

Collier 2005-I B.V.

(incorporated with limited liability in the Netherlands)

Euro 1,536,300,000 floating rate Senior Class A Mortgage-Backed Notes 2005 due 2093, issue price 100 per cent.
Euro 67,700,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2005 due 2093, issue price 100 per cent.
Euro 47,900,000 floating rate Junior Class C Mortgage-Backed Notes 2005 due 2093, issue price 100 per cent.
Euro 16,500,000 floating rate Subordinated Class D Notes 2005 due 2093, issue price 100 per cent.

Application has been made to list the euro 1,536,300,000 floating rate Senior Class A Mortgage-Backed Notes 2005 due 2093 (the 'Senior Class A Notes'), the euro 67,700,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2005 due 2093 (the 'Mezzanine Class B Notes'), the euro 47,900,000 floating rate Junior Class C Mortgage-Backed Notes 2005 due 2093 (the 'Junior Class C Notes'), and the euro 16,500,000 floating rate Subordinated Class D Notes 2005 due 2093 (the 'Subordinated Class D Notes', and together with the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes, the 'Notes') on Euronext by Euronext Amsterdam N.V. ('Euronext Amsterdam'). The Notes are expected to be issued on 31 May 2005.

The Notes will carry floating rates of interest, payable in arrear on each Quarterly Payment Date. The rate of interest will be three months Euribor plus, up to the Step-Up Date, a margin per annum which is for the Senior Class A Notes 0.15 per cent., for the Mezzanine Class B Notes 0.22 per cent., for the Junior Class C Notes 0.45 per cent. and for the Subordinated Class D Notes 1.75 per cent. On the Step-Up Date the margin of the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes will be reset, subject to and in accordance with the Terms and Conditions of the Notes (the 'Conditions').

The Notes will mature on the Quarterly Payment Date falling in September 2093. On each Quarterly Payment Date the Issuer will have the option to redeem all of the Notes other than the Subordinated Class D Notes, in whole but not in part, at their Principal Amount Outstanding, subject to and in accordance with the Conditions. On each Quarterly Payment Date the Notes other than the Subordinated Class D Notes will be subject to mandatory partial redemption in the circumstances set out in, and subject to and in accordance with, the Conditions. On the Step-Up Date and each Quarterly Payment Date thereafter the Subordinated Class D Notes will be subject to mandatory partial redemption in the circumstances set out in, and subject to and in accordance with, the Conditions.

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'), the Mezzanine Class B Notes, on issue, be assigned an A1 rating by Moody's, the Junior Class C Notes, on issue, be assigned an Baa2 rating by Moody's. Furthermore, it is expected that the Subordinated Class D Notes will, on issue, be assigned a Ba1 rating by Moody's. 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 secured directly by a deed of surety from Stichting Security Trustee Collier 2005-I (the 'Security Trustee'), and indirectly by a pledge over the Mortgage Receivables and the Beneficiary Rights (as defined herein) and a pledge over the assets of the Issuer. The right to payment of interest and principal on the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D 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 depository for Euroclear Bank S.A./N.V., as operator of the Euroclear System ('Euroclear') and Clearstream Banking, société anonyme ('Clearstream, Luxembourg'), on or about the issue date thereof. 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 (the expression 'Global Notes' means the Temporary Global Note of each class and the Permanent Global Note of each class and the expression 'Global Note' means each Temporary Global Note or each Permanent Global Note, as the context may require) not earlier than forty (40) days after the Closing Date 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 in bearer form as described in the Conditions.

The Notes will be solely the obligations of Collier 2005-I B.V. (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 Manager, the Pool Servicer, the Administrator, the Liquidity Facility Provider, the Insurance Companies, the Floating Rate GIC Provider, the Swap Counterparty, the Principal Paying Agent, the Paying Agent, the Reference Agent (each as defined herein), or except for certain limited obligations under the Deed of Surety (as defined below) to - *inter alia* - the holders of the Notes (the 'Noteholders') and the Security Trustee. Furthermore, none of the Seller, the Manager, the Pool Servicer, the Administrator, the Liquidity Facility Provider, the Insurance Companies, the Floating Rate GIC Provider, the Swap Counterparty, the Principal Paying Agent, the Paying Agent, the Reference Agent or any other person, in whatever capacity acting, other than the Security Trustee in respect of limited obligations under the Deed of Surety, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. None of the Seller, the Manager, the Pool Servicer, the Administrator, the Liquidity Facility Provider, the Insurance Companies, the Floating Rate GIC Provider, the Swap Counterparty, the Principal Paying Agent, the Paying Agent or the Reference Agent will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances described herein).

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

Arranger and Bookrunner

Fortis Bank

Lead Manager

Fortis Bank



Only the Issuer is responsible for the information contained in this Offering Circular except for the information for which the Seller (as defined herein) is responsible as referred to in the following paragraph. 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 is responsible, contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import 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: *Risk Weighting* in the *Summary*, *Overview of the Dutch Residential Mortgage Market*, *Fortis and Fortis Hypotheek Bank*, *Description of Mortgage Loans*, and *Mortgage Loan Underwriting and Servicing*. To the best of the Seller's knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in these paragraphs is in accordance with the facts and does not omit anything likely to affect the import of such information. The Seller accepts responsibility accordingly.

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 Seller or the Manager (as defined herein).

Neither this Offering Circular nor any part hereof constitutes 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. The distribution of this document and the offering of the Notes in certain jurisdictions may be restricted by law.

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

The Manager expressly does 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 and will not be registered under the United States Securities Act of 1933 (as amended) (the '**Securities Act**') and are subject to the United States tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to United States persons (see *Purchase and Sale* below).

In connection with the issue of the Notes, Fortis Bank (Nederland) N.V. (the '**Stabilising Manager**') or any duly appointed person acting for the Stabilising Manager may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there is 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. Such stabilising 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 thirty (30) days after the Closing Date. 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 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).

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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.

- Issuer:** Collier 2005-I B.V., incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*"), having its corporate seat in Amsterdam and registered with the Commercial Register of the Chamber of Commerce of Amsterdam, under number BV1318744 (the '**Issuer**'). The entire issued share capital of the Issuer is held by Stichting Holding Collier.
- Seller:** Fortis Hypotheek Bank N.V., formerly named ASR Bank N.V., incorporated under the laws of the Netherlands as a public company ("*naamloze vennootschap*") (the '**Seller**' or '**Fortis Hypotheek Bank**').
- Administrator:** MeesPierson Intertrust B.V., incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*").
- Pool Servicer:** Fortis Hypotheek Bank.
- Security Trustee:** Stichting Security Trustee Collier 2005-I, established under the laws of the Netherlands as a foundation ("*stichting*").
- Stichting Holding Collier:** Stichting Holding Collier 2005-I, established under the laws of the Netherlands as a foundation ("*stichting*").
- Directors:** ATC Management B.V., the sole director of (i) the Issuer and (ii) Stichting Holding Collier, and N.V. Algemeen Nederlands Trustkantoor ANT, the sole director of the Security Trustee.
- Liquidity Facility Provider:** Fortis Hypotheek Bank.
- Swap Counterparty:** Fortis Hypotheek Bank.
- Floating Rate GIC Provider:** Fortis Bank (Nederland) N.V., incorporated under the laws of the Netherlands as a public company ("*naamloze vennootschap*") ('**Fortis Bank (Nederland) N.V.**').
- Principal Paying Agent:** Banque Générale du Luxembourg S.A., incorporated under the laws of Luxembourg and established in Luxembourg (the '**Principal Paying Agent**').
- Paying Agent:** Fortis Bank (Nederland) N.V. (the '**Paying Agent**' and together with the Principal Paying Agent, the '**Paying Agents**').
- Reference Agent:** Fortis Bank nv-sa (the '**Reference Agent**').
- Insurance Companies:** Levensverzekering Maatschappij Woudsend N.V., De Verzekerings Unie Levensverzekering Maatschappij N.V., Levensverzekering Maatschappij Stad Rotterdam N.V. and N.V. Amersfoortse Algemene Verzekering Maatschappij, each incorporated under the laws of the Netherlands as a public limited company ("*naamloze vennootschap*") and their legal successors.

Notes: The euro 1,536,300,000 floating rate Senior Class A Mortgage-Backed Notes 2005 due 2093 (the '**Senior Class A Notes**'), the euro 67,700,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2005 due 2093 (the '**Mezzanine Class B Notes**'), the euro 47,900,000 floating rate Junior Class C Mortgage-Backed Notes 2005 due 2093 (the '**Junior Class C Notes**'), and the euro 16,500,000 floating rate Subordinated Class D Notes 2005 due 2093 (the '**Subordinated Class D Notes**'), and together with the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes, the '**Notes**') will be issued by the Issuer on 31 May 2005 (the '**Closing Date**') or such later date as may be agreed between the Issuer and the Manager.

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 Junior Class C Notes 100 per cent.;
- (iv) the Subordinated Class D Notes 100 per cent..

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

Status and

Ranking:

The Notes of each Class rank *pari passu* and rateably without any preference or priority among Notes of the same Class. In accordance with the Conditions, a Trust Deed dated 31 May 2005 (the '**Trust Deed**') and the Deed of Surety (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 Junior 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 and (iii) payments of principal and interest on the Subordinated 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 Junior Class C Notes. See further *Terms and Conditions of the Notes* below.

Interest:

Interest on the Notes is payable by reference to successive interest periods. Each successive interest period will commence on (and include) a Quarterly Payment Date (as defined below) and end on (but exclude) the succeeding Quarterly Payment Date (each a '**Floating Interest Period**') except for the first Floating Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date falling in September 2005. The interest will be calculated on the basis of the actual days elapsed in the Floating Interest Period divided by a year of 360 days.

Interest on the Notes will be payable quarterly in arrear in euro in respect of the Principal Amount Outstanding of each Class of Notes on the 25th day of March, June, September and December, (or, if such day is not a Business Day (as defined below), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 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, London, Brussels and Luxembourg, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement European 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 Interest Period from the Closing Date will accrue at an annual rate equal to the sum of the Euro Interbank Offered Rate ('**Euribor**') for three months deposits in euro (determined in accordance with Condition 4(e)) plus up to (and including) the Quarterly Payment Date falling in June 2010 (the '**Step-Up Date**') and in respect of the Subordinated Class D Notes up to the Final Maturity Date:

- (i) for the Senior Class A Notes a margin of 0.15 per cent. per annum;
- (ii) for the Mezzanine Class B Notes a margin of 0.22 per cent. per annum;
- (iii) for the Junior Class C Notes a margin of 0.45 per cent. per annum; and
- (iv) for the Subordinated Class D Notes a margin of 1.75 per cent. per annum.

Interest

Step-Up: If on the Step-Up Date the Notes, other than the Subordinated Class D Notes, have not been redeemed in full, the rate of interest applicable to the then Principal Amount Outstanding on the relevant Class of Notes will be equal to the sum of Euribor for three months deposits in euros, plus a margin of:

- (i) 0.50 per cent. per annum for the Senior A Notes;
- (ii) 0.90 per cent. per annum for the Mezzanine Class B Notes; and
- (iii) 2.00 per cent. per annum for the Junior Class C Notes.

Final Maturity

Date: Unless previously redeemed as provided below, the Issuer will, subject to Condition 9(b), redeem the Notes at their respective Principal Amount Outstanding on the Quarterly Payment Date falling in September 2093.

Mandatory Redemption of the Notes:

On each Quarterly Payment Date the Issuer will be obliged to apply the Notes Redemption Available Amount, if and to the extent such amount has not been applied to purchase Substitute Mortgage Receivables (see *Substitution* below), provided that the Security Trustee has not given an Enforcement Notice to the Issuer in accordance with the Conditions of the Notes, to redeem (or partially redeem) the Notes (excluding the Subordinated Class D Notes) at their respective Principal Amount Outstanding, subject to Condition 9, in the following order:

- (i) in case a Sequential Amortisation Event has occurred, which is not cured prior to such Quarterly Payment Date:
 - (a) *first*, the Senior Class A Notes, until fully redeemed;
 - (b) *second*, the Mezzanine Class B Notes, until fully redeemed;
 - (c) *third*, the Junior Class C Notes until fully redeemed;

and

- (ii) unless a Sequential Amortisation Event has occurred, which is not cured prior to such Quarterly Payment Date:
 - (a) *first*, the Senior Class A Notes by applying the aggregate Principal Redemption Amount relating to such Class of Notes;
 - (b) *second*, the Mezzanine Class B Notes by applying the aggregate Principal Redemption Amount relating to such Class of Notes; and
 - (c) *third*, the Junior Class C Notes by applying the aggregate Principal Redemption Amount relating to such Class of Notes.

The Issuer will be obliged to apply the Notes Interest Available Amount if and to the extent that all items ranking in priority to item (p) in the Interest Priority of Payment have been made in full, to redeem (or partially redeem) on a *pro rata* basis the Subordinated Class D Notes on the Step-Up Date and on each Quarterly Payment Date thereafter until the Subordinated Class D Notes are redeemed in full.

Optional Redemption of the Notes:

Unless previously redeemed in full, the Issuer will have the option to redeem all of the Notes other than the Subordinated Class D Notes in whole but not in part, on each Quarterly Payment Date at their Principal Amount Outstanding (as defined in Condition 6(c)) or, in case of a Junior Class C Principal Shortfall (as defined in Condition 6(e)) or a Mezzanine Class B Principal Shortfall (as defined in Condition 6(e)), partially redeem the Junior Class C Notes, or the Mezzanine Class B Notes, respectively, at their Principal Amount Outstanding less such Junior Class C Principal Shortfall or, Mezzanine Class B Principal Shortfall, as the case may be, on such date, all subject to and in accordance with the Conditions, in particular Conditions 6(e) and 9(b).

Redemption for tax

- reasons:** If the Issuer is or will be obliged to make any withholding or deduction for, or on account of, any taxes, duties or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any change in, or amendment to, the laws or regulations of the Netherlands (including any guidelines issued by the tax authorities) or any other jurisdiction 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, subject to Condition 9(b), 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 (or such of them as are then outstanding) are also redeemed in full at the same time.
- 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 the Principal Paying Agent for the credit of the respective accounts of the Noteholders through Euroclear and Clearstream, Luxembourg.
- 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.
- Use of proceeds:** The Issuer will use the net proceeds from the issue of the Notes, other than the Subordinated Class D Notes, to pay to the Seller (part of) the Initial Purchase Price for the Mortgage Receivables (as described below), pursuant to the provisions of an agreement dated 26 May 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 net proceeds from the issue of the Subordinated Class D Notes will be credited to the Reserve Account.
- Mortgage Receivables:** Under the Mortgage Receivables Purchase Agreement, the Issuer will on the Closing Date purchase and accept the assignment of any and all rights (the '**Mortgage Receivables**', which will include any Substitute Mortgage Receivables as defined below) of the Seller against certain borrowers (the '**Borrowers**') under or in connection with certain pre-selected Mortgage Loans (as defined below). The Mortgage Receivables relating to Life Mortgage Loans and Investment Mortgage Loans, Hybrid Mortgage Loans and, as the case may be, Savings Mortgage Loans (all as defined below), will hereinafter be referred to as the '**Life Mortgage Receivables**', the '**Investment Mortgage Receivables**' and, as the case may be, the '**Savings Mortgage Receivables**', respectively.
- Substitution:** The Mortgage Receivables Purchase Agreement will provide that the Seller will have the right, but not the obligation, to offer to the Issuer on a quarterly basis mortgage receivables (the '**Substitute Mortgage Receivables**') and, subject to the fulfilment of certain conditions, the Issuer will have the right, but not the obligation, to purchase the Substitute Mortgage Receivables so offered. The Issuer will have the right to apply towards the purchase of Substitute Mortgage Receivables (i) on each Quarterly Payment Date up to (but excluding) the Step-Up Date the Notes Redemption Available Amount (as defined in *Credit Structure* below) and, (ii) thereafter, up to the Quarterly Payment Date immediately preceding the Final Maturity Date, certain amounts received in case of a repurchase of

Mortgage Receivables by the Seller (as described in *Mortgage Receivables Purchase Agreement* below).

