an amount equal to the positive difference between (a) the Initial Purchase Price of the New Mortgage Receivables purchased on such date and (b) the sum of (i) the Principal Available Amount and (ii) the amount of the Initial Participation relating to the New Mortgage Receivables to be purchased on the relevant Purchase Date will be transferred from the Pre-Funded Account to the Issuer Collection Account. The Pre-funded Account will only be debited in connection with payments to the Seller of the Initial Purchase Price in respect of New Mortgage Receivables. Any balance remaining on the Pre-funded Account on the first Optional Redemption Date will be transferred to the Issuer Collection Account.

Construction Account: The Issuer will maintain with the Floating Rate GIC Provider an account (the '**Construction Account**') to which on the Closing Date an amount corresponding to the aggregate Construction Amounts will be credited. The Construction Account will only be debited for (i) payments to the Seller for the benefit of the Seller upon Construction Amounts being paid out to or on behalf of the Borrowers; and (ii) transfer to the Issuer Collection Account in case the Issuer has no obligation to pay any such part of the Initial Purchase Price (as described in *Construction Amounts* above).

Reserve Account: The Issuer will pay the proceeds of the Subordinated Class F Notes into an account (the '**Reserve Account**', together with the Issuer Collection Account, the Construction Account and the Pre-funded Account, the '**Transaction Accounts**') held with the Floating Rate GIC Provider. The purpose of the Reserve Account will be to enable the Issuer to meet the Issuer's payment obligations under items (a) up to and including (o) in the Interest Priority of Payments in the event that the Notes Interest Available Amount is not sufficient to meet such payment obligations on a Quarterly Payment Date. If and to the extent that the Notes Interest Available Amount on any Quarterly Calculation Date exceeds the aggregate amounts payable under items (a) to (o) (inclusive) in the Interest Priority of Payments, such excess amount will be used to deposit in or, as the case may be, to replenish the Reserve Account by crediting such amount to the Reserve Account up to the Reserve Account Required Amount. The '**Reserve Account Required Amount**' shall on any Quarterly Calculation Date be equal to (i) 0.50 per cent. of the aggregate Principal Amount Outstanding of the Notes, other than the Subordinated Class F Notes, on the Closing Date or (ii) 1.35 per cent. of the aggregate Principal Amount Outstanding of the Notes, other than the Subordinated Class F Notes, on the Closing Date in case (a) the aggregate Outstanding Principal Amount of all Mortgage Loans in arrears for more than 60 days exceeds 1 per cent of the aggregate Outstanding Principal Amount or (b) if on the first Optional Redemption Date the Notes, other than the Subordinated Class F Notes, have not been redeemed in full or (iii) zero, on the Optional Redemption Date whereon the Notes, other than the Subordinated

	Class F Notes, have been or are to be redeemed in full, subject to the Conditions.
Floating Rate GIC:	The Issuer and the Floating Rate GIC Provider will enter into a guaranteed investment contract (the '**Floating Rate GIC**') on the Closing Date, whereunder the Floating Rate GIC Provider will agree to pay a guaranteed rate of interest determined by reference to one month Euribor minus a margin on the balance standing from time to time to the credit of the Transaction Accounts.
Subordinated Loan:	On the Closing Date, the Issuer will enter into a subordinated loan agreement (the '**Subordinated Loan**') with the Subordinated Loan Provider for an amount of euro 1,275,000. The proceeds of the Subordinated Loan will be used to pay certain start-up costs and expenses incurred by the Issuer in connection with the issue of the Notes.
Swap Agreement:	On the Closing Date, the Issuer will enter into a swap agreement with the Swap Counterparty to hedge the risk between the rates of interest to be received by the Issuer on (a) the Mortgage Receivables and the interest received on the Issuer Collection Account, the Reserve Account and the Pre-funded Account and (b) the floating rates of interest payable by the Issuer on the relevant Class of Notes (as described in *Credit Structure* under *Interest Rate Hedging* below).

OTHER:

Issuer Services Agreement:	Under a mortgage payment transactions and issuer services agreement to be entered into on the Closing Date (the '**Issuer Services Agreement**') between the Issuer, the MPT Provider, the Defaulted Loan Servicer, the Issuer Administrator and the Security Trustee, (i) the MPT Provider will agree to provide mortgage payment transactions and the other services as agreed in the Issuer Services Agreement in relation to the Mortgage Loans on a day-to-day basis, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the Mortgage Loans and (ii) the Defaulted Loan Servicer will agree to provide the implementation of arrears procedures including, if applicable, the enforcement of mortgages (see further the section *Mortgage Loan Underwriting and Mortgage Services* below) and (iii) the Issuer Administrator will agree to provide certain administration, calculation and cash management services for the Issuer on a day-to-day basis, including without limitation, all calculations to be made in respect of the Notes pursuant to the Conditions.
Management Agreements:	Each of the Issuer, the Shareholder and the Security Trustee have entered into a management agreement (together, the '**Management Agreements**') with the relevant Director, whereunder the relevant Director will undertake to act as director of the Issuer, the Shareholder or, as the case may be, the Security Trustee and to perform certain services in connection therewith.
Listing:	Application has been made for the Notes to be listed on Euronext Amsterdam.
Ratings:	It is a condition precedent to issuance that (i) the Senior Class A Notes, on issue, be assigned a rating of 'Aaa' by Moody's and 'AAA' by Fitch, (ii) the Mezzanine Class B Notes, on issue, be assigned a rating of at

least Aa1 by Moody's and AA+ by Fitch, (iii) the Mezzanine Class C Notes, on issue, be assigned a rating of at least Aa3 by Moody's and AA- by Fitch, (iv) the Mezzanine Class D Notes, on issue, be assigned a rating of at least A2 by Moody's and A by Fitch, (iv) the Junior Class E Notes, on issue, be assigned a rating of at least Baa1 by Moody's and BBB by Fitch and (v) the Subordinated Class F Notes, on issue, be assigned a rating of at least Baa2 by Moody's and BBB- by Fitch.

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

SPECIAL CONSIDERATIONS

The following is a summary of certain aspects of the issue of the Notes of which prospective Noteholders should be aware. It is not intended to be exhaustive, and prospective Noteholders should read the detailed information set out elsewhere in this Offering Circular.

Liabilities under the Notes

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, the Seller, the other Originators, the Insurance Company, the Arranger, the Managers, the Liquidity Facility Provider, the MPT Provider, the Defaulted Loan Servicer, the Subordinated Loan Provider, the Issuer Administrator, the Floating Rate GIC Provider, the Swap Counterparty, the Directors, the Paying Agent, the Reference Agent, the Listing Agent or the Security Trustee. Furthermore, none of the Seller, the other Originators, the Insurance Company, the Arranger, the Managers, the Liquidity Facility Provider, the MPT Provider, the Defaulted Loan Servicer, the Subordinated Loan Provider, the Issuer Administrator, the Floating Rate GIC Provider, the Swap Counterparty, the Directors, the Paying Agent, the Reference Agent, the Listing Agent, the Security Trustee or any other person in whatever capacity acting, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes.

The ability of the Issuer to meet its obligations in full to pay principal of and 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, the receipt by it of payments under the Swap Agreement and the Sub-Participation Agreement and the receipt by it of interest in respect of the balances standing to the credit of the Transaction Accounts (excluding the Construction Account). See further *Credit Structure*. In addition, the Issuer will have available to it the balances standing to the credit of the Reserve Account and the amounts available to be drawn under the Liquidity Facility for certain of its payment obligations.

By acquiring the Notes, the Noteholders shall be deemed to have knowledge of, to accept and to be bound by the Conditions. The Issuer and the Paying Agent will not have any responsibility for the proper performance by Euroclear and/or Clearstream, Luxembourg or its participants of their obligations under their respective rules, operating procedures and calculation methods.

Parallel Debt

Under Netherlands law it is uncertain whether a security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to secure the valid creation of the pledges in favour of the Security Trustee, the Issuer has in the Parallel Debt Agreement, as a separate and independent obligation, by way of parallel debt, undertaken to pay to the Security Trustee amounts equal to the amounts due by it to the Secured Parties. The Issuer has been advised that such a parallel debt creates a claim of the Security Trustee thereunder which can be validly secured by a right of pledge such as the rights of pledge created by the Trustee Pledge Agreement I and the Trustee Pledge Agreement II (see also *Description of Security* below).

Transfer of Legal Title to Mortgage Receivables

The Mortgage Receivables Purchase Agreement will provide that the assignment of the Mortgage Receivables by the Seller to the Issuer will not be notified by the Seller to the Borrowers except if certain events occur. For a description of these notification events reference is made to the section *Mortgage Receivables Purchase Agreement* below. Except in the event of an assignment by way of execution of a notarial deed of assignment (which is not relevant in this instance), under Netherlands law the assignment of a receivable is only perfected if the assignment has been notified to the borrower or if the deed of assignment is registered with the appropriate authorities. Consequently, prior to such notification or registration, legal title to the Mortgage Receivables will remain with the Seller. Notification of the assignment to a Borrower or registration of the deed of assignment after the Seller has been declared bankrupt or after having become subject to a suspension of payments, will not be effective and, consequently, in such event the legal ownership to the Mortgage Receivables will not pass to the Issuer.

In order to protect the Issuer in the situation that notification of the assignment of the Mortgage Receivables or registration of the deed of assignment can no longer be effectively made due to bankruptcy or suspension of payments involving the Seller, the Seller will grant a first-ranking 'silent' right of pledge (i.e. without notification being required) ('*stil pandrecht*') under Netherlands law to the Security Trustee and a second-ranking 'silent' right of pledge to the Issuer over the Mortgage Receivables and the Issuer will grant a first-ranking 'disclosed' right of pledge ('*openbaar pandrecht*') to the Security Trustee on the rights deriving from, *inter alia*, the Mortgage Receivables Purchase Agreement, as more fully described in *Description of Security* below. Notification of the 'silent' rights of pledge in favour of the Security Trustee and the Issuer can be validly made after bankruptcy or suspension of payments having been declared in respect of the Seller. Under Netherlands law the Issuer and the Security Trustee can, in the event of bankruptcy or suspension of payments in respect of the Seller, exercise the rights afforded by law to pledgees as if there were no bankruptcy or suspension of payments. However, bankruptcy or suspension of payments involving the Seller would affect the position of the Security Trustee and the Issuer as pledgees in some respects, the most important of which are: (i) payments made by Borrowers prior to notification but after bankruptcy or suspension of payments having been declared in respect of the Seller will be part of the bankrupt estate, although the relevant pledgee has the right to receive such amounts by preference after deduction of the general bankruptcy costs ('*algemene faillissementskosten*'), (ii) a mandatory 'cool-off' period of up to four months may apply in case of bankruptcy or suspension of payments involving the Seller, which, if applicable, would delay the exercise of the right of pledge on the Mortgage Receivables and (iii) the relevant pledgee may be obliged to enforce its right of pledge within a reasonable period as determined by the bankruptcy trustee as possibly extended by the judge-commissioner ('*rechter-commissaris*') appointed by the court in case of bankruptcy of the Seller.

Mortgage Rights

The Mortgage Receivables which are sold to the Issuer, resulting from Mortgage Loans, which were originated by any of the Originators other than the Seller, will be secured by mortgage rights and rights of pledge which only secure the Mortgage Loan, increased with interest, reimbursements and costs. This paragraph is not applicable to such Mortgage Loans.

All Mortgage Receivables which are sold to the Issuer resulting from Mortgage Loans which were originated by the Seller will be secured by mortgage rights which secure not only the initial Mortgage Loan but also any amounts which the Borrower may be or become due to the Seller under further loans and/or credits up to a maximum level. It is likely that such Mortgage Loans should be regarded as '*krediethypotheken*' ('**Credit Mortgages**').

Under Netherlands law it is uncertain whether, in the event of assignment or pledge of a receivable secured by a Credit Mortgage, the Credit Mortgage will follow such receivable. Based upon case law, it is assumed by certain Netherlands legal commentators that a Credit Mortgage will only follow the receivable which it secures, if the relationship between the bank and the Borrower has been terminated in such a manner that following the transfer, the bank cannot create or obtain new receivables against the Borrower. However, in recent legal literature the view has been defended that the Credit Mortgage will partially follow the receivable to the extent that it has been assigned.

The forms of mortgage deed used by the Seller provide that in case of assignment of the Mortgage Receivable to a third party, the mortgage right will partially follow, *pro rata*, the receivable if it is assigned. This provision is a clear indication of the intentions of the parties in respect of assignment of the receivable. The Issuer has been advised that, if there are no circumstances which would have the result that the mortgage deed should be interpreted in any other manner, the inclusion of such provision in the mortgage deed will have the result that the Credit Mortgage follows the Mortgage Receivable as an ancillary right upon assignment of the Mortgage Receivable, but there is no case law explicitly supporting this advice.

The mortgage conditions do not provide that in case of a pledge of the Mortgage Receivable the mortgage right will (partially) follow the Mortgage Receivable. Therefore, there is no clear indication of the intention of the parties and, consequently, the above does not apply to the pledge of the Mortgage Receivables. In addition, the Issuer has been advised that a good argument can be made that the intention of the parties in case of an assignment of the Mortgage Receivable also includes the intention in case of a pledge of such Mortgage Receivable, but it is less certain that the mortgage right will continue to secure the Mortgage Receivable upon the pledge to the Security Trustee. However, the Issuer has been advised that a good argument can be made, based upon legal literature, that the Security Trustee, being as first ranking pledgee entitled to collect the Mortgage Receivable, is entitled to enforce any accessory rights to the Mortgage Receivable, such as the mortgage right.

If the Credit Mortgage has (partially) followed the Mortgage Receivables upon its assignment, the Credit Mortgages would probably be co-held by the Issuer and the Seller and would secure both the Mortgage Receivables held by the Issuer (or the Issuer and/or the Security Trustee, as pledgee) and any claims held by the Seller. In case the mortgage rights are co-held by both the Issuer and/or the Security Trustee and the Seller, the rules applicable to co-ownership ('*gemeenschap*') apply. The Netherlands Civil Code provides for various mandatory rules applying to such co-owned rights. In the Mortgage Receivables Purchase Agreement the Seller, the Issuer and the Security Trustee have agreed that the Issuer and/or the Security Trustee (as applicable) will manage and administer such co-held rights. It is uncertain whether the foreclosure of the mortgage rights will be considered as day-to-day management, and, consequently the consent of the Seller's bankruptcy trustee (in case of bankruptcy) may be required for such foreclosure. The Seller, the Issuer and/or the Security Trustee (as applicable) will agree that in case of foreclosure the share ('*aandeel*') in each co-held mortgage right of the Security Trustee and/or the Issuer will be equal to the Outstanding Principal Amount, increased with interest and costs, if any, and the share of the Seller will be equal to the Net Proceeds less the Outstanding Principal Amount, increased with interest and costs, if any. It is uncertain whether this arrangement will be enforceable. In this respect it will be agreed that in case of a breach by the Seller of its obligations under these agreements or if any of such agreement is dissolved, void, nullified or ineffective for any reason in respect of the Seller, 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 thereof. Receipt of such amount by the Issuer and/or the Security Trustee is subject to the ability of the Seller to actually make such payments.

In view hereof, the Seller will undertake in the Mortgage Receivables Purchase Agreement that, until the Notes have been redeemed in accordance with the Conditions and there are no further (whether actual or contingent) obligations of the Issuer under the other Relevant Documents, it shall not grant or acquire a loan or other rights and receivables against a Borrower, which is/are secured by the mortgage right or the Borrower Insurance Pledge, other than a Further Advance, provided that if the Seller agrees to grant a Further Advance to a Borrower, the relevant Mortgage Receivable is repurchased by the Seller.

Set-off

Under Netherlands law each Borrower will, subject to the legal requirements for set-off being met, be entitled to set off amounts due by the Seller to it (if any) with amounts it owes in respect of the Mortgage Loans. After assignment and/or pledge of the Mortgage Receivables to the Issuer and notification thereof to a Borrower, the Borrower will also have set-off rights vis-à-vis the Issuer, provided that the legal requirements for set-off are met, and further provided that (i) the counterclaim of the Borrower results from the same legal relationship as the Mortgage Loan to which the relevant Mortgage Receivable relates, or (ii) the counterclaim of the Borrower has been originated and become due prior to the assignment and/or pledge of the Mortgage Receivables and notification thereof to the relevant Borrower, such as counterclaims resulting from a current account relationship and, depending on the circumstances, counterclaims resulting from a deposit made by the Borrower, such as the Savings Account and the WoonPlus Investment Account.

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

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

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

The Seller will also have the right to set-off any amounts owing to a Borrower against a Mortgage Loan in respect of such Borrower, prior to notification of the assignment or registration of the deed of assignment and/or pledge to the Borrowers. The Mortgage Receivables Purchase Agreement will provide that the Seller will pay to the Issuer any amounts not received by the Issuer as a result of such right of set-off being invoked by the Seller. After notification of the assignment or registration of the deed of assignment and/or pledges to the Borrowers, the Seller will no longer have any set-off rights against the relevant Borrowers.

Insurance Policies

The Life Mortgage Loans and the Savings Mortgage Loans have the benefit of Life Insurance Policies and Saving Insurance Policies respectively (together the '**Insurance Policies**'). The Insurance Policies are entered into by the relevant Borrowers and the Insurance Company. In this paragraph, certain legal issues relating to the effects of the assignment of the Life Mortgage Receivables and Savings Mortgage Receivables on the Insurance Policies are set out. Investors should be aware that (i) the Issuer may not benefit from the Insurance Policies and/or (ii) the Issuer may not be able to recover any amounts from the Borrower in case the Insurance Company defaults in its obligations as further described in this paragraph. As a consequence thereof the Issuer may not have a claim on the Borrower and may, therefore, not have the benefit of the mortgage right. In such case the rights of the Security Trustee will be similarly affected. Due to the dependency on the performance by in particular the Insurance Company of its obligations under the Insurance Policies, a deterioration of the credit quality of the Insurance Company might have an adverse effect on the rating of one or more Classes of the Notes.

Borrower Insurance Pledge

The Seller has the benefit of a right of pledge on all rights of a Borrower under the Insurance Policies ('**Borrower Insurance Pledge**'). However, the Issuer has been advised that it is probable that the right to receive payment, including the commutation payment ('*afkoopsom*') under the Insurance Policies will be regarded by a Netherlands court as a future right. The pledge of a future right is under Netherlands law not effective if the pledgor is declared bankrupt or is granted a suspension of payments, prior to the moment such right comes into existence. This means that it is uncertain whether such pledge will be effective. Even if the pledge on the rights on the Insurance Policies would be effective, it is uncertain whether such right of pledge will pass to the Issuer or, as the case may be, the Security Trustee upon the assignment or pledge of the Mortgage Receivables since the pledge secures the same liabilities as the Credit Mortgages in case the Seller is the originator of the Mortgage Receivables and the mortgage conditions do not provide that in case of assignment or pledge of the Mortgage Receivable to a third party, the Borrower Insurance Pledge will (partially) follow, (*pro rata*,) the Mortgage Receivable if it is assigned or pledged.

Appointment of Beneficiary

Furthermore, the Seller has been appointed or, as the case may be, has appointed itself (if necessary, irrevocably authorised by the relevant Borrower) as beneficiary under the Insurance Policies up to the full amount owed by the Borrower. Contrary to the above mentioned appointment of the Seller, any other appointment of a beneficiary by the Borrower will remain in force to the extent it relates to insurance proceeds which will become payable after the death of the insured but before the final date determined in the policy, provided that the Insurance Company is authorised by such beneficiary to apply towards the Seller the insurance proceeds in satisfaction of the Mortgage Receivable (the '**Borrower Insurance Proceeds Instruction**'). It is unlikely that the rights of the Seller as beneficiary will follow the Mortgage Receivables upon assignment or pledge thereof to the Issuer or the Security Trustee. Therefore, the Seller will grant a disclosed right of pledge ('*openbaar pandrecht*') under Netherlands law to the Security Trustee and a second-ranking disclosed right of pledge to the Issuer over its rights as beneficiary under any Insurance Policy with the Insurance Company (the '**Beneficiary Rights**'), but it is uncertain whether this pledge will be effective.

The Issuer and the Security Trustee will enter into a beneficiary waiver agreement (the '**Beneficiary Waiver Agreement**') with the Seller and the Insurance Company, under which the Seller, subject to the condition precedent of the occurrence of a Notification Event (see *Mortgage Receivables Purchase Agreement* below) and for the situation that no Borrower Insurance Proceeds Instruction exists and the pledge of the Beneficiary Rights is not effective, waives its rights as beneficiary under the Insurance Policies, and appoint as first beneficiary in respect of such Insurance Policies (i) the Issuer subject to the dissolving condition ('*ontbindende voorwaarde*') of a Trustee I Notification Event (see *Description of Security* below) relating to the Issuer and (ii) the Security Trustee under the condition precedent ('*opschortende voorwaarde*') of the occurrence of a Trustee I Notification Event relating to the Issuer. It is, however, uncertain whether such waiver and appointment will be effective.

In view hereof and for the event the Borrower Insurance Proceeds Instruction exists, the Seller and the Insurance Company will in the Beneficiary Waiver Agreement undertake, following a Notification Event, to use their best efforts to obtain the co-operation from all parties to (a) waive its rights as beneficiary and appoint as beneficiary (i) to the Issuer subject to the dissolving condition ('*ontbindende voorwaarde*') of a Trustee I Notification Event relating to the Issuer and (ii) the Security Trustee under the condition precedent ('*opschortende voorwaarde*') of the occurrence of a Trustee I Notification Event relating to the Issuer and (b) withdraw the Borrower Insurance Proceeds Instruction in favour of the Seller and to issue such instruction in favour of (i) the Issuer subject to the dissolving condition of a Trustee I Notification Event relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Trustee I Notification Event relating to the Issuer. The termination and appointment of a beneficiary under the Insurance Policies and the withdrawal and the issue of the Borrower Insurance Proceeds Instruction will require the co-operation of all relevant parties involved. It is uncertain whether such co-operation will be forthcoming.

If the Issuer or the Security Trustee, as the case may be, will not have been validly appointed as beneficiary under the Insurance Policies and the pledge of the Beneficiary Rights is not effective, any proceeds under the Insurance Policies will be payable to the Seller or to another beneficiary instead of to the Issuer, or the Security Trustee, as the case may be. If the proceeds are paid to the Seller, the Seller will be under the obligation to pay such amount 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 case of bankruptcy of the Seller, or if the proceeds are paid to a beneficiary instead of to the Issuer or the Security Trustee, as the case may be, this may result in the amount paid under the Insurance Policies not being applied in reduction of the relevant Mortgage Receivable. This may lead to the Borrower trying to invoke set-off rights and defences as further discussed under sub-paragraph *Set-off or defences* below.

Insolvency of the Insurance Company

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

Set-off or defences

If the amounts payable under the Insurance Policy are not applied towards redemption of the Mortgage Receivable (see paragraphs *Appointment of Beneficiary* and *Insolvency of the Insurance Company*), 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 Insurance Policy. As set out (in paragraph *Set-off* above) the Borrowers have waived their set-off rights, but it is uncertain whether such waiver is effective. If the waiver is not effective the Borrowers will, in order to invoke a right of set-off, need to comply with the applicable legal requirements for set-off. One of these requirements is that the Borrower should have a claim which corresponds to his debt to the same counterparty.

In case of Mortgage Receivables in respect of which Delta Lloyd Life is both the Originator and the Insurance Company under the Insurance Policies connected to such Mortgage Receivables this requirement will be met.

In case of Mortgage Receivables entered into by any Originator (other than Delta Lloyd Life) and the Borrowers on the one hand and any Insurance Policies connected to such Mortgage Receivables entered into by the Insurance Company and the Borrowers on the other hand, Borrowers, in order to invoke a right of set-off, would have to establish that the relevant Originator (other than Delta Lloyd Life) and the Insurance Company should be regarded as one legal entity, which is unlikely, or that possibly set-off is allowed, even in the absence of a single legal entity, since, based upon interpretation of case law, the Insurance Policies and Mortgage Loans are to be regarded as one inter-related relationship.

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

Finally, set-off vis-à-vis the Issuer and/or the Security Trustee would be subject to the additional requirements for set-off after assignment and/or pledge being met (see paragraph *Set-off* above).

In the case of Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element such requirements are likely to be met, since the Savings Mortgage Loans and the Life Mortgage Loans with the possibility of a Savings Element and the Savings Insurance Policies and the Life Insurance Policies with the possibility of the Savings Alternative are likely to be regarded as one and the same relationship.

In the case of Life Insurance Policies connected to Life Mortgage Loans with the Insurance Company as the Originator of the relevant Life Mortgage Loans, this requirement is likely to be met. If the Mortgage Loan and the Insurance Policy will be regarded as one and the same relationship, the fact that the Mortgage Receivable is assigned or pledged to the Issuer or the Security Trustee is not likely to interfere with such a set-off (see paragraph *Set-off* above).

Even if the Borrowers cannot invoke a right of set-off, they may invoke defences vis-à-vis the Seller, the Issuer and/or the Security Trustee, as the case may be. The Borrowers could, *inter alia,* argue that it was the intention of the parties involved, at least that the Borrowers could rightfully interpret the mortgage documentation and the promotional materials in such manner, that the Mortgage Loan and the relevant Insurance Policy are to be regarded as one inter-related legal relationship and could on this basis claim a right of annulment or dissolution of the Mortgage Loans or that the Mortgage Receivable would be (fully or partially) repaid by means of the proceeds of the Insurance Policy and that, failing such proceeds, the Borrower is not obliged to repay the (corresponding) part of the Mortgage Receivable. On the basis of similar reasoning Borrowers could also argue that the Mortgage Loan and the Insurance Policy 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 the Borrower to be obliged to repay the Mortgage Loan to the extent that he has failed to receive the proceeds of the Insurance Policy.

Life Mortgage Loans, other than Life Mortgage Loans with the possibility of a Savings Element

In respect of Life Mortgage Loans between the Insurance Company, as the relevant Originator, and a Borrower with a Life Insurance Policy between the Insurance Company and such Borrower, the Issuer has been advised that there is a considerable risk ('*een aanmerkelijk risico*') that such set-off or defences would be successful, as described above, in view of the factual circumstances involved, inter alia, that the Mortgage Loan and such Life Insurance Policy are sold to the Borrower by one legal entity (i.e. Delta Lloyd Life being the Originator and the Insurance Company) as one single package.

In respect of Life Mortgage Loans entered into by any of the Originators (other than Delta Lloyd Life) and a Borrower with a Life Insurance Policy between the Insurance Company and such Borrower, the Issuer has been advised that the possibility cannot be disregarded ('*kan niet worden uitgesloten*') that the courts will honour set-off or defences of Borrowers.

Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element

In respect of Savings Mortgage Loans between the Insurance Company, as the relevant Originator, and a Borrower with a Savings Insurance Policy between the Insurance Company and such Borrower, the Issuer has been advised that the risk that such a set-off or defence would be successful is greater than in the case of Life Mortgage Loans (other than Life Mortgage Loans with the possibility of a Savings Element) between the Insurance Company, as the relevant Originator, and a Borrower with a Life Insurance Policy between the Insurance Company and such Borrower in view of, *inter alia*, the close connection between the Savings Mortgage Loan and the Savings Insurance Policy and the Life Mortgage Loan with the possibility of a Savings Element and the Life Insurance Policies with the possibility of the Savings Alternative.

In respect of Savings Mortgage Loans and Life Mortgage Loans with the possibility of a Savings Element entered into by any of the Originators (other than Delta Lloyd Life) and a Borrower with a Savings Insurance Policy or Life Insurance Policy with the possibility of the Savings Alternative between the Insurance Company and such Borrower, the Issuer has been advised that such a set-off or defence would be successful is greater than in the case of Life Mortgage Loans (other than Life Mortgage Loans wit the possibility of a Savings Element) entered into by any of the Originators (other than Delta Lloyd Life) and a Borrower with a Life Insurance Policy (other than a Life Insurance Policy with the Savings Alternative) between the Insurance Company and such Borrower, also in view, *inter alia*, of the close connection between the Savings Mortgage Loan and the Savings Insurance Policy and the Life Mortgage Loan with the possibility of a Savings element and the Life Insurance Policy with the possibility of the Savings Alternative and, therefore, constitutes a considerable risk ('*een aanmerkelijk risico*').

However, in respect of Savings Mortgage Loans and Life Mortgage Loans with a Savings Element the Sub-Participation Agreement will provide that in case a Borrower invokes a defence, including but not limited to a right of set-off or counterclaim in respect of such Savings Mortgage Loan and such Life Mortgage Loan with a Savings Element if, for whatever reason, the Insurance Company does not pay the insurance proceeds when due and payable, whether in full or in part, under the relevant Savings Insurance Policy and Life Insurance Policy with the Savings Alternative and, as a consequence thereof, the Issuer will not have received any amount outstanding prior to such event, the relevant Participation of the Insurance Company will be reduced by an amount equal to the amount which the Issuer has failed to receive. The amount of the Participation is equal to the amount of Savings Premium received by the Issuer plus the accrued yield on such amount (see *Sub-Participation Agreement* below), provided that the Insurance Company will have paid all Savings Premia received from the relevant Borrowers to the Issuer. Therefore, normally the Issuer would not suffer any damages if the Borrower would invoke any such right of set-off or defences, if and to the extent that the amount for which the Borrower would invoke set-off or defence does not exceed the amount of the Participation. The amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the Participation.

Construction Amounts

Pursuant to the Mortgage Conditions, the Borrowers have the right to request to withhold the Construction Amount to be paid out in case certain conditions are met. The aggregate amount of the Construction Amounts as per 1 March 2005 is euro 42,288,296.45. The Issuer and the Seller will agree in the Mortgage Receivables Purchase Agreement that the Issuer will be entitled to withhold from the Initial Purchase Price an amount equal to such aggregate Construction Amounts. Such amount will be deposited on the Construction Account. On each Quarterly Payment Date the Issuer will release from the Construction Account such part of the Initial Purchase Price which equals the difference between the aggregate Construction Amounts and the balance standing to the credit of the Construction Account and pay such amount to the Seller.

Pursuant to the Mortgage Conditions, Construction Amounts have to be paid out within 12 months. Upon the expiry of such period the remaining Construction Amount will be set-off against the relevant Mortgage Receivable up to the amount of the Construction Amount, in which case the Issuer shall have no further obligation towards the Seller to pay the remaining part of the Initial Purchase Price, and consequently any remaining part of the Construction Account will be transferred to the Issuer Collection Account and will form part of the Principal Available Amount. If a Notification Event has occurred, the Issuer will no longer be under the obligation to pay such remaining part of the Initial Purchase Price. The amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the Construction Amount.

Under Netherlands law the distinction between 'existing' ('*bestaande*') receivables and 'future' ('*toekomstige*') receivables is relevant. If receivables are to be regarded as future receivables, an assignment and/or pledge thereof will not be effective to the extent the receivable comes into existence after or on the date on which the assignor or, as the case may be, the pledgor has been declared bankrupt or granted a suspension of payments. If, however, receivables are to be considered as existing receivables, the assignment and/or pledge thereof are not affected by the bankruptcy or suspension of payments of the assignor/pledgor. The Issuer has been advised that based on case law and legal literature uncertainty remains whether on the basis of the applicable terms and conditions the part of the Mortgage Receivables relating to the Construction Amounts are considered to be existing receivables. It could be argued that such part of the Mortgage Loan concerned comes into existence only when and to the extent the Construction Amount is paid out. If the part of the Mortgage Receivable relating to the Construction Amount is to be regarded as a future receivable, the assignment and/or pledge of such part will not be effective if the Construction Amount is paid out on or after the date on which the Seller is declared bankrupt or granted suspension of payments. In such situation, the Issuer will have no further obligation to pay to the Seller the remaining part of the Initial Purchase Price.

Investment Mortgage Loans

Under the Investment Mortgage Loans the Borrower undertakes to invest, whether on a lump sum basis or on an instalment basis, by applying his own funds or (part of) the proceeds of the Investment Mortgage Loan, by means of an '*EffectPlusHypotheek Rekening*', (i) in certain investment funds or (ii) by depositing such amount in a savings account with Delta Lloyd Bank (a '**Savings Account**') or (iii) at the option of the Borrower in a combination of items (i) and (ii) above. The investments in investment funds are effectuated by the Borrowers paying the relevant amount to an investment account (an '**Investment Account**'), held with Stichting Delta Lloyd Beleggingsrekening or, as the case may be, Stichting Delta Lloyd Beleggersgiro and together with the Savings Account of such Borrower administered by Delta Lloyd Bank under one number.