Repurchase of Mortgage

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

- (i) on the Mortgage Payment Date (as defined in *Credit Structure* below) immediately following the expiration of the relevant remedy period, if any of the representations and warranties given by the Seller in respect of the Mortgage Loans and the Mortgage Receivables, including the representation and warranty that the Mortgage Loans or, as the case may be, the Mortgage Receivables meets certain mortgage loan criteria, are untrue or incorrect;
- (ii) on the Mortgage Payment Date immediately following the date on which the Seller agrees with a Borrower to grant a new mortgage loan or a further advance, whether or not under the Mortgage Loan, which is only secured by the mortgage right which also secures the Mortgage Receivable (**'Further Advance'**);
- (iii) on the Mortgage Payment Date immediately following the date on which the Seller agrees with a Borrower to amend the terms of the Mortgage Loan and as a result thereof such Mortgage Loan no longer meets certain criteria set forth in the Mortgage Receivables Purchase Agreement (**'Mortgage Loan Amendment'**);
- (iv) on the Mortgage Payment Date immediately following the date on which the Seller agrees to comply with a request from the Borrower under the terms of an Investment Mortgage Loan (as defined below) to switch the premia accumulated in the relevant Savings Insurance Policy (as defined below) with any of the Insurance Companies (*'ASR Spaarhypotheek Garantie'*) into another eligible investment under the Investment Mortgage Loan (see paragraph *Investment Mortgage Loans* under *Special Considerations* below).

Regulatory Call

Option: On each Quarterly Payment Date the Seller has the option 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 in accordance with Conditions 6(h) and 9(b).

Mortgage Loans:

The Mortgage Receivables to be sold by the Seller pursuant to the Mortgage Receivables Purchase Agreement will relate to loans secured by a first-ranking mortgage right or in case of Mortgage Loans secured on the same Mortgaged Asset, 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 and the relevant Borrowers which meet criteria set forth in the Mortgage Receivables Purchase Agreement and which will be selected prior to or on the Closing Date (the **'Mortgage Loans'**). The Mortgage Loans will as of the Closing Date consist of (i) life mortgage loans ("*levenhypotheek*"), (ii) investment mortgage loans ("*beleggingshypotheek*"), (iii) savings mortgage loans ("*spaarhypotheek*"), (iv) combinations of any of these types of mortgage loans, or (v) combinations of savings mortgage loans with interest-only mortgage loans ("*aflossingsvrije hypotheek*").

Life Mortgage Loans:

A portion of the Mortgage Loans will be in the form of life mortgage loans ("*levenhypotheek*", hereinafter the **'Life Mortgage Loans'**), i.e. Mortgage Loans which have the benefit of combined risk insurance policies (i.e. a policy relating to an insurance which pays out upon the death of the insured) and capital insurance policies taken out by Borrowers with any of the Insurance Companies

in connection with a Life Mortgage Loan (the '**Life Insurance Policies**'). Life Insurance Policies are offered in several alternatives by the Insurance Companies depending on the manner in which the capital insurance element of the premium is invested by the relevant Insurance Company: in fixed income products ('*Stad Rotterdam Plan*') or in certain investment funds ('*Waerdije-Hypotheek Plan*' or '*Maximum+ Plan*'). It is possible that, after substitution, a portion of the Mortgage Loans will consist of hybrid mortgage loans ("*Maximum + Hybride Hypotheek Plan*", hereinafter '**Hybrid Mortgage Loans**'), i.e. Mortgage Loans which have the benefit of Life Insurance Policies taken out by Borrowers with any of the Insurance Companies in connection with the relevant Hybrid Mortgage Loan. Under the Life Insurance Policy relating to a Hybrid Mortgage Loan the capital element of the premium is invested in certain investment funds and/or in a savings fund. See for more detail *Special Considerations and Description of Mortgage Loans*.

**Investment
Mortgage
Loans:**

A portion of the Mortgage Loans will be in the form of investment mortgage loans ("*beleggingshypotheken*", hereinafter the '**Investment Mortgage Loans**'). These Mortgage Loans have the benefit of risk insurance policies (i.e. a policy relating to an insurance which pays out upon the death of the insured), but not capital insurance policies, taken out by Borrowers with any of the Insurance Companies (the '**Risk Insurance Policies**'). In the case of Investment Mortgage Loans the Borrower does not pay principal prior to maturity of the Mortgage Loan, but undertakes to invest, on an instalment basis, an agreed amount (i) in certain investment funds, each managed by SR-Beheer B.V., (ii) by paying premiums under a Savings Insurance Policy (see *Investment Savings Mortgage Loans* in *Savings Mortgage Loans* below) with any of the Insurance Companies ("*ASR Spaarhypotheek Garantie*"), or (iii) by placing the amounts involved in a savings account with Fortis Hypotheek Bank ("*ASR Liquide Middelen*") or (iv) at the option of the Borrower, in a combination of options (i), (ii), and/or (iii). It is the intention that the Investment Mortgage Loans will be fully or partially repaid by means of the proceeds of these investments. Borrowers may switch their investments among the investment funds and to and from the savings account with Fortis Hypotheek Bank at monthly payment dates. Switching from and to a Savings Insurance Policy can be effectuated at interest rate reset dates. The rights under these investments will be pledged to Fortis Hypotheek Bank as security for repayment of the Investment Mortgage Loan. See for more detail *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 ("*spaarhypotheken*", hereinafter '**Savings Mortgage Loans**'), which consist of Mortgage Loans entered into by the Seller and the relevant Borrowers combined with a savings insurance policy with any of the Insurance Companies ('**Savings Insurance Policy**'). A Savings Insurance Policy is a combined risk insurance policy (i.e. a policy relating to an insurance which pays out upon the death of the insured) and capital insurance policy taken out by the relevant Borrower with any of the Insurance Companies in connection with the relevant Savings Mortgage Loan or Investment Savings Mortgage Loan (as defined below) if and to the extent the Borrower has entered into a Savings Insurance Policy in connection therewith (the '**Investment Savings Mortgage Loan**', see *Investment Mortgage Loans* under *Special Considerations* below). Under the Savings Mortgage Loan and the Investment Savings Mortgage Loan no principal is paid by the Borrower prior to maturity of the Mortgage Loan. Instead, the Borrower/insured pays on a monthly basis premium, which consists of a risk element and a savings element (the '**Savings 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 or the Investment Savings Mortgage Loan, as the case may be. See for more detail *Special Considerations and Description of the Mortgage Loans*.

**Sub-
Participation
Agreement:**

On the Closing Date, the Issuer will enter into a Sub-Participation Agreement with the Insurance Companies (the '**Sub-Participation Agreement**') under which each of the Insurance Companies will acquire participations in the relevant Savings Mortgage Receivables and Investment Mortgage Receivables if and to the extent the Borrower has entered into a Savings Insurance Policy in connection therewith (the '**Investment Savings Mortgage Receivables**', see further *Investment*

Mortgage Loans under *Special Considerations* below). In the Sub-Participation Agreement the Insurance Companies will undertake to pay to the Issuer all amounts scheduled to be received as Savings Premium on the Savings Insurance Policies. In return, the Insurance Companies are entitled to receive the Participation Redemption Available Amount (as defined in *Sub-Participation Agreement* below) from the Issuer. The amount of the Participation (as defined in *Sub-Participation Agreement* below) with respect to an Investment Savings Mortgage Receivable and a Savings Mortgage Receivable, consists of (a) the initial participation at the Closing Date or, in case of substitution, the relevant Quarterly Payment Date (which is equal to the sum of all amounts due up to such date to the Insurance Companies as Savings Premium and accrued interest, being, in case of the initial participation at the Closing Date, the amount of euro 16,080,028.06), (b) increased on a monthly basis with the sum of (i) the Savings Premium due to the Insurance Companies and paid to the Issuer and (ii) a *pro rata* part, corresponding to the Participation in the relevant Investment Savings Mortgage Receivable or the relevant Savings Mortgage Receivable, of the interest due by the Borrower in respect of such Investment Savings Mortgage Receivable or Savings Mortgage Receivable. See further *Sub-Participation Agreement* below.

Construction Amount:

Pursuant to the Mortgage Conditions, the Borrowers have the right to request to withhold on deposit part of a Mortgage Loan to be paid out for the building or improvements of the Mortgaged Assets (together with accrued interest, the '**Construction Amount**'). Such amounts are deposited on an account with the Seller which is pledged to the Seller and the Borrower receives the same interest as is scheduled to be paid on the relevant Mortgage Loan. Such amount will be paid out in case certain conditions are met. The aggregate amount of the Construction Amounts as per 30 April 2005 is euro 43,834,911.08. 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.

Sale of Mortgage Receivables:

The Issuer will on any Quarterly Payment Date have the right to sell and assign the Mortgage Receivables to a third party provided that the Issuer shall apply the proceeds of such sale, to the extent relating to principal, to redeem the Notes. The purchase price of the Mortgage Receivables shall be equal to the outstanding principal amount, together with accrued interest due but unpaid, if any, of each Mortgage Receivable, except that with respect to Mortgage Receivables which are in arrear for a period exceeding ninety (90) days or in respect of which an instruction has been given to the civil-law notary to start foreclosure proceedings, the purchase price shall be at least the lesser of (i) an amount equal to the foreclosure value of the Mortgaged Assets or, if no valuation report of less than twelve (12) months old is available, the indexed foreclosure value, or (ii) the sum of the outstanding principal amount together with accrued interest due but not paid, if any, and any other amount due under the Mortgage Receivable.

Security for the Notes:

The Notes will be secured (a) directly, by a deed of surety to be entered into on the Closing Date between the Security Trustee and certain Secured Parties (as defined in *Description of Security* below) pursuant to which the Security Trustee will agree to grant a surety ("*borgtocht*") to the Secured Parties, which include the Noteholders, on a limited recourse basis (the '**Deed of Surety**'); (b) indirectly, through the Security Trustee, by a first ranking pledge by the Seller to the Security Trustee and a second ranking pledge by the Seller to the Issuer over the Mortgage Receivables and the rights of the Seller as beneficiary under the Savings Insurance Policies, the Life Insurance Policies and the Risk Insurance Policies (the '**Beneficiary Rights**'); and (c) indirectly, through the Security Trustee, by a first ranking pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Swap Agreement, the Servicing Agreement, the Liquidity Facility Agreement, the Floating Rate GIC, the Sub-Participation Agreement, and in respect of the Transaction Accounts (as referred to below). The amount payable to the Noteholders and the other Secured Parties under the Deed of Surety will be limited to the amounts available for such purpose to the Security Trustee which, broadly, will consist

of amounts recovered by the Security Trustee on the Mortgage Receivables and amounts received by the Security Trustee as creditor under the Mortgage Receivables Purchase Agreement. Payments under the Deed of Surety to the Secured Parties will be made in accordance with the Priority of Payments upon Enforcement (as defined in *Credit Structure* below). See for a more detailed description *Description of Security* below.

**Liquidity
Facility:**

On the Closing Date, the Issuer will enter into a 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 *Credit Structure* below.

**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 Euribor on the balance standing from time to time to the credit of the Master Collection Account, the Construction Account and the Reserve Account.

**Master
Collection
Account:**

The Issuer shall maintain with the Floating Rate GIC Provider an account (the '**Master Collection Account**', together with the Reserve Account and the Construction Account (as defined below), the '**Transaction Accounts**') to which all amounts of interest, prepayment penalties and principal received under the Mortgage Receivables, will be transferred by the Pool Servicer in accordance with the Servicing Agreement.

**Reserve
Account:**

The net proceeds of the Subordinated Class D Notes will be credited to an account (the '**Reserve Account**') held with the Floating Rate GIC Provider. The purpose of the Reserve Account will be to enable the Issuer to meet the Issuer's payment obligations under items (a) up to and including (I) in the Interest Priority of Payments in the event of a shortfall of the Notes Interest Available Amount on a Calculation Date. If and to the extent that the Notes Interest Available Amount on any Calculation Date exceeds the amounts required to meet items (a) up to and including (I) of the Interest Priority of Payments, such excess amount will be used to replenish the Reserve Account by crediting such amount to the Reserve Account up to the Reserve Account Target Level.

**Construction
Account**

The Issuer shall maintain with the Floating Rate GIC Provider an account (the '**Construction Account**'), to which, on the Closing Date and on each Quarterly Payment Date on which it acquires Substitute Mortgage Receivables an amount corresponding to the aggregate Construction Amounts will be credited. The Construction Account will be debited (i) for payments for the benefit of the Seller upon Construction Amounts being paid out to or on behalf of the Borrowers; and (ii) in case the Issuer has no obligation to pay any further part of the Initial Purchase Price, the Construction Account may be debited accordingly. Interest received in respect of the Construction Account will be paid to the Seller.

**Swap
Agreement:**

On the Closing Date, the Issuer will enter into a swap agreement with the Swap Counterparty (the '**Swap Agreement**') to hedge the basis risk between the rate of interest to be received by the Issuer on the Mortgage Receivables and the rate of interest payable by the Issuer on the Notes (see *Credit Structure* below).

**Servicing
Agreement:**

Under the terms of a servicing agreement to be entered into on the Closing Date (the '**Servicing Agreement**') between the Issuer, the Administrator, the Pool Servicer and the Security Trustee, (i) the Pool Servicer will agree to provide administration and management services in relation to the Mortgage Loans on a day-to-day basis, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the Mortgage Loans and the implementation of arrear procedures including, if applicable, the enforcement of mortgages (see further *Mortgage Loan*

Underwriting and Servicing below) and (ii) the 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:**

The Issuer, Stichting Holding Collier and the Security Trustee will each enter 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, Stichting Holding Collier or the Security Trustee, respectively, and to perform certain services in connection therewith.

Listing:

Application has been made for the Notes to be listed on Euronext Amsterdam.

Rating:

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, (ii) the Mezzanine Class B Notes, on issue, be assigned a rating of A1 by Moody's and (iii) the Junior Class C Notes, on issue, be assigned a rating of Baa2 by Moody's. Furthermore it is expected that the Subordinated Class D Notes will, on issue, be assigned a rating of Ba1 by Moody's.

**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 document.

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 Pool Servicer, the Administrator, the Manager, the Liquidity Facility Provider, the Insurance Companies, the Floating Rate GIC Provider, the Swap Counterparty, the Paying Agents, the Reference Agent or, except for certain limited obligations under the Deed of Surety as more fully described in *Description of Security*, the Security Trustee. Furthermore, none of the Seller, the Pool Servicer, the Administrator, the Manager, the Liquidity Facility Provider, the Insurance Companies, the Floating Rate GIC Provider, the Swap Counterparty, the Paying Agents or the Reference Agent or any other person in whatever capacity acting, other than the Security Trustee in respect of limited obligations under the Deed of Surety, 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 receipt by it of interest in respect of the balances standing to the credit of the Master Collection Account and the Reserve 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 amount 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 accept and be bound by the Conditions. The Issuer and the Paying Agents 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.