Pledge

In the mortgage deeds relating to Investment Mortgage Loans the rights in respect of the '*EffectPlusHypotheek Rekening*' vis-à-vis Delta Lloyd Bank have been pledged to the Seller in order to secure the same liabilities as the relevant mortgage right. Furthermore, in the regulations ('*Reglement EffectPlusHypotheek/WoonPlusHypotheek Rekening*', hereinafter the '**Regulations**') relating to Investment Mortgage Loans a first-ranking right of pledge is also purported to be created on all rights of the Borrower vis-à-vis Delta Lloyd Bank in favour of the Seller and a second-ranking right of pledge on such rights is purported to be created in favour of Delta Lloyd Bank. Since the rights of the Borrower under the Investment Account are, or are intended to be rights vis-à-vis Stichting Delta Lloyd Beleggingsrekening or, as the case may be, Stichting Delta Lloyd Beleggersgiro and not vis-à-vis Delta Lloyd Bank (see *Investment Accounts* below), these rights are not covered by the relevant pledge clauses in the mortgage deeds and the Regulations and, therefore, no valid right of pledge thereon has been obtained by the Seller. Furthermore, the pledge of the rights under the Investment Account and the Savings Account should, in the case of the pledge in the mortgage deeds, be considered as credit pledges or, in the case of the pledge in the Regulations, as bank pledges, (i.e. a right of pledge which secures all claims on the relevant Borrower of whatever nature arising now or in the future) as the case may be. The observations made above in the paragraph *Mortgage Rights* above in respect of Credit Mortgages apply equally to these rights of pledge.

Investment Accounts

Although the Regulations are not entirely clear in this respect, it is the intention that the Borrowers will have a claim against Stichting Delta Lloyd Beleggingsrekening or, as the case may be, Stichting Delta Lloyd Beleggersgiro with respect to their investments held in the Investment Account. The Issuer has been informed by Delta Lloyd Bank that each of Stichting Delta Lloyd Beleggingsrekening and Stichting Delta Lloyd Beleggersgiro is a bankruptcy-remote entity. The object (‘*doel*’) of each of Stichting Delta Lloyd Beleggingsrekening and Stichting Delta Lloyd Beleggersgiro is broadly, limited to the acquisition, by way of custody and administration, of shares, participations and negotiable instruments for the benefit of the joint holders of Delta Lloyd investment accounts and furthermore, that it will not undertake other activities, in particular activities which can lead to any commercial risk other than in connection with the above object and, assuming that each of Stichting Delta Lloyd Beleggingsrekening and Stichting Delta Lloyd Beleggersgiro acts in accordance with its object, its obligations vis-à-vis the holders of Investment Accounts should be corresponding with the value of the participations of each of Stichting Delta Lloyd Beleggingsrekening and Stichting Delta Lloyd Beleggersgiro in the investment funds. Should Stichting Delta Lloyd Beleggingsrekening or, as the case may be, Stichting Delta Lloyd 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. If, contrary to the intention referred to above, the Borrowers would be considered to have a claim on Delta Lloyd Bank in respect of the Investment Account and not on Stichting Delta Lloyd Beleggingsrekening or, as the case may be, Stichting Delta Lloyd Beleggersgiro, this could lead to set-off or defences similar to those described under *Insurance Policies* above, if Delta Lloyd Bank would not be able to meet its obligations under the Investment Accounts, e.g. in case it was declared bankrupt or subject to emergency regulations.

Savings Account

If Delta Lloyd Bank was no longer able to repay (part of) any funds deposited by a Borrower on a Savings Account in connection with an Investment Mortgage Loan, e.g. in case it was declared bankrupt or subject to emergency regulations, this would have the result that such funds would not be available for application in reduction of the relevant Mortgage Loan. This may lead to the Borrowers trying to invoke set-off rights or defences against the Issuer or the Security Trustee on similar grounds as discussed in the paragraph *Insurance Policies* above. In this respect, it should be noted that the Issuer has been informed that the Dutch Collective Guarantee Scheme is applicable to Delta Lloyd Bank and that the Savings Accounts qualify as deposits within the meaning of the Dutch Collective Guarantee Scheme. Under this scheme, if a deposit taker (i.e. Delta Lloyd Bank) should become insolvent, certain types of depositors (i.e. the Borrower) are, under certain conditions and up to maximum of euro 20,000 for each depositor, entitled to a distribution by the Dutch Central Bank. In this respect, it should be noted that the Issuer has been informed that the Savings Accounts qualify as a deposit within the meaning of the collective guarantee scheme under which a depositor (the Borrower) can claim up to euro 20,000 in case the deposit taker (Delta Lloyd Bank) does not repay the deposit to such depositor.

Amendment of Investment Mortgage Loans

The Seller is in the process of amending the terms and conditions of the Investment Mortgage Loans, including the terms and conditions of Investment Mortgage Loans which are presently outstanding. The Issuer has been informed that such process will probably be finalised before the summer of 2005 and these amendments will include (i) the transfer of its assets and liabilities by Stichting Delta Lloyd Beleggingsrekening to Stichting Delta Lloyd Beleggersgiro and (ii) amendment of the Regulations. Stichting Delta Lloyd Beleggingsrekening shall subsequently be liquidated. Also steps will be taken to effectuate a first ranking right of pledge by the Borrowers in favour of the Seller on the rights of the Borrowers vis-à-vis Stichting Delta Lloyd Beleggersgiro and a second ranking right of pledge in favour of Delta Lloyd Bank on such rights. The Issuer has been informed that the Borrowers will not be asked to explicitly approve of these amendments, but it will be assumed that they agree to the amendments and grant the Seller a power of attorney to perform the necessary legal acts on behalf of the Borrowers unless they object thereto within a limited period. The Seller undertakes in the Mortgage Receivables Purchase Agreement to repurchase a Mortgage Receivable relating to an Investment Mortgage Loan in respect of which a Borrower has objected to these amendments. It should be noted that even if a Borrower has not objected to the amendments as described above within the stipulated period, he may object to the amendments at another occasion. Given the way the consent of the relevant Borrower was obtained, it cannot be excluded that such objection will be honoured in court. This will, however, very much depend on the circumstances.

Supervision on Stichting Delta Lloyd Beleggingsrekening and Stichting Delta Lloyd Beleggersgiro

Each of Stichting Delta Lloyd Beleggingsrekening and Stichting Delta Lloyd Beleggersgiro is not licensed and, as set out below, not required to be licensed as a securities broker under the Securities Trade Supervision Act 1995 (‘*Wet toezicht effectenverkeer 1995*’). Theoretically it could be argued that by maintaining in a professional or commercial capacity an account through which the Borrowers may obtain rights with respect to securities to be booked in the account, each of Stichting Delta Lloyd Beleggingsrekening and Stichting Delta Lloyd Beleggersgiro is acting as a securities broker within the meaning of Section 7 of the Act and, consequently, is acting in violation of the prohibition contained in such Section 7, pursuant to which it is prohibited to act as a securities broker without a licence. It is, however, unlikely that this Section 7 will be applicable. The reason for this is that each of Stichting Delta Lloyd Beleggingsrekening and Stichting Delta Lloyd Beleggersgiro is not actively involved in offering the opportunity of obtaining rights with respect to securities through the opening of an account and is merely acting as a custodian. It is in fact Delta Lloyd Bank that is offering the opportunity and that acts as a broker. As a licensed credit institution Delta Lloyd Bank is authorised to do so. However, in the unlikely event that Stichting Delta Lloyd Beleggingsrekening or, as the case may be, Stichting Delta Lloyd Beleggersgiro would be regarded as a securities broker within the meaning of said Act, the following is relevant. There is uncertainty in legal literature as to whether or not the entering into an agreement with an intermediary acting in violation of the statutory provisions of the Act is voidable (‘*vernietigbaar*’) or even null and void (‘*nietig*’), although in most case law the agreements are held null and void. If this would be the case, and the agreements would be null and void, or voidable and annulled, the consequence thereof would be that all payments and deliveries effected thereunder must be restituted to the party which originated the payment or, as the case may be, delivery by the receiving party.

The Issuer has been informed that, contrary to what is required pursuant to Section 15 of the Further Regulation on Market Conduct Supervision of the Securities Trade 2002 (‘*Nadere Regeling Gedragstoezicht Effectenverkeer 2002*’), the securities held by Stichting Delta Lloyd Beleggingsrekening are not booked in a securities account in the name of Stichting Delta Lloyd Beleggingsrekening or, as the case may be, Stichting Delta Lloyd Beleggersgiro with a licensed credit institution, but in an account with Delta Lloyd Securities, Antwerp - a Belgian investment firm and member institution of CIK, the Belgian Central Securities Depository -, which, in its turn, maintains an account at the Amsterdam office of Fortis Bank (Nederland) N.V., which is licensed as a credit institution in the Netherlands. Strictly speaking, Stichting Delta Lloyd Beleggingsrekening is thus running a bankruptcy risk on Delta Lloyd Securities. However, the Issuer has been informed by the Seller that this risk must be considered as extremely remote due to protective mechanisms provided for by Belgian law. Nevertheless, the Seller is in the process of reviewing the custody structure currently in place, so as to make sure that it will be compliant with the regulatory requirements on segregation in the near future. This process is expected to be finalised before the summer of 2005.

WoonPlusHypotheken

In case of Mortgage Loans offered by the Seller under the name *WoonPlusHypotheek*, which product can be combined with any type of redemption, the Borrower opens an WoonPlus Investment Account to which own funds of the Borrower are transferred and the balance of this WoonPlus Investment Account may at the option of such Borrower (i) be invested in certain investment funds or (ii) be deposited in a savings account or (iii) a combination of option (i) and (ii). In any such case, the proceeds of the investments and the deposits in the savings account will be used by the Borrower to pay the monthly interest instalments in respect of (part of) the relevant Mortgage Loan.

The purpose of the *WoonPlusHypotheek* is to enable a Borrower to borrow a larger amount than such Borrower would be granted by the Seller on the basis of the current lending criteria, given the level of its income.

All observations set forth above under this paragraph *Investment Mortgage Loans* above apply mutatis mutandis in respect of the WoonPlus Investment Account.

If the value of the investments under such *WoonPlusHypotheek* has reduced considerably, this could result in the Borrower not having sufficient funds available in the WoonPlus Investment Account to pay (part of) the interest and principal due under the relevant Mortgage Loan and consequently, depending on the circumstances of such Borrower, this may lead to the Borrower having only its income available for payments of interest and principal due under the relevant Mortgage Loan. Therefore, a Borrower under a Mortgage Loan sold as *WoonplusHypotheek* may try to invoke set-off or defences against the Issuer (see above in the paragraphs *Set-off* and *Insurance Policies*).

Reduced value of investments

If the value of the investments under the Investment Mortgage Loans has reduced considerably, a Borrower may, or may try to, invoke set-off or defences against the Issuer arguing that he has not been properly informed of the risks involved in the investments, *inter alia*, on the grounds that the investments were to a certain extent made with borrowed monies. The merits of any such claim will, to a large extent, depend on the manner in which the Investment Mortgage Loans have been marketed and the promotional material provided to the Borrower. The above may also apply in case of a reduction in value of investments made the Insurance Company in connection with the Life Insurance Policy.

In this respect, the Financial Markets Authority ('*Autoriteit Financiële Markten*') has on its website informed consumers with respect to the risks relating to mortgage products whereby – by investing their own funds – they are granted a larger loan than they would normally have been granted solely on the basis of their income. This may give a Borrower an argument when it (tries to) invoke set-off or defences against the Issuer, for instance in case of a Borrower with a WoonPlus Investment Account.

Long lease

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

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

When underwriting a Mortgage Loan to be secured by a mortgage right on a long lease the Seller will take into consideration the conditions, including the term, of the long lease. The acceptance conditions used by the Seller provide that in certain events the Mortgage Loan shall have a maturity that is shorter than the term of the long lease. The general terms and conditions of the Mortgage Loans provide that the Mortgage Loan becomes immediately due and payable in the event that, *inter alia*, (i) the leaseholder has not paid the remuneration, (ii) the conditions of the long lease are changed, (iii) the lease holder breaches any obligation under the long lease, or (iv) the long lease is dissolved or terminated.

European Union Directive on the taxation of savings

On 3 June 2003 the Council of the European Union adopted a Council Directive on the taxation of savings income in the form of interest payments (the "Directive"). The Directive will apply to interest payments (as defined in the Directive) made in one Member State to or for individual beneficial owners (as defined in the Directive) who are resident in another Member State and will require all Member States to adopt an information reporting system with regard to such payments. However, for a transitional period, Austria, Belgium, and Luxembourg will be permitted to operate a withholding tax system.

According to the Directive, Member States would have been required to apply its provisions from 1 January 2005 provided that certain European third countries and certain dependent or associated territories applied the equivalent or, as the case may be, the same measures from that date. However, by a decision dated 19 July 2004, the Council having decided that this condition would not be met, adopted a new date, 1 July 2005. This date is subject to the same conditions as the former date. The transitional period will commence on the same date.

Under the information reporting system, a Member State will automatically communicate to the beneficial owner's Member State of residence information regarding interest payments (including the identity and residence of the beneficial owner) made by paying agents (as defined in the Directive) established within the former Member State, without requiring reciprocity. Under the withholding tax system (for Austria, Belgium, and Luxembourg), a Member State will levy a withholding tax in respect of interest payments made by paying agents established within its territory at a rate of 15 per cent. during the first three years of the transitional period, 20 per cent. for the subsequent three years, and 35 per cent. thereafter. The transitional period will end, and those Member States permitted to levy a withholding tax will, instead, be required to implement an information reporting system if and when the European Community enters into certain agreements with certain third countries regarding information exchange with respect to interest payments.

Under the Directive, the term "paying agent" means, generally, the last intermediary in any given chain of intermediaries that pays interest directly to, or secures the payment of interest for the immediate benefit of, the beneficial owner; the term "interest" is defined broadly and would include interest relating to debt-claims of any kind, including income from bonds; and the term "beneficial owner" means any individual who receives an interest payment or any individual for whom an interest payment is secured, unless he or she provides evidence that it was not received or secured for his or her own benefit.

The Netherlands has adopted legislation provisionally implementing the substantive provisions of the Directive. These provisions are expected to come into force on 1 July 2005, provided the above-mentioned conditions under which Member States are required to apply the Directive are satisfied from that date. If and when the Directive is implemented as required by the Directive, an individual Holder of Notes who is resident in an EU Member State other than the Netherlands may become subject to the automatic supply of information to the Member State in which the individual is resident with regard to interest payments made by (or in certain cases, to) paying agents established in the Netherlands.

Reliance on Third Parties

Counterparties to the Issuer may not perform their obligations under the Relevant Documents (as defined in the Conditions), which may result in the Issuer not being able to meet its obligations. It should be noted that there is a risk that (a) Delta Lloyd Life in its capacity as Insurance Company will not meet its obligations vis-à-vis the Issuer, (b) ABN AMRO in its capacity as Floating Rate GIC Provider, Paying Agent, Reference Agent, Swap Counterparty and Liquidity Facility Provider will not perform its obligations vis-à-vis the Issuer, (c) Amstelhuys in its capacity as Seller and Subordinated Loan Provider will not meet its obligations vis-à-vis the Issuer, (d) Delta Lloyd Bank in its capacity as Defaulted Loan Servicer and MPT Provider will not meet its obligations vis-à-vis the Issuer, (e) ATC Financial Services B.V. as Issuer Administrator will not perform its obligations under the Issuer Services Agreement and (f) Amsterdamsch Trustee's Kantoor B.V. and ATC Management B.V. will not perform their obligations under the relevant Management Agreements.

Optional Redemption

Although as a result of the increase in the margin, payable in respect of the floating rate of interest on the Notes, the Issuer will have an incentive to exercise its right to redeem the Notes, on the first Optional Redemption Date or on any later Optional Redemption Date, no guarantee can be given that the Issuer will actually exercise such right. The exercise of such right will, *inter alia*, depend on the ability of the Issuer to have sufficient funds available to redeem the Notes, for example through a sale of Mortgage Receivables still outstanding at that time.

Regulatory Call Option

Should the Seller exercise its Regulatory Call Option, the Issuer has the option to redeem the Notes by applying the proceeds of the sale of the Mortgage Receivables towards redemption of the Notes in accordance with Condition 6(i) and subject to Condition 9(b) on any Quarterly Payment Date, whether falling before or after the first Optional Redemption Date.

Prepayment Considerations

The maturity of the Notes of each Class will depend on, *inter alia*, the amount and timing of payment of principal (including full and partial prepayments, sale of the Mortgage Receivables by the Issuer, Net Proceeds upon enforcement of a Mortgage Loan and repurchase by the Seller of Mortgage Receivables) on the Mortgage Loans. The average maturity of the Notes may be adversely affected by a higher or lower than anticipated rate of prepayments on the Mortgage Loans. The rate of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax law (including, but not limited to, amendments to mortgage interest tax deductibility), local and regional economic conditions and changes in Borrower's behaviour (including, but not limited to, home-owner mobility). No guarantee can be given as to the level of prepayment that the Mortgage Loans may experience, and variation in the rate of prepayments of principal on the Mortgage Loans may affect each Class of Notes differently. The estimated average lives must therefore be viewed with considerable caution and Noteholders should make their own assessment thereof.

Subordination of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes

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

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

Limited Liquidity of the Notes

There is not at present, any active and liquid secondary market for the Notes. There can be no assurance that a secondary market for the Notes will develop or, if a secondary market does develop, that such a secondary market will provide Noteholders with liquidity of investment or that it will continue for the life of the Notes. To date, no underwriter has indicated that they intend to establish a secondary market in the Notes.

Payments on the Mortgage Loans

Payments on the Mortgage Loans are subject to credit, liquidity and interest rate risks and will generally vary in response to, among other things, market interest rates, general economic conditions, the financial standing of Borrowers and other similar factors. Other factors such as loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies and bankruptcy filings by Borrowers and could ultimately have an adverse impact on the ability of Borrowers to repay their Mortgage Loans.

Risks of Losses Associated with Declining Values of Mortgaged Assets

The security for the Notes created under the Trustee Pledge Agreement I may be affected by, among other things, a decline in the value of the Mortgaged Assets. No assurance can be given that values of the Mortgaged Assets have remained or will remain at the level at which they were on the date of origination of the related Mortgage Loans. A decline in value may result in losses to the Noteholders if such security is required to be enforced.

Maturity Risk

The ability of the Issuer to redeem all the Notes on each Optional Redemption Date or, as the case may be, on the Final Maturity Date in full and to pay all amounts due to the Noteholders, including after the occurrence of an Event of Default, may depend upon whether the value of the Mortgage Receivables is sufficient to redeem the Notes.

No Gross-up for Taxes

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

Interest Rate Risk

The risk that the interest received on the Mortgage Receivables is not sufficient for the Issuer to pay the interest on the Notes is addressed by the Swap Agreement. The Swap Counterparty will be obliged to make payments under the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. The Swap Agreement will provide, however, that if due to (i) action taken by a relevant taxing authority or brought in a court of competent jurisdiction, or (ii) any change in tax law, in both cases after the date of the Swap Agreement, the Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay to the Issuer additional amounts for or on account of tax (a '**Tax Event**'), the Swap Counterparty may (with the consent of the Issuer and the Rating Agencies) transfer its rights and obligations to another of its offices, branches, affiliates or any other person to avoid the relevant Tax Event.

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

Agreement will be limited to (i) non-payment under the Swap Agreement, (ii) a merger or similar transaction with another entity or person without assumption of the Issuer's obligations under the Swap Agreement and (iii) insolvency events. The Swap Agreement will terminate on the earlier of the Final Maturity Date and the date on which the relevant Classes of Notes have been redeemed or written-off in full in accordance with the Conditions.

CREDIT STRUCTURE

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

Mortgage Loan Interest Rates

The interest rate of each Mortgage Loan is fixed, subject to a reset from time to time. On the Cut-off Date the weighted average interest rate of the Mortgage Loans is expected to be 4.28 per cent. Interest rates vary between individual Mortgage Loans. The range of interest rates is described further in *Description of the Mortgage Loans* below.

Cash Collection Arrangement

Payments by the Borrowers of interest and scheduled principal under the Mortgage Loans are due on the 1st day of each month, interest being payable in arrear. All payments made by Borrowers will be paid into the Seller Collection Account. This account is not pledged to any party other than to the bank at which it is maintained pursuant to the applicable terms and conditions. This account will also be used for the collection of moneys paid in respect of mortgage loans other than Mortgage Loans and in respect of other moneys belonging to the Seller.

On each Mortgage Payment Date (being the 12th day of each calendar month or if this is not a business day the next succeeding business day) the MPT Provider shall transfer all amounts of principal, interest, prepayment penalties and interest penalties received by the Seller in respect of the Mortgage Loans during the immediately preceding Mortgage Calculation Period to the Issuer Collection Account.

For these purposes a '**Mortgage Calculation Period**' is the period commencing on (and including) the first day of a calendar month and ending on (and including) the last day of such calendar month. The first Mortgage Calculation Period will commence on (and include) 1 March 2005 and end on (and include) the last day of March 2005.

Transaction Accounts

Issuer Collection Account

The Issuer will maintain with the Floating Rate GIC Provider the Issuer Collection Account to which all amounts received (i) in respect of the Mortgage Loans, (ii) from the Insurance Company pursuant to the Sub-Participation Agreement and (iii) from the other parties to the Relevant Documents will be paid.

If any collateral in the form of cash is provided by the Swap Counterparty to the Issuer, the Issuer will be required to open a separate account in which such cash provided by the Swap Counterparty will be held. If any collateral in the form of securities is provided, the Issuer will be required to open a custody account in which such securities provided by the Swap Counterparty will be held. No withdrawals may be made in respect of such accounts other than in relation to the provision of collateral or the return of Excess Swap Collateral, unless pursuant to the termination of the Swap Agreement, an amount is owed by the Swap Counterparty to the Issuer, in which case, the collateral may be applied in accordance with the Trust Deed.

'**Excess Swap Collateral**' means an amount equal to the value of any collateral transferred to the Issuer by the Swap Counterparty under the Swap Agreement that is in excess of the Swap Counterparty's liability to the Issuer thereunder (i) as at the date such Swap Agreement is terminated or (ii) as at any other date of valuation in accordance with the terms of the Swap Agreement.

Any amount remaining in such accounts upon termination of the Swap Agreement which are not owed to the Issuer by the Swap Counterparty shall be transferred directly to the Swap Counterparty (outside of the Interest Priority of Payments) on the termination date under the Swap Agreement.

If any collateral is transferred pursuant to the Swap Agreement in favour of the Issuer, the Issuer may apply such collateral in accordance with the Swap Agreement and the Trust Deed, subject to the Issuer's obligation to return directly to the Swap Counterparty under the Swap Agreement any Excess Swap Collateral.

If at any time (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Floating Rate GIC Provider are assigned a rating of less than Prime-1 by Moody's and/or F1 by Fitch or any such rating is withdrawn by Moody's or Fitch; or (ii) if the amount standing to the credit of (a) the Issuer Collection Account exceeds euro 50,000,000 or (b) the Pre-funded Account exceeds euro 100,000,000 and the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Floating Rate GIC Provider are assigned a rating of less than Aa3 by Moody's or its rating is withdrawn, the Issuer will be required within 30 days to transfer the balance of the Issuer Collection Account or, as the case may be, the Pre-funded Account to an alternative bank with the required minimum rating or to obtain a third party, acceptable to Moody's and Fitch, to guarantee the obligations of the Floating Rate GIC Provider.

On (a) each Purchase Date and thereafter (b) each Optional Redemption Date, the Issuer has the option to invest any balance standing to the credit of the Issuer Collection Account and the Pre-funded Account in (i) euro denominated securities with a maturity not beyond (x) the next succeeding Purchase Date, provided that such securities have been assigned a rating of [Prime-1] by Moody's and [F1] by Fitch or, as the case may be, (y) the next succeeding Quarterly Payment Date, provided that such securities have been assigned a rating of [Prime-1] by Moody's and [F1+] by Fitch or (ii) other securities provided that Moody's and Fitch have given prior confirmation that such investment will not adversely affect the then current ratings assigned to the Notes.

Payments may be made from the Issuer Collection Account other than on a Quarterly Payment Date only to satisfy (i) amounts due to third parties (other than pursuant to the Relevant Documents) and payable in connection with the Issuer's business, (ii) amounts due under the Sub-Participation Agreement, (iii) amounts due to the Seller in connection with the purchase of New Mortgage Receivables in accordance with the Mortgage Receivables Purchase Agreement and (iv) the repayment of any Liquidity Facility Standby Drawing in accordance with the Liquidity Facility Agreement.

Pre-funded Account

The Issuer will maintain with the Floating Rate GIC Provider the Pre-funded Account to which on the Closing Date an amount of euro 600,000,000 of the net proceeds of the Notes will be credited. On each Purchase Date an amount equal to the positive difference between (a) the Initial Purchase Price of the New Mortgage Receivables purchased on such date and (b) the sum of (i) the Principal Available Amount and (ii) the amount of the Initial Participation relating to the New Mortgage Receivables to be purchased on the relevant Purchase Date will be transferred from the Pre-funded Account to the Issuer Collection Account. Payments may be made from the Pre-funded Account only to satisfy the Initial Purchase Price of New Mortgage Receivables. Any balance remaining on the Pre-funded Account on the first Optional Redemption Date will be transferred to the Issuer Collection Account and form part of the Notes Redemption Available Amount on such date.

Construction Account

The Issuer will also maintain with the Floating Rate GIC Provider the Construction Account to which on the Closing Date or in case of the purchase of New Mortgage Receivables, the relevant Purchase Date, an amount corresponding to the aggregate Construction Amount will be credited. Payments may be made from the Construction Account on a Quarterly Payment Date only to satisfy payment by the Issuer to the Seller of (part of) the Initial Purchase Price as a result of the distribution of (part of) the Construction Amount by the Seller to the relevant Borrowers. Besides this, the Construction Account will be debited with the amount Borrowers have set off against the relevant Mortgage Loans to which the Mortgage Receivables relate in connection with the Construction Amounts and as a result of which the Issuer has no further obligation to pay (such part of) the Initial Purchase Price. Such amount will be transferred to the Issuer Collection Account and form part of the Notes Redemption Available Amount.

Reserve Account

The Issuer will also maintain with the Floating Rate GIC Provider the Reserve Account. The net proceeds of the Subordinated Class F Notes will be credited to the Reserve Account.

Amounts credited to the Reserve Account will be available on any Quarterly Payment Date to meet items (a) to (o) (inclusive) of the Interest Priority of Payments, before application of any funds drawn under the Liquidity Facility.

If and to the extent that the Notes Interest Available Amount on any Quarterly Calculation Date exceeds the amounts required to meet items ranking higher in the Interest Priority of Payments, the excess amount will be applied to replenish and/or build up the Reserve Account as the case may be, until the balance standing to the credit of the Reserve Account equals the Reserve Account Required Amount. The Reserve Account Required Amount shall on any Quarterly Calculation Date be equal to (i) 0.50 per cent of the aggregate Principal Amount Outstanding of the Notes, other than the Subordinated Class F Notes, on the Closing Date or (ii) 1.35 per cent of the aggregate Principal Amount Outstanding of the Notes, other than the Subordinated Class F Notes, on the Closing Date in case (a) the aggregate Outstanding Principal Amount of all Mortgage Loans in arrears for more than 60 days exceeds 1 per cent of the aggregate Outstanding Principal Amount; or (b) if on the first Optional Redemption Date the Notes, other than the Subordinated Class F Notes, have not been redeemed in full or (iii) zero, on the Optional Redemption Date whereon the Notes, other than the Subordinated Class F Notes, have been or are to be redeemed in full, subject to the Conditions.

To the extent that the balance standing to the credit of the Reserve Account on any Quarterly Calculation Date exceeds the Reserve Account Required Amount, such excess shall be drawn from the Reserve Account on the immediately succeeding Quarterly Payment Date and shall form part of the Notes Interest Available Amount on that Quarterly Payment Date.

After 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 and all payments of the Interest Priority of Payments ranking higher in priority have been made, any amount standing to the credit of the Reserve Account will be applied to redeem or partially redeem, as the case may be, the Subordinated Class F Notes.

Priority of Payments in respect of interest

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated as at each fourth business day prior to each Quarterly Payment Date (a '**Quarterly Calculation Date**') and which have been received or deposited during the Quarterly Calculation Period immediately preceding such Quarterly Calculation Date (items (i) up to and including (xi) being hereafter referred to as the '**Notes Interest Available Amount**'):

(i) as interest, including penalty interest, on the Mortgage Receivables, less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, an amount equal to the amount received, multiplied by the quotient of the relevant Participation divided by the Outstanding Principal Amount of such Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element (the '**Participation Fraction**') and less any amounts paid to the Swap Counterparty under the Swap Agreement at the two immediately preceding Swap Payment Dates in the relevant Quarterly Calculation Period;

(ii) as interest accrued on the Issuer Collection Account, the Reserve Account and the Pre-funded Account;

(iii) as prepayment penalties under the Mortgage Loans;

(iv) as Net Proceeds on any Mortgage Receivables to the extent such proceeds do not relate to principal less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, an amount equal to the amount received multiplied by the Participation Fraction;

(v) as amounts to be drawn under the Liquidity Facility (other than Liquidity Facility Stand-by Drawings) on the immediately succeeding Quarterly Payment Date;

(vi) as amounts to be drawn from the Reserve Account on the immediately succeeding Quarterly Payment Date;

(vii) as amounts to be received from the Swap Counterparty under the Swap Agreement on the immediately succeeding Quarterly Payment Date if any, excluding for the avoidance of doubt, any collateral transferred pursuant to the Swap Agreement;

(viii) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement, or any other amounts received pursuant to the Mortgage Receivables Purchase Agreement, to the extent such amounts do not relate to principal less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, an amount equal to the amount received multiplied by the Participation Fraction;

(ix) as amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts do not relate to principal less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, an amount equal to the amount received multiplied by the Participation Fraction;

(x) as amounts received as post-foreclosure proceeds on the Mortgage Receivables; and

(xi) any (remaining) amounts standing to the credit of the Issuer Collection Account to the extent they do not relate to principal;

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

(a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of the fees or other remuneration due and payable to the Directors in connection with the Management Agreements and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Relevant Documents;

(b) *second*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof of fees and expenses due and payable to the MPT Provider, the Defaulted Loan Servicer and the Issuer Administrator under the Issuer Services Agreement;

(c) *third*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, (i) of any amounts due and payable to third parties under obligations incurred in the Issuer's business (other than under the Relevant Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax and sums due to Moody's and Fitch and fees and expenses of any legal advisor, auditor and/or accountant appointed by the Issuer and/or the Security Trustee, (ii) fees and expenses due to the Paying Agent and the Reference Agent under the Paying Agency Agreement and (iii) the Liquidity Facility Commitment Fee (as defined therein) under the Liquidity Facility Agreement to the Liquidity Facility Provider;

(d) *fourth*, (i) in or towards satisfaction of any amounts due and payable to the Liquidity Facility Provider under the Liquidity Facility, but excluding any gross-up amounts or additional amounts due under the Liquidity Facility and payable under (s) below, or (ii) following a Liquidity Facility Stand-by Drawing in or towards satisfaction of sums to be credited to the Liquidity Facility Stand-by Ledger;

(e) *fifth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of (i) all amounts of interest due or interest accrued but unpaid in respect of the Senior Class A Notes and (ii) amounts, if any, due but unpaid under the Swap Agreement, (except for any termination payment due or payable as a result of the occurrence of an Event of Default (as defined therein) where the Swap Counterparty is the Defaulting Party or an Additional Termination Event (as defined therein) relating to the credit rating of the Swap Counterparty (as such terms are defined in the Swap Agreement), including a Settlement Amount (as defined therein) (a '**Swap Counterparty Default Payment**') payable under (r) below);

(f) *sixth,* in or toward making good any shortfall reflected in the Class A Principal Deficiency Ledger until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to zero;

(g) *seventh*, in or towards satisfaction of interest due or interest accrued but unpaid on the Mezzanine Class B Notes;

(h) *eighth*, in or toward making good any shortfall reflected in the Class B Principal Deficiency Ledger until the debit balance, if any, on the Class B Principal Deficiency Ledger is reduced to zero;

(i) *ninth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Mezzanine Class C Notes;

(j) *tenth*, in or toward making good any shortfall reflected in the Class C Principal Deficiency Ledger until the debit balance, if any, on the Class C Principal Deficiency Ledger is reduced to zero;

(k) *eleventh*, in or towards satisfaction of interest due or interest accrued but unpaid on the Mezzanine Class D Notes;

(l) *twelfth*, in or toward making good any shortfall reflected in the Class D Principal Deficiency Ledger until the debit balance, if any, on the Class D Principal Deficiency Ledger is reduced to zero;

(m) *thirteenth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Junior Class E Notes;

(n) *fourteenth*, in or toward making good any shortfall reflected in the Class E Principal Deficiency Ledger until the debit balance, if any, on the Class E Principal Deficiency Ledger is reduced to zero;

(o) *fifteenth,* in or towards satisfaction of interest due or interest accrued but unpaid in respect of the Subordinated Class F Notes;

(p) *sixteenth,* in or towards satisfaction of any sums required to replenish the Reserve Account up to the amount of the Reserve Account Required Amount (defined below);

(q) *seventeenth*, in or towards satisfaction of principal amounts due under the Subordinated Class F Notes on the relevant Quarterly Payment Date, including the Final Maturity Date;

(r) *eighteenth,* in or towards satisfaction of the Swap Counterparty Default Payment payable to the Swap Counterparty under the terms of the Swap Agreement;

(s) *nineteenth,* in or towards satisfaction of gross up amounts or additional amounts due, if any, to the Liquidity Facility Provider under the Liquidity Facility Agreement;

(t) *twentieth,* in or towards satisfaction of interest due or interest accrued but unpaid in respect of the Subordinated Loan;

(u) *twentyfirst,* in or towards satisfaction of principal due and payable but unpaid in respect of the Subordinated Loan; and

(v) *twentysecond,* in or towards satisfaction of a Deferred Purchase Price Instalment to the Seller.

Priority of Payments in respect of principal

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated as at any Quarterly Calculation Date immediately preceding an Optional Redemption Date, as being received or deposited during the immediately preceding Quarterly Calculation Period (items (i) up to and including (x) hereinafter referred to as the '**Notes Redemption Available Amount**'):

(i) by means of repayment and prepayment in full of principal under the Mortgage Receivables from any person, but, for the avoidance of doubt, excluding prepayment penalties, if any, less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation in such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element;

(ii) as Net Proceeds on any Mortgage Receivable to the extent such proceeds relate to principal less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation in such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element;

(iii) in connection with a repurchase of 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 less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation in such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element;

(iv) in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the relevant Participation in such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element;

(v) as amount to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date in accordance with the Issuer Services Agreement;

(vi) as Monthly Participation Increase pursuant to the Sub-Participation Agreement;

(vii) as partial prepayment in respect of Mortgage Receivables;

(viii) any part of the Notes Redemption Available Amount calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards redemption of the Notes on the preceding Optional Redemption Date;

(ix) as amounts received on the Issuer Collection Account from the credit balance of the Construction Account in accordance with the Mortgage Receivables Purchase Agreement; and

(x) on the first Optional Redemption Date, any balance standing to the credit of the Pre-funded Account;

will be applied by the Issuer on the next succeeding Optional Redemption Date (and in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the '**Principal Priority of Payments**'):

(a) *first,* in or towards satisfaction of principal amounts due under the Senior Class A Notes on each Optional Redemption Date including, as the case may be, the Final Maturity Date, until fully redeemed;

(b) *second,* in or towards satisfaction of principal amounts due under the Mezzanine Class B Notes on the relevant Optional Redemption Date, including, as the case may be, the Final Maturity Date, until fully redeemed;

(c) *third*, in or towards satisfaction of principal amounts due under the Mezzanine Class C Notes on the relevant Optional Redemption Date, including, as the case may be, the Final Maturity Date, until fully redeemed;

(d) *fourth,* in or towards satisfaction of principal amounts due under the Mezzanine Class D Notes on the relevant Optional Redemption Date, including, as the case may be, the Final Maturity Date, until fully redeemed; and

(e) *fifth,* in or towards satisfaction of principal amounts due under the Junior Class E Notes on the relevant Optional Redemption Date, including, as the case may be, the Final Maturity Date, until fully redeemed.

Priority of Payments upon Enforcement

Following delivery of an Enforcement Notice any amounts payable by the Security Trustee under the Trust Deed, other than in respect of the Participations, will be paid to the Secured Parties (including the

Noteholders, but excluding the Insurance Company) 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 '**Priority of Payments upon Enforcement**'):

(a) *first*, in or towards satisfaction, of the repayment of any Liquidity Facility Standby 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 (i) the fees or other remuneration due to the Directors, (ii) any cost, charge, liability and expenses incurred by the Security Trustee under or in connection with any of the Relevant Documents, which will include, *inter alia*, the fees and expenses of Moody's and Fitch, any legal advisor, auditor and/or accountant appointed by the Security Trustee, (iii) the fees and expenses of the Paying Agent and the Reference Agent incurred under the provisions of the Paying Agency Agreement and (iv) the fees and expenses of the MPT Provider, the Issuer Administrator and the Defaulted Loan Servicer under the Issuer Services Agreement;

(c) *third,* in or towards satisfaction of any sums due and payable but unpaid under the Liquidity Facility Agreement but excluding any amounts due under the Liquidity Facility payable under (a) above or (q) below;

(d) *fourth,* in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of (i) all amounts of interest due or interest accrued but unpaid in respect of the Senior Class A Notes and (ii) amounts, if any, due but unpaid to the Swap Counterparty under the Swap Agreement including any Settlement Amounts (as defined therein) to be paid by the Issuer upon early termination of the Swap Agreement as determined in accordance with its terms but excluding any Swap Counterparty Default Payment payable under subparagraph (p) below, excluding, for the avoidance of doubt, the repayment to the Swap Counterparty of Excess Swap Collateral;

(e) *fifth,* in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Senior Class A Notes;

(f) *sixth,* in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Mezzanine Class B Notes;

(g) *seventh*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Mezzanine Class B Notes;

(h) *eight*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Mezzanine Class C Notes;

(i) *ninth,* in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Mezzanine Class C Notes;

(j) *tenth,* in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Mezzanine Class D Notes;

(k) *eleventh,* in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Mezzanine Class D Notes;

(l) *twelfth,* in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Junior Class E Notes;

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

(n) *fourteenth,* in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Subordinated Class F Notes;

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

(p) *sixteenth,* in or towards satisfaction of amounts due and payable under the Swap Agreement in connection with the Swap Counterparty Default Payment payable to the Swap Counterparty under the terms of the Swap Agreement;

(q) *seventeenth,* in or towards satisfaction of gross up amounts or additional amounts due, if any, to the Liquidity Facility Provider under the Liquidity Facility Agreement,

(r) *eighteenth*, in or towards satisfaction of all amounts of interest due, interest accrued and principal due but unpaid in respect of the Subordinated Loan; and

(s) *nineteenth,* in and towards satisfaction of any Deferred Purchase Price Instalment to the Seller.

Application of Principal Amounts prior to the first Optional Redemption Date

The Issuer will purchase on each Purchase Date the New Mortgage Receivables to the extent offered by the Seller by applying the Purchase Available Amount. The '**Purchase Available Amount**' consists of the sum of (i) the Principal Available Amount, (ii) the amount of the Initial Participation relating to the relevant New Mortgage Receivables to be purchased on the relevant Purchase Date and (iii) any drawing from the Pre-funded Account on such Purchase Date in accordance with the Trust Deed. The '**Principal Available Amount**' is the sum of all amounts received or deposited by the Issuer, during the immediately preceding Monthly Calculation Period which would form part of the Notes Redemption Available Amount increased with any Principal Available Amount calculated on the immediately preceding Purchase Date which has not been applied towards the purchase of New Mortgage Receivables on such preceding Purchase Date.

Subordinated Loan

On the Closing Date the Seller will make available to the Issuer the Subordinated Loan. The Subordinated Loan will be in an amount of euro 1,275,000 and will be used by the Issuer to pay certain initial costs and expenses in connection with the issue of the Notes.

Liquidity Facility

On the Closing Date, the Issuer will enter into the Liquidity Facility Agreement with the Liquidity Facility Provider. The Issuer will be entitled on any Quarterly Payment Date (other than on (i) an Optional Redemption Date if and to the extent the Notes, other than the Subordinated Class F Notes, are redeemed in full or (ii) the Final Maturity Date) to make drawings under the Liquidity Facility up to the Liquidity Facility Maximum Amount (as defined below). The Liquidity Facility Agreement is for a term of (up to) 364 days. The commitment of the Liquidity Facility Provider is extendable at its option. 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 amounts available on the Reserve Account and without taking into account any drawing under the Liquidity Facility, there is a shortfall in the Notes Interest Available Amount to meet items (a) to (m) (inclusive), but not items (f), (h), (j) and (l) in the Interest Priority of Payments in full on that Quarterly Payment Date, provided that no drawing may be made to meet item (g) if there is a debit balance on the Class B Principal Deficiency Ledger and no drawing may be made to meet item (i) if there is a debit balance on the Class C Principal Deficiency Ledger and no drawing may be made to meet item (k) if there is a debit balance on the Class D Principal Deficiency Ledger and no drawing may be made to meet item (m) if there is a debit balance on the Class E Principal Deficiency Ledger. The Liquidity Facility Provider will rank in priority in point of payments and security to the Notes.

If, at any time, (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider are assigned a rating of less than Prime-1 by Moody's and/or F1 by Fitch or any such rating is withdrawn by Moody's or Fitch and (ii) within 30 days of such downgrading the Liquidity Facility is not renewed or replaced by the Issuer with an alternative Liquidity Facility Provider whose short-term unsecured, unsubordinated and unguaranteed debt obligations are assigned at least a rating of Prime-1 by Moody's and/or F1 by Fitch or alternatively the Liquidity Facility Provider has procured that a guarantee for its obligations in favour of the Issuer has been issued, the Issuer will be required forthwith to draw down the entirety of the undrawn portion of the Liquidity Facility (a '**Liquidity Facility Stand-by Drawing**') and credit such amount to the Issuer Collection Account with a corresponding credit to a ledger to be known as the '**Liquidity Facility Stand-by Ledger**'. Amounts so credited to the Issuer Collection Account may be utilised by the Issuer in the same manner as a drawing under the Liquidity Facility. A Liquidity Facility Stand-by Drawing shall also be made if the Liquidity Facility is not renewed following its commitment termination date. If a Liquidity Facility Stand-by Drawing is to be repaid by the Issuer, such repayment shall be made by the Issuer from the Issuer Collection Account directly to the Liquidity Facility Provider (outside of the Interest Priority of Payments).

For these purposes, '**Liquidity Facility Maximum Amount**' means, on each Quarterly Calculation Date, 2.5 per cent. of the aggregate Principal Amount Outstanding of the Notes, other than the Subordinated Class F Notes, on such date.

Principal Deficiency Ledger

A Principal Deficiency Ledger comprising five sub-ledgers (the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger, the Class D Principal Deficiency Ledger and the Class E Principal Deficiency Ledger) will be established by or on behalf of the Issuer in order to record Realised Losses (a **'Principal Deficiency**'). An amount equal to any Principal Deficiency will be debited to the Class E Principal Deficiency Ledger (such debit items being credited at item (n) of the Interest Priority of Payments, to the extent any part of the Notes Interest Available Amount is available for such purpose) so long as the debit balance on such sub-ledger is less than Principal Amount Outstanding of the Mezzanine Class E Notes (the '**Class E Principal Deficiency Limit**') and thereafter such amount will be debited, to the Class D Principal Deficiency Ledger (such debit items being credited at item (l) of the Interest Priority of Payments, to the extent any part of the Notes Interest Available Amount is available for such purpose) so long as the debit balance on such ledger is less than Principal Amount Outstanding of the Mezzanine Class D Notes (**the** '**Class D Principal Deficiency Limit**') and thereafter such amount will be debited, to the Class C Principal Deficiency Ledger (such debit items being credited at item (j) of the Interest Priority of Payments, to the extent any part of the Notes Interest Available Amount is available for such purpose) so long as the debit balance on such ledger is less than Principal Amount Outstanding of the Mezzanine Class C Notes (**the** '**Class C Principal Deficiency Limit**') and thereafter such amount will be debited to the Class B Principal Deficiency Ledger (such debit items being credited at item (h) of the Interest Priority of Payments, to the extent any part of the Notes Interest Available Amount is available for such purpose) so long as the debit balance on such ledger is less than Principal Amount Outstanding of the Mezzanine Class B Notes (**the** '**Class B Principal Deficiency Limit**') and thereafter such amount will be debited to the Class A Principal Deficiency Ledger (such debit items being credited at item (f) of the Interest Priority of Payments, (to the extent funds become available for such purpose).

'**Realised Losses**' means, on any Quarterly Calculation Date, the sum of (a) the amount of the difference between (i) the aggregate Outstanding Principal Amount less, with respect to the Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element, the relevant Participations, on which the Seller or the Defaulted Loan Servicer or the Issuer has foreclosed from the Closing Date up to and including such Quarterly Calculation Date and (ii) the sum of (x) the Net Proceeds on such Mortgage Receivables other than Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element and (y) the Net Proceeds on such Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element up to the amount of the relevant Savings Mortgage Receivables or Life Mortgage Receivables with a Savings Element less the Participations and (b) with respect to Mortgage Receivables sold by the Issuer, the amount of the difference, if any, between (x) the aggregate Outstanding Principal Amount, less with respect to such Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element, the relevant Participations, and (y) the purchase price received in respect of such Mortgage Receivables to the extent relating to the principal less, with respect to Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element, the relevant Participations.

Interest Rate Hedging

The Mortgage Loan Criteria require that all Mortgage Loans bear a fixed rate of interest, a rate which is subject to a reset from time to time. The interest rate payable by the Issuer with respect to the Notes is calculated as a margin over Euribor. The Issuer will hedge its interest rate exposure by entering into the Swap Agreement with the Swap Counterparty.

Under the Swap Agreement, the Issuer will agree to pay on each Swap Payment Date (being the 15th day of each month or in case of a month in which a Quarterly Payment Date falls, such Quarterly Payment Date) the sum of:

(a) the aggregate amount of interest on the Mortgage Receivables scheduled to be paid during the immediately preceding Monthly Calculation Period less, with respect to each Savings Mortgage Receivable and each Life Mortgage Receivable with a Savings Element, an amount equal to the scheduled interest multiplied by the Participation Fraction; and

(b) the interest accrued on the Issuer Collection Account, the Reserve Account and the Pre-funded Account; and

(c) the aggregate amount of the penalty interest received during the immediately preceding Monthly Calculation Period less, with respect to each Savings Mortgage Receivable and each Life Mortgage Receivable with a Savings Element, an amount equal to the scheduled interest multiplied by the Participation Fraction and any pre-payment penalties received during such period; less

    (y) an excess margin of 0.50 per cent. per annum applied to the relevant Principal Amount Outstanding of the Notes (excluding the Subordinated Class F Notes) on the first day of the relevant Floating Rate Interest Period divided by three (the '**Excess Margin**'); and

    (z) the operating expenses set out in items (a) up to and including (c) of the Interest Priority of Payments payable during each calendar year divided by twelve.

The Swap Counterparty will agree to pay amounts equal to the scheduled interest due under the Notes, and calculated by reference to the floating rate of interest applied to the Principal Amount Outstanding of the relevant Class of Notes on the first day of the relevant Floating Rate Interest Period.

Adjustment of Swap Amounts

If on any Swap Payment Date, the sum of scheduled interest actually received and interest (including penalties) recovered on the Mortgage Receivables, less in case of a Savings Mortgage Receivable and a Life Mortgage Receivable with a Savings Element, the amount received multiplied by the Participation Fraction, falls short of scheduled interest receivable on the Mortgage Receivables, less in case of a Savings Mortgage Receivable and a Life Mortgage Receivable with a Savings Element, the relevant Participation during the immediately preceding Monthly Calculation Period, the payment obligation of the Issuer will be reduced with an amount equal to such shortfall. In such event the payment of the Swap Counterparty on the immediately succeeding Quarterly Payment Date will be adjusted accordingly on a euro for euro basis. Such reduction could result in the Issuer not having sufficient funds available to meet its payment obligations in accordance with the priorities described above.

Downgrade of Swap Counterparty

(i) Pursuant to the Swap Agreement, if, at any time and for so long as, (i) the long-term, unsecured and unsubordinated debt obligations of the Swap Counterparty (or its successor) cease to be rated at least as high as A1 (or its equivalent) by Moody's or (ii) the short-term, unsecured and unsubordinated debt obligations of the Swap Counterparty (or its successor) cease to be rated at least as high as Prime-1 (or its equivalent) by Moody's (and, at such time, the long-term, unsecured and unsubordinated debt obligations of any co-obligor to the Swap Counterparty are not rated as high as A1 (or its equivalent) by Moody's or the short-term, unsecured and unsubordinated debt obligations of such co-obligor are not rated as high as Prime-1 (or its equivalent) by Moody's (such ratings together the '**Moody's Required Ratings I**')), then the Swap Counterparty will, on a reasonable efforts basis and at its own cost, attempt to:

(a) transfer all of its rights and obligations with respect to the Swap Agreement to either (x) a replacement third party with the Moody's Required Ratings I domiciled in the same legal jurisdiction as the Swap Counterparty or the Issuer or (y) a replacement third party agreed by Moody's; or

(b) procure another person to become co-obligor in respect of the obligations of the Swap Counterparty under the Swap Agreement. Such co-obligor may be either (x) a person with the Moody's Required Ratings I domiciled in the same legal jurisdiction as the Swap Counterparty or the Issuer, or (y) a person agreed by Moody's; or

(c) take such other action as the Swap Counterparty may agree with Moody's; or

(d) within thirty (30) days of the occurrence of such downgrade, put in place a mark-to-market collateral agreement in a form and substance acceptable to Moody's (which may be based on the credit support documentation published by ISDA, or otherwise, and relates to collateral in the form of cash or securities or both (the 'Collateral Amount')) in support of its obligations under the Swap Agreement which complies with, and complying with, in relation to the Collateral Amount, certain criteria set by Moody's or any other amount which might be agreed with Moody's.

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

(ii) Pursuant to the Swap Agreement, if, at any time and for so long as, (i) the long-term, unsecured and unsubordinated debt obligations of the Swap Counterparty (or its successor) cease to be rated at least as high as A3 (or its equivalent) by Moody's or (ii) the short-term, unsecured and unsubordinated debt obligations of the Swap Counterparty (or its successor) cease to be rated at least as high as Prime-2 (or its equivalent) by Moody's (such ratings together the '**Moody's Required Ratings II**') (and, at such time, the long-term, unsecured and unsubordinated debt obligations or the short-term, unsecured and unsubordinated debt obligations of any co-obligor to the Swap Counterparty are not rated as high as the Moody's Required Ratings I, then the Swap Counterparty will, on a best efforts basis and at its own cost attempt to take the action described under (a), (b), (c) and (d) above, save that:

(i) in the event that the Swap Counterparty is unable to comply with (a), (b) or (c) of item (i) above within such thirty (30) day period it will continue, on a best efforts basis, to attempt to comply with the same; and

(ii) the action described under (d) above will apply immediately after the Swap Counterparty ceases to be rated at least as high as the Moody's Required Ratings II.

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

(iii) Pursuant to the Swap Agreement, if, at any time and for so long as, (a) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty are assigned a rating of less than A+ by Fitch, or (b) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty cease to be rated at least as high as F1 by Fitch (such ratings together the '**Fitch Required Ratings**' and events (a) or (b) a '**Fitch Downgrade**'), or (c) any such rating is withdrawn by Fitch and, in each case, as a result of such downgrading or withdrawal, the then current ratings of the Notes are downgraded, then the Swap Counterparty will within thirty (30) days of such reduction or withdrawal of any such ratings, (i) obtain a third party, having the Fitch Required Ratings, to guarantee the obligations of the Swap Counterparty under the Swap Agreement, or (ii) provide credit support sufficient to maintain the then current ratings of the Notes which would have subsisted but for the Fitch Downgrade, or (iii) transfer and assign its rights and obligations under the Swap Agreement to a third party having the Fitch Required Ratings, or (iv) find any other solution necessary to assist the Issuer or take such action as the Swap Counterparty may agree with Fitch as will result in the ratings of the Notes then outstanding being restored to or maintained at the level they were at immediately prior to the Fitch Downgrade in each case in accordance with and subject to the provisions of the Swap Agreement and the Trust Deed.

The mark-to-market collateral agreement in relation to the credit support referred to in (ii) under this item (iii) must be in a form and substance acceptable to Fitch (which may be based on the credit support documentation published by ISDA, or otherwise, and relates to collateral in the form of cash or securities or both) in support of the Swap Counterparty's obligations under the Swap Agreement, which complies with, in relation to the Collateral Amount, certain published criteria set by Fitch or any other amount which might be agreed with Fitch.

If any of (i), (iii) or (iv) of this item (iii) are satisfied at any time, all collateral (or the equivalent thereof, as appropriate) transferred by the Swap Counterparty pursuant to (ii) under this item (iii) will be retransferred (outside of the Interest Priority of Payments) to the Swap Counterparty and the Swap Counterparty will not be required to transfer any additional collateral.

(iv) Pursuant to the Swap Agreement, if at any time, (a) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty are assigned a rating of less than BBB+ by Fitch, or (b) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty are assigned a rating of less than F2 by Fitch or (c) any such rating is withdrawn by Fitch and, in each case, as a result of such downgrading or withdrawal, the then current ratings of the Notes are downgraded (a "**Fitch F2 Downgrade**"), then the Swap Counterparty will, at its own cost, within thirty (30) days of such reduction or withdrawal of any such rating, (a) obtain a third party having the Fitch Required Ratings, to guarantee the obligations of the Swap Counterparty under the Swap Agreement, or (b) transfer and assign its rights and obligations under the Swap Agreement to a third party having the Fitch Required Ratings, or (c) find any other solution necessary to assist the Issuer or take such other action as the Swap Counterparty may agree with Fitch as will result in the ratings of the Notes then outstanding being restored to or maintained at the level they were at immediately prior to the Fitch F2 Downgrade, in each case in accordance with and subject to the provisions of the Swap Agreement and the Trust Deed.

Pending compliance with any one of (a), (b) or (c) of this item (iv), following the occurrence of a Fitch F2 Downgrade, the Swap Counterparty shall put in place or (as the case may be) continue to post collateral to the Issuer pursuant to a mark-to market collateral arrangement described in (ii) of item (iii) above in support of its obligations under the Swap Agreement.

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

(v) Pursuant to the Swap Agreement, if at any time, (a) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty or (b) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty are assigned a rating of less than investment grade by Fitch or (c) any such rating is withdrawn by Fitch and, in each case, as a result of such downgrading or withdrawal, the then current ratings of the Notes are downgraded, then the Swap Counterparty will, at its own cost, within 30 days of such reduction or withdrawal of any such rating, (a) obtain a third party having the Fitch Required Ratings to guarantee the obligations of the Swap Counterparty under the Swap Agreement, or (b) transfer and assign its rights and obligations under the Swap Agreement to a third party having the Fitch Required Ratings.

Any capitalised term used above but not defined herein shall have the meaning given to it in the Swap Agreement.

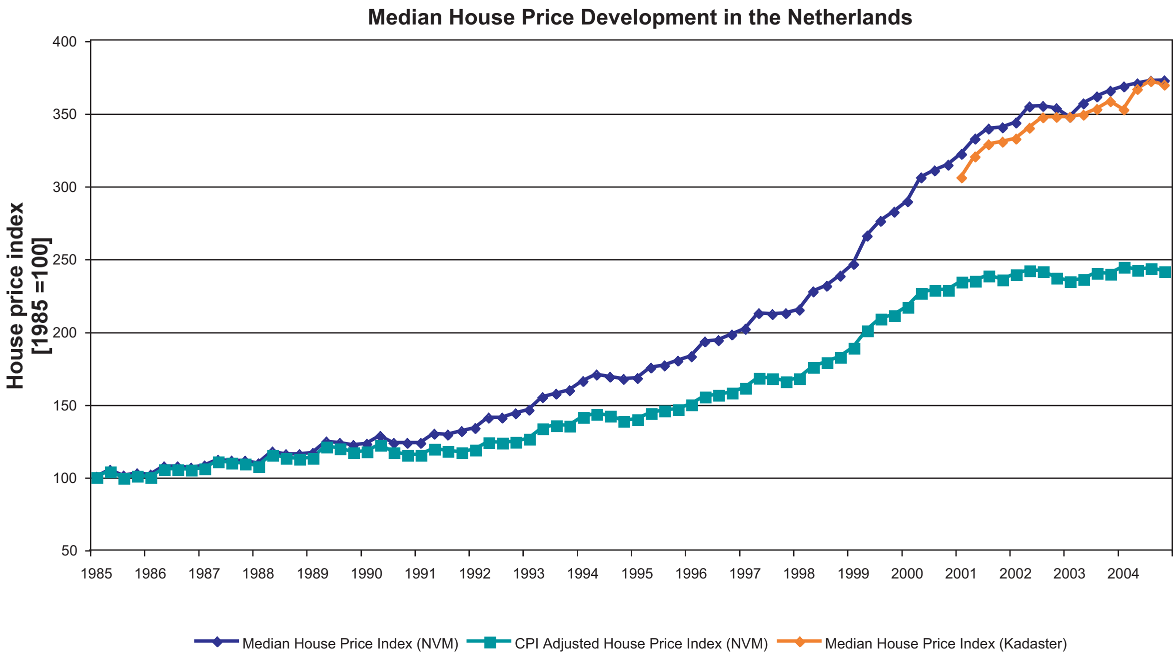
Sale of Mortgage Receivables

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, which may be the Seller, 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)). In addition, pursuant to the Mortgage Receivables Purchase Agreement, the Issuer has the obligation to sell and assign to the Seller and the Seller has the obligation to repurchase certain Mortgage Receivables in certain events and the right to exercise the Clean-Up Call Option or the Regulatory Call Option. The purchase price of the Mortgage Receivables shall be equal to the Outstanding Principal Amount, together with accrued interest due but unpaid, if any, except that with respect to Mortgage Loans which are in arrears for a period exceeding 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 at least the lesser of (a) the sum of the Outstanding Principal Amount, together with accrued interest due but unpaid, if any, and any other amount due under the Mortgage Conditions up to the relevant date of such sale or repurchase and (b) an amount equal to the foreclosure value of the Mortgaged Assets less the amount of external foreclosure costs or, if no valuation report of less than 12 months old is available, the indexed foreclosure value less the amount of external foreclosure costs.

General

The Dutch residential property market saw strong price increases in the later part of the nineties and the beginning of this decade. Recent developments in the economic environment have resulted in lower levels of consumer confidence and house price increases have slowed. In some price classes and locations minor price decreases have even been registered. However, the underlying factors of the Dutch housing market remain strong and with that a collapse of house prices in the Netherlands very unlikely.

Graph 1 shows the yearly house price developments for the last 19 years. These percentages are derived from the Dutch Association of Real Estate Agencies (*'Nederlandse Vereniging van Makelaars*' or *NVM*), which covers approximately 65 per cent. of all residential property sales in the Netherlands and the Kadaster, the official registry for all real estate transactions.



Factors contributing to the strength of the Dutch housing market

<u>*Low Owner Occupancy Rate*</u>

One of the key factors to consider when looking at the Dutch housing market is the low level of owner occupancy. Some 53 per cent. of all residential properties are occupied by their owners, compared to 42 per cent. in 1982. The average level of house ownership for all EU countries is 64 per cent. and the target level of the Dutch government for 2010 is 65 per cent. Table 1 below shows the development of the owner occupancy rate in the Netherlands over time.

Table 1. Total dwelling stock and percentage owner occupied in the Netherlands

Year	Total Dwelling stock (x 1 mln per Jan. 1st)	Owner Occupied (in %)
1948	2.1	28.0
1957	2.6	29.0
1964	3.1	34.0
1971	3.9	35.0
1976	4.5	41.0
1982	5.0	42.0
1985	5.3	42.7
1990	5.8	45.2
1995	6.2	48.8
2000	6.6	52.2
2001	6.6	52.6
2002	6.7	53.0
2003	6.8	53.0

Source: CBS (Statistics Netherlands) / VROM (Ministry for Housing, Spatial Planning and Environment)

Relatively high over-collateralisation

In the Netherlands, the total residential property value exceeds the total outstanding mortgage debt of EUR 389 billion by approximately EUR 396 billion. This overvalue has been calculated on the basis of an assumed total property value of more than EUR 785 billion** (average property price of EUR 218,000* times total property stock of 6.8 million times owner occupancy rate of 53 per cent.; calculation based on figures from the CBS and the NVM).

* Source NVM
** Source CBS

Imbalance of demand for and supply of residential properties

According to the regular 'Need for Housing' research ('*Woningbehoefte Onderzoek*'), the housing shortage in the Netherlands had fallen to 85,000 in 1998. Since then it rose noticeably to 166,000 in 2002 and it is expected to increase further. A shortage in the housing stock is assumed to be a robust contributor to a steady property price development.

Demand

Several factors contribute to housing demand in the Netherlands:

1. The (expected) level of borrowing costs and the (changes in) tightness of mortgage lending standards have been very decisive factors for housing demand. In the second half of the nineties Dutch mortgage rates decreased. After an increase in the second half of 1999 and in 2000, mortgage interest rates have shown a downward movement again and in December 2004 have reached the lowest levels ever with mortgage interest rates at 3.8%.

2. The trend in housing rents as compared to mortgage debt servicing costs is relevant. In the Netherlands, the rise in rents accelerated in the early nineties as a result of government policy directed at making the subsidised rental sector cost-effective. This has increased the attractiveness of owner-occupied properties.

3. Demographic trends, such as the composition of households and population growth, have influenced the demand for housing. In the Netherlands, the number of single-person households has doubled in

the past 25 years. Expectations are that the total number of households will increase by another 25 per cent. by 2030.

4. Finally, the economic climate can be a factor of influence in housing demand. GDP declined during 2003 but GDP growth for 2004 is estimated to have been around 1.5%.

Supply

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

1. The availability of land for housing development is highly important. In the Netherlands, the VINEX-memorandum and Vinac (the actualisation of Vinex for the period 2006 till 2010) - published by the Ministry for Housing, Spatial Planning and Environment - reflects still the basis of the government policy in respect of housing construction in the Netherlands. In Vinex (and in similar policy papers for other locations) the number of houses to be built and their location is determined. According to '*Nota Wonen'* of the Ministry for Housing, Spatial Planning and Environment (in line with Vinex) the net expansion of housing is to be 65,000 per annum until 2010. This objective has proven to be too ambitious in recent years.

2. Building costs - including labour and materials - and house and land prices are main determinants. The fiercer the rise in house prices relative to the increase in building costs and land prices, the more profitable the construction of new housing units will be for contracting firms.

3. The Dutch government supports the sale of rental houses to occupants. According to government plans, ownership of over 25,000 houses a year should be transferred to the public. The government even strives for a sale of 700,000 properties before 2010 in order to achieve an owner occupancy level of 65 per cent. Currently 15,000 to 20,000 rental houses a year are sold and the government targets are not met.

4. The last determining factor of housing supply in the Netherlands is demolition. The number of demolished properties is fairly constant in time.

Overall, demand is expected to outstrip supply in the Netherlands for the foreseeable future. As a result, the Dutch housing market is expected to remain robust.

Characteristics of Dutch mortgages

The most common mortgage types in the Netherlands are annuity, linear, savings, life and investment mortgages. For life and investment mortgages no principal is repaid during the term of the contract. Instead, the borrower makes payments in a saving account, endowment insurance or investment fund. Upon maturity the loan is repaid with the money in the savings account, the insurance contract or the investment fund respectively.

In the Netherlands, subject to a number of conditions, mortgage interest payments are deductible from the income of the borrower for income tax purposes. The period for allowed deductibility is restricted to a term of 30 years and it only applies to mortgages on owner occupied properties. Starting in 2005, it is also no longer allowed, after a refinancing, to deduct interest payable on the any equity extractions.