Deed of Surety

The Notes will be secured, *inter alia*, by the Deed of Surety. Under the terms of the Deed of Surety, the Security Trustee will undertake to pay to the Secured Parties (including the Noteholders), subject to the Priority of Payments upon Enforcement (as described in *Credit Structure* below), all amounts due and payable by the Issuer to the Secured Parties, including amounts due under or in connection with the Notes, if the Issuer does not perform its obligations vis-à-vis the Secured Parties, whether fully or partially. However, the payment obligations to the Secured Parties will be limited, broadly, to amounts received by the Security Trustee as creditor under the Mortgage Receivables Purchase Agreement and amounts recovered under any of the pledge agreements to which the Security Trustee is a party (as more fully described in *Description of Security* below). Given the limited recourse provisions to be contained in the Deed of Surety, it should not be regarded as credit enhancement for the Notes in economic terms. The Deed of Surety will be entered into for purely technical reasons and will be used to create a recourse claim of the Security Trustee against the Issuer, so that as a matter of Netherlands law the Mortgage Receivables can be effectively pledged to the Security Trustee by the Seller. In this respect it is noted that, in order to create such recourse claim, the Security Trustee should first pay the relevant amount to the Secured Parties. The Security Trustee will have to borrow such funds under a liquidity facility agreement to be agreed with a liquidity facility provider. In order to further secure the valid creation of the pledges in favour of the Security Trustee, the Issuer has as a separate and independent obligation, by way of parallel debt, undertaken to pay 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.

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 *Mortgage Receivables Purchase Agreement* below. Under Netherlands law the assignment of a receivable, in the manner envisaged in this transaction (see *Legislation on Requirement for Assignment* below), is only perfected if the assignment has been notified to the Borrower. Consequently, prior to such notification, legal title to the Mortgage Receivables will remain with the Seller. Notification of the assignment to a Borrower after the Seller has been declared bankrupt or has become subject to emergency

regulations will not be effective and, consequently, in such event the legal ownership to the Mortgage Receivables will not pass to the Issuer. See also *Legislation on Requirements for Assignment* below.

In order to protect the Issuer in the situation that notification of the assignment of the Mortgage Receivables can no longer be effectively made due to bankruptcy or emergency regulations involving the Seller, the Seller will grant a first-ranking 'silent' right of pledge (i.e. without notification being required) under Netherlands law to the Security Trustee and a second-ranking 'silent' right of pledge to the Issuer over the relevant Mortgage Receivables and the Issuer will grant a first-ranking 'disclosed' right of pledge 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 emergency regulations have been declared in respect of the Seller. Under Netherlands law the Issuer and the Security Trustee can, in the event of bankruptcy or emergency regulations in respect of the Seller, exercise the rights afforded by law to pledgees as if there were no bankruptcy, suspension of payments, or emergency regulations.

However, bankruptcy or emergency regulations 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 to the Seller prior to notification but after bankruptcy or emergency regulations involving the Seller having been declared, will be part of the bankrupt estate of the Seller, although the relevant pledgee has the right to receive such amounts by preference after deduction of certain costs, (ii) a mandatory 'cool-off' period of up to four months may apply in case of bankruptcy or emergency regulations 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 judge-commissioner ("*rechter-commissaris*") appointed by the court in case of bankruptcy of 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 Receivables. After assignment and/or pledge of the Mortgage Receivables to the Issuer and notification thereof to a Borrower, such Borrower will also have set-off rights vis-à-vis the Issuer, provided that the legal requirements for set-off are met, and further provided that (i) the counterclaim of the Borrower results from the same legal relationship as the relevant Mortgage Receivable, or (ii) the counterclaim of the Borrower has been originated and become due prior to the assignment and/or pledge of the Mortgage Receivables and notification thereof to the relevant Borrower.

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 Receivable and, as a consequence thereof, the Issuer does not receive the amount which it is entitled to receive in respect of such Mortgage Receivable, the Seller will pay to the Issuer an amount equal to the difference between the amount which the Issuer would have received in respect of the relevant Mortgage Receivable if no set-off had taken place and the amount actually received by the Issuer in respect of such Mortgage Receivable.

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

The Seller will also have the right to set-off any amounts owing to a Borrower against a Mortgage Receivable in respect of such Borrower. The Mortgage Receivables Purchase Agreement will provide that, prior to notification of the assignment and/or pledges, 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 and/or pledges to the Borrowers, the Seller will no longer have any set-off right against the relevant Borrowers.

Credit Mortgages

A portion of the Mortgage Receivables sold to the Issuer by the Seller will be secured by mortgage rights created under a mortgage deed in which the Borrower has given security over the Mortgaged Assets in excess of the amount of the initial Mortgage Loan. The mortgage deeds relating to such Mortgage Receivables provide that any Further Advances (see *Repurchase of Mortgage Receivables* in *Summary* above) granted by the Seller to the relevant

Borrower are secured by the same mortgage right. It is likely that such Mortgage Receivables should be regarded as "krediethypotheek" ('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 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 is has been assigned.

The Seller will undertake in the Mortgage Receivables Purchase Agreement to partially terminate the relevant mortgage rights securing Mortgage Receivables to the extent that the mortgage right secures debts other than the relevant Mortgage Receivables granted by the Seller to the relevant Borrowers by giving notice of such partial termination to the relevant Borrowers at the same time that the Borrowers will be notified of the assignment (see *Transfer of Legal Title to Mortgage Receivables* above). As a consequence of such partial termination the mortgage right would only secure the Mortgage Receivable assigned to the Issuer and would, in effect, cease to be a Credit Mortgage. Although there is no case law directly to support this view, the Issuer has been advised that there are no reasons why the mortgage right will not follow the Mortgage Receivable upon its assignment if the credit mortgage character is removed through partial termination prior to transfer of legal title to the Mortgage Receivables to the Issuer.

The relevant statutory provisions only address termination in general, and legal commentators, although accepting the right of partial termination, do not specifically discuss partial termination of mortgage rights in the manner described above. It is therefore unclear whether such a partial termination complies with the relevant statutory requirements. Based upon a reasonable interpretation of the statutory provisions and the views expressed by legal commentators, there are strong reasons for arguing that the Seller can effectively terminate the mortgage rights as described above.

Under Netherlands law a mortgage right can be terminated by the mortgage holder provided that upon creation of the mortgage right the mortgage holder was granted such right by the mortgage deed. The terms of the mortgage deeds relating to the Mortgage Loans provide for a termination right in general and not specifically for a partial termination right. However, the Issuer has been advised that even in the latter case there are strong arguments for arguing that, based upon a reasonable interpretation of the termination provisions, it should include a partial termination right.

Should the Seller be declared bankrupt or become subject to emergency regulations, its undertaking to give a notice of partial termination is no longer enforceable and a notice of partial termination received after such date by a Borrower will not be effective. In such a situation the legal transfer of the relevant Mortgage Receivables can no longer be effected, although the Issuer and the Security Trustee will remain pledgees of such Mortgage Receivables (see *Transfer of Legal Title to Mortgage Receivables* above). However, the fact that notice can no longer be given means that it is uncertain whether the Issuer and the Security Trustee will have the benefit of a mortgage right securing such Mortgage Receivables and, if a Borrower will fail to comply with its obligations under the Mortgage Loan, whether the Issuer or the Security Trustee (as the case may be) would be in a position to foreclose the mortgage right as pledgee of the Mortgage Receivables. If not, the assistance of the Seller's administrator (in case of emergency regulations) or bankruptcy trustee (in case of bankruptcy) would be required to effect a foreclosure which would, in whole or in part, be for the benefit of the pledgees. It is uncertain whether such assistance will be forthcoming. A similar situation could arise if the Seller becomes subject to emergency regulations or is declared bankrupt after notice of partial termination is given and the courts would come to the conclusion, notwithstanding the arguments against such an interpretation, that a Credit Mortgage cannot be converted by way of partial termination into a mortgage right which only secures the Mortgage Receivables or, following such conversion, does not follow the Mortgage Receivables upon their pledge or assignment. Consequently, the Issuer would not have the benefit of the mortgage right securing such Mortgage Receivables and would have to rely on the assistance of the Seller's administrator or bankruptcy trustee to foreclose the mortgage right.

Legislation on Requirements for Assignment

As per 1 October 2004 the legal requirements for the assignment of receivables have been amended in such a manner that the assignment can also be effectuated by means of a notarial or registered deed of assignment, without notification of the assignment to the debtors being required. Pursuant to this amendment, the Seller can assign the Mortgage Receivables, and transfer legal ownership, to the Issuer by the mere registration of the deed of assignment and would not be restricted to completing the assignment by notification in case of the occurrence of Notification Events. The partial termination structure set out under Credit Mortgages above is, however, only effective if the partial termination is effectuated prior to the assignment being completed, whether by means of notification or registration. Consequently, due to the partial termination structure in case of Credit Mortgages securing the Mortgage Receivables,

registration of the deed of assignment prior to the occurrence of the Notification Events and the consequent partial termination of the Credit Mortgages may not be in the best interest of the Issuer. However, pursuant to the Mortgage Receivables Purchase Agreement the Issuer will have the right to register the deed of assignment at any time. The Issuer will undertake in the Trust Deed not to exercise such right except with the prior written approval of the Security Trustee and subject to the confirmation of Moody's that it will not adversely affect the then current ratings assigned to the Notes.

Insurance Policies

The Life Mortgage Loans have the benefit of Life Insurance Policies, the Investment Mortgage Loans have the benefit of Risk Insurance Policies and, if applicable, Savings Insurance Policies and the Savings Mortgage Loans have the benefit of Savings Insurance Policies (the Life Insurance Policies, the Risk Insurance Policies and the Savings Insurance Policies, together the '**Insurance Policies**'). This paragraph describes certain legal issues relating to the effects of the assignment of the Life Mortgage Loans, the Investment Savings Mortgage Loans and the Savings Mortgage Loans on the Insurance Policies. Investors should be aware that it is possible that (i) the Issuer will not benefit from the Insurance Policies and/or (ii) the Issuer may not be able to collect the Mortgage Receivable, whether in part or in full, from the Borrower in case the relevant Insurance Company defaults in its obligations under the Insurance Policy as further described in this paragraph. As a consequence thereof the Issuer may not have a claim on the Borrower and the rights of the Security Trustee will be similarly affected.

Pledge

All rights of a Borrower under the Insurance Policies have been pledged to the Seller (the '**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 a pledge will be effective. Even if the pledge on the rights under the Insurance Policies was effective, it would be uncertain whether such right of pledge would pass to the Issuer or, as the case may be, the Security Trustee upon the assignment or pledge of the Mortgage Receivables, if the pledge secures the same liabilities as the Credit Mortgages. The observations on partial termination made in *Credit Mortgages* above apply equally to such right of pledge, except for the pledge of Savings Insurance Policies entered into in connection with Investment Mortgage Loans in which case no termination right is stipulated by the Seller. This means that in such case no partial termination is possible so that it is uncertain whether the right of pledge will follow in case of assignment and/or pledge of an Investment Mortgage Loan.

Appointment of Beneficiary

Furthermore, the Seller has been appointed as beneficiary under the Insurance Policies up to the amount owed by the Borrower under the mortgage deed or, in the case of mortgage deeds containing a Credit Mortgage, for all amounts which the Borrower owes under the mortgage deed and/or under any further advances granted to the Borrower (the '**Beneficiary Rights**'), except that in many cases another beneficiary has been appointed who will rank ahead of the Seller, provided that the relevant Insurance Company is irrevocably authorised by such beneficiary to pay the insurance proceeds to the Seller (the '**Borrower Insurance Proceeds Instruction**'). It is unlikely that the Beneficiary Rights will follow the Mortgage Receivables upon assignment or pledge thereof to the Issuer or the Security Trustee, but on the basis of the wording of the mortgage documentation it can be argued that the Issuer will upon notification of the assignment become beneficiary under the Insurance Policies. The Beneficiary Rights will be pledged to the Security Trustee and the Issuer (see section *Description of Security* below), but it is uncertain whether this pledge will be effective.

For the event that the Issuer does not become beneficiary of the Insurance Policies and the pledge of the Beneficiary Rights is not effective, the Issuer and the Security Trustee will enter into a beneficiary waiver agreement (the '**Beneficiary Waiver Agreement**') with the Seller and the Insurance Companies under which the Seller, subject to the condition precedent of the occurrence of (a) a Notification Event or (b) upon the registration of the deed of assignment relating to the Mortgage Receivables and, if applicable, any Substitute Mortgage Receivables (see *Mortgage Receivables Purchase Agreement* below), waives its rights as beneficiary under the Insurance Policies and appoints as first beneficiary (i) the Issuer subject to the dissolving condition of the occurrence of a Notification Event relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Notification Event relating to the Issuer. It is, however, uncertain whether such waiver and appointment will be effective. In view hereof the Seller and the Insurance Companies will undertake following a Notification Event, to use their best efforts to appoint the Issuer or the Security Trustee, as the case may be, as first beneficiary under the Insurance Policies. For the event that a Borrower Insurance Proceeds Instruction has been given, the Seller and the Insurance Companies will in the Beneficiary Waiver Agreement undertake, following a Notification Event to use their best efforts to withdraw the

Borrower Insurance Proceeds Instruction in favour of the Seller and to issue the Borrower Insurance Proceeds Instruction in favour of (i) the Issuer subject to the dissolving condition of the occurrence of a Notification Event relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Notification Event relating to the Issuer. It should be noted that the above requires agreement of all or part of the parties involved. It is uncertain whether such co-operation will be forthcoming.

If the Issuer or the Security Trustee, as the case may be, has not become beneficiary of the Insurance Policies and the pledge and the waiver of the Beneficiary Rights are not effective, any proceeds under the Insurance Policies will be payable to the Seller or to another beneficiary, instead of the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the Seller, it will be obliged to pay the amount involved to the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the Seller and the Seller does not pay the amount involved to the Issuer or the Security Trustee, as the case may be, e.g. in the case of bankruptcy of the Seller, or if the proceeds are paid to another beneficiary instead of the Issuer or the Security Trustee, as the case may be, this may result in the amount paid under the Insurance Policies not being applied in reduction of the Mortgage Receivable. This may lead to the Borrower invoking set-off or defences against the Issuer or the Security Trustee, as the case may be, for the amounts so received by the Seller or another beneficiary, as the case may be.

Insolvency of Insurance Companies

If any of the Insurance Companies is no longer 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 the amounts payable under the Insurance Policies not or only partly being available for application in reduction of the relevant Mortgage Receivables. This may lead to the Borrowers trying to invoke set-off rights and defences as further discussed under *Set-off or defences* below.