A proportion of the residential mortgage loans has the benefit of a life insurance policy or a savings policy. The government encourages this method of redemption by exempting from tax the capital sum received under the policy, up to a certain amount (plus annual indexation), provided the term of insurance is at least 20 years. In addition, the insurance policies are exempted from wealth tax.

In the Netherlands, advances of up to 125 per cent. of foreclosure value have become standard practice as a result of the attractive fiscal regime, generally long periods of fixed interest rates and attractive repayment arrangements. The foreclosure value amounts to approximately 85 per cent. of the market value of properties in the Netherlands.

Prepayment rates in the Netherlands are relatively low, mainly due to prepayment penalties that are incorporated in the mortgage contracts. However, during the end of 2004 and the beginning of 2005, the prepayment rates have been markedly higher than the long term average of 8 per cent. as a result of refinancings driven by the changes in tax regulations.

Penalties are generally calculated as the net present value of the interest loss to the lender upon prepayment. As other reason for low prepayment rates can be mentioned the relative small number of relocations in the Netherlands for work-related reasons due to the small size of the country.

Mortgage loan market

In the period 2000-2002, the number of new mortgages decreased slightly compared to earlier years. However, due to higher average house prices, the total amount of new mortgages continued to rise strongly during 2003 and 2004. The average mortgage is now EUR 234,000 in the Netherlands.

Table 2. Newly issued mortgages

Year	Newly issued mortgages (x1,000)	Newly issued mortgages (EUR billion)	Change over year
1995	350	25.9	–5.0%
1996	470	37.6	45.3%
1997	537	48.3	28.5%
1998	577	60.0	24.2%
1999	665	78.0	30.0%
2000	510	69.6	–10.8%
2001	481	72.6	4.3%
2002	500	81.4	12.1%
2003	540	107.4	31.9%

Source: CBS

Performance Dutch mortgage loans

A number of factors can be mentioned that contribute to the strong performance of Dutch mortgage loans:

1. Very low defaults due to relatively low unemployment rates, a strong cultural aversion to default and a supportive social security regime;

2. Legal ability of lenders in foreclosure to access borrowers' wages or seize their other assets;

3. Quality of mortgage servicing;

4. Relatively conservative underwriting criteria including checking comprehensive credit bureau data (BKR).

DELTA LLOYD

Introduction

As a customer oriented financial services provider, Delta Lloyd N.V. ('**Delta Lloyd**') offers a wide range of financial products under three well-known brands in the Netherlands: Delta Lloyd, OHRA and Delta Lloyd ABN AMRO Verzekeringen. In addition to its prominent Dutch insurance operations, Delta Lloyd operates divisions for asset management and banking, together with divisions in Germany, Belgium and the Netherlands Antilles. Delta Lloyd aims to be one of the leading financial service providers in the Netherlands, Belgium and Germany.

Seller and Originator

Amstelhuys (Seller and Originator) is a 100 per cent. subsidiary of Delta Lloyd and has registered itself with the Dutch Central Bank as a finance company within the meaning of Section 2 of the Decree of the Minister of Finance dated 26 June 2002, as amended, issued pursuant to, *inter alia*, Section 6 paragraph 3 of the Netherlands Act on the Supervision of the Credit System 1992 (*'Wet toezicht kredietwezen 1992'*, '**Wtk**') and is as such exempted from the license requirement under the Wtk. Amstelhuys is fully consolidated in Delta Lloyd's annual account and on 7 July 1999 Delta Lloyd issued a statement pursuant to Section 2:403 of the Netherlands Civil Code that it assumes joint and several liability for any liabilities arising from legal acts of Amstelhuys. The Articles of Association of Amstelhuys have last been amended by a notarial deed on 22 February 2002. Amstelhuys has its registered office in Amsterdam.

Other Originators

Delta Lloyd Life (Originator and Insurance Company) is a 100 per cent. subsidiary of Delta Lloyd Verzekeringen N.V. and is duly licensed to operate as an insurance company under the Act on the Supervision of the Insurance Business (*'Wet toezicht verzekeringsbedrijf'*, '**Wtv**'). Its actual solvency ratio as calculated in accordance with the guidelines of and as currently reported to the Dutch Central Bank (as of 1 November 2005 merged with the former supervisor, the Pension and Insurance Chamber ('*Pensioen- en Verzekeringskamer*')) is 177 per cent.. The Articles of Association of Delta Lloyd Life have last been amended by notarial deed on 23 December 1987. Delta Lloyd Life has its registered office in Amsterdam.

Delta Lloyd Bank (Originator) is a 100 per cent. subsidiary of Delta Lloyd Bankengroep N.V. and is duly licensed to operate as a credit institution under the Wtk. Delta Lloyd Bankengroep N.V. has a solvency ratio of 12.80 per cent. as per December 2004, 4.80 per cent. above the 8 per cent. required by guideline 4001 issued pursuant to the Wtk as set out in the Dutch Central Bank's Credit System Supervision Manual. The Articles of Association of Delta Lloyd Bank have last been amended by notarial deed on 13 November 1998. Delta Lloyd Bank has its registered office in Amsterdam.

Triahome (Originator) is a 100 per cent. subsidiary of Delta Lloyd Life, established on 22 July 1980, and has registered itself with the Dutch Central Bank as a finance company within the meaning of Section 2 of the Decree of the Minister of Finance dated 26 June 2002, as amended, issued pursuant to, *inter alia*, Section 6 paragraph 3 of the Wtk and is as such exempted from the license requirement under the Wtk. Triahome is fully consolidated in Delta Lloyd Life's annual account and on 22 August 2000 Delta Lloyd Life has issued a statement pursuant to Section 2:403 of the Netherlands Civil Code that it assumes joint and several liability for any liabilities arising from legal acts of Triahome. The Articles of Association of Triahome have last been amended on 24 June 1999. Triahome has its registered office in Amsterdam.

History

With its predecessors dating back to the year 1807, Delta Lloyd has a long history of providing financial services in the Benelux. In 1969, Delta Verzekeringsgroep N.V. and De Nederlandse Lloyd N.V. merged into Delta Lloyd. In 1973, Commercial Union plc became the sole shareholder of Delta Lloyd providing the company with an international gateway and a strong financial base. In 1999, Nuts/OHRA Beheer B.V. merged with Delta Lloyd, providing the company with access to a direct channel and a strong presence in

Health through the OHRA label. In May 2003, Delta Lloyd formed a joint venture with ABN AMRO Bank N.V., establishing Delta Lloyd ABN AMRO Verzekeringen Holding B.V. (**'Delta Lloyd ABN AMRO Verzekeringen**'). Via this joint venture, Delta Lloyd offers insurance products on an exclusive basis to clients of ABN AMRO.

Shareholder relationship

In 1973, Delta Lloyd became part of Commercial Union plc. This company merged with General Accident plc in 1998, forming CGU plc. In May 2000, CGU plc and Norwich Union plc merged and became CGNU plc. The name CGNU has been used until 1 July 2003, after which CGNU plc continued as Aviva plc ('**Aviva**'). Delta Lloyd Group is an important part of the international insurance group Aviva. Aviva holds 92 per cent. of Delta Lloyd by holding all ordinary shares and all preference shares B through its subsidiary CGU International Holdings B.V. The remaining 8 per cent. is held by the foundation Nuts OHRA through its ownership of all preference shares A. Delta Lloyd acts as a '*structuurvennootschap*' under Title 9, Book 2 of the Netherlands Civil Code.

Delta Lloyd is controlled by its own Executive Board, which is responsible for managing the group of Delta Lloyd companies. The members of the Executive Board are appointed by and supervised by the Supervisory Board, consisting of nine members. Aviva plc nominates two persons in the Supervisory Board, providing Aviva plc with means of control over long term strategic objectives.

Aviva plc

Aviva plc is the holding company of the Aviva group of companies, which carries out life assurance and long-term savings business, fund management and all classes of general insurance. It also invests in securities, properties, mortgages and loans, and trades in property. In terms of premium income, Aviva is the world's seventh-largest insurance group and the largest in the United Kingdom.

The Aviva group has subsidiaries, associates and branches in the United Kingdom, continental Europe, North America, Asia, Australia and other countries around the world, employing a total of 59,000 staff. In 2003, Aviva generated premium income and investment sales from continuing operations of £28 billion (approximately euro 40.5 billion) and holds more than £240 (approximately euro 289) billion of assets under management.

Delta Lloyd group structure

Delta Lloyd has opted for a distinctive divisional structure. The Executive Board is to concentrate on i) the overall strategy of the group, ii) monitoring of performance of the divisions and iii) maintaining strong relations with internal and external stakeholders. An overview of the divisions is presented in the following organisation chart.

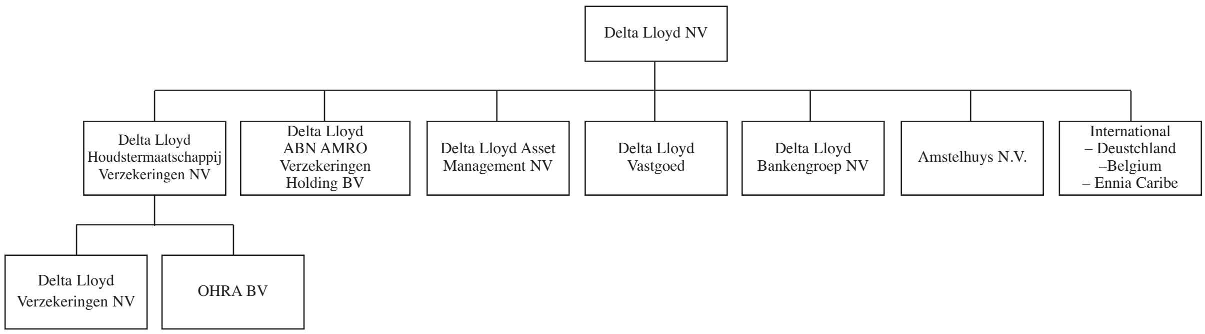


Figure 1 Organisational structure Delta Lloyd N.V.

Delta Lloyd Verzekeringen.

All insurance products under the brand name Delta Lloyd are offered in the Netherlands through independent intermediaries. The three main insurance subsidiaries Delta Lloyd Life, Delta Lloyd Zorgverzekering N.V.

(‘**Delta Lloyd Health Care**’) and Delta Lloyd Schadeverzekering N.V. (‘**Delta Lloyd General Insurance**’) are all 100 per cent. subsidiaries of Delta Lloyd Verzekeringen N.V. (‘**Delta Lloyd Insurance**’) which in its turn is 100 per cent. owned by Delta Lloyd Houdstermaatschappij Verzekeringen N.V.

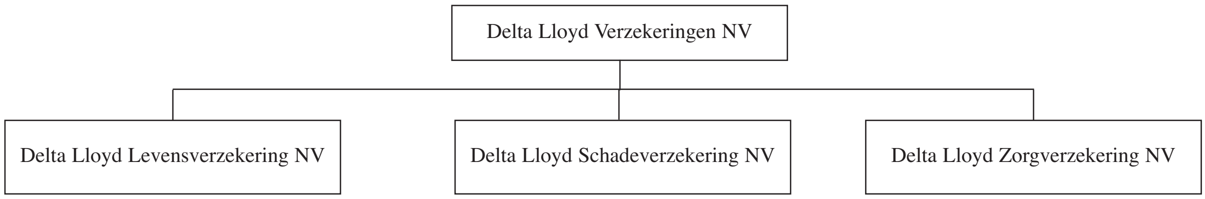


Figure 2 Organisational structure Delta Lloyd Life

Delta Lloyd Life and Delta Lloyd General Insurance had their respective counterparty credit and insurer financial strength interactive ratings of AA- confirmed by Standard & Poor’s as per 8 April 2003, which ratings were confirmed on 21 September 2004.

OHRA B.V.

A further 100 per cent. subsidiary of the Holding Company, is OHRA B.V. (‘**OHRA Insurance**’). OHRA Insurance is the channel through which the Delta Lloyd group directly offers insurance products to clients in the Netherlands. The division consists of OHRA Levensverzekeringen N.V. (OHRA Life), OHRA Schadeverzekeringen N.V. (OHRA General Insurance), OHRA Ziektenkostenverzekeringen N.V. (OHRA Care), and Nationaal Spaarfonds Holding B.V. (Nationaal Spaarfonds). OHRA’s strength lies in meeting consumers’ needs with respect to rapid service, both in terms of underwriting and use of the internet.

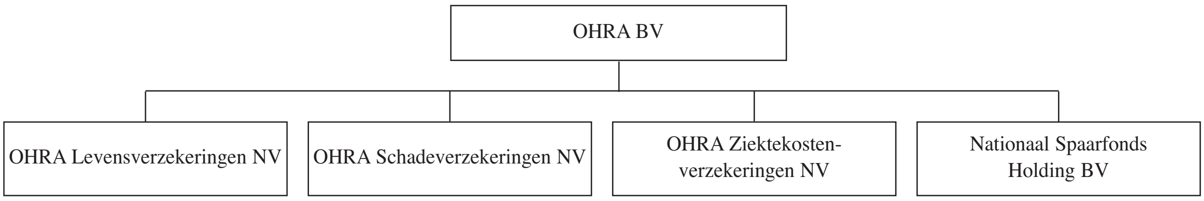


Figure 3 Organisational structure OHRA B.V.

Delta lloyd ABN AMRO Verzekeringen

Delta Lloyd ABN AMRO Verzekeringen is the Dutch bancassurance division of Delta Lloyd. This joint venture combines the insurance expertise of Delta Lloyd with the distribution power of ABN AMRO. The division sells insurance products of ABN AMRO Verzekeringen and/or Delta Lloyd, both under the label of ABN AMRO Verzekeringen. Through the joint venture, Delta Lloyd has obtained the exclusive right to sell its insurance products to ABN AMRO clients in the Netherlands through the network of ABN AMRO bankshops.

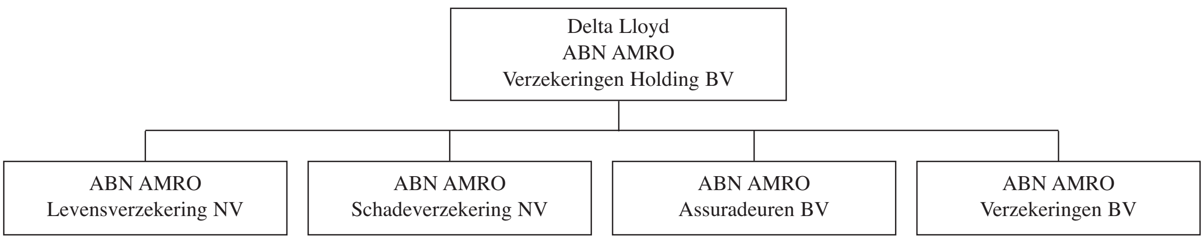


Figure 4 Organisational structure joint venture Delta Lloyd and ABN AMRO

Delta Lloyd Asset Management N.V.

Delta Lloyd Asset Management N.V. (‘**Delta Lloyd Asset Management**’), is active in all major investment categories, except property. Delta Lloyd Asset Management is responsible for the investments of all Delta

Lloyd insurance entities, the asset management for the benefit of institutional (pension) relations and the management of all Delta Lloyd and OHRA investment funds.

Delta Lloyd Vastgoed

Delta Lloyd Vastgoed ('**Delta Lloyd Property**') invests in real estate as security for long-term insurance liabilities. End 2004, the property portfolio had a market value of EUR 1.44 billion with a mix of approximately 54 per cent. residential properties, 35 per cent. offices and 11 per cent. shops. Delta Lloyd Property takes care of the asset management of the portfolio. The residential properties are concentrated in the western and southern parts of the Netherlands. The portfolio of offices consists of 60 objects across the Netherlands. Approximately 85 per cent. of the shops are in shopping malls. The vacancy rate of property is on target at 4 per cent.. The management of property is out-sourced to several property management companies.

Delta Lloyd Bankengroep N.V.

Delta Lloyd Bankengroep N.V. (Delta Lloyd Banking Division) includes all banking and mortgage activities of Delta Lloyd Group in the Benelux. The division operates through a number of Belgian entities and one Netherlands entity. The Belgian entities are: Delta Lloyd Bank N.V. (retail bank for individual customers, self-employed and director/shareholders), Banque Nagelmackers 1747 N.V. (wealth management) and Delta Lloyd Securities N.V. (stock brokerage). The Netherlands entity is Delta Lloyd Bank (savings, credit and investment products for individual clients, via independent intermediaries). Individual asset management is offered to wealthy individuals under the label Private Banking. OHRA Bank is a marketing label of Delta Lloyd Bank and renders direct services with flexible banking products.

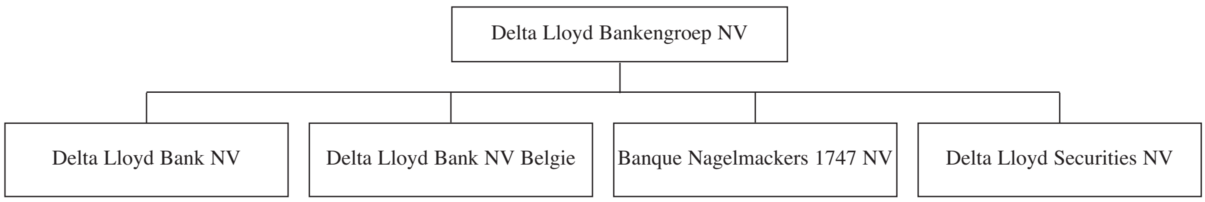


Figure 5 Organisational structure Delta Lloyd Bankengroep N.V.

Amstelhuys

Aims and Strategy of Amstelhuys

Within the strategy to optimise it's mortgage activities, Delta Lloyd decided in 2001 to establish a new funding and originating entity that would incorporate almost all of its residential mortgage business in one single entity: Amstelhuys. Starting in October 2002, all residential mortgages originated by Delta Lloyd in the Netherlands (except employee mortgages and some small labels) are funded through Amstelhuys. All existing commercial labels remained the same and financing of the mortgage portfolio takes place through Amstelhuys' balance sheet. Amstelhuys is funded by Delta Lloyd Group companies and replaces almost all the different entities that previously originated the mortgage portfolio.

With the establishment of Amstelhuys the following objectives are met:

- Optimum usage of funding within the Delta Lloyd Group;
- Further improvement of Risk Management and Asset Liability Management;
- A higher transparency of the profitability of the mortgage business;
- Streamlining of the administrative activities.

Amstelhuys was established in 2002 as a 100 per cent. subsidiary of Delta Lloyd N.V. and is incorporated under Dutch law. Delta Lloyd has issued a statement according to article 403, section 1, paragraph f of Title

9 of Book 2, of the Netherlands Civil Code declaring that it assumes joint and several liability for claims against Amstelhuys, arising from the legal acts of this company.

The statutory objectives of Amstelhuys are:

- Obtaining funds, with a term of two years or longer of non public companies or institutions;
- For own account, granting mortgage loans to private persons and companies against a, for the company, acceptable interest rate for mortgage financing.

Amstelhuys has no staff and its activities are outsourced by means of Service Level Agreements.

The strategy of Amstelhuys is based on growth and funding.

Growth

- Economies of scale;
- Originating residential mortgages.

Funding

- Optimum usage of funding capacity within Delta Lloyd Group entities;
- Access to alternative funding;
- Frequent use of Mortgages Backed Securities;
- Investor Relations; and
- Optimum Product Mix.

Business of Amstelhuys

Amstelhuys started its operational activities on October 18, 2002. Therefore 2003 was the first full operational year. Due to the start-up costs and the provision structure used in the Netherlands the result for 2003 was negative and amounted to €2,3 million as had been foreseen. All the objectives that had been set out for 2003 were met.

The capital markets for the year 2004 could be characterised as volatile. Due to its strict asset and liability management Amstelhuys changed its mortgage rates thirteen times during 2004 (in 2003 also thirteen times).

The Amstelhuys portfolio under management has grown significantly in 2004 with €1.7 billion of mortgages granted. Due to a transfer of €200 million mortgages to Delta Lloyd Bank for funding purposes the balance sheet shows a lower volume at year-end 2004. Mortgage production in 2004 was despite general economic conditions still strong due to low interest rates. As Amstelhuys is still in its development stage it is likely that the balance sheet composition will change during the next years of its life.

Amstelhuys mainly invests in residential mortgage loans in the Netherlands and has a credit concentration risk in the Dutch housing market. However due to strict risk management and underwriting criteria these risks are well spread over a large number of individual loans and variety of mortgage types.

Capital Base

As of December 31, 2003 the capital base of Amstelhuys consisted of €10 million shareholders equity and two subordinated loans of €5 million each. Delta Lloyd Life and Delta Lloyd Bank provided the subordinated loans. Both entities have provided a second subordinated loan of €5million each in 2004 on the same conditions.

In addition to the payment of a fixed coupon of 5.375 per cent., the subordinated loans also have a performance based floating coupon. The floating coupon will only be paid if shareholders receive their dividends and is based on the participation in the capital of Amstelhuys. The fixed coupon of the newly granted subordinated loans in 2004 is 4.88 per cent..

In December 2003 the average interest rate of Amstelhuys' mortgage portfolio amounted to 4.40 per cent..

At year end 2004 about 65 per cent. of the mortgage portfolio of Amstelhuys (excluding any mortgage transferred to Delta Lloyd Bank for funding purposes, as described above) was used for Residential Mortgages Backed Securities (RMBS) transactions. In line with the funding strategy there will be frequent use of the RMBS market for funding purposes.

Future

The results for 2004 will be published on 9 March 2005. Due to current IFRS guidelines Amstelhuys cannot give an expectation for 2005.

Delta Lloyd Deutschland AG

Delta Lloyd Deutschland, with its head office in Wiesbaden, focuses on asset accumulation and management and financing for individual and commercial customers. The division consists of the insurance companies Berlinische Lebensversicherung AG and Hamburger Lebensversicherung AG, Gries & Heissel Bankiers AG, Delta Lloyd Immobilien GmbH, Delta Lloyd Investment Managers GmbH, BVE Beratungsgesellschaft für Versorgungseinrichtungen GmbH and Delta Lloyd Finanzpartner GmbH.

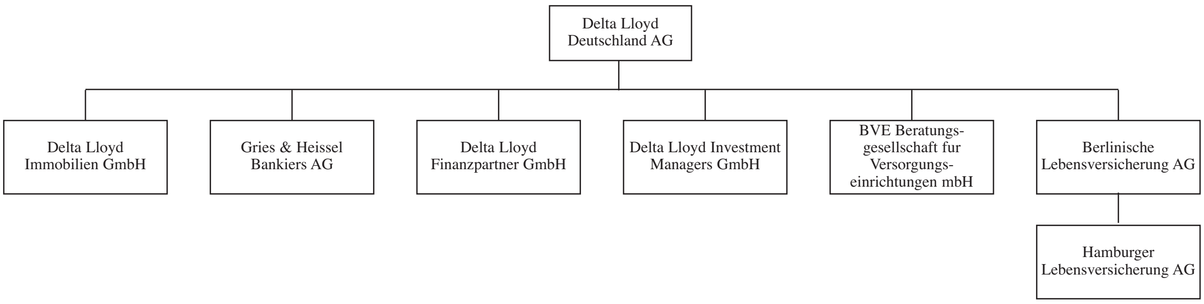


Figure 6 Organisational structure Delta Lloyd Deutschland AG

Delta Lloyd Belgium N.V.

The Belgian entity Delta Lloyd Life N.V. operates in the life insurance market in Belgium. At the end of January 2005 Delta Lloyd Belgium N.V. sold and transferred all the shares it owned in the capital of Delta Lloyd Life N.V. to Delta Lloyd. Delta Lloyd now owns all the shares in the capital of Delta Lloyd Life N.V. Going forward, Delta Lloyd Belgium N.V. will focus on growth in the market of long-term savings and life insurance.

Ennia Caribe Holding N.V.

Ennia Caribe Holding N.V. ('**Ennia Caribe**') is the most prominent full service insurer in the Netherlands Antilles and Aruba. The responsibilities of Ennia Caribe include: Ennia Caribe Life, Ennia Caribe General Insurance, Amersfoortse Antillen (Medical Expenses) and OHRA Mortgages Bank (Aruba). Ennia Caribe is an intermediary company focusing primarily on life, pensions and financial services, together with general insurance. Ennia Caribe is the largest insurance company on the Dutch Antilles with offices on Curacao, Aruba, Bonaire and St Maarten.

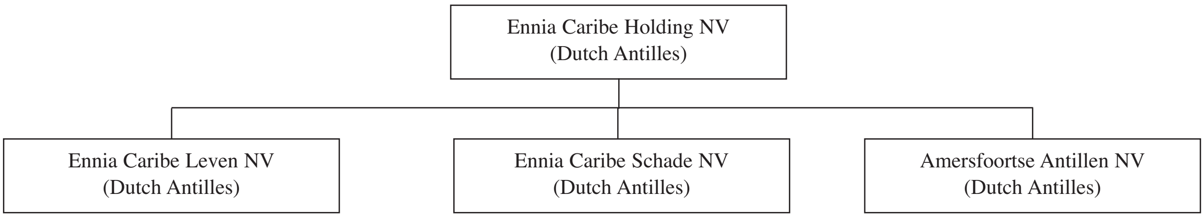


Figure 7 Organisational structure Ennia Caribe

Lines of business

Delta Lloyd offers its insurance products through three different labels via three different channels. All three labels consist of insurance products for the Life and General Insurance sector. Both Delta Lloyd Insurance and OHRA sell products for Health. In addition, both Delta Lloyd Insurance and OHRA also sell private health products. Premium income for Delta Lloyd Life, specialising in different kinds of life insurance and pensions, amounted to EUR 3,154 million for 2003. General Insurance, which sells products ranging from fire- and liability-insurance to more specialised construction-insurance, realised a premium income of EUR 979 million for 2003. Premium income for Health in 2003 amounted to EUR 851 million.

Delta Lloyd Bank is responsible for the distribution of mortgages for Delta Lloyd in the Netherlands. Over the past few years, Delta Lloyd's mortgage business experienced strong growth in a highly competitive market. In 2004, the total mortgage loan portfolio increased by 15 per cent. amounting to a total of EUR 7,960 million. The growth in the mortgages loans segment can be attributed to the close collaboration with a number of mortgage shop-chains combined with high level of service to all participating intermediaries. With the objective of streamlining its mortgage business, Delta Lloyd set up Amstelhuys in 2002.

Strategic framework:

Delta Lloyd has developed a straightforward model for its conduct of business. The framework includes Strategic Pillars, Labels and Core Values and can be presented as follows:

The 5-3-7 model

Together with the seven corporate values and the three strong brands (Delta Lloyd, OHRA and ABN AMRO Verzekeringen), five strategic pillars define the group's long-term strategy. The former 7-3-7 strategy was revised in September 2004, mainly driven by economic, political and demographic developments in the Netherlands, that forced us to do so, such as:

A) The aging of the Dutch population results in consumers having different requirements regarding their savings. This provides Delta Lloyd with the opportunity to sell more long-term savings products such as pension- and life insurance products.

B) The Dutch government is reducing its involvement in some areas of social security resulting in further opportunities for Delta Lloyd in selling products which aim to provide comparable security.

C) The consumer together with the authorities desire higher transparency of prices, fees and conditions. The internet is a very important tool for consumers to compare prices, fees and conditions of different suppliers. Delta Lloyd aims to be a market leader in offering transparent, high quality products at the right price. In order to be competitive Delta Lloyd will have to be cost efficient.

D) Consumers require tailor made advice and services. Plain-vanilla products are increasingly compared and sold through the internet, requiring a high level of standardisation. On the other hand, more complex products such as mortgages, pension products and life- or income insurance products for companies, require face-to-face advice and servicing.

E) Standardisation of products will require significant investments in ITC, the internet and chain integration but will be critical in delivering the right product to the client and financial intermediary in the future.

The five pillars are:

1. *Reputation*

We are committed to maintaining our reputation as a high quality financial services provider, which is based on the strong brands Delta Lloyd, Ohra and ABN AMRO. In the financial services industry reliablity is very important not only in our service to our clients but also in the way we work

2. *Strength of distribution*

Delta Lloyd will focus on further developing its distribution channels. This will be realised by organic growth but also by setting up joint-ventures and further take-overs. This will strengthen the distribution channels in the Netherlands, Germany and Belgium.

3. *Efficiency*

For Delta Lloyd to be competitive, the focus will have to be on efficiency. For this reason Delta Lloyd will expand the concept of Shared Service Centres. Employers will no longer work exclusively for one label but more often for different labels at the same time.

4. *Professionalism*

Delta Lloyd aims to be perceived as a knowledgeable provider of financial services. Delta Lloyd will invest in highly qualified people to ensure professionalism will be the trade-mark of an organisation that customers can always rely on.

5. *Core-values*

We stick to our seven core-values. They are the fifth pilar. Not only are they a guide-line for hiring and reviews of our employees, they are also central in our daily work and support us to take pleasure and to be proud of our work.

Delta Lloyd's core values are:

1. *Central focus on the customer*

The customer's interests are the first priority in the conduct of business. Knowledge of the customer's needs, offering a high level of service, keeping agreements and offering an adequate complaints procedure are vital in meeting customers demands.

2. *Integrity*

This covers all the norms, values and guidelines that ensure that the organisation maintains its integrity. Customers and business partners are also expected to operate with the same integrity that Delta Lloyd aims for.

3. *Enterprise*

An active and entrepreneurial company needs entrepreneurial employees who show initiative and are committed to achieving results.

4. *Responsibility and involvement*

The starting point for all activities is a strong sense of responsibility for and involvement with customers, stakeholders and society in general. Employees at all levels are therefore encouraged to build knowledge and expertise in their field, to take responsibility for their work and to develop a problem-solving mentality.

5. *Team spirit*

The financial business is a people's business. Co-operation is a prerequisite. Critical success factors in building team spirit are involvement, personal contacts and placing a value on results.

6. *Open communication*

Trust, honesty and transparency are essential for good co-operation.

7. *Flexibility*

The continuity of the operations is subject to our ability to foresee social changes. Readiness to change is a prerequisite in this respect.

Together with the seven corporate values and the three strong brands (Delta Lloyd, OHRA and ABN AMRO Verzekeringen), 5 strategic pillars define the group's long-term strategy.

Financial results

Set out below is a summary of the financial results for the past five fiscal years ending 31 December 2003 and the results for the first half year of 2004, together with other financial information for Delta Lloyd N.V., Delta Lloyd Life and Delta Lloyd Banking Division.

For the first half of 2004, premium income showed a strong increase of 21 per cent. at Delta Lloyd Life, mainly due to the higher number of group contracts. Premium income from life business in Germany and Belgium also developed positively, rising by 18 per cent. and 21 per cent. respectively. NAPI of the total life business advanced 10 per cent. to €210 million.

Premium income from general insurance showed significant growth. Delta Lloyd ABN AMRO Verzekeringen, which almost doubled gross premium income, was the prime contributor to this performance. New general insurance business increased sharply from €56 million to €85 million. Premium income from care business was marginally lower.

The focus within Delta Lloyd on its core activities (insurance) combined with a successful cost cutting program will further improve profit margins across the group. Delta Lloyd is well positioned compared to its pears in its chosen markets to benefit from any future developments.

The other activities also developed favourably in the first half of the year. Assets under management showed marked growth, particularly as a result of the conclusion of a number of large group contracts at the beginning of 2004. Net new assets amounted to €767 million, compared to €340 million a year earlier. Delta Lloyd Banking Division succeeded in further strengthening its position in the mortgage market as well as its profitability.