Set-off or defences

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

As set out (in *Set-off* above) the Borrowers have waived their set-off rights, but it is uncertain whether such waiver is effective. If the waiver is not effective, the Borrowers will in order to invoke a right of set-off, need to comply with the applicable legal requirements. One of these requirements is that the Borrower should have a claim, which corresponds to his debt to the same counterparty. The Insurance Policies are contracts between the relevant Insurance Company and the Borrowers and the Mortgage Loans are contracts between the Seller and the Borrowers. Therefore, in order to invoke a right of set-off the Borrowers would have to establish that the Seller and the Insurance Companies should be regarded as one legal entity or, possibly, based upon interpretation of case law, that set-off is allowed, even if the Seller and the Insurance Companies are not considered as one legal entity, since the Insurance Policies and the Mortgage Loans might be regarded as one interrelated relationship. Furthermore, the Borrowers should have a counterclaim. If the relevant 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. However, apart from the right to terminate the Insurance Policies, the Borrowers are also likely to have the right to rescind the Insurance Policies and to claim restitution of premiums paid and/or supplementary damages. It is uncertain whether such claim is subject to the Borrower Insurance Pledge. If not, the Borrower Insurance Pledge would not obstruct a right of set-off with such claim by a Borrower.

Even if the Borrowers cannot invoke a right of set-off, they may invoke defences vis-à-vis the Seller, the Issuer and/or the Security Trustee. The Borrowers 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 Receivable 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 rescission 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 Loans 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 Receivable to the extent that he has failed to receive the proceeds of the Insurance Policy.

Life Mortgage Loans

In respect of Life Mortgage Loans the Issuer has been advised that, in view of the factual circumstances involved, the possibility cannot be disregarded that the courts will honour set-off or defences by Borrowers, as described above, if in case of bankruptcy or emergency regulations of any of the Insurance Companies the Borrowers/insured will not be able to recover their claims under their Life Insurance Policies. In respect of Life Mortgage Loans in the form of Hybrid Mortgage Loans, 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 the other forms of Life Mortgage Loans, since under Life Insurance Policies connected to Hybrid Mortgage Loans (part of) the premium can be invested in a savings fund and in such manner a Savings Insurance Policy is "imitated". For the risk of set-off or defences involved in Savings Mortgage Loans reference is made to the following paragraph.

Savings Mortgage Loans and Investment Savings Mortgage Loans

In respect of Savings Mortgage Loans and Investment Savings Mortgage Loans the Issuer has been advised that there is definitely a risk ("*bepaald een risico*") that such a set-off or defence would be successful in view - *inter alia* - of the close connection between the Investment Savings Mortgage Loans and the Savings Mortgage Loans on the one hand and the Savings Insurance Policy on the other hand and the wording of the mortgage documentation used by the Seller. The Sub-Participation Agreement will provide that in case of set-off or defences by Borrowers, including but not limited to a right of set-off or defence based upon a default in the performance by the relevant Insurance Company of its obligations under the relevant Savings Insurance Policy, and, as a consequence thereof, the Issuer will not have received any amount due and outstanding, the relevant Participation of the relevant 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 Premia received by the Issuer plus the accrued yield on such amount (see *Sub-Participation Agreement* below), provided that each Insurance Company will have paid all amounts due under the Sub-Participation Agreement to the Issuer. Therefore, normally the Issuer would not suffer any damages if the Borrower would invoke any such right of set-off or defence, if and to the extent that the amount for which the Borrower would invoke set-off or defences 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. The above applies equally in respect of Investment Savings Mortgage Loans.

Investment Mortgage Loans

Under the Investment Mortgage Loans the Borrower does not pay principal prior to maturity of the Mortgage Loan. Instead the Borrowers undertake to invest agreed amounts (i) in certain investment funds, or (ii) by paying premium under a Savings Insurance Policy with any of the Insurance Companies, or (iii) by placing the amounts involved on a savings account with Fortis Hypotheek Bank or (iv) at the option of the Borrower in a combination of (i), (ii) and (iii). Certain issues relating to Risk Insurance Policies and Savings Insurance Policies entered into in connection with Investment Mortgage Loans are discussed in *Insurance Policies* above.

Pledge

All rights of a Borrower in connection with (i) his Investment Account (as defined below) and (ii) his Savings Account (as defined below) have been pledged to the Seller in order to secure the same liabilities as the relevant Mortgage. To the extent the mortgage rights constitute Credit Mortgages, these pledges should be regarded as credit pledges. The observations made above in relation to Credit Mortgages apply equally here.

Investment Accounts

Under the Investment Mortgage Loans the investments in investment funds are effected by the Borrowers paying certain agreed amounts to Stichting ASR Beleggersgiro, which are applied by Stichting ASR Beleggersgiro to acquire participations in certain selected investment funds in accordance with the instructions of the Borrower. The investment funds are managed by SR-Beheer B.V.. The participations that are purchased are credited to the investment accounts of the relevant Borrowers, such accounts being administered by Stichting ASR Beleggersgiro (the '**Investment Accounts**'). It is the intention that the Mortgage Receivables will be fully or partially repaid with the proceeds of the investments. In this structure the Borrowers have a claim on Stichting ASR Beleggersgiro for the value of the investments. The Issuer has been informed by the Seller that Stichting ASR Beleggersgiro is a bankruptcy-remote entity. The object of Stichting ASR Beleggersgiro is to hold participations in investment funds for custody purposes and, when it acts in accordance with its object, its obligations vis-à-vis holders of Investment Accounts should be equal to the value of the corresponding participations of Stichting ASR Beleggersgiro in the investment funds. Should Stichting ASR Beleggersgiro not be able to meet its obligations towards the Borrowers, this could lead to set-off or

defences by Borrowers similar to those described under *Insurance Policies* above, except for the set-off or defences described in *Appointment of Beneficiary* in respect of the situation of the Seller being insolvent.

Savings Account

Under the Investment Mortgage Loans the Borrowers may transfer certain amounts to a savings account held with Fortis Hypotheek Bank (a '**Savings Account**'). If Fortis Hypotheek 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 Receivable. This may lead to the Borrowers trying to invoke set-off rights or defences against the Issuer on similar grounds as discussed under *Set-off or defences* in *Insurance Policies* above. However, the Issuer has been advised that the risk of such set-off being successful is considerably greater than in case of the Insurance Policies, since Fortis Hypotheek Bank and the Seller are the same legal entity, whereas in the case of the Insurance Policies Borrowers would have to establish that the Seller and the Insurance Companies are one and the same legal entity or, possibly, that set-off is allowed since the Insurance Policies and the Mortgage Loans may be regarded as one inter-related relationship. The Issuer has been informed by the Seller that the option for the Borrower to invest amounts by depositing them on a Savings Account with Fortis Hypotheek Bank was created to avoid fluctuations in the value of investments close to maturity of the Mortgage Loan and that, due to the unfavorable tax treatment of this product and the fee which is due in case Borrowers would switch investments to a Savings Account, the Seller expects that only minimal amounts will be deposited on such Savings Accounts, except where the Investment Mortgage Loans are close to maturity.

Reduced value of investments

If the value of the investments made under the Investment-based Mortgage Loans has reduced considerably, a Borrower may invoke set-off or defences against the Issuer arguing that he has not been properly informed of the risks involved in the investments. The merits of any such claim will, to a large extent, depend on the manner in which the Investment-based 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 by one of the Insurance Companies in connection with the Life Insurance Policies.

Long lease

The mortgage rights securing the Mortgage Loans may be vested on a long lease ("*erfpacht*"), as further described in *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 such event the Mortgage Loan shall have a maturity that is shorter than the term of the long lease. Furthermore, 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 from that date certain European third countries applied equivalent measures in accordance with

agreements entered into with the European Community, and agreements or other arrangements for information exchange or withholding tax were in place with certain dependent or associated territories. 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.

On 12 April 2005 the Council declared that it was convinced that all measures would be in place for the Directive to be implemented as planned as from 1 July 2005. However it is still not certain that the provisions of the Directive will come into force as from that date. The Council agreed to take stock of the situation again on 7 June 2005.

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.

If the Directive is implemented in accordance with its terms, 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. The same may apply, *mutatis mutandis*, for an individual Holder of Notes who is resident in one of the above-mentioned dependent or associated territories, depending on the final form of the applicable agreements or arrangements.

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 or affiliates to avoid the relevant Tax Event.

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

Regulatory Call Option

In case the Seller exercises 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(h).

Subordination of the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D 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 Junior Class C Notes are subordinated in right of payment to the Senior Class A Notes and the Mezzanine Class B Notes and (d) the Subordinated Class D Notes are subordinated in right of payment to the

Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C 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 Borrowers and after exercise by the Pool Servicer of all available remedies in respect of the applicable Mortgage Loans, the Issuer does not receive the full amount due from such Borrowers, Noteholders may receive by way of principal repayment on the Notes an amount less than the face amount of their Notes and the Issuer may be unable to pay in full interest due on 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.

Payments on the Mortgage Loans

Payments on the Mortgage Loans are subject to credit, liquidity and interest rate risks. This may be due 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.

Construction Amounts

Pursuant to the Mortgage Conditions, the Borrowers have the right to request to withhold on deposit the Construction Amount to be paid out in the event that certain conditions are met. The aggregate amount of the Construction Amounts as per 30 April 2005 is euro 43,834,911.08. 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 Interest 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.

If upon expiry of the period wherein a Construction Amount has to be paid by the Seller to the Borrower pursuant the relevant Mortgage Conditions a Construction Amount remains, the Seller shall set off such Construction Amount against the Mortgage Loan to which the Mortgage Receivables relate up to the amount thereof, in which case the Issuer shall have no further obligation towards the Seller to pay any remaining part of the Initial Purchase Price relating to that Mortgage Receivable. Upon the occurrence of the Assignment Notification Event set forth under (c), (d) and (e) of Clause 11.1, the Issuer shall have no further obligation to the Seller to pay the 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.

Effectiveness of assignment of and pledge over the part of the Mortgage Receivables relating to Construction Amounts

Under Netherlands law the distinction between "existing" ("*bestaande*") receivables and "future" ("*toekomstige*") receivables is relevant. If receivables are 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 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 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 subject to emergency regulations suspension of payments. In such a situation the Issuer will have no further obligation to pay out to the Seller the remaining part of the Initial Purchase Price.

Risks of Losses associated with declining values of Mortgaged Assets

The security for the Notes created under the Deed of Surety, and (indirect) 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 the relevant security rights on the Mortgaged Assets are required to be enforced.

Maturity Risk

The ability of the Issuer to redeem all the Notes on each Quarterly Payment 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 (as defined in Condition 10) may depend upon whether the value of the Mortgage Receivables is sufficient to redeem the Notes.

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) Fortis Hypotheek Bank in its capacity of Seller, Pool Servicer, Liquidity Facility Provider and as Swap Counterparty, will not meet its obligations vis-à-vis the Issuer, (b) MeesPierson Intertrust B.V., as Administrator, will not perform its obligations under the Servicing Agreement, (c) Fortis Bank (Nederland) N.V., as Floating Rate GIC Provider and Paying Agent, will not perform its obligations under, respectively, the Floating Rate GIC and the Paying Agency Agreement, (d) Banque Générale du Luxembourg S.A. as Principal Paying Agent will not perform its obligations under the Paying Agency Agreement and (e) Fortis Bank nv-sa as Reference Agent will not perform its obligations under the Paying Agency Agreement, and (e) ATC Management B.V. and N.V. Algemeen Nederlands Trustkantoor ANT as Directors will not perform their obligations under the relevant Management Agreement.

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, assessments or charges of whatever nature are imposed by or on behalf of the Netherlands, any authority therein or thereof having power to tax, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to the Noteholders.

Forecasts and Estimates

Forecasts and estimates in this Offering Circular are forward looking statements. Such projections are speculative in nature and it can be expected that some or all of the assumptions underlying the projections will not prove to be correct or will vary from actual results. Consequently, the actual result might differ from the projections and such differences might be significant.

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, other than the Subordinated Class D Notes, on the Step-Up 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.

In respect of a sale of Mortgage Receivables to the Seller, it should be noted that according to the new solvency regulation on securitisation (the 'Solvency Regulation') issued by the Dutch Central Bank, which came into force on 1 April 2004, the Seller shall, for the purposes of calculation of its risk-weighted assets, have to set the effective maturity of the transaction envisaged in this Offering Circular at the Step-Up Date. Pursuant to the Solvency Regulation an originator is required to build up capital as from the date which is five years prior to the effective maturity date of a securitisation. However, under the Solvency Regulation the Seller will have the option to set the effective maturity of this transaction at the Final Maturity Date, provided that it will not repurchase the Mortgage Receivables. For the avoidance of doubt, this option relates solely to the Seller's own regulatory position and does not necessarily relate to the effective maturity of the Notes.

Currently, the Seller is considering, from a regulatory perspective, whether it wishes to set the effective maturity of the transaction envisaged in this Offering Circular at the Final Maturity Date instead of at the Step-Up Date. Consequently, it may be possible that the Seller is not allowed to repurchase the Mortgage Receivables, other than (i) as set forth in Repurchase of Mortgage Receivables in Mortgage Receivables Purchase Agreement below or (ii) in connection with the exercise by the Seller of the Regulatory Call Option or (iii) in connection with the exercise by the Issuer of its option to redeem the Notes for tax reasons (Condition 6(g)).

The Seller, should it decide not to repurchase the Mortgage Receivables, has undertaken to inform the Issuer ultimately on the Step-Up Date of such fact. In such case the Issuer shall use its best efforts to sell the Mortgage Receivables or to obtain alternative funding in order to be able to redeem the Notes, other than the Subordinated Class D Notes, as soon as reasonably possible.

403-Declarations FBN Holding

On 6 January 2004, Fortis Bank Nederland (Holding) N.V. ('**FBN Holding**') has deposited a statement pursuant to Section 2:403 of the Netherlands Civil Code (the '**403-Declaration**') with the Commercial Register of the Chamber of Commerce in Rotterdam, in which it has declared to be jointly and severally liable for the debts resulting from legal acts of Fortis Hypotheek Bank. On the basis of the 403-Declaration, FBN Holding will be jointly and severally liable with Fortis Hypotheek Bank for debts incurred by Fortis Hypotheek Bank resulting from legal acts, which include the Swap Agreement and the Liquidity Facility Agreement.

Furthermore, on 27 July 2000, FBN Holding has deposited a statement pursuant to Section 2:403 of the Netherlands Civil Code (the '**Fortis Bank (Nederland) 403-Declaration**', together with the 403-Declaration the '**403-Declarations**') with the Commercial Register of the Chamber of Commerce in Rotterdam, in which it has declared to be jointly and severally liable for the debts resulting from legal acts of Fortis Bank (Nederland) N.V., which include debts resulting from the Floating Rate GIC incurred by Fortis Bank (Nederland) N.V. as Floating Rate GIC Provider.

FBN Holding will not be a party to the Swap Agreement, the Liquidity Facility Agreement and the Floating Rate GIC. In order to enhance the chances that in case of a default by Fortis Hypotheek Bank under the Liquidity Facility Agreement and the Swap Agreement and by Fortis bank (Nederland) N.V. under the Floating Rate GIC, FBN Holding will timely pay any debts hereunder in accordance with the 403-Declarations, FBN Holding will be notified at closing of the Swap Agreement, the Liquidity Facility Agreement and the Floating Rate GIC and the payment obligations of Fortis Hypotheek Bank and Fortis Bank (Nederland) N.V. thereunder, including the timing thereof, by the Administrator. Furthermore, in the Servicing Agreement the Administrator shall undertake to inform FBN Holding in case of a default or a threatened default by Fortis Hypotheek Bank under the Swap Agreement and the Liquidity Facility Agreement and/or by Fortis Bank (Nederland) N.V. under the Floating Rate GIC immediately of such a default or threatened default and of the amounts and dates of payments to be made by FBN Holding under the 403-Declarations in respect of these agreements.

FBN Holding will have the right to withdraw the 403-Declarations at any time by depositing a declaration to this effect with the Commercial Register of the Chamber of Commerce in Rotterdam. The Issuer has been advised that irrespective of such withdrawal FBN Holding will continue to be jointly and severally liable for all debts resulting from the Swap Agreement and the Liquidity Facility Agreement. In the case of the Floating Rate GIC it is uncertain whether debts incurred after such withdrawal are to be considered as resulting from a legal act entered into prior to such withdrawal. Therefore, in case of the withdrawal of any of the Fortis Bank (Nederland) 403-Declarations by FBN Holding, the Issuer and the Floating Rate GIC Provider will be obliged to take the steps as described in *Credit Structure* under *Transaction Accounts*. FBN Holding has undertaken to inform the Issuer, the Administrator and the Security Trustee at least 30 days prior to the withdrawal of any of the 403-Declarations.

FBN Holding can also file a notice of its intention to terminate its remaining liability after withdrawal of the 403-Declarations. Such remaining liability will terminate if certain conditions are met, *inter alia*, that (i) Fortis Hypotheek Bank or Fortis Bank (Nederland) no longer belong to the same group of companies as FBN Holding and (ii) a two month notice period has expired and the relevant creditor has not opposed the intention to terminate in time or such opposition was dismissed by the court. For the consequences of a filing of a notice to terminate its remaining liability by FBN Holding for the Swap Agreement and the Liquidity Facility Agreement, reference is made to *Credit Structure* under *Interest Rate Hedging* and *Liquidity Facility*. FBN Holding has undertaken to inform the Issuer, the Security Trustee and the Administrator at least 30 days prior to the filing of its intention to terminate its remaining liability under the 403-Declarations.

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 Mortgage Loans pay interest on a fixed rate basis, subject to a reset from time to time on dates agreed with the Borrower. On the Closing Date the weighted average interest rate of the Mortgage Loans is expected to be 4.37 per cent. Interest rates vary between individual Mortgage Loans. The range of interest rates is described further in *Description of the Mortgage Loans* below. The actual amount of interest received by the Issuer under the Mortgage Receivables Purchase Agreement will vary during the life of the Notes as a result of the level of delinquencies, defaults, repayments and prepayments, substitution and the reset of interest rates from time to time in respect of the Mortgage Receivables.

Cash Collection Arrangements

Payments by the Borrowers under the Mortgage Loans are due on the first day of each month. All payments made by Borrowers will be paid into the collection account maintained with the Seller. The collection account will also be used for the collection of moneys paid in respect of mortgages other than Mortgage Loans and in respect of other moneys belonging to the Seller.

On each '**Mortgage Payment Date**' (being the sixth business day following the last day of each Mortgage Calculation Period (defined below)) the Seller shall transfer (or procure that the Pool Servicer transfers on its behalf) all amounts of principal, interest and prepayment penalties received by the Seller in respect of the Mortgage Loans and paid to the Seller's collection account during the immediately preceding Mortgage Calculation Period (defined below), to the Master Collection Account.

For these purposes a '**Mortgage Calculation Period**' is the period commencing on (and including) the sixth day of each calendar month and ending on (and including) the fifth day of the following calendar month.

Transaction Accounts

Master Collection Account

The Issuer will maintain with the Floating Rate GIC Provider the Master Collection Account to which all amounts received (i) in respect of the Mortgage Loans and (ii) from the Insurance Companies under the Sub-Participation Agreement will be paid.

The Administrator will identify all amounts paid into the Master Collection Account by crediting such amounts to ledgers established for such purpose. Payments received on each Mortgage Payment Date in respect of the Mortgage Loans will be identified as principal or revenue receipts and credited to a principal ledger (the '**Principal Ledger**') or a revenue ledger (the '**Revenue Ledger**'), as the case may be.

Payments from the Master Collection Account other than on a Quarterly Payment Date may only be made to satisfy (i) amounts due to third parties (other than pursuant to the Relevant Documents) and under obligations incurred in the Issuer's business and (ii) amounts due to the Insurance Companies under the Sub-Participation Agreement.

If at any time (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of FBN Holding, the parent company of the Floating Rate GIC Provider, are assigned a rating of less than 'Prime-1' by Moody's or such rating is withdrawn by Moody's or (ii) the long term unsecured, unsubordinated and unguaranteed debt obligations of FBN Holding are assigned a rating of less than 'Aa3' by Moody's or such a rating is withdrawn or (iii) FBN Holding withdraws the Fortis Bank (Nederland) 403-Declaration, then the Floating Rate GIC Provider will use its best efforts within thirty (30) days of any such event (i) to obtain a third party, having at least a rating of 'Prime-1' by Moody's to guarantee the obligations of the Floating Rate GIC Provider, or (ii) to find an alternative Floating Rate GIC Provider acceptable to Moody's and the Security Trustee or (iii) to find any other solution acceptable to Moody's to maintain the then current ratings assigned to the Notes.

Reserve Account

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

Amounts credited to the Reserve Account will be available on any Quarterly Payment Date to meet items (a) to (l) (inclusive) of the Interest Priority of Payments.

If and to the extent that the Notes Interest Available Amount on any Calculation Date exceeds the amounts required to meet items ranking higher than item (m) in the Interest Priority of Payments, the excess amount will be used to replenish the Reserve Account, to the extent required until the balance standing to the credit of the Reserve Account equals the Reserve Account Target Level.

The '**Reserve Account Target Level**' shall (i) on the Closing Date be equal to one per cent. of the Principal Amount Outstanding of the Notes, other than de Subordinated Class D Notes, and (ii) on any Calculation Date thereafter be equal to the higher of (a) 0.5 per cent. of the Principal Amount Outstanding of the Notes, other than de Subordinated Class D Notes, at the Closing Date and (b) one per cent. of the Principal Amount Outstanding of the Notes, other than the Subordinated Class D Notes, at the relevant Quarterly Payment Date.

On the Quarterly Payment Date on which all amounts of interest and principal due in respect of the Notes, except for principal in respect of the Subordinated Class D Notes, have been or will be paid, the Reserve Account Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will thereafter form part of the Notes Interest Available Amount and will be available for all items in the Interest Priority of Payments ranking below item (m).

Construction Account

The Issuer will maintain with the Floating Rate GIC Provider the Construction Account. On the Closing Date an amount corresponding to the aggregate Construction Amounts will be credited to the Construction Account. 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. Furthermore, the Construction Account will be debited with the amount Borrowers have set off against the relevant Mortgage Receivables 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 credited to the Master Collection Account and will form part of the Notes Redemption Available Amount.

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 Calculation Date (being the third business day prior to each Quarterly Payment Date) as being received during the Calculation Period (as defined in the Conditions) immediately preceding such Calculation Date (items (i) up to and including (xi) being hereafter referred to as the '**Notes Interest Available Amount**')

- (i) as interest on the Mortgage Receivables, less, with respect to each Investment Savings Mortgage Receivable and, as the case may be, each Savings Mortgage Receivable, an amount equal to the amount received, multiplied by the relevant Participation divided by the outstanding principal amount of such Investment Savings Mortgage Receivable or, as the case may be, such Savings Mortgage Receivable (the '**Participation Fraction**');
- (ii) as interest credited to the Master Collection Account and the Reserve Account;
- (iii) as prepayment penalties under the Mortgage Receivables;
- (iv) as Net Proceeds (as defined in the Conditions) on any Mortgage Receivables, to the extent such proceeds do not relate to principal, less, with respect to each Investment Savings Mortgage Receivable and each Savings Mortgage Receivable, 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) (as defined below) 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;
- (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 Investment Savings Mortgage Receivable and Savings Mortgage Receivable, 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 Investment Savings Mortgage Receivable and Savings Mortgage Receivable, 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) after all amounts of interest and principal due in respect of the Notes, other than principal in respect of the Subordinated Class D Notes, have been paid or will be paid on the immediately succeeding Quarterly Payment Date, any amount standing to the credit of the Reserve Account;

will pursuant to the terms of the Trust Deed be applied by the Issuer on the immediately succeeding Quarterly Payment Date as follows (in each case only if and to the extent that payments of a higher order of priority have been made in full) (the '**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 (as defined in the Conditions);
- (b) second, in or towards satisfaction, pro rata, according to the respective amounts thereof, of administration fees and expenses due and payable to the Administrator and the Pool Servicer under the Servicing Agreement;
- (c) third, in or towards satisfaction, pro rata, according to the respective amounts thereof, (i) of any amounts due and payable to third parties under obligations incurred in the Issuer's business (other than under the 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 the fees and expenses of Moody's and any legal advisor, auditor and accountant appointed by the Issuer or the Security Trustee and (ii) fees and expenses due to (a) the Principal Paying Agent, the Paying Agent and the Reference Agent under the Paying Agency Agreement and (b) the Liquidity Facility Provider under the Liquidity Facility Agreement;
- (d) *fourth*, in or towards satisfaction of any amounts due and payable to the Liquidity Facility Provider under the Liquidity Facility Agreement, but excluding any gross-up amounts or additional amounts due under the Liquidity Facility and payable under (o) below, or, 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 of 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 (as defined therein) or an Additional Termination Event (as defined therein), including a Settlement Amount (as defined therein) (a '**Swap Counterparty Default Payment**'));
- (f) *sixth*, in or towards satisfaction of all amounts of interest due but unpaid in respect of the Senior Class A Notes;
- (g) *seventh*, in or towards making good any shortfall reflected in the Class A Principal Deficiency Ledger (defined below) until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to zero;
- (h) *eighth*, in or towards satisfaction of interest due but unpaid on the Mezzanine Class B Notes;
- (i) *ninth*, in or towards making good any shortfall reflected in the Class B Principal Deficiency Ledger (defined below) until the debit balance, if any, on the Class B Principal Deficiency Ledger is reduced to zero;
- (j) *tenth*, in or towards satisfaction of interest due but unpaid on the Junior Class C Notes;
- (k) *eleventh*, in or towards making good any shortfall reflected in the Class C Principal Deficiency Ledger (defined below) until the debit balance, if any, on the Class C Principal Deficiency Ledger is reduced to zero;
- (l) *twelfth*, in or towards satisfaction of interest due but unpaid on the Subordinated Class D Notes;
- (m) *thirteenth*, in or towards satisfaction of any sums required to replenish the Reserve Account up to the amount of the Reserve Account Target Level (defined below);

- (n) *fourteenth*, in or towards satisfaction of the Swap Counterparty Default Payment payable to the Swap Counterparty under the terms of the Swap Agreement;
- (o) *fifteenth*, in or towards satisfaction of gross-up amounts or additional amounts due, if any, to the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement;
- (p) *sixteenth*, on the Step-Up Date and on each Quarterly Payment Date thereafter, in or towards satisfaction of principal due on the Subordinated Class D Notes;
- (q) *seventeenth*, in or towards satisfaction of a Deferred Purchase Price Instalment (as defined in *Mortgage Receivables Purchase Agreement* below) 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 Calculation Date, as being received during the immediately preceding Calculation Period (items (i) up to and including (ix) hereinafter referred to as the '**Notes Redemption Available Amount**')

- (i) as repayment and prepayment in full of principal under the Mortgage Receivables, from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding prepayment penalties, if any, less, with respect to each Investment Savings Mortgage Receivable and, as the case may be, Savings Mortgage Receivable, the Participation in such Investment Savings Mortgage Receivable or, as the case may be, Savings Mortgage Receivable;
- (ii) as Net Proceeds (as defined in Condition 6(c)) on any Mortgage Receivable, to the extent such proceeds relate to principal less, with respect to each Investment Savings Mortgage Receivable and, as the case may be, each Savings Mortgage Receivable, the Participation in such Investment Savings Mortgage Receivable or, as the case may be, such Savings Mortgage Receivable;
- (iii) as amounts received 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 Investment Savings Mortgage Receivable and, as the case may be, Savings Mortgage Receivable, the Participation in such Investment Savings Mortgage Receivable or, as the case may be, Savings Mortgage Receivable;
- (iv) as amounts to be received 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 Investment Savings Mortgage Receivable and, as the case may be, each Savings Mortgage Receivable, the Participation in such Investment Savings Mortgage Receivable or, as the case may be, such Savings Mortgage Receivable, if and to the extent such Participation is terminated;
- (v) as amount to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date in accordance with the Servicing Agreement;
- (vi) as Participation Increase pursuant to the Sub-Participation Agreement;
- (vii) as partial prepayment in respect of Mortgage Receivables; and
- (viii) any part of the Notes Redemption Available Amount calculated on the immediately preceding Calculation Date which has not been applied towards satisfaction of any of the items set out in the Principal Priority of Payments on the immediately preceding Quarterly Payment Date;

will be applied by the Issuer on the next Quarterly Payment 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**') after the payment of the purchase price of any Substitute Mortgage Receivables to redeem:

- (i) in case a Sequential Amortisation Event has occurred, which is not cured prior to such Quarterly Payment Date:
 - (a) *first*, the Senior Class A Notes, until fully redeemed, and, thereafter
 - (b) *second*, the Mezzanine Class B Notes, until fully redeemed, and thereafter
 - (c) *third*, the Junior Class C Notes, until fully redeemed

- (ii) unless a Sequential Amortisation Event has occurred which is not cured prior to such Quarterly Payment Date:
 - (a) *first*, the Senior Class A Notes by applying the aggregate Principal Redemption Amount relating to such Class of Notes;
 - (b) *second*, the Mezzanine Class B Notes by applying the aggregate Principal Redemption Amount relating to such Class of Notes; and
 - (c) *third*, the Junior Class C Notes by applying the aggregate Principal Redemption Amount relating to such Class of Notes.

Priority of Payments upon Enforcement

Following delivery of an Enforcement Notice any amounts payable by the Security Trustee under the Deed of Surety, other than in respect of the Participations, will be paid to the Secured Parties (including the Noteholders, but excluding the Insurance Companies) 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, *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*, fees and expenses of Moody's and any legal advisor, auditor or accountant appointed by the Security Trustee, (iii) the fees and expenses of the Principal Paying Agent, the Paying Agent and the Reference Agent incurred under the provisions of the Paying Agency Agreement, (iv) the fees and expenses of the Administrator and the Pool Servicer under the Servicing Agreement and (v) the Liquidity Facility Commitment Fee under the Liquidity Facility Agreement;
- (b) *second*, in or towards satisfaction of any sums due or accrued due but unpaid under the Liquidity Facility Agreement, but excluding any gross-up amounts or additional amounts due under the Liquidity Facility Agreement payable under subparagraph (l) below;
- (c) *third*, in or towards satisfaction of 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 (as defined therein) or an Additional Termination Event (as defined therein) including a Settlement Amount (as defined therein));
- (d) *fourth*, in or towards satisfaction of all amounts of interest due but unpaid in respect of the Senior Class A Notes;
- (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 accrued due 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) *eighth*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Junior 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 Junior Class C Notes; and
- (j) *tenth*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Subordinated Class D Notes;
- (k) *eleventh*, in or towards satisfaction of the Swap Counterparty Default Payment payable to the Swap Counterparty under the terms of the Swap Agreement;
- (l) *twelfth*, in or towards satisfaction of gross-up amounts or additional amounts due, if any, to the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement;
- (m) *thirteenth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Subordinated Class D Notes;

- (n) *fourteenth*, in or towards satisfaction of the Deferred Purchase Price (as defined in *Mortgage Receivables Purchase Agreement* below) to the Seller.