Delta Lloyd	*H 2004*[1,2]	*2003*	*2002*	*2001*	*2000*	*1999*
(EUR million)						
Gross premium income Life	1,898	3,153	2,744	2,686	2,283	1,941
Gross premium income General	658	979	810	752	774	579
Gross premium income Health	533	851	787	708	685	139
Total premium income	3,088	4,982	4,341	4,146	3,742	2,659
Other income	65	177	124	76	130	39
Investment Income	1,099	2,210	1,021	1,400	1,796	1,842
Total revenues	4,252	7,360	5,486	5,622	5,668	4,540
Total result before taxation	151	311	158	367	350	292
Result after taxation	90	255	138	299	285	240
Group capital	2,321	2,244	1,713	2,354	2,878	2,360
Balance sheet total	43,540	38,077	32,781	34,239	30,992	28,753
Number of FTEs	6,448	6,514	6,464	6,604	5,639	5,636

Delta Lloyd Life	*H 2004*[1,2]	*2003*	*2002*	*2001*	*2000*	*1999*
(EUR million)						
Revenues	1,330	2,386	2,397	2,652	2,419	2,302
– Gross premium income	850	1,245	1,539	1,650	1,325	1,165
– Investment income	480	1,141	858	1,002	1,094	1,123
Result after taxation	48	403	(252)[3]	242	265	233
Shareholders' funds	1,513	1,484	1,100	1,444	1,857	1,602

*1 Half-yearly figures have not been audited by the accountant of Delta Lloyd.

*2 Dutch GAAP based on Realised Capital Gains.

*3 This loss includes the effect of the negative revaluation reserve of EUR 400mln. In the consolidated group results of Delta Lloyd this negative revaluation reserve is offset by a positive revaluation reserve within the group.

The Delta Lloyd Banking Division achieved a sharply higher result before taxation compared to the first half of 2003, up 334 per cent. to €11 million. This improvement was driven by higher income and stringent cost control in all units. Net interest income rose markedly, supported by wider interest margins and volume growth in customer accounts.

The second quarter of the year saw the successful launch of the "Combi-plus" mortgage, which led to a substantial increase in mortgage applications.

Delta Lloyd Bank N.V.	*H 2004*[2,3]	*2003*[2]	*2002*[2]	*2001*[1]	*2000*[1]	*1999*[1]
(EUR million)						
Net profit	7.6	12	5.3	3.9	17.1	7.0
Balance sheet total	5,074	4,615	4,708	4,577	4,479	1,053
BIS ratio	12.5	14.4	13.9	14.2	17.2	19.6

*1 Result Delta Lloyd Bank on a consolidated basis

*2 Result Delta Lloyd Bankengroep on a consolidated basis

*3 Half-yearly figures have not been audited by the accountant of Delta Lloyd Bankengroep

Value in force Delta Lloyd

Since 2003, Delta Lloyd's regulatory reporting to the Dutch Central Bank and the Pension and Insurance Chamber, respectively, has been aligned with international standards and is now based on the concept of embedded value. The embedded value for Delta Lloyd consists of the sum of the shareholder funds and the value in force and in below table is shown for the last five years. The value in force represents the present value of the expected future profits coming from the life insurance business in force as of the valuation date, minus the cost of capital. Previously, only shareholders funds were reported to the Dutch Central Bank and the Pension and Insurance Chamber.

The results of Delta Lloyd Banking Division have demonstrated a steadily increasing trend over the last few years, which is expected to continue over 2004.

Embedded value	*H 2004*[1]	*2003*[1]	*2002*	*2001*	*2000*	*1999*
(EUR million)						
Shareholders funds	2,364	2,244	1,713	2,354	2,112	1,737
Value in force	1,371	1,389	1,229	1,395	1,230	1,221
Embedded Value	3,735	3,633	2,942	3,749	3,342	2,958

*1 Including Delta Lloyd ABN AMRO Verzekeringen

As shown in the above table, the value in force shows a strong and stable development over time. Compared to shareholders' funds, the value in force is less influenced by stock-market movements. The value in force projects future profits based on several assumptions with respect to, among others, discount rates, equity returns, mortality figures and lapses.

DESCRIPTION OF THE MORTGAGE LOANS

The Mortgage Receivables to be sold and assigned to the Issuer on the Closing Date are any and all rights (whether actual or contingent) of the Seller against any Borrower under or in connection with any Mortgage Loan selected by agreement between the Seller and the Issuer. Up to (and including) the Quarterly Payment Date immediately preceding the first Optional Redemption Date, on a monthly basis, the Issuer shall apply the Purchase Available Amount to purchase and accept the assignment of New Mortgage Receivables from the Seller provided that certain conditions are met (see further *Mortgage Receivables Purchase Agreement* below).

The New Mortgage Receivables to be sold by the Seller to the Issuer on any Purchase Date may be originated by any of the Orignators (including, but not limited to, the Seller) and, in case not originated by the Seller, will prior to such Purchase Date be sold to the Seller by way of contract transfer. The terms of the Mortgage Loans (or any loan parts comprising a Mortgage Loan) from which these New Mortgage Receivables derive will not substantially deviate from the terms of the Mortgage Loans described in this paragraph.

The Mortgage Loans are loans secured by a mortgage right, evidenced by notarial mortgage deeds ('*notariële akten van hypotheekstelling*') entered into by the Seller and the relevant Borrowers.

All Mortgage Receivables which were sold to the Issuer resulting from Mortgage Loans which were originated by any of the Originators, will be secured by mortgage rights which only secure the Mortgage Loan, increased with interest, reimbursements and costs.

The Mortgage Receivables sold to the Issuer which were originated by the Seller will be secured by mortgage rights which secure not only the initial Mortgage Loan but also any amounts which the Borrower may be or become due to the Seller under further loans and/or credits up to a maximum level. See paragraph *Mortgage Rights* in the section *Special Considerations* above.

The Mortgage Receivables have been selected according to the criteria list set forth in the Mortgage Receivables Purchase Agreement and will be selected in accordance with such agreement, on or before Closing Date or, in respect of any New Mortgage Receivables, the relevant Purchase Date (see *Mortgage Receivables Purchase Agreement* below). All of the Mortgage Loans, to which the Mortgage Receivables to be sold and assigned to the Isser on the Closing Date relate, were originated by the Seller between 1 October 2002 and 28 February 2005.

The interest rate on each Mortgage Loan has been fixed for an initial time period as of the date of the origination of the relevant Mortgage Loan. After this initial period, the interest for the next interest period will be determined by the Seller in accordance with the then current market rates of interest or, if the Borrower so desires, in accordance with alternatives made available to the Borrower by the Seller.

For a description of the representations and warranties given by the Seller reference is made to *Mortgage Receivables Purchase Agreement* below.

Mortgaged Assets

The mortgage rights securing the Mortgage Loans are vested on (i) a real property ('*onroerende zaak*'), (ii) an apartment right ('*appartementsrecht*') or (iii) a long lease ('*erfpacht*').

For over a century different municipalities and other public bodies in the Netherlands have used long lease ('*erfpacht*') as a system to issue land without giving away the ownership of it. There are three types of long lease: temporary ('*tijdelijk*'), ongoing ('*voortdurend*') and perpetual ('*eeuwigdurend*'). A long lease is a right in rem ('*zakelijk recht*') which entitles the leaseholder ('*erfpachter*') to hold and use a real property ('*onroerende zaak*') owned by another party, usually a municipality. The long lease can be transferred by the leaseholder without permission from the landowner being required, unless the lease conditions provide otherwise and it passes to the heirs of the leaseholder in case of his death. Usually a remuneration ('*canon*') will be due for the long lease.

Mortgage types

Borrowers often give one mortgage right as security for a loan consisting of a combination of product types. For instance, a common combination is an interest-only mortgage loan for the first 75 per cent. LTV with a savings mortgage loan for the remainder.

WoonPlusHypotheek

This a mortgage loan which may be combined with any type of redemption as described in this section. Under the WoonPlusHypotheek the borrower opens a WoonPlus Investment Account to which own funds of the borrower are transferred and the balance of this account may at the option of such borrower (i) be invested in certain investment funds or (ii) be deposited in a savings account or (iii) a combination of option (i) and (ii). In any such case, the proceeds of the investments and the deposits in the savings account will be used by the borrower to pay (part of) the monthly interest instalments in respect of (part of) the relevant mortgage loan.

Annuity Mortgage Loan *('Annuïtaire lening')*

This type of mortgage loan offers a constant total monthly payment, made up of an initially high and decreasing interest portion and an initially low and increasing principal portion. Only the proportions of interest and principal vary every month. The advantage is that the monthly payments are relatively low and constant from the very beginning. Annuity mortgages are offered with interest rates established by reference to the standard Delta Lloyd interest-rate. The loans can have a maximum maturity of 30 years.

Linear Mortgage Loan ('*Lineaire hypotheek*')

This is the oldest type of mortgage loan. It offers a constant monthly payment in principal, which makes the overall amount decrease over time. The interest payment is recalculated every time on the declining outstanding balance. The total monthly payments, partly interest and partly principal, will therefore decrease over time but the initial monthly payments are relatively high. Linear mortgage loans are offered with interest rates established by reference to the standard Delta Lloyd interest-rate. The interest rate can be fixed either for an initial period, after which a new rate and period are selected, or also can be fixed for the entire length of the loan. The loans can have a maximum maturity of 30 years.

Interest-only Mortgage Loan *('Aflossingsvrije hypotheek')*

These mortgages loans do not amortise principal and provide for a bullet payment at the end, mostly when the house is eventually sold. The borrowers pay only interest during the lifetime of the loan.. Due to the higher risk of bullet principal repayment, these mortgage loans have a maximum loan-to-foreclosure value of 75 per cent.

Savings Mortgage Loan *('Spaarhypotheek')*

This type of mortgage loan combine a loan with a capital/life insurance. The payout at the end of the contract (or earlier at the death of the borrower) always corresponds exactly to the amount of the mortgage loan. The constant monthly payments consist of interest on the principal and a savings/risk premium for the capital/life insurance ('*spaar/risico-premie*'). If the interest rate has gone up at the end of the chosen fixed-rate period, the interest charge on the loan will increase but the savings premium on the life insurance will decrease and vice versa. The reinvestment rate on accumulated mortgage loan principal is guaranteed at the interest rate of the mortgage loan.

Investment Mortgage Loan *('EffectPlusHypotheek')*

With this type of loan a portion of the mortgage loan will be in the form of an Investment Mortgage Loan ('*EffectPlusHypotheek*'). Under the Investment Mortgage Loans the Borrower undertakes to invest (part of) the proceeds of the Investment Mortgage Loans (i) in either Delta Lloyd and/or OHRA investment funds and/or Triodos Meerwaarde Mixfonds or (ii) by depositing such amount in a savings account with Delta Lloyd Bank or (iii) at the option of the Borrower, a combination of option (i) and (ii) Borrowers may switch their investments among the investment funds and to and from the savings account with Delta Lloyd Bank. The rights under these investments are intended to be pledged to the Seller as security for repayment of the Investment Mortgage Loan.

Unit-linked Mortgage Loan *('Meerkeuzeplan')*

This is a loan on which no principal repayment is made during the life of the contract. Next to this loan, the borrower signs a life insurance policy providing for an amount if the beneficiary is still alive at the end of the policy or if the beneficiary dies before the end of the policy. The final payout will be determined by the return obtained on the amounts invested in either Delta Lloyd and/or OHRA investment funds and/or Triodos Meerwaarde Mixfonds, which were chosen by the borrower. The final payout, that has to be used towards repayment of the loan, will therefore not necessarily be equal to the outstanding balance on the loan.

Universal Life Mortgage Loan *('Delta Life Hypotheek' / 'Financieel Vrijheidsplan')*

This is a type of loan on which no principal repayment is made during the life of the contract. The borrower enters into a very flexible life insurance policy, effectively an improvement of the Unit Linked policy. The monthly premiums on the insurance policy are being invested in Delta Lloyd investment funds. The final payout will be determined by the return obtained on the amounts invested in either Delta Lloyd and/or OHRA investment funds and/or Triodos Meerwaarde Mixfonds, which were chosen by the borrower. The final payout, that has to be used towards repayment of the loan, will therefore not necessarily be equal to the outstanding balance on the loan.

Life Mortgage Loan with the option to choose between the Savings Alternative and the Unit-Linked Alternative *('CombiPlusHypotheek')*

This is a loan on which no principal repayment is made during the life of the contract. Next to this loan, the borrower enters into a life insurance policy providing for an amount if the beneficiary is still alive at the end of the policy or if the beneficiary dies before the end of the policy. Under the CombiPlusHypotheek the borrower can choose the proportion between the Savings Alternative and the Universal Life Alternative. Borrowers may also switch the proportion between the Savings Alternative and the Universal Life Alternative during the lifetime of the mortgage loan. The final payout will be determined by the return obtained on the amounts invested in either Delta Lloyd and/or OHRA investment funds, which were chosen by the borrower. The final payout, that has to be used towards repayment of the loan, will therefore not necessarily be equal to the outstanding balance on the loan.

Traditional life mortgage loan and life mortgage loan (with an external insurance policy)
('Hypotheek o.b.v. traditioneel gemengde verzekering')

This type of loan provides for a mortgage loan with a payment of mortgage loan interest, while no principal repayment is made during the life of the contract. For repayment at the end of the contract period the borrower uses a separate insurance policy. With this insurance policy the reinvestment rate on the accumulated premium is not guaranteed, although insurance companies are required to guarantee a minimum 3 per cent. rate. The maximum loan-to-foreclosure-value is set at 125 per cent.. The loans can have a maximum maturity of 30 years.

SUMMARY OF THE PROVISIONAL POOL

The numerical information set out below relates to a provisional pool of Mortgage Loans (the '**Provisional Pool**') which was selected as of 1 February 2005. All amounts are in euro.

Under the Mortgage Receivables Purchase Agreement the Issuer will purchase and on the Closing Date accept the assignment of the Mortgage Receivables relating to the Mortgage Loans in the Provisional Pool (unless such Mortgage Receivables do not meet the Mortgage Loan Criteria on the Closing Date) and any other Mortgage Receivables resulting from Mortgage Loans originated by the Seller. From the Closing Date up to (and including) the last Quarterly Payment Date immediately preceding the Optional Redemption Date, the Issuer shall purchase and accept the assignment of the New Mortgage Receivables.

All Mortgage Receivables selected and purchased by the Issuer shall comply with the Mortgage Loan Criteria (see *Mortgage Receivables Purchase Agreement* below).

amounts in euro

TABLE A

Key characteristics of the Provisional Pool as of 1 February 2005

outstanding principal balance (EUR)	318,630,357
average balance by borrower (EUR)	261,816
maximum loan value (EUR)	840,000
number of loan parts	2,758
number of borrowers	1,217
weighted average seasoning (months)	6.35
weighted average maturity (months)	344.12
weigthed average coupon (%)	4.31
cumulative building deposit (EUR)	29,547,233

TABLE B

Origination date of the mortgage loan parts in the Provisional Pool

Year of origination	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	Number of loan parts	Proportion of pool (%)	WAM (Months)	WAC (%)
2003 Q1	852,000	0.3%	6	0.2%	336.29	4.42
2003 Q2	6,801,647	2.1%	65	2.4%	331.77	4.46
2003 Q3	13,698,085	4.3%	104	3.8%	331.96	4.52
2003 Q4	22,474,022	7.1%	170	6.2%	338.46	4.56
2004 Q1	31,805,774	10.0%	220	8.0%	339.14	4.59
2004 Q2	45,444,581	14.3%	344	12.5%	344.94	4.42
2004 Q3	33,062,309	10.4%	274	9.9%	345.74	4.44
2004 Q4	87,766,797	27.5%	818	29.7%	347.53	4.34
2005 Q1	76,725,142	24.1%	757	27.4%	346.11	3.92
Total	318,630,357	100.0%	2,758	100.0%	344.12	4.31

TABLE C

Type of mortgage loan parts in the Provisional Pool

Type of mortgage	Aggregate Outstanding Principal Amount (EUR)	Proportion of Pool (%)	Aggregate Outstanding Principal Amount (EUR) non-woonplus	Proportion non-woonplus of total pool (%)	Aggregate Outstanding Principal Amount (EUR) woonplus only	Proportion woonplus only of total pool (%)
Interest Only	162,557,254	51.0%	136,732,348	42.9%	25,824,906	8.1%
Universal Life	91,376,912	28.7%	72,017,731	22.6%	19,359,181	6.1%
Traditional Life	369,988	0.1%	369,988	0.1%	–	0.0%
Savings	12,711,105	4.0%	10,239,013	3.2%	2,472,091	0.8%
Investment	3,286,723	1.0%	1,526,320	0.5%	1,760,403	0.6%
Unit Linked	1,365,830	0.4%	1,253,334	0.4%	112,496	0.0%
Hybride*	46,957,546	14.7%	45,460,046	14.3%	1,497,500	0.5%
Annuity	5,000	0.0%	5,000	0.0%	–	0.0%
Total	318,630,357	100.0%	267,603,780	84.0%	51,026,577	16.0%

*) Combiplus

TABLE D

Interest rates applicable to the mortgage loan parts in the Provisional Pool

Range of interest rates	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	Number of loan parts	Proportion of pool (%)	WAM (Months)	WAC (%)
2.5% <= r < 3.5%	45,434,665	14.3%	497	18.0%	347.73	3.06
3.5% <= r < 4.5%	124,112,954	39.0%	1,102	40.0%	345.86	4.16
4.5% <= r < 5.5%	145,385,183	45.6%	1,134	41.1%	342.15	4.80
5.5% <= r < 6.5%	3,697,554	1.2%	25	0.9%	318.67	5.61
Total	318,630,357	100.0%	2,758	100.0%	344.12	4.31

TABLE E

Interest rate reset dates applicable to the mortgage loan parts in the Provisional Pool

Range of years	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	Number of loan parts	Proportion of pool (%)	WAM (Months)	WAC (%)
2005	44,541,110	14.0%	468	17.0%	347.94	3.11
2006	5,072,519	1.6%	77	2.8%	345.13	3.26
2007	802,503	0.3%	9	0.3%	336.93	3.38
2008	3,665,858	1.2%	30	1.1%	324.43	4.05
2009	19,278,164	6.1%	181	6.6%	342.58	4.11
2010	61,340,129	19.3%	555	20.1%	346.93	4.23
2011	45,238,000	14.2%	379	13.7%	346.62	4.33
2012	794,273	0.2%	8	0.3%	353.76	4.63
2013	18,206,653	5.7%	144	5.2%	338.74	4.58
2014	65,051,988	20.4%	499	18.1%	347.79	4.67
2015	4,064,121	1.3%	39	1.4%	335.96	4.69
2016 < interest reset date <= 2020	19,996,339	6.3%	152	5.5%	333.56	4.94
2021 < interest reset date <= 2025	24,244,902	7.6%	171	6.2%	330.11	5.12
2026 < interest reset date <= 2030	–	0.0%	0	0.0%	–	–
2031 < interest reset date <= 2035	6,333,799	2.0%	46	1.7%	357.20	5.26
Total	318,630,357	100.0%	2,758	100.0%	344.12	4.31

TABLE F

Maturity of the mortgage loan parts in the Provisional Pool

Range of years	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	Number of loan parts	Proportion of pool (%)	WAM (Months)	WAC (%)
2004 <= maturity < 2010	448,472	0.1%	9	0.3%	23.26	3.93
2010 <= maturity < 2015	240,500	0.1%	4	0.1%	78.84	4.09
2015 <= maturity < 2020	1,267,817	0.4%	15	0.5%	161.49	4.67
2020 <= maturity < 2025	5,511,162	1.7%	61	2.2%	217.82	4.70
2025 <= maturity < 2030	15,422,396	4.8%	145	5.3%	273.53	4.35
2030 <= maturity < 2035	227,505,080	71.4%	1,861	67.5%	348.77	4.41
2035 <= maturity < 2040	67,984,186	21.3%	659	23.9%	360.52	3.93
2040 <= maturity < 2045	64,000	0.0%	1	0.0%	470.00	4.60
2045 <= maturity < 2055	186,744	0.1%	3	0.1%	569.01	4.58
Total	318,630,357	100.0%	2,758	100.0%	344.12	4.31

TABLE G

Size of outstanding mortgage loans in the Provisional Pool (on a borrower basis)

Range of loan sizes	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	Number of loans	Proportion of pool (%)	WAM (Months)	WAC (%)
loan size < 50,000	338,000	0.1%	11	0.9%	358.43	3.79
50,000 <= loan size < 100,000	1,992,522	0.6%	24	2.0%	344.41	4.19
100,000 <= loan size < 150,000	11,934,287	3.7%	94	7.7%	331.81	4.15
150,000 <= loan size < 200,000	29,107,452	9.1%	166	13.6%	344.61	4.21
200,000 <= loan size < 250,000	59,077,652	18.5%	261	21.4%	346.07	4.27
250,000 <= loan size < 300,000	86,660,972	27.2%	318	26.1%	347.26	4.27
300,000 <= loan size < 350,000	55,874,045	17.5%	173	14.2%	343.12	4.41
350,000 <= loan size < 400,000	24,742,209	7.8%	67	5.5%	343.56	4.32
400,000 <= loan size < 450,000	20,576,317	6.5%	49	4.0%	340.40	4.39
450,000 <= loan size < 500,000	14,959,467	4.7%	32	2.6%	340.81	4.55
500,000 <= loan size < 550,000	3,650,661	1.1%	7	0.6%	330.81	4.30
550,000 <= loan size < 600,000	3,979,275	1.2%	7	0.6%	349.69	3.93
600,000 <= loan size < 650,000	1,202,000	0.4%	2	0.2%	311.21	4.75
650,000 <= loan size < 700,000	1,337,500	0.4%	2	0.2%	331.32	4.09
700,000 <= loan size < 750,000	742,000	0.2%	1	0.1%	344.57	4.89
750,000 <= loan size < 800,000	–	0.0%	–	0.0%	–	–
800,000 <= loan size < 850,000	2,456,000	0.8%	3	0.2%	351.85	4.74
Total	318,630,357	100.0%	1,217	100.0%	344.12	4.31

TABLE H

Geographical distribution of the mortgage loans in the Provisional Pool

Region	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	Number of loans	Proportion of pool (%)	WAM (Months)	WAC (%)
Drenthe	8,237,557	2.6%	33	2.7%	349.56	3.93
Flevoland	12,240,371	3.8%	50	4.1%	345.49	4.17
Friesland	8,493,095	2.7%	33	2.7%	347.46	4.32
Gelderland	27,260,582	8.6%	108	8.9%	345.47	4.41
Groningen	8,874,632	2.8%	37	3.0%	343.27	4.22
Limburg	7,311,398	2.3%	34	2.8%	333.99	4.28
N-Brabant	32,673,540	10.3%	137	11.3%	344.35	4.37
N-Holland	67,444,957	21.2%	250	20.5%	344.61	4.27
Overijssel	17,956,803	5.6%	73	6.0%	348.16	4.24
Utrecht	27,042,106	8.5%	95	7.8%	346.13	4.32
Z-Holland	92,266,106	29.0%	332	27.3%	342.53	4.35
Zeeland	8,829,210	2.8%	35	2.9%	336.59	4.45
Total	318,630,357	100.0%	1,217	100.0%	344.12	4.31

TABLE I

Income data of borrowers in the Provisional Pool

Region of income (EUR)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	Number of loans	Proportion of pool (%)	WAM (Months)	WAC (%)
income < 10,000	172,000	0.1%	1	0.1%	340.00	4.50
10,000 <= income < 20,000	458,500	0.1%	8	0.7%	357.47	3.78
20,000 <= income < 30,000	7,214,342	2.3%	56	4.6%	346.84	4.18
30,000 <= income < 40,000	29,290,870	9.2%	171	14.1%	347.40	4.21
40,000 <= income < 50,000	48,672,449	15.3%	221	18.2%	343.18	4.23
50,000 <= income < 60,000	73,881,271	23.2%	282	23.2%	345.48	4.27
60,000 <= income < 70,000	64,688,826	20.3%	217	17.8%	345.27	4.29
70,000 <= income < 80,000	45,830,183	14.4%	139	11.4%	342.82	4.48
80,000 <= income < 100,000	27,760,628	8.7%	78	6.4%	341.88	4.37
100,000 <= income < 150,000	18,608,787	5.8%	40	3.3%	337.36	4.38
150,000 <= income < 200,000	1,252,500	0.4%	3	0.2%	332.54	4.90
200,000 <= income < 350,000	800,000	0.3%	1	0.1%	359.00	4.85
Total	318,630,357	100.0%	1,217	100.0%	344.12	4.31

TABLE J

Employment of borrowers of the mortgage loans in the Provisional Pool

Employment type	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	Number of loans	Proportion of pool (%)	WAM (Months)	WAC (%)
Flexworker	3,286,717	1.0%	17	1.4%	343.57	4.20
Full-time, temporary employment	17,384,088	5.5%	67	5.5%	351.98	4.14
Full-time, permanent employment	256,588,313	80.5%	967	79.5%	343.72	4.32
Part-time, temporary employment	1,320,900	0.4%	5	0.4%	358.14	4.03
Part-time, permanent employment	6,770,174	2.1%	27	2.2%	351.45	4.34
Pension	4,022,888	1.3%	31	2.5%	347.33	4.38
Government Work Incapacity Scheme	449,500	0.1%	3	0.2%	359.80	4.81
Government Unemployment Scheme	172,300	0.1%	1	0.1%	352.00	3.20
Self employed	26,266,386	8.2%	90	7.4%	340.10	4.33
No data	2,369,090	0.7%	9	0.7%	337.40	4.12
Total	318,630,357	100.0%	1,217	100.0%	344.12	4.31

TABLE K

Debtservice-to-Income (DTI) data of borrowers in the Provisional Pool*

Range of DTI	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	Number of loans	Proportion of pool (%)	WAM (Months)	WAC (%)
DTI < 10%	1,011,815	0.3%	17	1.4%	346.89	3.70
10% <= DTI < 20%	26,089,404	8.2%	137	11.3%	335.86	3.87
20% <= DTI < 30%	147,114,784	46.2%	580	47.7%	345.32	4.24
30% <= DTI < 40%	143,538,753	45.0%	479	39.4%	344.42	4.46
40% <= DTI < 50%	503,600	0.2%	2	0.2%	330.66	4.36
50% <= DTI < 75%	200,000	0.1%	1	0.1%	347.00	4.10
No data	172,000	0.1%	1	0.1%	340.00	4.50
Total	318,630,357	100.0%	1,217	100.0%	344.12	4.31

*) In case of Woonplus mortgage, debtservice not corrected for amount deposited on Woonplus Investment account available for monthly payments

TABLE L

Property types of the mortgage loans in the Provisional Pool

Property types	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	Number of loans	Proportion of pool (%)	WAM (Months)	WAC (%)
Single family house	256,941,917	80.6%	966	79.4%	344.11	4.32
Single family house with garage	32,821,630	10.3%	120	9.9%	342.57	4.30
Condominium	26,362,957	8.3%	122	10.0%	346.11	4.24
Condominium with garage	2,503,853	0.8%	9	0.7%	344.30	4.30
Total	318,630,357	100.0%	1,217	100.0%	344.12	4.31

TABLE M

Months current of borrowers in the Provisional Pool

Months current	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	Number of loans	Proportion of pool (%)	WAM (Months)	WAC (%)
current since origination	287,501,634	90.2%	1,100	90.4%	344.89	4.29
0 <= months current < 2	13,563,477	4.3%	56	4.6%	332.40	4.37
2 <= months current < 4	5,371,933	1.7%	20	1.6%	345.74	4.49
4 <= months current < 6	2,450,062	0.8%	9	0.7%	348.15	4.69
6 <= months current < 8	3,843,169	1.2%	12	1.0%	333.01	4.66
8 <= months current < 10	1,205,262	0.4%	5	0.4%	344.67	4.79
10 <= months current < 20	4,551,875	1.4%	14	1.2%	335.52	4.47
20 <= months current < 40	142,944	0.0%	1	0.1%	337.00	5.22
Total	318,630,357	100.0%	1,217	100.0%	344.12	4.31

TABLE N

Riskscore of borrowers in the Provisional Pool

Riskscore	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	Number of loans	Proportion of pool (%)	WAM (Months)	WAC (%)
0.0 <= riskscore < 1.0	130,142,496	40.8%	525	43.1%	345.30	4.26
1.0 <= riskscore < 2.0	57,777,845	18.1%	234	19.2%	349.04	4.12
2.0 <= riskscore < 3.0	24,174,856	7.6%	97	8.0%	344.07	4.17
3.0 <= riskscore < 4.0	10,081,036	3.2%	42	3.5%	345.90	4.16
4.0 <= riskscore < 5.0	2,159,325	0.7%	8	0.7%	334.14	4.35
5.0 <= riskscore < 10.0	2,066,500	0.6%	8	0.7%	340.50	4.44
No data	92,228,299	28.9%	303	24.9%	339.50	4.55
Total	318,630,357	100.0%	1,217	100.0%	344.12	4.31

TABLE O

Outstanding renovation deposits in the Provisional Pool (on a borrower basis)

Range of renovation construction deposit amounts (EUR)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	Number of loans	Proportion of pool (%)	Aggregate Outstanding Construction Deposit Amount (EUR)	Proportion of deposit (%)
7,500 <= deposit < 10,000	1,464,315	7.7%	6	9.2%	48,904	2.3%
10,000 <= deposit < 15,000	2,475,500	13.0%	10	15.4%	119,371	5.5%
15,000 <= deposit < 20,000	1,403,600	7.4%	5	7.7%	84,120	3.9%
20,000 <= deposit < 25,000	1,894,350	10.0%	8	12.3%	171,923	8.0%
25,000 <= deposit < 30,000	2,293,543	12.1%	8	12.3%	209,559	9.7%
30,000 <= deposit < 35,000	2,668,537	14.0%	9	13.8%	294,097	13.6%
35,000 <= deposit < 40,000	230,000	1.2%	1	1.5%	35,245	1.6%
40,000 <= deposit < 50,000	2,250,901	11.8%	6	9.2%	253,641	11.7%
50,000 <= deposit < 60,000	646,000	3.4%	2	3.1%	112,379	5.2%
60,000 <= deposit < 70,000	1,255,500	6.6%	4	6.2%	258,864	12.0%
70,000 <= deposit < 80,000	325,000	1.7%	1	1.5%	73,054	3.4%
80,000 <= deposit < 150,000	2,106,927	11.1%	5	7.7%	498,798	23.1%
Total	19,014,172	100.0%	65	100.0%	2,159,955	100.0%

TABLE P

Outstanding new-build construction deposits in the Provisional Pool (on a borrower basis)

Range of new-build construction deposit amounts (EUR)	Aggregate Outstanding Principal Amount (EUR)	Proportion of deposit (%)	Number of loans	Proportion of pool (%)	Aggregate Outstanding Construction Deposit Amount (EUR)	Proportion of deposit (%)
7,500 <= deposit < 10,000	3,757,200	3.0%	12	2.9%	106,393	0.4%
10,000 <= deposit < 15,000	8,252,512	6.7%	26	6.3%	334,284	1.2%
15,000 <= deposit < 20,000	3,898,952	3.1%	14	3.4%	250,336	0.9%
20,000 <= deposit < 25,000	4,303,991	3.5%	13	3.1%	286,869	1.0%
25,000 <= deposit < 30,000	2,389,362	1.9%	8	1.9%	227,579	0.8%
30,000 <= deposit < 35,000	3,060,277	2.5%	11	2.7%	358,154	1.3%
35,000 <= deposit < 40,000	2,321,474	1.9%	9	2.2%	337,817	1.2%
40,000 <= deposit < 50,000	5,565,041	4.5%	20	4.8%	876,972	3.2%
50,000 <= deposit < 60,000	10,227,509	8.2%	36	8.7%	1,995,246	7.3%
60,000 <= deposit < 70,000	14,099,726	11.4%	53	12.8%	3,480,335	12.7%
70,000 <= deposit < 80,000	18,103,710	14.6%	67	16.1%	5,019,421	18.3%
80,000 <= deposit < 150,000	48,076,819	38.8%	146	35.2%	14,113,873	51.5%
Total	124,056,573	100.0%	415	100.0%	27,387,278	100.0%

TABLE Q

Weighted average LTV ratio

Current Loan-to-Value (Recorded Foreclosure Value)	106.09%
Current Loan-to-Value (Indexed Recorded Foreclosure Value)	105.16%
Current Loan-to-Value (Estimated Fair Market Value)	90.18%
Current Loan-to-Value (Indexed Estimated Fair Market Value)	89.39%
Original Loan-to-Value (Recorded Foreclosure Value)	106.35%

1: NVM index, 1/1/1985 to Q4/2004 on a province basis

2: Foreclosure value is 85.0% of market value

TABLE R

Current Loan-to-Value (Recorded Foreclosure Value)

Range of Loan-to-Value	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	Number of loans	Proportion of pool (%)	WAM (Months)	WAC (%)
LTV < 25%	322,000	0.1%	9	0.7%	358.65	4.16
25% <= LTV < 50%	3,946,764	1.2%	32	2.6%	337.55	3.99
50% <= LTV < 60%	3,460,362	1.1%	21	1.7%	342.10	4.24
60% <= LTV < 70%	9,735,226	3.1%	52	4.3%	344.14	4.29
70% <= LTV < 80%	19,756,374	6.2%	94	7.7%	335.50	4.35
80% <= LTV < 90%	26,587,547	8.3%	114	9.4%	338.01	4.19
90% <= LTV < 100%	25,837,142	8.1%	89	7.3%	343.31	4.42
100% <= LTV < 105%	16,461,100	5.2%	60	4.9%	344.66	4.16
105% <= LTV < 110%	27,824,445	8.7%	98	8.1%	341.47	4.34
110% <= LTV < 115%	51,332,550	16.1%	172	14.1%	346.30	4.37
115% <= LTV < 120%	62,162,826	19.5%	211	17.3%	343.94	4.36
120% <= LTV <= 130%	71,204,021	22.3%	265	21.8%	348.97	4.26
Total	318,630,357	100.0%	1,217	100.0%	344.12	4.31

TABLE S

Current Loan-to-Value (Indexed Recorded Foreclosure Value)

Range of Loan-to-Value	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	Number of loans	Proportion of pool (%)	WAM (Months)	WAC (%)
LTV < 25%	322,000	0.1%	9	0.7%	358.65	4.16
25% <= LTV < 50%	4,406,764	1.4%	35	2.9%	338.13	4.06
50% <= LTV < 60%	3,238,095	1.0%	21	1.7%	343.24	4.17
60% <= LTV < 70%	10,469,706	3.3%	55	4.5%	343.67	4.35
70% <= LTV < 80%	19,479,491	6.1%	91	7.5%	334.53	4.32
80% <= LTV < 90%	27,063,119	8.5%	112	9.2%	337.22	4.21
90% <= LTV < 100%	28,020,598	8.8%	99	8.1%	342.80	4.41
100% <= LTV < 105%	17,175,637	5.4%	62	5.1%	344.63	4.31
105% <= LTV < 110%	37,239,981	11.7%	125	10.3%	342.39	4.30
110% <= LTV < 115%	47,886,062	15.0%	163	13.4%	346.69	4.38
115% <= LTV < 120%	59,412,586	18.6%	204	16.8%	345.50	4.34
120% <= LTV <= 130%	63,916,319	20.1%	241	19.8%	348.67	4.25
Total	318,630,357	100.0%	1,217	100.0%	344.12	4.31

TABLE T

Current Loan-to-Value (Estimated Fair Market Value)

Range of Loan-to-Value	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	Number of loans	Proportion of pool (%)	WAM (Months)	WAC (%)
LTV < 25%	636,000	0.2%	12	1.0%	353.82	4.26
25% <= LTV < 50%	6,500,376	2.0%	46	3.8%	340.81	4.04
50% <= LTV < 60%	11,539,576	3.6%	63	5.2%	342.45	4.31
60% <= LTV < 70%	21,574,924	6.8%	103	8.5%	334.79	4.32
70% <= LTV < 80%	31,411,529	9.9%	122	10.0%	338.74	4.26
80% <= LTV < 90%	38,921,723	12.2%	140	11.5%	343.77	4.31
90% <= LTV < 100%	105,738,540	33.2%	358	29.4%	345.03	4.34
100% <= LTV < 105%	66,138,884	20.8%	236	19.4%	346.94	4.34
105% <= LTV < 110%	36,168,805	11.4%	137	11.3%	347.85	4.25
Total	318,630,357	100.0%	1,217	100.0%	344.12	4.31

TABLE U

Current Loan-to-Value (Indexed Estimated Fair Market Value)

Range of Loan-to-Value	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	Number of loans	Proportion of pool (%)	WAM (Months)	WAC (%)
LTV < 25%	636,000	0.2%	12	1.0%	353.82	4.26
25% <= LTV < 50%	7,038,109	2.2%	51	4.2%	339.40	4.07
50% <= LTV < 60%	12,223,056	3.8%	65	5.3%	343.17	4.36
60% <= LTV < 70%	21,297,070	6.7%	99	8.1%	334.71	4.28
70% <= LTV < 80%	31,036,446	9.7%	121	9.9%	338.19	4.28
80% <= LTV < 90%	43,618,884	13.7%	154	12.7%	343.81	4.31
90% <= LTV < 100%	114,142,510	35.8%	388	31.9%	345.30	4.35
100% <= LTV < 105%	60,931,442	19.1%	220	18.1%	347.54	4.35
105% <= LTV < 110%	27,706,841	8.7%	107	8.8%	347.50	4.14
Total	318,630,357	100.0%	1,217	100.0%	344.12	4.31

TABLE V

Original Loan-to-Value (Recorded Foreclosure Value)

Range of Loan-to-Value	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	Number of loans	Proportion of pool (%)	WAM (Months)	WAC (%)
LTV < 25%	322,000	0.1%	9	0.7%	358.65	4.16
25% <= LTV < 50%	3,946,764	1.2%	32	2.6%	337.55	3.99
50% <= LTV < 60%	3,460,362	1.1%	21	1.7%	342.10	4.24
60% <= LTV < 70%	9,735,226	3.1%	52	4.3%	344.14	4.29
70% <= LTV < 80%	19,269,672	6.0%	92	7.6%	335.88	4.34
80% <= LTV < 90%	26,398,337	8.3%	113	9.3%	338.13	4.19
90% <= LTV < 100%	25,028,145	7.9%	87	7.1%	344.74	4.40
100% <= LTV < 105%	16,545,140	5.2%	59	4.8%	341.11	4.17
105% <= LTV < 110%	26,951,225	8.5%	95	7.8%	342.00	4.34
110% <= LTV < 115%	50,289,892	15.8%	169	13.9%	345.90	4.36
115% <= LTV < 120%	63,172,541	19.8%	214	17.6%	344.54	4.37
120% <= LTV <= 130%	73,511,054	23.1%	274	22.5%	348.48	4.28
Total	318,630,357	100.0%	1,217	100.0%	344.12	4.31

MORTGAGE LOAN UNDERWRITING AND MORTGAGE SERVICES

Introduction

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

Delta Lloyd has entered into an agreement with a leading provider of activities consisting of mortgage payment transactions and ancillary activities, STATER Nederland B.V. ('**STATER**'), established on 1 January 1997 and devoted to providing origination, mortgage payment transactions and ancillary activities and foreclosure systems and capabilities for owners of residential mortgage loan portfolios. STATER provides the origination systems and it provides activities consisting of mortgage payment transactions and ancillary activities with regard to Delta Lloyd's residential mortgage loan portfolio.

Delta Lloyd's mortgage activities comprise all commercial activities leading to the granting of mortgage loans and the technical administrative control of the portfolio. Payment transactions between the lender and the borrower relating to mortgages, are undertaken by STATER.

Origination

STATER provides an origination system, including automated underwriting, incorporating the specific Delta Lloyd rules for the underwriting process. STATER handles therefore contact with the borrower and provides high-quality financial and portfolio performance reports and information. The process is paperless and is conducted on a computer system developed by STATER specifically to allow underwriting rules and controls to be encoded in an automated underwriting system and provide high-quality performance information. Direct contact with clients, however, is exclusively maintained by Delta Lloyd.

New mortgage loans are accepted on the basis of a fixed underwriting protocol. The application is sent to Delta Lloyd by HOS ('*Hypotheken Offerte Software*') mail, fax or HDN (the Mortgage Data Network: the '*Hypotheken Data Netwerk*'). The Delta Lloyd underwriter then enters the application data in the SHS ('*STATER Hypotheek Systeem*') system, which inputs the conditions and assesses the application automatically, including a credit check with BKR ('*Bureau Krediet Registratie*'), a credit score with SHS, a check whether the identity card is stolen or missing with VIS ('*Verificatie Informatie Systeem*') and a fraud check with Stichting Fraudebestrijding Hypotheken (a warning system between financial servicers). If the system approves, then a conditional offer is sent out, subject to verification of the application input such as salary, employment and property details.

Description of the Origination department

The principal items in the underwriting protocol are:

(a) *Maximum amounts*

If the loan is guaranteed by the *Stichting Waarborgfonds Eigen Woningen*, the maximum amount of the mortgage loan which will be granted is euro 240,000 for the year 2005. Higher amounts are only possible without NHG and to be approved by the relevant credit approving authorities within Delta Lloyd. The minimum amount at Delta Lloyd is euro 10,000.

(b) *Creditworthiness and Debt-to-income ratio ('Woonquote')*

The process of verifying the creditworthiness is set up to determine whether the prospective borrower has sufficient monthly income available to meet his payments on the requested mortgage loan as well as to support other financial obligations and monthly living expenses. A check on the income is conducted by requesting a recent employer's declaration. In general, the gross debt service-to-gross income ratio increases with the borrower's income with the percentage ranging between 33 per cent. for a salary just above euro 27,001 and 39 per cent. with a salary above euro 65,001. For salaries up to euro 27,000 NHG rules are followed.

(c) *Collateral*

With each application, the potential borrower has to send an original appraisal called valuation report ('taxatie rapport'), which is drawn up by a sworn-in appraiser called 'taxateur' or an assessment by the Netherlands tax authorities on the basis of the Act on Valuation of Real Property ('Wet Waardering Onroerende Zaken'). The latter is only allowed if the LTV is below 60 per cent. on the basis of such assessment. For new builds no valuation is required if the property is built by professional builders, unless the relevant Mortgage Loan to be granted exceeds 107 per cent. of the purchase and construction costs of the property involved.

(d) *Foreclosure Value*

The appraised Foreclosure Value ('*executiewaarde*') is approximately 85 per cent. of the market value ('*vrije verkoopwaarde*') at the time of loan origination. Mortgage loans that do not have the benefit of a Municipality Guarantee or an NHG Guarantee are granted up to a maximum of 125 per cent. of the foreclosure value (only mortgages up to 126 per cent. of the foreclosure value at the time of origination are included in the portfolio).

(e) *Other underwriting condition*

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

Mortgage Processing Procedures

Payment collections ('inningen') Procedures

At origination, the borrower always agrees with the Seller that monthly payments will be automatically withdrawn from his bank account by direct debit. All borrowers of the Seller pay this way. Direct debit will not be successful if the balance of the borrowers' account is not sufficient to cover the full amount of the scheduled monthly payment. If the balance is insufficient for the full drawing on the payment date, then, depending on the borrower's bank, there will be more than one attempt to withdraw the full amount of the scheduled payment.

Payments are due on the first day of each month ('*vervaldag*'). The direct debit has to take place at the latest one day before the last business day of the previous month but, because the borrower has the contractual obligation to make sure that the lender is receiving his payment on time, STATER will in the name of the lender usually withdraw the due amount a few days before that in order to make sure that the funds are in the lenders possession on the 1st.

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

Arrears Procedures

As of 14 December 2003, all arrears are detected and signalled on a daily basis. For each loan in arrears, an Automatic Arrears Processing process ('*Automatische Afhandeling Achterstanden*') is initiated. If the total amount in arrears is more than euro 5, a first reminder letter is automatically generated by the system and sent out to the borrower within fourteen days after the arrear has been signalled. This letter includes a specification of the arrears. Penalty interest is due as of the missing payment date, but the penalties for payments that are late are not incorporated in the letters until the monthly closing has passed.

In case no payment is received within fourteen days after the first reminder letter has been sent, a second, more firm letter is sent. If the borrower does not respond within two weeks the loan of such a borrower is given an active treatment status in the STATER system. A distinction is made between the borrowers, based upon the previous payment-behaviour: (i) normal, (ii) 'sleeper' (technical arrear meaning that due to a misunderstanding the borrower always pay too late) or (iii) 'recidivist' (a borrower who or has been more than three months in arrears in the last twelve months period or who has previously been in a recovery phase).

Defaults Procedures

Loans in arrears by more than euro 1,500 or for more than two months are treated by a special servicing team ('*Team Bijzonder Beheer*') at Delta Lloyd. The members of this team have an average of 10 years' experience in the mortgage business and it currently employs 8 people. In other words, Delta Lloyd performs the servicing with respect to defaulted loans that require direct contact with the relevant Borrowers. Delta Lloyd will assess whether a solution to the payment problem can be reached. This can range from rescheduling the arrears to a voluntary sale of the property by the borrower. If no solution can be found, the foreclosure process will start.

From decision to foreclose to actual foreclosure and receipt of the foreclosure proceeds has generally not taken more than 3 to 4 months. In total the process from first arrears to receiving foreclosure proceeds may take up to 10 months. For loans with a high LTV Delta Lloyd uses a shorter time frame. Delta Lloyd continues to exert pressure on the borrower for any losses that remain after foreclosure, ensuring that all obligations are met to the fullest possible extent.

STATER NEDERLAND B.V.

STATER Nederland B.V. is the leading independent, third party provider of mortgage payment transactions with regard to residential mortgages in the Netherlands. The activities are provided in a completely automated and paperless electronic format. STATER has pioneered the use of technology through its E-transactions concept for owners of residential mortgage loan portfolios and features capabilities to enhance, accelerate and facilitate securitisation transactions.

STATER started its activities on 1 January 1997. The combination of technology and experience in originating and providing activities consisting of mortgage payment transactions and ancillary activities with regard to residential mortgage loans in the Netherlands has led to a market share of more than 30 per cent. in 2003. STATER provides activities consisting of mortgage payment transactions and ancillary activities with regard to a total of EUR 62,8 billion and approximately 450,000 mortgage loans. STATER is a 100 per cent. subsidiary of STATER N.V., of which the shares are held for 60 per cent. by ABN AMRO Bank N.V. and for the remainder by (a subsidiary of) ABN AMRO Bouwfonds Nederlandse Gemeenten N.V.

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

In the securitisation process, STATER is able to identify specific loan pools based on underwriting criteria as instructed by its clients and provides the Issuer Administrator access to pool performance and information. Finally, STATER provides detailed investor reports regarding pool status on a consistent basis.

The STATER computer system, for which STATER also provides back-up facilities, is regularly updated and modified.

MORTGAGE RECEIVABLES PURCHASE AGREEMENT

Under the Mortgage Receivables Purchase Agreement the Issuer will purchase and, on the Closing Date, accept from the Seller the assignment of the Mortgage Receivables. The assignment of the Mortgage Receivables from the Seller to the Issuer will not be notified to the Borrowers, except in special events as further described hereunder ('**Notification Events**'). The Issuer will be entitled to all proceeds in respect of the Mortgage Receivables from (and including) the 1st of March 2005 (the '**Cut-off Date**').

Purchase Price

The purchase price for the Mortgage Receivables shall consist of an initial purchase price (the '**Initial Purchase Price**'), being the aggregate Outstanding Principal Amount at the Cut-off Date of euro 400,734,546.45, which shall be payable on the Closing Date or, in respect of the New Mortgage Receivables, on the relevant Purchase Date, and a deferred purchase price (the '**Deferred Purchase Price**'). The '**Outstanding Principal Amount**' means, at any moment in time, (a) the principal balance ('*hoofdsom*') of a Mortgage Receivable resulting from a Mortgage Loan at such time and (b) zero, after the occurrence of a Realised Loss in respect of such Mortgage Receivable. A part of the Initial Purchase Price equal to the aggregate Construction Amounts will be withheld by the Issuer and will be deposited in the Construction Account. The Deferred Purchase Price shall be equal to the sum of all Deferred Purchase Price Instalments and each Deferred Purchase Price Instalment on any Quarterly Payment Date will be equal to (A) prior to delivery of an Enforcement Notice the positive difference, if any, between the Notes Interest Available Amount as calculated on each Quarterly Calculation Date and the sum of all amounts payable by the Issuer as set forth in the Interest Priority of Payments under (a) up to and including (q) or, as the case may be, (B) following delivery of an Enforcement Notice, the amount remaining after all the payments as set forth in the Priority of Payments upon Enforcement under (a) up to and including (r) (see *Credit Structure* above) on such date have been made.

Representations and warranties

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

(a) each of the Mortgage Receivables is duly and validly existing;

(b) it has full right and title to the Mortgage Receivables and power ('*is beschikkingsbevoegd*') to assign ('*titel*') the Mortgage Receivables and no restrictions on the sale and assignment of the Mortgage Receivables are in effect and the Mortgage Receivables are capable of being assigned;

(c) the Mortgage Receivables are free and clear of any encumbrances and attachments ('*beslagen*') and no option rights to acquire the Mortgage Receivables have been granted in favour of any third party with regard to the Mortgage Receivables;

(d) each Mortgage Receivable is secured by a first ranking or first and sequentially lower ranking mortgage right ('*hypotheekrecht*') on a Mortgaged Asset located in the Netherlands and is governed by Netherlands law;

(e) the mortgage deed in respect of the Mortgage Loans originated by the Seller, contains the provision that the mortgage right will partially follow, *pro rata*, the receivable upon its assignment;

(f) each Mortgaged Asset concerned was valued when application for a Mortgage Loan was made (i) by an independent qualified valuer, or (ii) in the case of Mortgage Loans of which the Outstanding Principal Amount did not at the time of application by the Borrower exceed 60 per cent. of the Foreclosure Value of the Mortgaged Asset on the basis of an assessment by the Netherlands tax authorities on the basis of the Act on Valuation of Real Property ('*Wet Waardering Onroerende Zaken*'); for property to be constructed or in construction at the time of application for a Relevant Mortgage Loan no valuation is required, unless the Mortgage Loan to be granted exceeded 107 per cent. of the purchase and construction costs of the property involved;

(g) each Mortgage Receivable, the mortgage right and the rights of pledge, if any, securing such receivable constitute legal, valid, binding and enforceable obligations of the relevant Borrower vis-à-vis the Seller;

(h) all mortgage rights and all rights of pledge securing the Mortgage Loans (i) constitute valid mortgage rights (‘*hypotheekrechten*’) and rights of pledge (‘*pandrechten*’) respectively on the Mortgaged Assets and the assets which are the subject of the rights of pledge and, to the extent relating to the mortgage rights to secure the Mortgage Receivables, have been entered into the appropriate public register (‘*Dienst van het Kadaster en de Openbare Registers*’), (ii) have first priority (‘*eerste in rang*’) or first and sequentially lower ranking priority, and (iii) were vested for a principal sum which is at least equal to the Outstanding Principal Amount when originated, increased with interest, penalties, costs and insurance premium, together up to an amount equal to 50 per cent. in respect of Mortgage Loans originated prior to 1 March 1999 or, in respect of Mortgage Loans originated after 1 March 1999 40 per cent., of such Outstanding Principal Amount, therefore in total up to an amount of not less than 150 per cent. in respect of Mortgage Loans originated prior to 1 March 1999 or, in respect of Mortgage Loans originated after 1 March 1999 140 per cent. of the Outstanding Principal Amount;

(i) each of the Mortgage Loans has been granted, and each of the mortgage rights and rights of pledge has been vested, subject to the general terms and conditions and materially in the forms of mortgage deeds as attached to the Mortgage Receivables Purchase Agreement;

(j) each of the Mortgage Loans has been granted in accordance with all applicable legal requirements prevailing at the time of origination in all material respects and, after the coming into force, the Code of Conduct on Mortgage Loans (‘*Gedragscode Hypothecaire Financieringen*’) and met in all material respects the Seller’s or, as the case may be, the relevant Originator standard underwriting criteria and procedures prevailing at that time, which do not materially differ from the criteria and procedures set forth in the Handbook Delta Lloyd Hypotheken (‘*Handboek Delta Lloyd Hypotheken*’) as attached to the Mortgage Receivables Purchase Agreement as Schedule 8;

(k) each receivable under a mortgage loan (‘*hypothecaire lening*’) which is secured by the same mortgage right is sold and assigned to the Issuer pursuant to the Mortgage Receivables Purchase Agreement;

(l) each Mortgage Loan constitutes the entire mortgage loan granted to the relevant Borrower and not merely one or more loan parts (‘*leningdelen*’);

(m) the Borrowers are not in any material breach of any provision of their Mortgage Loans, except for any arrears referred to under (o) below;

(n) each Mortgage Loan was granted by the Seller or, as the case may be, the relevant Originator and to a private individual only;

(o) as of the Closing Date or in respect of the purchase of New Mortgage Receivables, the relevant Purchase Date no amounts due and payable under any of the Mortgage Loans, were in arrears for more than one payment;

(p) each of the Mortgage Loans meets the Mortgage Loan Criteria as set forth below;

(q) the loan files relating to Mortgage Loans which are in electronic format, contain the same information and details with regard to the Mortgage Loans as the loan files relating to such Mortgage Loans which are kept in paper format;

(r) with respect to each of the Mortgage Loans secured by a mortgage right on a long lease (‘*erfpacht*’), of which the Relevant Mortgage Loan has a maturity that is shorter than the term of the long lease, it is envisaged that the long lease will be extended upon maturity and pursuant to the mortgage deed the relevant Outstanding Principal Amount, and accrued interest, will become immediately due and payable if the long lease is not extended and/or the leaseholder does not create a new mortgage right;

(s) with respect to each of the Mortgage Receivables secured by a mortgage right on a long lease (‘*erfpacht*’) provide that the relevant Outstanding Principal Amount, including interest, will become immediately due and payable if the long lease terminates as a result of a breach by the leaseholder, the leaseholder materially breaches or ceases to perform his payment obligation under the long lease ('canon') or if the leaseholder in any other manner breaches the conditions of the long lease;

(t) other than the aggregate Construction Amounts under construction mortgage loans ('*bouwhypotheken*'), all Mortgage Loans have been fully disbursed and no amounts are held in deposit with respect to premia and interest payments ('*rente- en premiedepot*');

(u) it has not granted or acquired a loan or other rights and receivables against a Borrower, which is/are secured by the mortgage right or the Borrower Pledge; and

(v) any Mortgage Loan entered into by any of the Originators, other than the Seller, is secured by mortgage rights and rights of pledge which only secure the relevant Outstanding Principal Amount, increased with interest, reimbursements and costs.

Repurchase

If at any time after the Closing Date any of the representations and warranties relating to a Mortgage Loan or a Mortgage Receivable proves to have been untrue or incorrect, the Seller shall within 30 days of receipt of written notice thereof from the Issuer remedy the matter giving rise thereto and if such matter is not capable of being remedied or is not remedied within the said period of 30 days, the Seller shall on the next succeeding Mortgage Payment Date repurchase and accept re-assignment of such Mortgage Receivable.

If the Seller agrees with a Borrower to make a Further Advance, it shall repurchase and accept re-assignment of the Mortgage Receivable on the terms and conditions set forth above on the immediately succeeding Mortgage Payment Date.

The Seller shall also undertake to repurchase and accept re-assignment of a Mortgage Receivable if it agrees with a Borrower to either (a) amend the terms of the Mortgage Loan and such amendment is not in accordance with the conditions set out in the Mortgage Receivables Purchase Agreement, which include the condition that after such amendment the Mortgage Loan continues to meet each of the Mortgage Loan Criteria (as set out below) and the representations and warranties of the Mortgage Receivables Purchase Agreement (as set out above) or (b) grant a Further Construction Loan, on the immediately succeeding Mortgage Payment Date.

The Seller shall also undertake to repurchase and accept re-assignment of a Mortgage Receivable in case a Borrower of a Mortgage Loan does not approve of the proposed amendment of the terms and conditions relating to the Investment Account and the WoonPlus Investment Account, as further described in the section *Special Considerations* above, on the immediately succeeding Mortgage Payment Date.

The Seller shall also undertake to repurchase and accept re-assignment of a Life Mortgage Receivable if it agrees with a Borrower to a Savings Switch, on the immediately succeeding Mortgage Payment Date.

All Mortgage Receivables to be purchased by the Seller shall be repurchased for a price equal to the then Outstanding Principal Amount, together with interest accrued up to but excluding such Mortgage Payment Date and reasonable costs relating thereto (including any costs incurred by the Issuer in effecting and completing such repurchase and re-assignment).

Clean-Up Call Option

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

Regulatory Call Option

On each Quarterly Payment Date the Seller has the Regulatory Call Option to repurchase the Mortgage Receivables upon the occurrence of a Regulatory Change. A 'Regulatory Change' will be a change in the Basle Capital Accord promulgated by the Basle Committee on Banking Supervision (the '**Basle Accord**') or in the international, European or Dutch regulations, rules and instructions (which includes the solvency regulation on securitisation of the Dutch Central Bank) (the '**Bank Regulations**') applicable to the Seller (including any change in the Bank Regulations enacted for purposes of implementing a change to the Basle Accord) or a change in the manner in which the Basle Accord or such Bank Regulations are interpreted or applied by the Basle Committee on Banking Supervision or by any relevant competent international, European or national body (including any relevant international, European or Dutch Central Bank or other competent regulatory or supervisory authority) which, in the opinion of the Seller, has the effect of adversely affecting the rate of return on capital of the Seller or increasing the cost or reducing the benefit to the Seller with respect to the transaction contemplated by the Notes.

Mortgage Loan Criteria

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

(i) the Mortgage Loans are in the form of:

- (a) Interest-only Mortgage Loans ('*aflossingsvrije hypotheken*');
- (b) Savings Mortgage Loans ('*spaarhypotheken*');
- (c) Investment Mortgage Loans ('*beleggingshypotheken'*);
- (d) Annuity Mortgage Loans ('*annuïteiten hypotheken*')*;*
- (e) Linear Mortgage Loans ('*lineaire hypotheken*')*;*
- (f) Life Mortgage Loans ('*levenhypotheken*') to which a Life Insurance Policy is connected with (a) a guaranteed final payment; (b) the Unit-Linked Alternative; or (c) a combination of the Unit-Linked Alternative and the Savings Alternative; and
- (g) mortgage loans which combine any of the above mentioned forms of mortgage loans;

(ii) the Borrower is not an employee of the Seller or any of the other Originators and is a resident of the Netherlands;

(iii) the interest rate of each Mortgage Loan is fixed, subject to a reset from time to time;

(iv) the Mortgaged Assets are not the subject of residential letting and are occupied by the relevant Borrower;

(v) interest payments and, to the extent applicable, principal payments with respect to each Mortgage Loan are scheduled to be made monthly or quarterly;

(vi) the Outstanding Principal Amount of each Mortgage Loan, or of all Mortgage Loans secured on the same Mortgaged Asset together, does not exceed euro 850,000 and in respect of the purchase of New Mortgage Receivables, the Outstanding Principal Amount of each Mortgage Loan, or of all Mortgage Loans secured on the same Mortgaged Asset together, is not higher than the amount of euro 850,000 as such amount is increased on a yearly basis beginning in 2005 by the annual inflation percentage as published by '*Centraal Bureau voor Statistiek*' in the first month of each calendar year;

(vii) the legal final maturity of each Mortgage Loan, does not extend beyond January 2061;

(viii) the Outstanding Principal Amount of each Mortgage Loan did not, upon origination equal to or exceed 126 per cent. of the Foreclosure Value of the Mortgaged Asset upon origination or as per a later valuation report of the Mortgaged Asset (if any);

(ix) each Mortgage Loan is secured by a first ranking mortgage right or, in case of Mortgage Loans secured on the same Mortgaged Asset, as the case may be, first and sequentially lower ranking mortgage rights;

(x) the Mortgaged Asset is located in the Netherlands for residential use by the Borrower;

(xi) in respect of each Mortgage Loan at least one (interest) payment has been received prior to the Closing Date or, in respect of New Mortgage Receivables, the relevant Purchase Date;

(xii) none of the Mortgage Loans is in arrears for more than one payment on the first day of March 2005 or, in respect of New Mortgage Receivables, the first day of the month in which the relevant Purchase Date falls;

The same criteria apply to the selection of New Mortgage Receivables.

Notification Events

If, inter alia:

(a) a default is made by the Seller in the payment on the due date of any amount due and payable by the Seller under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party and such failure is not remedied within 10 business days after notice thereof has been given by the Issuer or the Security Trustee to the Seller; or

(b) the Seller fails duly to perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party and, if such failure is capable of being remedied, such failure is not remedied within 10 business days after notice thereof has been given by the Issuer or the Security Trustee to the Seller; or

(c) any representation, warranty or statement made or deemed to be made by the Seller in the Mortgage Receivables Purchase Agreement, other than those relating to the Mortgage Loans and the Mortgage Receivables (which the Seller consequently repurchases), or under any of the Relevant 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

(d) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ('*ontbinding*') and liquidation ('*vereffening*') or legal demerger ('*juridische splitsing*') involving a substantial part of its assets; or

(e) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for the Seller becoming subject to suspension of payments or for bankruptcy, as referred to in the Bankruptcy Act ('*Faillissementswet*') or for any analogous insolvency proceedings under applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or

(f) Delta Lloyd, at any time, (i) withdraws its statement pursuant to Section 2:403 of the Netherlands Civil Code, filed with the Commercial Register of the Chamber of Commerce in Amsterdam in which it has declared that it is jointly and severally liable for any liabilities arising from legal acts ('*rechtshandelingen*') of the Seller (the '**403-Statement**') or (ii) is requested by a creditor of the Seller to make a payment pursuant to the 403-Statement as a result of non-payment by the Seller; or

(g) if (i) in the reasonable opinion of the Issuer and the Security Trustee, there is a major change in the activities of Delta Lloyd or any of its subsidiaries, or (ii) Delta Lloyd sells and transfers (or intends to sell and transfer) all or part of the shares in any of its major subsidiaries (which will include, for the avoidance of doubt, the Seller) or any of such major subsidiaries sells and transfers (or intends to sell and transfer) all (or a major part) of its assets or ceases all (or a major part) of its activities; or

(h) at any time it becomes unlawful for the Seller to perform all or a material part of its obligations under any of the Relevant Documents; or

(i) Delta Lloyd Bankengroep N.V. on a consolidated basis, during a period of any two consecutive months fails to have, on a consolidated basis, a solvency ratio at least equal to the percentage required by Guideline 4001 issued pursuant to the Wtk as set out in the Dutch Central Bank's Credit System Supervision Manual as amended from time to time ('*Handboek Wtk*') for tier 1 capital and equal to the percentage required by Guideline 4101 of the Handboek Wtk for tier 1 capital, upper tier 2 capital and lower tier 2 capital together and the actual liquidity is not greater or equal to the required liquidity under the broad liquidity test, as defined in such Guideline 4101 of the Handboek Wtk during a period of any two consecutive months; or

(j) the Dutch Central Bank has restricted Delta Lloyd Bankengroep or Delta Lloyd Bank's powers in accordance with Clause 28.3 (b) of the Wtk and within two weeks after any such events Delta Lloyd Bankengroep or Delta Lloyd Bank has not taken the necessary steps resulting in such measures being withdrawn; or

(k) the credit rating, if any, of Delta Lloyd Life's unsecured, unsubordinated and unguaranteed debt obligations falls below Prime-1 by Moody's or F1 by Fitch or any such rating is withdrawn or, as long Delta Lloyd Life's unsecured, unsubordinated and unguaranteed debt obligations are not rated by Moody's and Fitch, at any time (i) the actual solvency ratio of Delta Lloyd Life as calculated in accordance with the guidelines issued by the Dutch Central Bank (or its predecessor the Pension and Insurance Chamber) and reported to the Dutch Central Bank falls below 150 per cent. or (ii) upon the earlier of (a) 30 days and (b) the expiration of a grace period set by the Rating Agencies after the Stressed Solvency Ratio (being the actual solvency ratio taking into account certain stress factors agreed with Moody's and Fitch and which may be amended by Moody's or Fitch from time to time) of Delta Lloyd Life has fallen (y) below 125 per cent. on two consecutive Quarterly Solvency Reporting Dates (being the 16th day of the month following the end of a calendar quarter) or (z) 110 per cent. on a Quarterly Solvency Reporting Date.

then the Seller, unless the Security Trustee, after having received confirmation from Moody's and Fitch that no downgrading of the Notes will occur as a result of not giving notice as described below, instructs it otherwise, shall forthwith notify the relevant Borrowers of the Mortgage Loans and any other relevant parties indicated by the Issuer and/or the Security Trustee of the assignment of the Mortgage Receivables to the Issuer or, at its option, the Issuer shall be entitled to make such notifications itself.