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 (i) a Quarterly Payment Date if and to the extent that on such date the 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 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 in the Reserve Account and before any drawing under the Liquidity Facility, there is a shortfall in the Notes Interest Available Amount to meet items (a) to (j) (inclusive) (but not items (e), (g) and (i)) in the Interest Priority of Payments in full on that Quarterly Payment Date, provided that no drawing may be made to meet item (h) if there is a debit balance on the Class B Principal Deficiency Ledger and no drawing may be made to meet item (j) if there is a debit balance on the Class C Principal Deficiency Ledger. The Liquidity Facility Provider will rank higher in priority of payments and security to – *inter alia* – the Notes.

If at any time (a)(i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of FBN Holding, the parent company of the Liquidity Facility Provider, are assigned a rating of less than 'Prime-1' by Moody's or any such rating is withdrawn by Moody's or (ii) FBN Holding, after the withdrawal of the 403-Declaration, files a request to terminate the liability for legal acts performed prior to such withdrawal in accordance with Section 2:404(3) of the Netherlands Civil Code, and (b) within thirty (30) days of such downgrading or withdrawal of the rating or the 403-declaration, as the case may be, the Liquidity Facility Provider is not replaced by the Issuer with a suitable alternative Liquidity Facility Provider or another solution acceptable to Moody's is not found and (c) the then current ratings assigned to the Notes are materially adversely affected, 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 Master Collection Account with a corresponding credit to a ledger to be known as the '**Liquidity Facility Stand-by Ledger**'. Amounts so credited to the Master Collection Account may be utilised by the Issuer in the same manner as if the Liquidity Facility had not been so drawn. A Liquidity Facility Stand-by Drawing shall also be made if the Liquidity Facility is not renewed following its commitment termination date.

For these purposes, '**Liquidity Facility Maximum Amount**' means, on each Calculation Date, an amount equal to 3 per cent. of the Principal Amount Outstanding of the Notes on such date.

Principal Deficiency Ledger

A Principal Deficiency Ledger comprising three sub-ledgers, known as the '**Class A Principal Deficiency Ledger**', the '**Class B Principal Deficiency Ledger**' and the '**Class C Principal Deficiency Ledger**' respectively, will be established by or on behalf of the Issuer in order to record any Realised Losses (as defined below) on the Mortgage Receivables, including Realised Losses on the sale of Mortgage Receivables in connection with the optional redemption of the Notes (each respectively the '**Class A Principal Deficiency**', the '**Class B Principal Deficiency**' and the '**Class C Principal Deficiency**', together a '**Principal Deficiency**'). Any Principal Deficiency shall be debited to the Class C Principal Deficiency Ledger (such debit items being re-credited at item (k) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Junior Class C Notes (the '**Class C Principal Deficiency Limit**') and thereafter such amounts shall be debited to the Class B Principal Deficiency Ledger (such debit items being re-credited at item (i) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Mezzanine Class B Notes (the '**Class B Principal Deficiency Limit**') and thereafter such amounts shall be debited to the Class A Principal Deficiency Ledger (the '**Class A Principal Deficiency Limit**') (such debit items being re-credited at item (g) of the Interest Priority of Payments).

'**Realised Losses**' means, on any Calculation Date, the amount of (a) the difference between (i) the Outstanding Principal Amount on all Mortgage Receivables, less the Participations, on which the Seller, the Pool Servicer or the Issuer has foreclosed from Closing up to and including such Calculation Date and (ii) the amount of the Net Proceeds applied to reduce the Outstanding Principal Amount of such Mortgage Receivables and (b) with respect to Mortgage Receivables sold by the Issuer, the difference, if any, between (i) the aggregate Outstanding Principal Amount of the Mortgage Receivables, less the Participations, and (ii) the purchase price of the Mortgage Receivables sold to the extent relating to principal.

Interest Rate Hedging

The Mortgage Loan Criteria (as defined under *Mortgage Receivables Purchase Agreement* below) require that all Mortgage Loans bear a fixed rate of interest subject to a reset from time to time. The interest rate payable by the Issuer with respect to the Notes is calculated as a margin over Euribor. After the Step-Up Date the margin on the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes will increase. The Issuer will hedge this 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 Quarterly Payment Date amounts equal to the scheduled interest on the Mortgage Receivables plus the interest accrued on the Master Collection Account, less (a) an excess margin (the '**Excess Margin**') of 0.50 per cent. per annum applied to the relevant Principal Amount Outstanding of the Notes on the first day of the relevant Floating Interest Period and (b) certain expenses as described under (a), (b) and (c) of the Interest Priority of Payments.

The Swap Counterparty will agree to pay on each Quarterly Payment Date 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 Interest Period. The notional amounts under the Swap Agreement will, however, be reduced with an amount equal to any debit balance on the Principal Deficiency Ledgers and, in respect of the Subordinated Class D Notes, if an amount is standing to the debit of the Class C Principal Deficiency Ledger, with an amount equal to the Principal Amount Outstanding of the Subordinated Class D Notes.

Payments under the Swap Agreement will be netted.

Downgrade of FBN Holding

- (i) Pursuant to the Swap Agreement, if, at any time, (i) the long-term, unsecured and unsubordinated debt obligations of FBN Holding (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 FBN Holding (or its successor) cease to be rated at least as high as 'Prime-1' (or its equivalent) by Moody's (such ratings together the '**Moody's Required Ratings I**') or (iii) FBN Holding, after withdrawal of the 403-Declaration, files a request to terminate the liability for legal acts performed prior to such withdrawal in accordance with Section 2:404(3) of the Netherlands Civil Code, 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 a rating of at least as high as 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 a rating of at least as high as 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.

Pending compliance with (a), (b) or (c) above, the Swap Counterparty will, at its own cost:

- (d) within thirty (30) days of the occurrence of such downgrade or filing by FBN Holding, 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) are satisfied at any time, all collateral (or the equivalent thereof, as appropriate) transferred by the Swap Counterparty pursuant to (d) above 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.

- (ii) Pursuant to the Swap Agreement, if at any time, (i) the long-term, unsecured and unsubordinated debt obligations of FBN Holding (or its successor) cease to be rated at least as high as 'A3' (or its equivalent) by Moody or (ii) the short-term, unsecured and unsubordinated debt obligations of FBN Holding (or its successor) cease to be rated at least as high as 'Prime-2' (or its equivalent) by Moody (such ratings together the '**Moody's Required Ratings II**'), then certain stricter additional requirements will apply as further defined in the Swap Agreement.

Sale of Mortgage Receivables

Under the terms of the Trust Deed the Issuer will on any Quarterly Payment Date have the right to sell and assign the Mortgage Receivables to a third party provided that the Issuer shall apply the proceeds of such sale, to the extent relating to principal, to redeem the Notes. Furthermore, under the terms of the Mortgage Receivables Purchase Agreement, the Issuer shall be obliged to sell and assign the Mortgage Receivables to the Seller if the Seller exercises its Regulatory Call Option. Finally, under the terms of the Trust Deed the issuer will have the right to sell and assign the Mortgage Receivables to a third party if the Issuer exercises its option to redeem the Notes for tax reasons. The purchase price of the Mortgage Receivables shall be equal to their market value but at least the outstanding principal amount, together with accrued interest due but unpaid, if any, of each Mortgage Receivable at the relevant Quarterly Payment Date, except that with respect to Mortgage Receivables which are in arrear for a period exceeding ninety (90) days or in respect of which an instruction has been given to the civil-law notary to start foreclosure proceedings, the purchase price shall be at least the lesser of (i) an amount equal to the foreclosure value of the Mortgaged Assets or, if no valuation report of less than twelve (12) months old is available, the indexed foreclosure value of the Mortgaged Assets, or (ii) the sum of the outstanding principal amount of such Mortgage Receivable together with accrued interest due but not paid, if any, and any other amount due under the Mortgage Receivable up to the relevant Quarterly Payment Date.

OVERVIEW OF THE DUTCH RESIDENTIAL MORTGAGE MARKET

Historical overview

Dating back to the 19th century, the Dutch housing market has predominately been characterised as a rental market. A housing shortage after the Second World War, led to the construction of numerous new houses that were intended to be rented out for a period of thirty (30) years or longer. As a result, home-ownership in the Netherlands has historically been lagging the European average.

As one of the measures to increase the home-ownership ratio the Dutch government established the municipality guarantee program ("*gemeentegarantie*") in 1956, this program was later converted into a national guarantee system ('*NHG*'). Under this mortgage credit guarantee system, lower income groups have found it easier to qualify for a mortgage loan from a commercial bank and, hence, have been able to buy their own house. The decision of the government to make interest payments on mortgage loans tax deductible in the 1960s has also had a significant positive effect on the home ownership percentage.

Aside from measures taken by the government, the rapid growth of economic activity and the resulting growth in the number of double income families led to an increased demand for houses during the 1970s. Towards the end of the 1970s the housing market slowed as a result of a significant downturn in the economy. While the 1980s were characterised by a healthy and stable market, the strong economic growth and declining interest rate environment experienced throughout most of the 1990s led to a renewed growth in the demand for houses, a characteristic still present in the Dutch housing market.

As a consequence, home ownership in the Netherlands rose from less than thirty (30) per cent post Second World War to fifty four (54) per cent. in 2003. This figure is still low when compared to the rest of Europe, where sixty four (64) per cent. of all houses are owner occupied. Indeed, in contrast to certain rural areas, where owner occupancy levels may well exceed the seventy five (75) per cent mark, owner occupancy rates in the four largest cities is still below the twenty five (25) per cent level.

Home ownership development in the future

The Dutch Ministry for Housing, Spatial Planning and Environment ('*VROM*') continues to stimulate owner occupancy by encouraging new construction of houses and the selling of rental houses to current tenants. Nevertheless, the targeted delivery of hundred thousand (100,000) new units per year in the period 2000-2010 has not been realised in recent years, implying that the Netherlands continue to be confronted with a structural shortage in suitable housing units.

Current major drivers of demand for housing encompass demographic and economic factors. Demographic factors included: the strong growth of single parent families, an ageing population that is able to stay longer in their houses, young adults leaving their parent's house at an earlier age, a substantial natural birth surplus and a significant positive level of net immigration.

In addition to these demographic factors, the previous period of strong economic growth has led to a growing share of double income families and higher family income, resulting in higher household budgets that can be spent on housing. More potential homeowners, and in particular younger families, were therefore able to qualify for a mortgage loan, again adding to the demand for houses. While the economic conditions have been less favourable in recent years, the continued low interest rate environment combined with a moderate unemployment rate in the Netherlands continues to support the demand for house ownership.

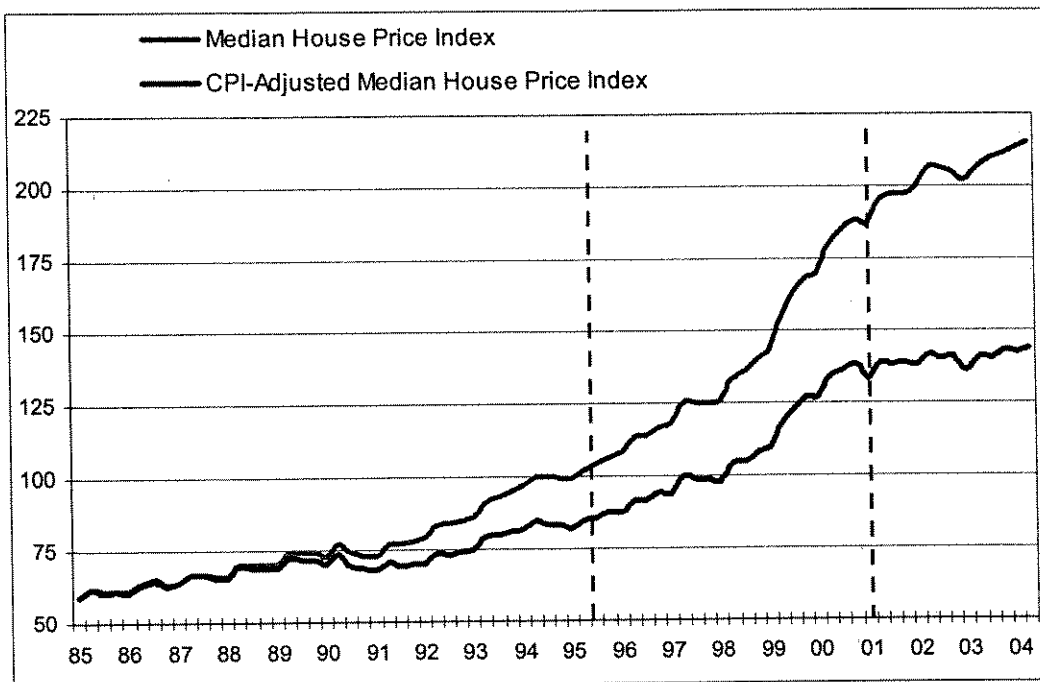
House prices

Following the rapid increase in house prices during the 1970s, on the back of high inflation and new government measures to support owner-occupancy, the Dutch housing market was significantly affected by the economic downturn experienced during the period of 1980 and 1981. House prices dropped substantially towards the end of the 1970s and only slowly recovered thereafter.

Since 1991 house inflation has gradually picked up, peaking in the second half of the 1990s.

Strong demand, especially in the higher priced segments of the housing market, scarcity of housing and the inability of the government to provide enough houses were important determinants of this strong growth. After a period of rapid growth some of the cyclical drivers of house prices have tempered again resulting in the current period of relative house price stability.

Figure 1 shows the development of nominal and inflation corrected median house prices since 1985 as reported by the National Association of Dutch Real Estate Brokers ('NVM').



Mortgage types

In line with this greater activity in the housing market, the mortgage loan market has also experienced impressive growth. Most types of mortgage loans offered in the current market can be placed in the following product categories:

- Savings mortgages;
- Interest only mortgages;
- Investment mortgages;
- Life (insurance) mortgages;
- Annuity mortgages.

The common feature of savings and life mortgages is that they have an insurance component included and that no principal is repaid during the life of the loan. The latter is also true for interest only and investment mortgages. For savings and life mortgages, premiums are paid into a separate savings or life insurance policy to build up capital for repaying the loan at maturity.

Investment mortgages have increasingly become more popular. For the borrower this product type is even more flexible than savings mortgages. The borrower can typically select from a wide range of investment funds, some of which are traded on a stock exchange. It is possible to switch from one fund to another. It is possible that the earnings from the investments will not be sufficient to repay the mortgage loan at maturity. As of the maturity of the investment contract the remaining principal amount outstanding under the investment mortgage will be treated as an interest only mortgage.

FORTIS AND FORTIS HYPOTHEEK BANK**Fortis**

Fortis is an integrated financial services provider engaged in banking and insurance. In its home market, the Benelux countries, Fortis offers its private, business and institutional customers a comprehensive package of products and services both through its own distribution channels and through intermediaries. Fortis believes that its multi-channel distribution strategy gives it the flexibility to meet its customers' need for accessibility at all times and their demand for ease of use.