Purchase of New Mortgage Receivables

The Mortgage Receivables Purchase Agreement provides that the Issuer will apply the Purchase Available Amount on any Purchase Date, to purchase any New Mortgage Receivables from the Seller if and to the extent offered by Seller. The Initial Purchase Price payable by the Issuer as consideration for any New Mortgage Receivables will be equal to the aggregate Outstanding Principal Amount on the first day of the month wherein the relevant Purchase Date falls. The Issuer will be entitled to all proceeds in respect of the New Mortgage Receivables following such assignment from (and including) the first day of the month on the relevant Purchase Date.

The purchase by the Issuer of New Mortgage Receivables will be subject to the satisfaction of all of the following conditions (the '**Purchase Conditions**') on the relevant Purchase Date:

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 Mortgage Loans, the Mortgage Receivables and the Seller in the Mortgage Receivables Purchase Agreement with respect to the New Mortgage Receivables sold and (with certain amendments to reflect that the New Mortgage Receivables are sold and may have been originated after the Closing Date);

b) no Notification Event has occurred and is continuing on the date of such completion;

c) not more than 2 per cent. of the aggregate Outstanding Principal Amount relates to Mortgage Receivables which are in arrears for a period exceeding 60 days;

d) 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;

e) the then current ratings assigned to the Notes by any of Moody's and Fitch are not adversely affected as result of the purchase of the relevant New Mortgage Receivables on any of the following (and only on such) Purchase Dates: (i) the first Purchase Date; (ii) the earlier of (x) the Purchase Date on which the balance standing to the credit of the Pre-funded Account is 50 per cent. of the balance standing to the credit of the Pre-funded Account on the Closing Date and (y) the Purchase Date falling in February 2008 and (iii) the Purchase Date on which the balance standing to the credit of the Pre-funded Account is zero;

f) in case of a drawing of the Pre-funded Account, the portfolio of Mortgage Receivables including the relevant New Mortgage Receivables purchased on such Purchase Date does not exceed the threshold value of the Moody's Portfolio Variation Test (the '**MPV Test**') of the Mortgage Receivables as determined at the most recent Purchase Date on which Moody's performed a full pool analysis on the Mortgage Receivables as set forth under (e) above;

g) Fitch will not have notified on the relevant Purchase Date the Issuer that the purchase of the relevant New Mortgage Receivables on such Purchase Date will adversely affect the then current ratings assigned to the Notes by Fitch;

h) the Purchase Available Amount is sufficient to pay the Initial Purchase Price for the relevant New Mortgage Receivables;

i) the weighted average of the LTV-ratio of all Mortgage Loans, including Mortgage Loans in respect of the New Mortgage Receivables purchased on such date, does not exceed the weighted average of the aggregate LTV-ratio at the Closing Date plus 1 per cent.. The Issuer and the Seller may agree to a higher LTV-ratio, subject to the confirmation of Moody's and Fitch that the ratings assigned to the Notes will not be adversely affected as a result thereof;

j) no drawing made under the Liquidity Facility is outstanding;

k) the aggregate Outstanding Principal Amount of all Mortgage Loans with a Construction Amount does not exceed (a) 50 per cent. of the aggregate Outstanding Principal Amount up to (and including) the Purchase Date falling in March 2007 and (b) 25 per cent. of the aggregate Outstanding Principal Amount thereafter;

l) the percentage of the aggregate Outstanding Principal Amount of all Interest-only Mortgage Loans divided by the aggregate Outstanding Principal Amount does not exceed the percentage of the aggregate Outstanding Principal Amount of all Interest-only Mortgage Loans on the Closing Date divided by the aggregate Outstanding Principal Amount on the Closing Date plus 2 per cent.;

m) the percentage of the aggregate Outstanding Principal Amount of all Life Mortgage Loans (other than the Life Mortgage Loans with the Savings Alternative) divided by the aggregate Outstanding Principal Amount does not exceed the percentage of the aggregate Outstanding Principal Amount of all Life Mortgage Loans (other than the Life Mortgage Loans with the Savings Alternative) on the Closing Date divided by the aggregate Outstanding Principal Amount on the Closing Date plus 2 per cent.;

n) the cumulative Realised Losses on the Mortgage Receivables do not exceed i) 0.4 per cent. of the aggregate Outstanding Principal Amount of all Mortgage Receivables on the Closing Date during the first 3 years after the Closing Date and ii) 0.8 per cent. of the aggregate Outstanding Principal Amount of all Mortgage Receivables on the Closing Date after 3 years after the Closing Date;

n) the New Mortgage Receivables do not result from Mortgage Loans which were originated under the name '*Woonplushypotheek*' or any Mortgage Loan having the following characteristics:

(i) the borrower opens an investment account to which own funds of the borrower are transferred;

(ii) the balance of this account may at the option of such borrower be invested in (a) certain investment funds or (b) be deposited in a savings account or (iii) a combination of option (a) and (b); and

(iii) the proceeds of the investments and the deposits in the savings account will be used by the borrower to pay (part of) such mortgage loan;

o) the balance standing to the credit of the Reserve Account is at least equal to the Reserve Account Required Amount

p) the Class E Principal Deficiency Ledger has not been debited prior to or on such Purchase Date; and

q) an amount equal to the aggregate Outstanding Principal Amount of the New Mortgage Receivables purchased on such Purchase Date less the amount of any debiting of the Pre-funded Account on such date does not, on an annual basis, exceed 20 per cent. of the aggregate Outstanding Principal Amount on the first day of the Quarterly Calculation Period wherin the relevant Purchase Date falls; The Issuer and the Seller may agree to a higher percentage, subject to the confirmation of Moody's and Fitch that the ratings assigned to the Notes will not be adversely affected as a result thereof.

ISSUER SERVICES AGREEMENT

In the Issuer Services Agreement (i) the **MPT Provider** will agree to provide mortgage payment transactions and other services to the Issuer on a day-to-day basis in relation to the Mortgage Loans and the Mortgage Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Mortgage Loans and (ii) the **Defaulted Loan Servicer** will agree to provide the implementation of arrears procedures including the enforcement of mortgage rights (see further *Mortgage Loan Underwriting and Mortgage Services* above) and to provide information on the Participation in the Savings Mortgage Loans and (iii) the **Issuer Administrator** will agree to provide certain administration, calculation and cash management services to the Issuer, including (a) the direction of amounts received by the Seller to the Issuer Collection Account and the production of monthly reports in relation thereto, (b) drawings (if any) to be made by the Issuer under the Liquidity Facility and from the Reserve Account, (c) all payments to be made by the Issuer under the Swap Agreement and under the other Relevant Documents, (d) all payments to be made by the Issuer under the Notes in accordance with the Paying Agency Agreement and the Conditions, (e) all payments to be made by the Issuer under the Sub-Participation Agreement, (f) the maintaining of all required ledgers in connection with the above and (g) all calculations to be made pursuant to the Conditions under the Notes. The Issuer Administrator will also provide the Swap Counterparty with all information necessary in order to perform its role as calculation agent under the Swap Agreement.

The MPT Provider and the Defaulted Loan Servicer will be obliged to administer the Mortgage Loans and the Mortgage Receivables at the same level of skill, care and diligence as it administers mortgage loans in its own portfolio.

The MPT Provider will, in accordance with the Issuer Services Agreement, appoint STATER as its sub-agent to carry out the activities described above upon the terms and provisions of and in accordance with the Issuer Services Agreement. STATER will accept this appointment and will commit itself, in favour of the Issuer, to carry out the activities subject to and on the terms provided in the Issuer Services Agreement. The Issuer and the Security Trustee have consented to the appointment of STATER as sub-agent.

SUB-PARTICIPATION AGREEMENT

Under the Sub-Participation Agreement the Issuer will grant to the Insurance Company a sub-participation in the Savings Mortgage Receivables and, as the case may be, the Life Mortgage Receivables with a Savings Element.

Participation

In the Sub-Participation Agreement the Insurance Company will undertake to pay:

(i) at the Closing Date or on the relevant Purchase Date in case of a purchase and assignment of new savings mortgage receivables (the '**New Savings Mortgage Receivables**') and new life mortgage receivables with a savings element (the '**New Life Mortgage Receivables with a Savings Element**'), to the Issuer an amount equal to the sum of the savings premia received by the Insurance Company with accrued interest up to the first day of the month of the Closing Date or the relevant Purchase Date (the '**Initial Participation**') in relation to each of the Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element;

(ii) on each Mortgage Payment Date an amount equal to the amount received by the Insurance Company as Savings Premium during the Mortgage Calculation Period then ended in respect of the relevant Savings Insurance Policies and Life Insurance Policies with the Savings Alternative,

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

In consideration of such payments, the Insurance Company will acquire a participation (the '**Participation**') in each of the relevant Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element, which is equal to the Initial Participation in respect of the relevant Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element increased during each Mortgage Calculation Period on the basis of the following formula (the '**Monthly Participation Increase**'):

$(P/H) \times i + S$, whereby

P = the Participation on the first day of the relevant Mortgage Calculation Period in the Savings Mortgage Receivable or the Life Mortgage Receivable with a Savings Element;

S = the amount received by the Issuer from the Insurance Company in such Mortgage Calculation Period in respect of the relevant Savings Mortgage Receivable or the relevant Life Mortgage Receivable with a Savings Element pursuant to the Sub-Participation Agreement;

i = the amount of interest, due by the Borrower on the Savings Mortgage Loan or the Life Mortgage Loan with a Savings Element and actually received by the Issuer in such Mortgage Calculation Period; and

H = the Outstanding Principal Amount on the first day of the relevant Mortgage Calculation Period.

In consideration for the undertaking of the Insurance Company described above, the Issuer will undertake to pay to the Insurance Company on each Mortgage Payment Date an amount equal to the Participation in each of the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element in respect of which amounts have been received during the relevant Mortgage Calculation Period (i) by means of repayment and prepayment under the relevant Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding any prepayment penalties and interest penalties, if any, and, furthermore, excluding amounts paid as partial prepayments on the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element, (ii) in connection with a repurchase of Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, (iii) in connection with a sale of Savings Mortgage

Receivables and Life Mortgage Receivables with a Savings Element pursuant to the Trust Deed to the extent such amounts relate to principal and (iv) as Net Proceeds on any Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element to the extent such amounts relate to principal (the '**Participation Redemption Available Amount**').

Reduction of Participation

If (i) a Borrower invokes a defence, including but not limited to a right of set-off or counterclaim against any person in respect of the relevant Savings Mortgage Receivables or the Life Mortgage Receivables with a Savings Element if, for whatever reason, the Insurance Company does not pay the insurance proceeds when due and payable, whether in full or in part, under the relevant Savings Insurance Policy or Life Insurance Policy with the Savings Alternative, or (ii) Delta Lloyd Life fails to pay any amount due by it to the Issuer pursuant to the Mortgage Receivables Purchase Agreement in respect of a Savings Mortgage Receivable or a Life Mortgage Receivable with a Savings Element, and, as a consequence thereof, the Issuer will not have received any amount outstanding prior to such event in respect of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element, the Participation of the Insurance Company in respect of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element, will be reduced by an amount equal to the amount which the Issuer has failed to so receive and the calculation of the Participation Redemption Available Amount shall be adjusted accordingly.

Enforcement Notice

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

(i) declare that the obligations of the Insurance Company under the Sub-Participation Agreement are terminated; and

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

Termination

If one or more of the Savings Mortgage Receivables or Life Mortgage Receivables with a Savings Element 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 Trust Deed, the Participation in such Savings Mortgage Receivables or Life Mortgage Receivables with a Savings Element will terminate and the Participation Redemption Available Amount in respect of the Savings Mortgage Receivables or Life Mortgage Receivables with a Savings Element will be paid by the Issuer to the Insurance Company. If so requested by the Insurance Company, the Issuer will use its best efforts to ensure that the acquirer of the Savings Mortgage Receivables or Life Mortgage Receivables with a Savings Element will enter into a Sub-Participation Agreement with the Insurance Company in a form similar to the Sub-Participation Agreement. Furthermore, the Participation shall terminate if at the close of business of any Mortgage Payment Date the Insurance Company has received the Participation in respect of the relevant Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element.

THE ISSUER

The Issuer was incorporated with limited liability under the laws of the Netherlands on 7 March 2005 under number B.V. 1311098. 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 Issuer is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34222632.

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

The Issuer has an authorised share capital of euro 90,000, of which euro 18,000 has been issued and is fully paid. All shares of the Issuer are held by Stichting Arena Holding 2005-I.

Stichting Arena Holding 2005-I is a foundation (‘*stichting*’) incorporated under the laws of the Netherlands on 25 February 2005 2005. The objects of Stichting Arena Holding 2005-I are, *inter alia*, to incorporate, acquire and to hold shares in the share capital of the Issuer and to exercise all rights attached to such shares and to dispose of and encumber such shares. The sole managing director of Stichting Arena is ATC Management B.V..

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

The sole managing director of the Issuer is ATC Management B.V..

The managing directors of ATC Management B.V. are Mr. J.H. Scholts, Mr. G.F.X.M. Nieuwenhuizen, Mr. J. Lont and Mr. A.G.M. Nagelmaker. The managing directors of ATC Management B.V. have chosen domicile at the office address of ATC Management B.V., being Frederik Roeskestraat 123, 1076 EE Amsterdam.

The financial year of the Issuer coincides with the calendar year. The first financial year will end on 31 December 2005.

Capitalization

The following table shows the capitalisation of the Issuer as of the Closing Date as adjusted to give effect to the issue of the Notes and the Initial Participation:

Share Capital

Authorised Share Capital	euro 90,000
Issued Share Capital	euro 18,000

Borrowings

Senior Class A Notes	euro 930,000,000
Mezzanine Class B Notes	euro 22,000,000
Mezzanine Class C Notes	euro 14,000,000
Mezzanine Class D Notes	euro 17,000,000
Junior Class E Notes	euro 17,000,000
Subordinated Class F Notes	euro 5,000,000
Initial Participation	euro 734,546.45
Subordinated Loan	euro 1,275,000

Auditors' Report

The following is the text of a report received by the Board of Managing Directors of the Issuer from PricewaterhouseCoopers Accountants N.V., the auditors to the Issuer:

'To the Directors of Arena 2005-I B.V.
Fred. Roeskestraat 123
1076 EE Amsterdam
the Netherlands
Amsterdam, 9 March 2005

Dear Sirs:

Following your request, we advise you as follows:

- As per the deed of incorporation, Arena 2005-I B.V. (the '**Issuer**') was incorporated on 7 March 2005 in the Netherlands under number 1311098 with an issued share capital of EUR 18,000.
- Based on representations from yourselves and our assessment of the internal and external documentation made available to us by yourselves, we confirm that the Issuer has not yet prepared any financial statements.
- Based on representations from yourselves and our assessment of the internal and external documentation made available to us by yourselves we confirm that:
    - since its incorporation, the Issuer has not traded;
    - it has not declared or paid any dividends nor made any distributions;
    - it has not been engaged in any activity, other than the activities related to its establishment and the transaction included in the Offering Circular; and
    - no income or expenses have been incurred by the Issuer, other than related to these activities and disclosed in the aforementioned Offering Circular.

Yours faithfully,

PricewaterhouseCoopers Accountants N.V.'

USE OF PROCEEDS

The net proceeds of the Notes to be issued on the Closing Date will be euro 1,005,000,000.

The net proceeds of the issue of the Notes (excluding the Subordinated Class F Notes), will be applied as follows:

(a) an amount of euro 600,000,000 will be deposited in the Pre-funded Account and will be available for the purchase of New Mortgage Receivables on any Purchase Date up to (and including) the Quarterly Payment Date immediately preceding the first Optional Redemption Date; and

(b) the remainder will be applied on the Closing Date to pay (part of) the Initial Purchase Price for the Mortgage Receivables purchased under the Mortgage Receivables Purchase Agreement.

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

An amount of euro 42,288,296.45 of the Initial Purchase Price will be withheld by the Issuer and deposited in the Construction Account. Furthermore, an amount of euro 734,546.45 will be received by the Issuer as consideration for the Participation granted to the Insurance Company in the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element. The Issuer will apply this amount towards payment of part of the Initial Purchase Price.

The proceeds of the Subordinated Loan, in the amount of euro 1,275,000, will be used by the Issuer to pay certain initial costs and expenses in connection with the issue of the Notes.

DESCRIPTION OF SECURITY

In the Parallel Debt Agreement the Issuer will irrevocably and unconditionally undertake to pay to the Security Trustee an amount equal to the aggregate amount due (*'verschuldigd'*) by the Issuer (a) to the Noteholders under the Notes, (b) as fees or other remuneration to the Directors under the Management Agreements, (c) as fees and expenses to the MPT Provider, the Defaulted Loan Servicer and the Issuer Administrator under the Issuer Services Agreement, (d) as fees and expenses to the Paying Agent and the Reference Agent under the Paying Agency Agreement, (e) to the Liquidity Facility Provider under the Liquidity Facility Agreement, (f) to the Swap Counterparty under the Swap Agreement, (g) to the Seller under the Mortgage Receivables Purchase Agreement, (h) to the Subordinated Loan Provider under the Subordinated Loan Agreement and (i) to the Insurance Company under the Sub-Participation Agreement (together the '**Secured Parties**') under or in connection with the respective Relevant Documents (the '**Parallel Debt**'). The Parallel Debt constitutes a separate and independent obligation of the Issuer and constitutes the Security Trustee's own separate and independent claim ('*eigen en zelfstandige vordering*') to receive payment of the Parallel Debt from the Issuer. Upon receipt by the Security Trustee of any amount in payment of the Parallel Debt, the payment obligations of the Issuer to the Secured Parties shall be reduced by an amount equal to the amount so received.

To the extent that the Security Trustee irrevocably and unconditionally receives any amount in payment of the Parallel Debt, the Security Trustee shall distribute such amount among the Secured Parties in accordance with the Priority of Payments upon Enforcement, save for amounts due to the Insurance Company in connection with the Participations. The amounts due to the Secured Parties, other than the Insurance Company, will be the sum of (a) amounts recovered (*'verhaald'*) by it (i) on the Mortgage Receivables and the other assets pledged under the Trustee Pledge Agreement I and the Trustee Pledge Agreement II, other than the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element, and (ii) on each of the Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element to the extent the amount exceeds the relevant Participation in the relevant Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element, (b) the amounts received in connection with the Trust Deed and penalty provided in the Mortgage Receivables Purchase Agreement insofar such penalty relates to (i) the Mortgage Receivables and the other assets pledged under the Trustee Pledge Agreement I and the Trustee Pledge Agreement II, other than the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element, and (ii) with respect to the Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element the *pro rata* part of such Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element in relation to the relevant Participation and (c) the *pro rata* part of amounts received from any of the Secured Parties, as received or recovered by any of them pursuant to the Parallel Debt Agreement (by reference to the proportion the sum of the Participations bear to the aggregate Mortgage Receivables); less (y) any amounts already paid by the Security Trustee to the Secured Parties (other than the Insurance Company) pursuant to the Parallel Debt Agreement and (z) the *pro rata* part of the costs and expenses of the Security Trustee (including, for the avoidance of doubt, any costs of, *inter alia*, Moody's and Fitch and any legal advisor, auditor or accountant appointed by the Security Trustee) (by reference to the proportion the sum of the Participations bear to the aggregate Mortgage Receivables).

The amounts due to the Insurance Company consists of, *inter alia*, (i) the amounts actually recovered ('*verhaald*') by it on the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element under the Trustee Pledge Agreement I but only to the extent such amounts do not exceed the relevant Participation in each of such Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element, (ii) amounts received in connection with the Trust Deed and in connection with the penalty as provided in the Mortgage Receivables Purchase Agreement provided that such amounts relate to the relevant Participation in the Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element and (iii) the *pro rata* part of the amounts received from any of the Secured Parties, as received or recovered by any of them pursuant to the Parallel Debt Agreement (by reference to the proportion the sum of the Participations bear to the aggregate Mortgage Receivables); less (y) any amounts already paid to the Insurance Company by the Security Trustee pursuant to the Parallel Debt Agreement and (z) the *pro rata* part of the costs and expenses of the Security Trustee (including, for the avoidance of doubt, any costs of, *inter* *alia*, Moody's and Fitch and any legal advisor, auditor or accountant appointed by the Security Trustee) (by reference to the proportion the sum of the Participations bear to the aggregate Mortgage Receivables).

The Seller shall grant a first ranking right of pledge ('*pandrecht*') (the '**Trustee Pledge Agreement I**') over the Mortgage Receivables and the Beneficiary Rights to the Security Trustee on the Closing Date and in respect of any New Mortgage Receivables the Seller undertakes to grant a first ranking right of pledge on the relevant New Mortgage Receivables and the relevant Beneficiary Rights on the relevant Purchase Date, which will secure the payment obligations of the Issuer to the Security Trustee under the Parallel Debt Agreement and any other Relevant Documents. Security in respect of the Mortgage Receivables will be given by the Seller since they will have the legal title to the Mortgage Receivables, until notification of the assignment to the Borrowers or registration of the deed of assignment has been made. After notification to the Borrowers of the assignment by the Seller to the Issuer of the Mortgage Receivables or registration of the deed of assignment (which will only be made upon the occurrence of Notification Events, see *Mortgage Receivables Purchase Agreement* above), legal title to the Mortgage Receivables will pass to the Issuer and the Trustee Pledge Agreement I will provide that the Issuer (who will be a party to such pledge agreement) will be bound by the provisions thereof in such event.

The Trustee Pledge Agreement I will also secure, *inter alia*, all liabilities of the Seller under the Mortgage Receivables Purchase Agreement, including the obligation to pay to the Security Trustee an amount equal to a penalty which is due to the Issuer if, for whatever reason, the transfer of legal ownership of Mortgage Receivables to the Issuer is not completed. The penalty will be due to the Issuer or, if a Trustee I Notification Event has occurred, to the Security Trustee (the '**Trustee Penalty**'). The Trustee Penalty is a separate and independent obligation in an amount equal to penalty due to the Issuer. The penalty will be drafted so that any detrimental effects resulting from the failure to transfer legal ownership of the Mortgage Receivables to the Issuer will, to the extent possible, be eliminated. Any amount due to the Security Trustee as Trustee Penalty will be reduced by any amount paid in respect of the penalty to the Issuer and any amount due to the Issuer in respect of the penalty will be reduced by any amount paid to the Security Trustee as Trustee Penalty. The Trustee Penalty shall rank in priority to the claim for the penalty of the Issuer.

The pledge on the Mortgage Receivables provided in the Trustee Pledge Agreement I will not be notified to the Borrowers, except in case certain notification events occur, which include the Notification Events and similar events relating to the Issuer (the '**Trustee I Notification Events**'). Prior to notification of the right of pledge to the Borrowers, the pledge on the Mortgage Receivables will be a 'silent' right of pledge ('*stil pandrecht*') within the meaning of section 3:239 of the Netherlands Civil Code. The pledge on the Beneficiary Rights will be notified to the Insurance Company and will, therefore, be a disclosed right of pledge ('*openbaar pandrecht*').

In order to secure the obligation of the Seller to transfer legal title to the Mortgage Receivables to the Issuer, the Seller will grant a second ranking right of pledge (the 'Issuer Pledge Agreement') over the Mortgage Receivables and the Beneficiary Rights to the Issuer on the Closing Dates and in respect of any New Mortgage Receivables undertakes to grant a second ranking right of pledge on the relevant New Mortgage Receivables and, if applicable, the relevant Beneficiary Rights on the relevant Purchase Date. Since a right of pledge can only be vested as security for a monetary claim, this pledge will secure the payment of the penalty by the Seller, provided in the Mortgage Receivables Purchase Agreement, as described above. This right of pledge on the Mortgage Receivables will also be a silent pledge as described above and the right of pledge on the Beneficiary Rights will also be a disclosed right of pledge, as described above.

The Issuer will also vest a right of pledge (the '**Trustee Pledge Agreement II**') in favour of the Security Trustee on the Closing Date. This right of pledge secures any and all liabilities of the Issuer to the Security Trustee resulting from or in connection with the Trust Deed and any other Relevant Documents and will be vested on all rights of the Issuer under or in connection with (i) the Mortgage Receivables Purchase Agreement, (ii) the Issuer Services Agreement, (iii) the Floating Rate GIC, (iv) the Liquidity Facility Agreement, (v) the Swap Agreement, (vi) the Sub-Participation Agreement and (vii) in respect of the Transaction Accounts. This right of pledge will be notified to the relevant obligors and will, therefore be a disclosed right of pledge ('*openbaar pandrecht*').

The security rights described above shall serve as security for the benefit of the Secured Parties, including each of the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Mezzanine Class D Noteholders, the Junior Class E Noteholders and the Subordinated Class F Noteholders, but, *inter alia*, amounts owing to the Mezzanine Class C Noteholders will rank in priority of payment after amounts owing to Senior Class A Noteholders, amounts owing to Mezzanine Class B Noteholders and amounts owing to the Mezzanine Class D Noteholders will rank in priority of payment after amounts owing 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 in priority of payment after amounts owing to the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders and the Mezzanine Class D Noteholders and amounts owing to the Subordinated Class F Noteholders will rank in priority of payment after amounts owing to the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Mezzanine Class D Noteholders and the Junior Class E Noteholders (see *Credit Structure* above).

THE SECURITY TRUSTEE

Stichting Security Trustee Arena 2005-I (the '**Security Trustee**') is a foundation ('*stichting*') incorporated under the laws of the Netherlands on 25 February 2005. The statutory seat of the Security Trustee is in Amsterdam and its registered office is at Frederik Roeskestraat 123, 1076 EE Amsterdam, the Netherlands.

The objects of the Security Trustee are (a) to act as agent and/or trustee; (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 (d) to perform any and all acts which are related, incidental or which may be conducive to the above.

The sole director of the Security Trustee is Amsterdamsch Trustee's Kantoor B.V.. The statutory seat of Amsterdamsch Trustee's Kantoor B.V. is in Amsterdam and its registered office is at Frederik Roeskestraat 123, 1076 EE Amsterdam, the Netherlands. The managing directors of Amsterdamsch Trustee's Kantoor B.V. are R.F. Govaerts and D.P. Stolp.

TERMS AND CONDITIONS OF THE NOTES

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

The issue of the euro 930,000,000 floating rate Senior Class A Mortgage-Backed Notes 2005 due 2063 (the '**Senior Class A Notes**'), the euro 22,000,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2005 due 2063 (the '**Mezzanine Class B Notes**'), the euro 14,000,000 floating rate Mezzanine Class C Mortgage-Backed Notes 2005 due 2063 (the '**Mezzanine Class C Notes**'), the euro 17,000,000 floating rate Mezzanine Class D Mortgage-Backed Notes 2005 due 2063 (the '**Mezzanine Class D Notes**'), the euro 17,000,000 floating rate Junior Class E Mortgage Backed Notes 2005 due 2063 (the '**Junior Class E Notes**') and the euro 5,000,000 floating rate Subordinated Class F Notes 2005 due 2063 (the '**Subordinated Class F Notes**', and together with the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes, the '**Notes**') was authorised by a resolution of the managing director of Arena 2005-I B.V. (the '**Issuer**') passed on 7 March 2005. The Notes are issued under a trust deed dated 14 March 2005 (the '**Trust Deed**') between the Issuer, Stichting Arena Holding 2005-I and Stichting Security Trustee Arena 2005-I (the '**Security Trustee**').

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 Trust Deed, which will include the form of the Notes and the interest coupons appertaining to the Notes (the '**Coupons**') and the forms of the Temporary Global Notes and the Permanent Global Notes, (ii) a paying agency agreement (the '**Paying Agency Agreement**') dated 14 March 2005 between the Issuer, the Security Trustee and ABN AMRO Bank N.V. as paying agent (the '**Paying Agent**') and as reference agent (the '**Reference Agent**'), (iii) an Issuer Services Agreement (the '**Issuer Services Agreement**') dated 14 March 2005 between, the Issuer, Delta Lloyd Bank N.V. as the MPT Provider and the Defaulted Loan Servicer, ATC Financial Services B.V. as the Issuer Administrator and the Security Trustee, (iv) a parallel debt agreement (the '**Parallel Debt Agreement**') dated 14 March 2005 between the Issuer, the Security Trustee and the Secured Parties, (v) a pledge agreement (the '**Trustee Pledge Agreement I**') dated 14 March 2005 between the Seller, the Security Trustee and the Issuer, (vi) a pledge agreement (the '**Issuer Pledge Agreement**') dated 14 March 2005 between the Seller and the Issuer and (vii) a pledge agreement (the '**Trustee Pledge Agreement II**') dated 14 March 2005 between the Issuer, the Security Trustee and others (jointly with the two other pledge agreements referred to under (v) and (vi) above, the '**Pledge Agreements**').

Certain words and expressions used in these Conditions are defined in a master definitions agreement (the '**Master Definitions Agreement**') dated 9 March 2005 and signed by the Issuer, the Security Trustee, the Paying Agent and certain other parties. Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions. If the terms or definitions in the Master Definitions Agreement would conflict with terms or definitions used herein, the terms and definitions of these Conditions shall prevail. As used herein, '**Class**' means either the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes or the Subordinated Class F, as the case may be.

Copies of the Trust Deed, the Paying Agency Agreement, the Parallel Debt Agreement, the Pledge Agreements and the Master Definitions Agreement are available for inspection by holders of the Notes (the '**Noteholders**') at the specified office of the Paying Agent and the present office of the Security Trustee, being at the date hereof Frederik Roeskestraat 123, 1076 EE Amsterdam, the Netherlands. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement, the Parallel Debt Agreement, the Pledge Agreements and the Master Definitions Agreement.

1. Form, Denomination and Title

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

2. Status, Relationship between the Notes and Security

(a) 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;

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

(c) The security for the obligations of the Issuer towards the Noteholders (the '**Security**') will be created pursuant to, and on the terms set out in, the Trust Deed, the Parallel Debt Agreement and the Pledge Agreements, which will create the following security rights:

   (i) a first ranking pledge by the Seller to the Security Trustee over the Mortgage Receivables and the Beneficiary Rights;

   (ii) a second ranking pledge by the Seller to the Issuer over the Mortgage Receivables and the Beneficiary Rights; and

   (iii) a first ranking pledge by the Issuer to the Security Trustee on the Issuer's rights (a) against the Seller under or in connection with the Mortgage Receivables Purchase Agreement; (b) against the MPT Provider, the Defaulted Loan Servicer and the Issuer Administrator under or in connection with the Issuer Services Agreement; (c) against the Swap Counterparty under or in connection with the Swap Agreement; (d) against the Liquidity Facility Provider under or in connection with the Liquidity Facility Agreement; (e) against the Floating Rate GIC Provider under or in connection with the Floating Rate GIC; (f) against the Insurance Company under or in connection with the Sub-Participation Agreement and (g) against the Floating Rate GIC Provider under or in connection with the Transaction Accounts;

(d) The Notes will be secured (directly and/or indirectly) by the Security. The Senior Class A Notes will rank in priority to the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes; the Mezzanine Class B Notes will rank in priority to the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes; the Mezzanine Class C Notes will rank in priority to the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes, the Mezzanine Class D Notes will rank in priority to the Junior Class E Notes and the Subordinated Class

F Notes and the Junior Class E Notes rank in priority to the Subordinated Class F Notes. The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests 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 Mezzanine Class D Notes (the '**Mezzanine 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**'), as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise). If there is a conflict of interest between any Classes of Noteholders, the Security Trustee shall have regard only to the interest of the highest ranking Class of Noteholders. In this respect the order of priority is as follows: firstly, the Senior Class A Noteholders, secondly, the Mezzanine Class B Noteholders, thirdly, the Mezzanine Class C Noteholders, fourthly, the Mezzanine Class D Noteholders, fiftly, the Junior Class E Noteholders and finally, the Subordinated Class F Noteholders. In addition, the Security Trustee shall have regard to the interests of the other Secured Parties, provided that in case of a conflict interest between the Secured Parties the priority of payments upon enforcement set forth in the Trust Deed determines which interest of which Secured Party prevails.