In its home market, the Benelux countries, Fortis occupies a leading position in both banking and insurance, its principal businesses. It is utilising the expertise acquired in its home market to expand in selected business segments in Europe. Fortis also operates successfully in selected activities worldwide, such as offshore private banking and trust, trade finance, shipping finance, export and project finance, and global markets. In specific countries in Europe and Asia, it exploits its know-how and experience in bancassurance.

With total assets of EUR 571 billion and net equity of EUR 14.4 billion as at year end 2004, Fortis ranks among the top twenty financial institutions in Europe. Fortis's sound solvency position, broad risk spread and the extensive expertise of its approximately 50,000 employees enable it to provide strong support to its customers.

Fortis Shares are listed on the primary market of Euronext Brussels and the Official Segment of Euronext Amsterdam. It also has secondary listing on the Luxembourg Stock Exchange and a sponsored over-the-counter ADR programme in the United States.

Fortis's Key Figures (in EUR million)	Full-year 2004	Full-year 2003	% Change
Fortis			
Net operating profit before value differences	2,762	1,611	71
Net operating profit	3,197	2,248	42
Net profit	3,359	2,197	53
Total assets under management	321,936	305,960	5
Banking			
Net operating profit before value differences	1,929	1,390	39
Net operating profit	1,970	1,446	36
Cost/income ratio (%)	61	63	
Insurance			
Net insurance premiums	13,396	18,142	(26)
Net operating profit before value differences	997	405	146
Net operating profit	1,480	997	48

Fortis Hypotheek Bank: background information

Fortis Hypotheek Bank, formerly ASR Bank N.V., was set up in 1992. It mainly provides residential mortgages.

In the course of restructuring aimed at concentrating Fortis's mortgage activities in the Netherlands, Fortis Hypotheek Bank acquired Fortis's existing mortgage companies, AMEV Hypotheekbedrijf N.V. and AMEV Praktijkvoorziening N.V. Fortis Bank (Nederland) N.V. ('FBN') subsequently acquired the shares of Fortis Hypotheek Bank, including the above subsidiaries, in 2003.

FBN is a wholly owned subsidiary of FBN Holding, which in turn is a 100 per cent subsidiary of Fortis Bank SA/NV, Belgium. FBN Holding has issued a general guarantee, pursuant to Article 2:403 of the Netherlands Civil Code, to the benefit of Fortis Hypotheek Bank.

The Articles of Association of Fortis Hypotheek Bank were last amended by notarial deed on 4 May 2004. Fortis Hypotheek Bank has its registered office in Rotterdam and is entered in the Trade Register of Rotterdam under number 24046654. FBN Holding has its registered office in Utrecht and is entered in the Utrecht Trade Register under number 30080248. Both Fortis Hypotheek Bank and FBN Holding are subject to the supervision of the Netherlands Central Bank ("De Nederlandsche Bank N.V.").

Fortis Hypotheek Bank: activities and funding

A significant part of Fortis Hypotheek Bank's mortgage portfolio consists of life mortgages. These are sold via a number of insurance entities belonging to Fortis ASR Verzekeringsgroep N.V. ('Fortis ASR'), which is the Netherlands' second-largest insurance group with a total market share of approximately 12 per cent, based on premium income. Fortis ASR focuses on independent insurance brokers as its distribution channel.

Fortis Hypotheek Bank's nominal mortgage portfolio totaled approximately EUR 27 billion at the end of December 2004.

Fortis Hypotheek Bank currently funds its mortgage portfolio through various sources:

- internal funding
- Residential Mortgage Backed Securities
- residual funding

Internal funding

Fortis Hypotheek Bank benefits from funding provided by FBN Holding and FBN. FBN Holding uses its EUR 10 billion EMTN programme for this purpose, while FBN raises funds in the money markets.

Fortis Hypotheek Bank also has some internal funding provided by Fortis Finance N.V. remaining from the time before it was funded by FBN Holding and FBN.

Residential Mortgage Backed Securities

RMBS were issued in 1997 to 2001 in co-operation with NIB Capital Bank N.V. (Dutch MBS 97-II, Dutch MBS 98-I, Dutch MBS 99-III and Dutch MBS 01-I). These transactions were mainly based on mortgages provided by SR-Hypotheeken N.V. SR-Hypotheeken N.V. is a joint venture with NIB Capital Bank N.V. in which each side has a 50 per cent stake. The combined total value outstanding of these transactions is EUR 776 million at the end of December 2004.

The first Delphinus transaction was concluded in June 2000, involving assets of Fortis Hypotheek Bank (Delphinus 2000-I). Since 2000, two transactions in the Delphinus programme have been concluded each year, with a combined total value outstanding of EUR 11.7 billion at the end of December 2004.

Residual funding

Fortis Hypotheek Bank also has some funding remaining from the time before it was funded by FBN Holding, FBN and Fortis Finance N.V. This funding originates from its EUR 3 billion Debt Issuance Programme and private placements.

Fortis Bank Nederland (Holding) Executive Board

C.J. Beuving (Chairman)
J.C.M. van Rutte (Vice Chairman)
H.P.F.E. Bos
R.H.L. ten Heggeler
F.J. van Lanschot
P.L. Vandekerckhove

Fortis Bank Nederland (Holding) Supervisory Board

B.J.H.S. Feilzer (Chairman)
K.A.M. De Boeck
J-P.L.L. Cardinael
P.J.A. Depovere
F.R.J. Dierckx
J.C. van Ek
P.J.J.R. Evrard
H.C.L. Verwilt

Fortis Hypotheek Bank Management Committee

R. Königel (Chairman)

W. Mondeel

A.H.W.M. van der Plas

Fortis Hypotheek Bank Supervisory Board

J.C. van Ek (Chairman)

C.J. Beuving

G. Mittler

DESCRIPTION OF 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 Loans selected by agreement between the Seller and the Issuer.

The Mortgage Loans are loans secured by a mortgage right, evidenced by notarial mortgage deeds ("*notariële akten van hypotheekstelling*") entered into by the Seller (or its legal predecessor) and the relevant Borrowers. The mortgage rights secure only the relevant Mortgage Loan (i.e. the loan granted to the Borrower to acquire the Mortgaged Asset) or, in case of a portion of the Mortgage Loans, the mortgage rights secure not only the Mortgage Loan but also any Further Advances granted to the same Borrower (see paragraph *Credit Mortgages* under section *Special Considerations* above).

The Mortgage Loans have been selected according to the criteria list set forth in the Mortgage Receivables Purchase Agreement and are selected in accordance with such agreement, on or before the Closing Date (see *Mortgage Receivables Purchase Agreement*). All of the Mortgage Loans were originated by the Seller between 1992 and April 2005.

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

The numerical information set out below relates to a provisional pool of mortgage loans (the '**Provisional Pool**') as of 31 December 2004. On the Closing Date a final portfolio will be selected which may consist of other mortgage loans than the mortgage loans contained in the Provisional Pool. Therefore, the information set out below in relation to the Provisional Pool may not necessarily correspond to that of the Mortgage Loans actually sold at the Closing Date.

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

Mortgage Types

Life Mortgage Loans

A Life Mortgage Loan consists of a Mortgage Loan entered into by the Seller and the relevant Borrowers, which has the benefit of a Life Insurance Policy taken out by the Borrowers with any of the Insurance Companies. A Life Insurance Policy is a combined risk and capital insurance policy. Under a Life Mortgage Loan the Borrower pays no principal, but interest and premium under the Life Insurance Policy. The premium consists, apart from a cost element, of a risk element and a capital element. There are different types of Life Insurance Policies, (i) depending on the way in which the capital element of the premium is invested by the Insurance Company and (ii) depending on the way in which the risk element of the premium is calculated. The capital element is either invested in certain investment funds ("*Waerdye Hypotheek Plan*" or "*Maximum+ Plan*") or, after substitution, in certain investment funds and/or a savings fund ("*Maximum + Hybride Hypotheek Plan*") or, in fixed income products ("*Stad Rotterdam Plan*"). In case of 'traditional life' policies the risk element is fixed ("*Waerdye Hypotheek Plan*" and "*Stad Rotterdam Plan*") and in case of 'universal life' policies, the risk element is re-set annually on the basis of a one-year probability of Borrower's decease ("*Maximum+ Plan*" and "*Maximum + Hybride Hypotheek Plan*").

The proceeds of the Life Insurance Policy will be applied towards the repayment of the Mortgage Loan at maturity of such policy. The insurance proceeds are due either at the end of the term of the Life Insurance Policy (which is generally 30 years) or, if earlier, upon the death of the Borrower. In case of recent Life Mortgage Loans the part of the Life Mortgage Loan that is not repaid by the insurance proceeds is due at a date that is calculated by the formula: 'date of birth of the Borrower plus 105 years'.

Savings Mortgage Loans ("Succes Hypotheek")

A Savings Mortgage Loan consists of a Mortgage Loan entered into by the Seller and the relevant Borrowers, which has the benefit of a Savings Insurance Policy taken out by the Borrowers with any of the Insurance Companies. A Savings Insurance Policy is a combined risk and capital insurance policy. Under a Savings Mortgage Loan the Borrower pays no principal, but interest and premium under the Savings Insurance Policy. The premium consists, apart from a cost element, of a risk element and a savings element. The savings element is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Insurance Policy due by the Insurance Company to the relevant Borrower are equal to the amount due by the Borrower to the Seller at maturity of the Savings Mortgage Loan. The proceeds of the Savings Insurance Policy will be used to repay the Mortgage Loan. The insurance proceeds are due either at the end of the term of the Savings Insurance Policy (which is equal to the term of the Savings Mortgage Loan and usually 30 years) or, if earlier, upon death of the Borrower.

Investment Mortgage Loans ("Beleggingshypotheek")

An Investment Mortgage Loan consists of a Mortgage Loan entered into by the Seller and the relevant Borrowers, which has the benefit of a Risk Insurance Policy (as defined in section *Summary* under paragraph *Investment Mortgage Loans*) taken out by the Borrowers with any of the Insurance Companies. Under an Investment Mortgage Loan the Borrower pays no principal, but interest and a monthly instalment. Such monthly instalment is applied (1) at the option of the Borrower (i) to purchase participations in certain investments funds, or (ii) to pay premium under a Savings Insurance Policy with any of the Insurance Companies ("*ASR Spaarhypotheek Garantie*"), or (iii) to place the amounts involved on a savings account with the Seller ("*ASR Liquide Middelen*"), or (iv) towards a combination of the above (the '*Investments*') and (2) towards the Risk Insurance Policy.

The participations in the investment funds are administered on an investment account with Stichting ASR Beleggersgiro. The investment funds are each managed by SR-Beheer B.V.. The administrative services are at the moment contractually delegated to an independent administrator servicer. Borrowers can switch their investments or decide to apply their future instalments differently. Borrowers can on each mortgage interest reset date switch between the various investment funds, "*ASR Liquide Middelen*" and "*ASR Spaarhypotheek Garantie*". A switch of future instalments is free of charge. The costs for a switch of accrued capital are 1.0 per cent. of the amount being switched.

At the relevant maturity date of such Investments (which is generally 30 years) an amount equal to the proceeds of the Investments will be applied towards the repayment of the Mortgage Loan. The part of the Investment Mortgage Loan that is not repaid by the Investments is due at a date that is calculated by the formula: 'date of birth of the Borrower plus 105 years'. The insurance proceeds of the Risk Insurance Policy, will upon death of the Borrower, be applied towards the repayment of the Mortgage Loan. The insurance proceeds can, at the option of the Borrower, be including or excluding the value of the Investments.

Interest Only Mortgage Loans ("Aflossingsvrije Hypotheek")

The Mortgage Loan should be repaid at maturity or at an earlier death of a Borrower. This Mortgage Loan will only be granted in combination with Savings Mortgage Loans. The term of this Mortgage Loan is calculated by the formula: 'date of birth of the Borrower plus 105 years'.

Interest Rates

Fortis Hypotheek Bank offers the following options to the Borrowers regarding the payment of interest:

Fixed Interest

There is a fixed rate of interest payable on the Mortgage Loans, subject to resets from time to time (usually 5, 7, 10, 12, 15 or 20 years).

Margin Interest

The amount of interest payable on the Mortgage Loans is reset annually, subject to caps and floors (relative to a base rate), which provide limited protection against interest rate changes to the borrower. The base rate itself is subject to reset from time to time (usually 5, 8, 10, 12, 15 or 20 years).

Rohyp-Voordeel Interest (only in combination with a 'traditional life' Mortgage Loan or, as the case may be, a Savings Mortgage Loan)

During the first 12 months of the Mortgage Loan, the Borrower pays interest at a fixed rate based on a money market rate. During this 12 months period, the Borrower has the option to set his future interest payments at a fixed rate for a period as mentioned under sub-paragraph *Fixed Interest* above. The 12-months option period cannot be renewed.

Rohyp-Aanloop Interest. (only in combination with a 'traditional life' Mortgage Loan, or, as the case may be, a Savings Mortgage Loan)

This interest type is broadly similar to Rohyp-Voordeel, apart from the fact that the 12-months option period can be renewed annually.