3. Covenants of the Issuer

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

(a) carry out any business other than as described in the Offering Circular dated 9 March 2005 relating to the issue of the Notes and as contemplated in the Relevant Documents;

(b) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness, except as contemplated in the Relevant Documents;

(c) create or promise to create any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of or grant any options or rights to any part of its assets, except as contemplated in the Relevant Documents;

(d) consolidate or merge with any other person or convey or transfer its properties or assets substantially or as an entirety to one or more persons;

(e) permit the validity or effectiveness of the Trust Deed, the Parallel Debt Agreement, the Pledge Agreements or the priority of the security created thereby or pursuant thereto to be amended, terminated, waived, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations except as contemplated in the Relevant Documents;

(f) have any employees or premises or have any subsidiary or subsidiary undertaking; or

(g) have an interest in any bank account other than the Transaction Accounts or an account in which collateral under the Swap Agreement is transferred unless all rights in relation to such account have been pledged to the Security Trustee as provided in Condition 2(c)(ii).

4. Interest

(a) Period of Accrual

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

Whenever it is necessary to compute an amount of interest in respect of any Note for any period, such interest shall be calculated on the basis of the actual days elapsed in the Floating Rate Interest Period (as defined below) divided by 360 days.

(b) Interest Periods and Payment Dates

Interest on the Notes shall be payable by reference to successive quarterly interest periods (each a '**Floating Rate Interest Period**') and will be payable quarterly in arrear in euro on the 17th day of May, August, November and February (or, if such day is not a Business Day, the next succeeding Business Day) in each year (each such day being a '**Quarterly Payment Date**'). A '**Business Day**' means a day on which banks are open for business in Amsterdam, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System ('**TARGET System**') or any successor thereto is operating credit or transfer instructions in respect of payments in euro. Each successive Floating Rate 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 Floating Rate Interest Period, which will commence on (and include) the Closing Date and will end on (but exclude) the Quarterly Payment Date falling in May 2005.

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

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

(i) for the Senior Class A Notes a margin of 0.09 per cent. per annum;

(ii) for the Mezzanine Class B Notes a margin of 0.13 per cent. per annum;

(iii) for the Mezzanine Class C Notes a margin of 0.15 per cent. per annum;

(iv) for the Mezzanine Class D Notes a margin of 0.23 per cent. per annum;

(v) for the Junior Class E Notes a margin of 0.47 per cent. per annum; and

(vi) for the Subordinated Class F Notes a margin of 0.47 per cent. per annum.

(d) Interest following the first Optional Redemption Date

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

(i) for the Senior Class A Notes, a margin of 0.25 per cent. per annum;

(ii) for the Mezzanine Class B Notes, a margin of 0.26 per cent. per annum;

(iii) for the Mezzanine Class C Notes, a margin of 0.30 per cent. per annum;

(iv) for the Mezzanine Class D Notes, a margin of 0.46 per cent. per annum;

(v) for the Junior Class E Notes, a margin of 0.94 per cent. per annum; and

(vi) for the Subordinated Class F Notes, a margin of 0.94 per cent. per annum.

(e) Euribor

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

(i) The Reference Agent will obtain for each Floating Rate Interest Period the rate equal to the amount of Euribor for three months deposits in euros. The Reference Agent shall use the Euribor rate as determined and published jointly by the European Banking Federation and ACI - The Financial Market Association and which appears for information purposes on the Telerate Page 248 (or, if not available, any other display page on any screen service maintained by any registered information vendor (including, without limitation, the Reuter Monitor Money Rate Service, the Dow Jones Telerate Service and the Bloomberg Service) for the display of the Euribor rate selected by the Reference Agent) as at or about 11.00 a.m. (Central European time) on the day that is two Business Days preceding the first day of each Floating Interest Period (each an '**Interest Determination Date**').

(ii) If, on the relevant Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking Association and ACI - The Financial Market Association, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will:

(A) request the principal euro-zone office of each of four major banks in the euro-zone interbank market (the '**Reference Banks**') to provide a quotation for the rate at which three months euro deposits are offered by it in the euro-zone interbank mark at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date to prime banks in the euro-zone interbank market in an amount that is representative for a single transaction at that time; and determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotation as is provided; and

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

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

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

The Reference Agent will, as soon as practicable after 11.00 a.m. (Central European Time) on each Interest Determination Date, determine the floating rates of interest referred to in paragraphs (c) and (d) above for each Class of Notes (the '**Floating Rates of Interest**') and calculate the amount of interest payable on each relevant Class of Notes for the following Floating Rate Interest Period (the '**Interest Amount**') by applying the relevant Floating Rates of Interest to the Principal Amount Outstanding of each Class of Notes respectively. The determination of the relevant Floating Rates of Interest and each Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.

(g) *Notification of Floating Rates of Interest and Interest Amounts*

The Reference Agent will cause the relevant Quarterly Payment Date, the relevant Floating Rates of Interest and the relevant Interest Amounts to be notified to the Issuer, the Security Trustee, the Paying Agent, the Issuer Administrator and to the holders of such Class of Notes by an advertisement in the English language in the Euronext Daily Official List ('*Officiële Prijscourant*') of Euronext Amsterdam N.V. for as long as the Notes are listed on the Official Segments of the Stock Market of Euronext Amsterdam N.V., as soon as possible after the determination. The Interest Amount, the Floating Rate of Interest and the 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 Floating Rate Interest Period.

(h) *Determination or Calculation by Security Trustee*

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

(i) *Reference Banks and Reference Agent*

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

5. Payment

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

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

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

(d) The Issuer reserves the right at any time to vary or terminate the appointment of any of the Paying Agent and to appoint additional or other paying agents provided that no paying agent located in the United States of America will be appointed and for as long as the Notes are listed on the Official Segment of the Stock Market of Euronext Amsterdam N.V. the Issuer will at all times maintain a paying agent in the Netherlands. Notice of any termination or appointment of a Paying Agent and of any changes in the specified offices of the Paying Agent will be given to the Noteholders in accordance with Condition 13.

6. Redemption and purchase

(a) *Final redemption*

Unless previously redeemed as provided below, on the Quarterly Payment Date falling in February 2063 (the '**Final Maturity Date**') the Issuer will redeem the Notes at their Principal Amount Outstanding, but in respect of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes subject to Condition 9(b).

(b) *Mandatory Redemption of the Notes other than the Subordinated Class F Notes*

Provided that no Enforcement Notice has been served in accordance with Condition 10, on each Optional Redemption Date the Issuer shall be obliged to apply the Notes Redemption Available Amount (as defined below) to redeem (or partially redeem) the Notes (other than the Subordinated Class F Notes) at their Principal Amount Outstanding on a pro rata basis in the following order,

(i) firstly, the Senior Class A Notes until fully redeemed,

(ii) secondly, the Mezzanine Class B Notes until fully redeemed,

(iii) thirdly, the Mezzanine Class C Notes until fully redeemed,

(iv) fourthly, the Mezzanine Class D Notes until fully redeemed and

(v) finally, the Junior Class E Notes until fully redeemed.

The principal amount so redeemable in respect of each relevant Note (each a '**Principal Redemption Amount**') on the relevant Quarterly Payment Date shall be the amount (if any) (rounded down to the nearest euro) of the Notes Redemption Available Amount (as applicable to each Class of Notes, other than the Subordinated Class F Notes) on the Quarterly Calculation Date relating to that Quarterly Payment Date divided by the number of Notes subject to such redemption, 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, the Principal Amount Outstanding of such Note shall be reduced accordingly.

(c) Definitions

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

(i) The '**Principal Amount Outstanding**' on any Quarterly Payment Date of any Note shall be the principal amount of that Note upon issue less the aggregate amount of all Principal Redemption Amounts in respect of that Note that have become due and payable prior to such Quarterly Payment Date.

(ii) The term **'Notes Redemption Available Amount**' shall mean on any Quarterly Calculation Date the aggregate amount received or held by the Issuer during the immediately preceding Quarterly Calculation Period:

(a) by means of repayment and prepayment in full of principal under the Mortgage Receivables from any person, but, for the avoidance of doubt, excluding prepayment penalties, if any, less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the Participation in such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element;

(b) as Net Proceeds (as defined in Condition 6(c)(iii)) on any Mortgage Receivable to the extent such proceeds relate to principal less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the Participation in such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element;

(c) in connection with a repurchase of 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 less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the Participation in such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element;

(d) in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element, the Participation in such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element;

(e) as amount to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date in accordance with the Issuer Services Agreement;

(f) as Monthly Participation Increase pursuant to the Sub-Participation Agreement;

(g) as partial prepayment in respect of Mortgage Receivables;

(h) any part of the Notes Redemption Available Amount calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards redemption of the Notes on the preceding Optional Redemption Date;

(i) as amounts received on the Issuer Collection Account from the credit balance of the Construction Account in accordance with the Mortgage Receivables Purchase Agreement; and

(j) on the first Optional Redemption Date, any credit balance of the Pre-funded Account.

(iii) The term '**Net Proceeds**' shall mean (a) the proceeds of a foreclosure on the mortgage right, (b) the proceeds of foreclosure on any other collateral securing the Mortgage Receivable, (c) the proceeds, if any, of collection of any insurance policies in connection with the Mortgage Receivable, including but not limited to any Insurance Policy and fire insurance, (d) the proceeds of any guarantees or sureties, and (e) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs.

(iv) The term '**Quarterly Calculation Date**' means, in relation to a Quarterly Payment Date, the fourth business day prior to such Quarterly Payment Date.

(v) The term '**Quarterly Calculation Period**' means a period of three consecutive months commencing on, and including the first day of each of May, August, November and February of each year, except for the first Quarterly Calculation Period which will commence on the Closing Date and end on and include the last day of April 2005.

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

(i) On each Quarterly Calculation Date, the Issuer shall determine (or cause the Issuer Administrator to determine) (x) the Principal Redemption Amount and (y) the Principal Amount Outstanding of the relevant Note on the first day of the next following Floating Rate Interest Period. Each determination by or on behalf of the Issuer of any Principal Redemption Amount or the Principal Amount Outstanding of a Note shall in each case (in the absence of manifest error) be final and binding on all persons.

(ii) The Issuer will cause each determination of a Principal Redemption Amount and Principal Amount Outstanding of Notes to be notified forthwith to the Security Trustee, the Paying Agent, the Reference Agent, Euroclear, Clearstream, Luxembourg, Euronext Amsterdam N.V. and to the holders of Notes by an advertisement in the English language in the Euronext Daily Official List ('*Officiële Prijscourant*') of Euronext Amsterdam N.V., but in any event no later than three business days prior to the relevant Quarterly Payment Date. If no Principal Redemption Amount is due to be made on the Notes on any applicable Quarterly Payment Date a notice to this effect will be given to the Noteholders in accordance with Condition 13.

(iii) If the Issuer does not at any time for any reason determine (or cause the Issuer Administrator to determine) the Principal Redemption Amount or the Principal Amount Outstanding of a Note, such Principal Redemption Amount or such Principal Amount Outstanding shall be determined by the Security Trustee in accordance with this paragraph (d) and paragraph (a) above (but based upon the information in its possession as to the Notes Redemption Available Amount) and each such determination or calculation shall be deemed to have been made by the Issuer.

(e) Optional Redemption

Unless previously redeemed in full, on the Quarterly Payment Date falling in February 2011 and on each Quarterly Payment Date thereafter (each an '**Optional Redemption Date**') the Issuer may, at its option, redeem all (but not some only) of the Notes at their Principal Amount Outstanding on such date.The Issuer shall notify the exercise of such option by giving not more than 60 nor less than 30 days written notice to the Security Trustee and the Noteholders in accordance with Conditions 13, prior to the relevant Optional Redemption Date. In the event that on such Optional Redemption Date there is a Principal Shortfall in respect of the Junior Class E Notes or the Mezzanine Class D Notes or the Mezzanine Class C Notes or the Mezzanine Class B Notes respectively, the Issuer may, at its option, subject to Condition 9(b), partially redeem all (but not some only) Junior Class E Notes or, as the case may be, the Mezzanine Class D Notes or, as the case may be, the Mezzanine Class C Notes or, as the case may be, the Mezzanine Class B Notes at their Principal Amount Outstanding less the relevant Principal Shortfall. Following such redemption the Principal Amount Outstanding of such Junior Class E Notes, or, as the case may be, such Mezzanine Class D Notes or, as the case may be, such Mezzanine Class C Notes or, as the case may be, such Mezzanine Class B Notes shall be reduced accordingly and be equal to the relevant Principal Shortfall.

(f) *Redemption of Subordinated Class F Notes*

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer shall be obliged to apply the Notes Interest Available Amount (as defined in the Master Definitions Agreement), if and to the extent that all payments ranking above item (p) in the interest priority of payments as set forth in Clause 5.3 of 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 (the first of which will fall in May 2005) until fully redeemed.

(g) *Redemption for tax reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Payment Date, at their Principal Amount Outstanding, together with interest accrued up to and including the date of redemption, if, immediately prior to giving the notice, the Issuer has satisfied the Security Trustee that:

(a) the Issuer is or will be obliged to make any withholding or deduction for, or on account of, any taxes, duties, or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any charge in, or amendment to, the application of the laws or regulations of the Netherlands or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the Closing Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; and

(b) the Issuer will have sufficient funds available on the Quarterly Calculation Date immediately preceding such Quarterly Payment Date to discharge all amounts of principal and interest due in respect of each Class of the Notes and any amounts required to be paid in priority to or pari passu with each Class of Notes in accordance with the Trust Deed. No Class of Notes may be redeemed under such circumstances unless all Classes of Notes (other than the Subordinated Class F Notes) (or such of them as are then outstanding) are also redeemed in full at the same time.

The Issuer shall notify the exercise of such option by giving not more than 60 nor less than 30 days notice to the Noteholders and the Security Trustee prior to the relevant Quarterly Payment Date.

(h) *Redemption for regulatory reasons*

The Notes may be redeemed at the option of the Issuer, in whole, but not in part, subject to Condition 9(b), on any Quarterly Payment Date, at their Principal Amount Outstanding, if the Seller exercises its option to repurchase the Mortgage Receivables upon the occurrence of:

(a) a change in the Basle Capital Accord promulgated by the Basle Committee on Banking Supervision (the "**Basle Accord**') or in the international, European or Dutch regulations, rules and instructions (which includes the solvency regulation on securitization of the Dutch Central Bank (the '**Bank Regulations**') applicable to the Seller (including any change in the Bank Regulations enacted for purposes of implementing a change to the Basle Accord) or such a change in the manner in which the Basle Accord or Bank Regulations are interpreted or applied by the Basle Committee on Banking Supervision or by any relevant competent international, European or national body (including any relevant international, European or Dutch Central Bank or other competent regulatory or supervisory authority) which, in the opinion of the Seller, has the effect of adversely affecting the rate of return on capital of the Seller or increasing the cost or reducing the benefit to the Seller with respect to the transaction contemplated by the Notes (a '**Regulatory Change**'); and

(b) the Issuer will have sufficient funds available on the Quarterly Calculation Date immediately preceding such Quarterly Payment Date to discharge all amounts of principal and interest due in respect of the Notes and any amounts required to be paid in priority or pari passu with each Class of Notes in accordance with the Trust Deed. No Class of Notes may be redeemed under such circumstances unless all Classes of Notes (other than the Subordinated Class F Notes) (or such of them as are outstanding) are also redeemed in full.

The Issuer shall notify the exercise of such option by giving not more than 60 nor less than 30 days notice to the Noteholders and the Security Trustee prior to the relevant Quarterly Payment Date.

7. Taxation

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

8. Prescription

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

9. Subordination

(a) Interest

Interest on the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes shall be payable in accordance with the provisions of Conditions 4 and 6, subject to the terms of this Condition.

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

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

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

In the event that on any Quarterly Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Junior Class E Notes on such Quarterly Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Quarterly Payment Date to the holders of the Junior Class E Notes. In the event of a shortfall, the Issuer shall credit the Junior Class E Interest Deficiency Ledger with an amount equal to the amount by which the aggregate amount of interest paid on the Junior Class E Notes on any Quarterly Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Junior Class E Notes on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Junior Class E Notes for such period, and a pro rata share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Junior Class E Note on the next succeeding Quarterly Payment Date.

In the event that on any Quarterly Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Subordinated Class F Notes on such Quarterly Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Quarterly Payment Date to the holders of the Subordinated Class F Notes. In the event of a shortfall, the Issuer shall credit the Subordinated Class F Interest Deficiency Ledger with an amount equal to the amount by which the aggregate amount of interest paid on the Subordinated Class F Notes on any Quarterly Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Subordinated Class F Notes on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Subordinated Class F Notes for such period, and a pro rata share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Subordinated Class F Note on the next succeeding Quarterly Payment Date.

(b) *Principal*

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

'**Principal Shortfall**' shall mean an amount equal to the quotient of the balance on the relevant sub-ledger of the Principal Deficiency Ledger divided by the number of the Notes of the relevant Class on such Quarterly Payment Date.

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 or (ii) the date on which the Issuer no longer holds any Mortgage Receivables and there are no balances standing to the credit of the Transaction Accounts.

(c) General

In the event that the Security in respect of the Notes and the Coupons appertaining thereto has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under the Trust Deed in priority to the relevant Class of Notes are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of such Class of Notes, the Noteholders of such Class shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

10. Events of Default

The Security Trustee at its discretion may, and, 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 Mezzanine Class D Noteholders or if no Senior Class A Notes, Mezzanine Class B Notes, Mezzanine Class C Notes and Mezzanine Class D Notes are outstanding by an Extraordinary Resolution of the Junior Class E Noteholders or if no Senior Class A Notes, Mezzanine Class B Notes, Mezzanine Class C Notes, Mezzanine Class D Notes and Junior Class E Notes are outstanding by an Extraordinary Resolution of the Subordinated Class F Noteholders (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 (b) below, only if the Security Trustee shall have certified in writing to the Issuer that such an event is, in its opinion, materially prejudicial to the Noteholders of the Relevant Class) give notice (an '**Enforcement Notice**') to the Issuer that the Notes are, and each Note shall become, immediately due and payable at their or its Principal Amount Outstanding, together with accrued interest, if any of the following shall occur:

(a) default is made 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 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 liquidation of the Issuer or for the appointment of a liquidator or receiver of the Issuer or of all or substantially all of its assets; or

(e) the Issuer makes an assignment for the benefit of, or enters into any general assignment ('akkoord') with, its creditors; or

(f) the Issuer files a petition for a suspension of payments ('surséance van betaling') or for bankruptcy ('faillissement') or has been declared bankrupt;

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

11. Enforcement

(a) 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 terms of the Trust Deed, the Pledge Agreements and the Notes, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the 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 Mezzanine 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 Mezzanine Class D Notes have been fully paid, the Junior Class E Noteholders or, if all amounts due in respect of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes have been fully paid, the Subordinated Class F Noteholders and (ii) it shall have been indemnified to its satisfaction.

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

(c) The Noteholders and the Security Trustee may not institute against, or join any person in instituting against, the Issuer any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one (1) year after the latest maturing Note is paid in full. The Noteholders accept and agree that the only remedy of the Security Trustee against the Issuer after any of the Notes have become due and payable pursuant to Condition 10 above is to enforce the Security.

12. Indemnification of the Security Trustee

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

13. Notices

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

14. Meetings of Noteholders; Modification; Consents; Waiver

(a) 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 Mezzanine 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 Relevant Documents, provided that no change of certain terms by the Noteholders of any Class including the date of maturity of the Notes of the relevant Class, or a change which would have the effect of postponing any day for payment of interest in respect of such Notes, reducing or cancelling the amount of principal payable in respect of such Notes or altering the majority required to pass an Extraordinary Resolution or any alteration of the date or priority of redemption of such Notes (any such change in respect of any such class of Notes referred to below as a '**Basic Terms Change**') shall be effective, unless such Basic Terms Change is sanctioned by an Extraordinary Resolution of the Noteholders of the relevant Class of Notes as described below, except that, if the Security Trustee is of the opinion that such a Basic Terms Change is being proposed by the Issuer as a result of, or in order to avoid an Event of Default, no such Extraordinary Resolution is required.

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

No Extraordinary Resolution to sanction a change which would have the effect of accelerating or increasing the maturity of the Senior Class A Notes, or any date for payment of interest thereon, increasing the amount of principal or the rate of interest payable in respect of the Senior Class A Notes 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 C Noteholders and/or the Mezzanine Class D Noteholders and/or the Junior Class E Noteholders and/or the Subordinated Class F Noteholders.

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

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

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

(c) 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 Mezzanine 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.

15. Replacements of Notes and Coupons

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

16. Governing Law

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

17. Additional obligations

For as long as the Notes are listed on the Official Segment of the Stock Market of Euronext Amsterdam N.V., the Issuer will comply with the provisions set forth in Article 2.1.20 Section a-g of Schedule B of the Listing and Issuing Rules ('*Fondsenreglement*') of Euronext Amsterdam N.V. or any amended form of the said provisions as in force at the date of the issue of the Notes.

THE GLOBAL NOTES

Each Class of Notes shall be initially represented by (i) in the case of the Senior Class A Notes a Temporary Global Note in bearer form, without coupons, in the principal amount of euro 930,000,000, (ii) in the case of the Mezzanine Class B Notes a Temporary Global Note in bearer form, without coupons, in the principal amount of euro 22,000,000, (iii) in the case of the Mezzanine Class C Notes a Temporary Global Note in bearer form, without coupons, in the principal amount of euro 14,000,000, (iv) in the case of the Mezzanine Class D Notes a Temporary Global Note in bearer form, without coupons, in the principal amount of euro 17,000,000, (v) in the case of the Junior Class E Notes a Temporary Global Note in bearer form, without coupons, in the principal amount of euro 17,000,000 and (vi) in the case of the Subordinated Class F Notes a Temporary Global Note in bearer form, without coupons, in the principal amount of euro 5,000,000. Each Temporary Global Note will be deposited with Société Generale Bank & Trust, Luxembourg, as common depositary on behalf of Euroclear Bank S.A./N.V., as operator of Euroclear and for Clearstream, Luxembourg on or about 14 March 2005. Upon deposit of each such Temporary Global Note, Euroclear and Clearstream, Luxembourg will credit each purchaser of Notes represented by such Temporary Global Note with the principal amount of the relevant Class of Notes equal to the principal amount thereof for which it has purchased and paid. Interests in each Temporary Global Note will be exchangeable (provided certification of non-U.S. beneficial ownership by the Noteholders has been received) not earlier than 40 days after the issue date of the Notes (the '**Exchange Date**') for interests in a permanent global note (each a '**Permanent Global Note**'), in bearer form, without coupons, in the principal amount of the Notes of the relevant Class (the expression '**Global Notes**' meaning the Temporary Global Notes of each Class and the Permanent Global Notes of each Class and the expression '**Global Note**' means any of them, as the context may require). On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant Class, the Permanent Global Note will remain deposited with the common depositary.

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

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

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

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

If after the Exchange Date (i) the Notes become immediately due and payable by reason of accelerated maturity following an Event of Default, or (ii) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Security Trustee is available, or (iii) as a result of any amendment to, or change in the laws or regulations of the Netherlands (or of any political sub-division thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after 14 March 2005, the Issuer or Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form, then the Issuer will at its sole cost and expense, issue:

(i) Senior Class A Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Senior Class A Notes;

(ii) Mezzanine Class B Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Mezzanine Class B Notes;

(iii) Mezzanine Class C Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Mezzanine Class C Notes;

(iv) Mezzanine Class D Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Mezzanine Class D Notes;

(v) Junior Class E Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Junior Class E Notes; and

(vi) Subordinated Class F Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Subordinated Class F Notes

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

TAXATION IN THE NETHERLANDS

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

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

Subject to the foregoing:

1. No registration, stamp, transfer or turnover taxes or other similar duties or taxes will be payable in the Netherlands in respect of the offering and the Issue of the Notes by the Issuer or in respect of the signing and delivery of the Documents.

2. No Netherlands withholding tax will be due on payments of principal and/or interest.

3. A holder of Notes (a '**Holder**') will not be subject to Netherlands taxes on income or capital gains in respect of the acquisition or holding of Notes or any payment under the Notes or in respect of any gain realised on the disposal or redemption of the Notes, provided that:

   (i) such Holder is neither a resident nor deemed to be a resident nor has opted to be treated as a resident in the Netherlands; and

   (ii) such Holder does not have an enterprise or an interest in an enterprise that, in whole or in part, is carried on through a permanent establishment or a permanent representative in the Netherlands and to which permanent establishment or permanent representative the Notes are attributable;

   and, if the Holder is a legal person,

   (iii) such Holder does not have a substantial interest* in the share capital of the Issuer and/or Seller(s) or in the event that such Holder does have such an interest, such interest forms part of the assets of an enterprise; and

   (iv) such Holder does not have a deemed Netherlands enterprise to which enterprise the Notes are attributable;

   and, if the Holder is a natural person,

   (v) such Holder does not derive income and/or capital gains from activities in the Netherlands other than business income (as described under 3.(ii)) to which activities the Notes are attributable; and

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

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

4. There will be no Dutch gift, estate or inheritance tax levied on the acquisition of a Note by way of gift by, or on the death of a Holder, if the Holder at the time of the gift or the death is neither a resident nor a deemed resident of the Netherlands, unless:

   (i) at the time of the gift or death, the Notes are attributable to an enterprise or part thereof, which is carried on through a permanent establishment or a permanent representative in the Netherlands; or

   (ii) the Holder dies within 180 days of making the gift, and at the time of death is a resident or deemed resident of the Netherlands.

PURCHASE AND SALE

ABN AMRO Bank N.V., acting through its London branch, The Royal Bank of Scotland plc and Delta Lloyd Securities N.V./S.A. (the '**Managers**') have pursuant to a notes purchase agreement dated 9 March 2005, among the Managers, the Issuer and the Seller (the '**Notes Purchase Agreement**'), jointly and severally agreed with the Issuer, subject to certain conditions, to purchase the Notes at their respective issue prices. The Issuer has agreed to indemnify and reimburse the Managers against certain liabilities and expenses in connection with the issue of the Notes.

United Kingdom

Each of the Managers has agreed that (i) it has not offered or sold and, prior to the expiry of the period of six months from the Closing Date, will not offer or sell any Notes to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, (ii) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 ('FSMA') with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom and (iii) it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of such Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

United States

The Notes have not been and will not be registered under the Securites Act and are subject to United State tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to US persons. Each of the Managers has agreed that it will not offer, sell or deliver the Notes within the United States or to US persons except as permitted by the relevant Notes Purchase Agreement. In addition, until 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the purchase) may violate the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act and the US Internal Revenue Code and regulations thereunder.

Belgium

None of the Notes may be offered or sold in or into Belgium except to persons or institutions, acting for their own account, described in article 3, Section 2 of the Belgian Royal Decree of 7 July 1999 relating to the public character of financial transactions or otherwise circumstances which do not constitute an offer to the public in Belgium, as defined in the laws and regulations from time to time applicable to public offers or sales of securities, including without limitation the Belgian Royal Decree of 7 July 1999 mentioned above. This offering circular has not been filed with nor approved by the Belgian Banking, Finance and Insurance Commission.

France

Each of the Managers has agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in the Republic of France and that it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in the Republic of France this Offering Circular or any amendment or supplement to it or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in the Republic of France to (i) qualified investors ('*investisseurs qualifiés'*) and/or (ii) a restricted group of investors ('*cercle restreint d´investisseurs'*), all as defined in and in accordance with Article L.411.2 of the French Code Monétaire et Financier and Decree no. 98-880 dated 1 October 1998.

In addition, each of the Managers has agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, the Offering Circular or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in the Republic of France may be made as described above.

Germany

Each of the Managers has acknowledged that the Notes are issued under the 'Euro 40,000 Exemption' pursuant to Section 2 No. 4 of the Securities Selling Prospectus Act of the Federal Republic of Germany ('*Wertpapier-Verkaufsprospektgesetz*') of December 13, 1990, as amended (the '**Securities Selling Prospectus Act'**) and that no Securities Sales Prospectus ('*Verkaufsprospekt*') has been published; in particular, the Notes may not be offered in Germany by way of public promotions. Each of the Managers represents and agrees that it has offered and sold and will offer and sell the Notes only (i) in denominations of at least euro 40,000, or (ii) for an aggregate purchase price per purchaser of at least euro 40,000 (or the foreign currency equivalent), or (iii) if the selling price for all Notes offered does not exceed euro 40,000 or such other amount as may be stipulated from time to time by applicable German law. In particular, each of the Managers undertakes not to engage in public offerings in the Federal Republic of Germany with respect to the Notes otherwise than in accordance with the Securities Selling Prospectus Act and any other act replacing for supplementing such Act, and all other applicable laws and regulations.

General

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

GENERAL INSFORMATION

1. The issue of the Notes has been authorised by a resolution of the managing director of the Issuer passed on 7 March 2005.

2. The Senior Class A Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam N.V. and will bear common code 021355755, ISINCODE XS0213557555 and Fondscode 15228.

3. The Mezzanine Class B Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam N.V. and will bear common code 021355810, ISINCODE XS0213558108 and Fondscode 15229.

4. The Mezzanine Class C Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam N.V. and will bear common code 021355852, ISINCODE XS0213558520 and Fondscode 15230.

5. The Mezzanine Class D Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam N.V. and will bear common code 021355925, ISINCODE XS0213559254 and Fondscode 15231.

6. The Junior Class E Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam N.V. and will bear common code 021356166, ISINCODE XS0213561664 and Fondscode 15232.

7. The Subordinated Class F Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam N.V. and will bear common code 021356174, ISINCODE XS0213561748 and Fondscode 15233.

8. PricewaterhouseCoopers Accountants N.V. has given and has not withdrawn its written consent to the issue of this Offering Circular with their report included herein in the form and context in which it appears.

9. There has been no material adverse change in the financial position or prospects of the Issuer since 7 March 2005.

10. Since its incorporation, the Issuer is not involved in any legal or arbitration proceedings which may have a significant effect on the Issuer's financial position nor, so far as the Issuer is aware, are any such proceedings pending or threatened against the Issuer.

11. Copies of the following documents may be inspected at the specified offices of the Security Trustee and the Paying Agent during normal business hours within a period of 14 days after the date of this document:

    (i) the Deed of Incorporation of the Issuer;

    (ii) the Mortgage Receivables Purchase Agreement;

    (iii) the Notes Purchase Agreement;

    (iv) the Paying Agency Agreement;

    (v) the Trust Deed;

    (vi) the Parallel Debt Agreement;

    (vii) the Trustee Pledge Agreement I;

    (viii) the Trustee Pledge Agreement II;

    (ix) the Issuer Pledge Agreement;

(x) the Issuer Services Agreement;

(xi) the Sub-Participation Agreement;

(xii) the Liquidity Facility Agreement;

(xiii) the Floating Rate GIC;

(xiv) the Swap Agreement;

(xv) the Master Definitions Agreement;

(xvi) the Beneficiary Waiver Agreement;

(xvii) the Subordinated Loan Agreement;

(xviii) the Management Agreement I;

(xix) the Management Agreement II; and

(xx) the Management Agreement III.

12. The articles of association of the Issuer are incorporated herein by reference. A free copy of the Issuer's articles of association is available at the registered office of the Issuer.

13. US taxes:

    The Notes will bear a legend to the following effect: 'any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Section 165(j) and 1287(a) of the Internal Revenue Code'.

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

14. The audited financial statements of the Issuer prepared annually will be made available, free of charge, at the specified offices of the Paying Agent.

INDEX OF DEFINED TERMS

REGISTERED OFFICES

ISSUER
Arena 2005-I B.V.
Frederik Roeskestraat 123
1076 EE Amsterdam
the Netherlands

SELLER
Amstelhuys N.V.
Spaklerweg 4
c/o Joan Muyskenweg 4
1096 CJ Amsterdam
the Netherlands

SECURITY TRUSTEE
Stichting Security Trustee Arena 2005-I
Frederik Roeskestraat 123
1076 EE Amsterdam
the Netherlands

MPT PROVIDER
and
DEFAULTED LOAN SERVICER
Delta Lloyd Bank N.V.
Joan Muyskenweg 4
1096 CJ Amsterdam
the Netherlands

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

PAYING AGENT
and
REFERENCE AGENT
and
LISTING AGENT
ABN AMRO Bank N.V.
Kemelstede 2
4817 ST Breda
the Netherlands

LEGAL ADVISER
NautaDutilh N.V.
Strawinskylaan 1999
1077 XV Amsterdam
The Netherlands

AUDITORS
PricewaterhouseCoopers Accountants N.V.
Prins Bernhardplein 200
1097 JB Amsterdam
the Netherlands

TAX ADVISER
KPMG Meijburg & Co.
Burg. Reijnderslaan 10
1070 DE Amsterdam
the Netherlands

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