Provisional Pool Characteristics

Range of Period	Origination Year		Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)
	Number of Loan Parts	Proportion of Total (%)		
Origination <= 1/1/1994	53	0.52%	4,085,728	0.26%
01/01/1994 < Origination <= 01/01/1995	44	0.43%	3,317,371	0.21%
01/01/1995 < Origination <= 01/01/1996	49	0.48%	5,342,550	0.34%
01/01/1996 < Origination <= 01/01/1997	60	0.58%	6,879,063	0.44%
01/01/1997 < Origination <= 01/01/1998	106	1.03%	11,188,916	0.72%
01/01/1998 < Origination <= 01/01/1999	139	1.35%	16,083,750	1.03%
01/01/1999 < Origination <= 01/01/2000	235	2.29%	29,061,607	1.86%
01/01/2000 < Origination <= 01/01/2001	364	3.54%	52,269,234	3.35%
01/01/2001 < Origination <= 01/01/2002	971	9.45%	161,615,669	10.36%
01/01/2002 < Origination <= 01/01/2003	2,012	19.59%	318,603,059	20.42%
01/01/2003 < Origination <= 01/01/2004	2,944	28.67%	452,264,595	28.99%
01/01/2004 < Origination <= 31/12/2004	3,293	32.06%	499,401,007	32.01%
Origination > 31/12/2004	0	0.00%	0	0.00%
	10,270	100.00%	1,560,112,549	100.00%

Range of Period	Insurance Policy Maturity Date		Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)
	Number of Loan Parts	Proportion of Total (%)		
Maturity <= 01/1/2025	1,009	9.82%	125,328,313	8.03%
01/01/2025 < Maturity <= 01/01/2026	154	1.50%	19,540,870	1.25%
01/01/2026 < Maturity <= 01/01/2027	197	1.92%	26,389,677	1.69%
01/01/2027 < Maturity <= 01/01/2028	270	2.63%	33,870,053	2.17%
01/01/2028 < Maturity <= 01/01/2029	328	3.19%	44,142,705	2.83%
01/01/2029 < Maturity <= 01/01/2030	352	3.43%	42,693,941	2.74%
01/01/2030 < Maturity <= 01/01/2031	414	4.03%	63,094,034	4.04%
01/01/2031 < Maturity <= 01/01/2032	918	8.94%	163,885,047	10.50%
01/01/2032 < Maturity <= 01/01/2033	1,530	14.90%	270,147,514	17.32%
01/01/2033 < Maturity <= 01/01/2034	2,013	19.60%	346,340,298	22.20%
01/01/2034 < Maturity <= 01/01/2035	2,209	21.51%	371,991,971	23.84%
Maturity > 01/01/2035	876	8.53%	52,688,126	3.38%
	10,270	100.00%	1,560,112,549	100.00%

Range of Period	Legal Maturity Date		Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)
	Number of Loan Parts	Proportion of Total (%)		
Legal Maturity <= 01/1/2040	17	0.17%	1,974,407	0.13%
01/01/2040 < Legal Maturity <= 01/01/2045	52	0.51%	6,440,523	0.41%
01/01/2045 < Legal Maturity <= 01/01/2050	93	0.91%	15,627,581	1.00%
01/01/2050 < Legal Maturity <= 01/01/2055	300	2.92%	50,681,712	3.25%
01/01/2055 < Legal Maturity <= 01/01/2060	558	5.43%	90,186,668	5.78%
01/01/2060 < Legal Maturity <= 01/01/2065	1,144	11.14%	193,950,073	12.43%
01/01/2065 < Legal Maturity <= 01/01/2070	1,771	17.24%	269,974,643	17.30%
01/01/2070 < Legal Maturity <= 01/01/2075	2,487	24.22%	387,782,546	24.86%
01/01/2075 < Legal Maturity <= 01/01/2080	2,483	24.18%	359,303,702	23.03%
01/01/2080 < Legal Maturity <= 01/01/2085	1,187	11.56%	162,402,007	10.41%
01/01/2085 < Legal Maturity <= 01/01/2090	178	1.73%	21,788,688	1.40%
Legal Maturity > 01/01/2090	0	0.00%	0	0.00%
	10,270	100.00%	1,560,112,549	100.00%

Type of Mortgage	Mortgage Type		Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)
	Number of Loan Parts	Proportion of Total (%)		
Investment	3,345	32.57%	739,310,677	47.39%
Life	3,612	35.17%	566,496,271	36.31%
Savings	3,313	32.26%	254,305,601	16.30%
	10,270	100.00%	1,560,112,549	100.00%

Interest Rates				
Range of Interest Rates	Number of Loan Parts	Proportion of Total (%)	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)
Interest <= 3.00	1,349	13.14%	219,578,538	14.07%
3.00 < Interest <= 3.50	1,426	13.89%	229,776,878	14.73%
3.50 < Interest <= 4.00	899	8.75%	108,052,643	6.93%
4.00 < Interest <= 4.50	1,309	12.75%	190,610,031	12.22%
4.50 < Interest <= 5.00	2,090	20.35%	331,369,696	21.24%
5.00 < Interest <= 5.50	1,589	15.47%	232,575,808	14.91%
5.50 < Interest <= 6.00	929	9.05%	145,963,643	9.36%
6.00 < Interest <= 6.50	572	5.57%	88,141,974	5.65%
6.50 < Interest <= 7.00	100	0.97%	13,462,757	0.86%
Interest > 7.00	7	0.07%	580,582	0.04%
	10,270	100.00%	1,560,112,549	100.00%

Interest Reset Dates				
Range of Period	Number of Loan Parts	Proportion of Total (%)	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)
Reset <= 31/12/2004	2	0.02%	203,235	0.01%
31/12/2004 < Reset <= 31/12/2006	2,775	27.02%	450,626,563	28.88%
31/12/2006 < Reset <= 31/12/2008	1,024	9.97%	158,805,899	10.18%
31/12/2008 < Reset <= 31/12/2010	767	7.47%	104,993,594	6.73%
31/12/2010 < Reset <= 31/12/2012	1,515	14.75%	237,758,041	15.24%
31/12/2012 < Reset <= 31/12/2014	2,324	22.63%	351,069,699	22.50%
31/12/2014 < Reset <= 31/12/2016	386	3.76%	60,684,195	3.89%
31/12/2016 < Reset <= 31/12/2018	346	3.37%	42,291,436	2.71%
31/12/2018 < Reset <= 31/12/2020	368	3.58%	45,344,056	2.91%
31/12/2020 < Reset <= 31/12/2022	215	2.09%	27,944,150	1.79%
31/12/2022 < Reset <= 31/12/2024	537	5.23%	78,357,306	5.02%
Reset > 31/12/2024	11	0.11%	2,034,376	0.13%
	10,270	100.00%	1,560,112,549	100.00%

Geographical Distribution				
Province	Number of Loan Parts	Proportion of Total (%)	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)
Zuid-Holland	3,656	35.60%	511,533,734	32.79%
Noord-Holland	1,614	15.72%	292,624,950	18.76%
Noord-Brabant	1,387	13.51%	230,987,904	14.81%
Gelderland	908	8.84%	134,986,858	8.65%
Utrecht	659	6.42%	107,418,539	6.89%
Overijssel	492	4.79%	79,104,682	5.07%
Limburg	376	3.66%	48,695,397	3.12%
Flevoland	337	3.28%	45,248,146	2.90%
Zeeland	290	2.82%	37,917,021	2.43%
Friesland	319	3.11%	34,426,453	2.21%
Drenthe	153	1.49%	25,908,129	1.66%
Groningen	79	0.77%	11,260,736	0.72%
	10,270	100.00%	1,560,112,549	100.00%

Interest Type				
Interest Type	Number of Loan Parts	Proportion of Total (%)	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)
Fixed	8,822	85.90%	1,312,995,668	84.16%
Marge	44	0.43%	6,423,214	0.41%
RoHypAanloop	1,114	10.85%	194,995,997	12.50%
RoHypVoordeel	290	2.82%	45,697,670	2.93%
	10,270	100.00%	1,560,112,549	100.00%

Range of Loan	Sizes		Aggregate Outstanding Principal (euro)	Proportion of Pool (%)
	Number of Borrowers	Proportion of Total (%)		
Loan Size <= 100,000	490	7.70%	31,093,849	1.99%
100,000 < Loan Size <= 125,000	373	5.86%	42,363,766	2.72%
125,000 < Loan Size <= 150,000	506	7.96%	70,221,113	4.50%
150,000 < Loan Size <= 175,000	560	8.81%	91,639,861	5.87%
175,000 < Loan Size <= 200,000	695	10.93%	130,758,218	8.38%
200,000 < Loan Size <= 225,000	660	10.38%	140,336,415	9.00%
225,000 < Loan Size <= 250,000	616	9.69%	146,984,188	9.42%
250,000 < Loan Size <= 275,000	563	8.85%	148,055,517	9.49%
275,000 < Loan Size <= 300,000	410	6.45%	118,108,083	7.57%
300,000 < Loan Size <= 325,000	305	4.80%	95,671,783	6.13%
325,000 < Loan Size <= 350,000	229	3.60%	77,194,722	4.95%
350,000 < Loan Size <= 375,000	184	2.89%	66,803,886	4.28%
375,000 < Loan Size <= 400,000	140	2.20%	54,303,057	3.48%
400,000 < Loan Size <= 425,000	129	2.03%	53,222,528	3.41%
425,000 < Loan Size <= 450,000	116	1.82%	50,972,148	3.27%
450,000 < Loan Size <= 475,000	79	1.24%	36,545,414	2.34%
475,000 < Loan Size <= 500,000	53	0.83%	25,910,476	1.66%
500,000 < Loan Size <= 525,000	32	0.50%	16,381,468	1.05%
525,000 < Loan Size <= 550,000	44	0.69%	23,790,609	1.52%
550,000 < Loan Size <= 575,000	26	0.41%	14,625,517	0.94%
575,000 < Loan Size <= 600,000	23	0.36%	13,488,379	0.86%
600,000 < Loan Size <= 625,000	17	0.27%	10,417,909	0.67%
625,000 < Loan Size <= 650,000	13	0.20%	8,323,932	0.53%
650,000 < Loan Size <= 675,000	11	0.17%	7,281,312	0.47%
675,000 < Loan Size <= 700,000	12	0.19%	8,266,624	0.53%
Loan Size > 700,000	74	1.16%	77,351,774	4.96%
	6,360	100.00%	1,560,112,549	100.00%

Range of Loan to Foreclosure Value (Indexed)	Loan to Indexed Foreclosure Value		Aggregate Outstanding Principal (euro)	Proportion of Pool (%)
	Number of Borrowers	Proportion of Total (%)		
LTFV Indexed <= 0.50	479	7.53%	43,028,850	2.76%
0.50 < LTFV Indexed <= 0.55	140	2.20%	21,106,328	1.35%
0.55 < LTFV Indexed <= 0.60	157	2.47%	27,191,799	1.74%
0.60 < LTFV Indexed <= 0.65	149	2.34%	28,040,820	1.80%
0.65 < LTFV Indexed <= 0.70	212	3.33%	39,864,269	2.56%
0.70 < LTFV Indexed <= 0.75	204	3.21%	39,142,641	2.51%
0.75 < LTFV Indexed <= 0.80	206	3.24%	44,980,020	2.88%
0.80 < LTFV Indexed <= 0.85	215	3.38%	49,565,209	3.18%
0.85 < LTFV Indexed <= 0.90	311	4.89%	79,401,969	5.09%
0.90 < LTFV Indexed <= 0.95	515	8.10%	142,088,647	9.11%
0.95 < LTFV Indexed <= 1.00	501	7.88%	141,640,836	9.08%
1.00 < LTFV Indexed <= 1.05	269	4.23%	75,635,022	4.85%
1.05 < LTFV Indexed <= 1.10	343	5.39%	95,441,318	6.12%
1.10 < LTFV Indexed <= 1.15	455	7.15%	123,017,752	7.89%
1.15 < LTFV Indexed <= 1.20	690	10.85%	191,671,345	12.29%
1.20 < LTFV Indexed <= 1.25	794	12.48%	202,888,673	13.00%
1.25 < LTFV Indexed <= 1.30	481	7.56%	126,001,579	8.08%
1.30 < LTFV Indexed <= 1.35	94	1.48%	31,803,116	2.04%
1.35 < LTFV Indexed <= 1.40	48	0.75%	18,267,234	1.17%
1.40 < LTFV Indexed <= 1.45	28	0.44%	11,396,279	0.73%
1.45 < LTFV Indexed <= 1.50	22	0.35%	7,762,831	0.50%
LTFV Indexed > 1.50	47	0.74%	20,176,011	1.29%
	6,360	100.00%	1,560,112,549	100.00%

Loan to Indexed Fair Market Value				
Range of Loan to Fair Market Value (Indexed)	Number of Borrowers	Proportion of Total (%)	Aggregate Outstanding Principal (euro)	Proportion of Pool (%)
LTMV Indexed <= 0.50	736	11.57%	84,871,636	5.44%
0.50 < LTMV Indexed <= 0.55	184	2.89%	33,450,340	2.14%
0.55 < LTMV Indexed <= 0.60	240	3.77%	45,512,468	2.92%
0.60 < LTMV Indexed <= 0.65	229	3.60%	46,884,620	3.01%
0.65 < LTMV Indexed <= 0.70	258	4.06%	55,211,435	3.54%
0.70 < LTMV Indexed <= 0.75	294	4.62%	72,222,838	4.63%
0.75 < LTMV Indexed <= 0.80	536	8.43%	145,755,974	9.34%
0.80 < LTMV Indexed <= 0.85	612	9.62%	172,142,076	11.03%
0.85 < LTMV Indexed <= 0.90	319	5.02%	92,064,531	5.90%
0.90 < LTMV Indexed <= 0.95	429	6.75%	116,231,659	7.45%
0.95 < LTMV Indexed <= 1.00	718	11.29%	191,096,085	12.25%
1.00 < LTMV Indexed <= 1.05	848	13.33%	229,722,640	14.72%
1.05 < LTMV Indexed <= 1.10	705	11.08%	181,953,748	11.66%
1.10 < LTMV Indexed <= 1.15	111	1.75%	37,265,914	2.39%
1.15 < LTMV Indexed <= 1.20	52	0.82%	19,196,717	1.23%
1.20 < LTMV Indexed <= 1.25	28	0.44%	11,540,727	0.74%
1.25 < LTMV Indexed <= 1.30	29	0.46%	10,735,792	0.69%
1.30 < LTMV Indexed <= 1.35	7	0.11%	3,499,657	0.22%
1.35 < LTMV Indexed <= 1.40	11	0.17%	4,134,537	0.27%
1.40 < LTMV Indexed <= 1.45	5	0.08%	2,535,161	0.16%
1.45 < LTMV Indexed <= 1.50	1	0.02%	400,007	0.03%
LTMV Indexed > 1.50	8	0.13%	3,683,987	0.24%
	6,360	100.00%	1,560,112,549	100.00%

Key Characteristics of the Provisional Pool as of 31 December 2004

Outstanding Principal Balance -/- savings deposits(euro)	1,560,112,549
Savings Deposits	12,602,274
Building Deposits	47,175,141
Average Balance by Borrower (euro)	245,301
Maximum Balance by Borrower (euro)	2,495,791
Number of Borrowers	6,360
Number of Loan Parts	10,270
Weighted Average Seasoning (months)	22.97
Weighted Average Maturity Insurance Policies (years)	27.09
Weighted Average Coupon (%)	4.42%
Weighted Average LTFV (indexed)	103.32%
Weighted Average LTMV (Indexed)	87.82%
Weighted Average LTFV	110.03%
Weighted Average LTMV	93.53%
Weighted Average LTIFV (adjusted for upfront investments)	96.86%

MORTGAGE LOAN UNDERWRITING AND SERVICING

Origination

Introduction

Applications for new mortgage loans are accepted on the basis of an established underwriting protocol. The principal features of this underwriting protocol are borrower as well property related.

Borrower

Income

On average, 93 per cent of Fortis Hypotheek Bank's mortgage loan borrowers are salaried employees or wage earners. The remaining seven per cent are self-employed. The protocol stipulates the income components. Mortgage Loan applicants are asked to provide an original, recently issued, employer's declaration and recent payslip to prove their income, or, if self-employed, to submit full annual accounts (including an auditor's report or stamp) of their business and income tax returns for the previous three years. A director / majority shareholder is regarded as self-employed.

Housing ratio

The housing ratio, i.e. the ratio of the mortgage loan payment to gross income, is a major determinant of the maximum mortgage loan, as it reflects the maximum percentage of income that can be committed to making mortgage loan payments. The mortgage loan payment is estimated on an annuity basis, taking into account both interest and principal repayment.

A distinction is made between single and dual income households. The ratio for single income households is higher than the combined ratio for dual income households. The policy on dual income households assumes that the second income will diminish over time. Allowance is made for this in the form of a lower housing ratio.

National Credit Register

A check on every mortgage loan borrower is carried out with the National Credit Register ("*Bureau Krediet Registratie*" or "*BKR*") in Tiel. The Register contains records of all (positive and negative) commitments entered into with financial institutions over the previous five years.

Property

All collateral offered in the form of existing buildings is valued by an independent appraiser not involved in the transaction. Any appraiser used for this purpose must be a member of one of the following organisations:

- Netherlands Association of Real Estate Brokers ("*Nederlandse Vereniging van Makelaars*" or "*NVM*")
- National Real Estate Brokers' Association ("*Landelijke Makelaars Vereniging*" or "*LMV*")
- Society of Chartered Surveyors ("*Vereniging van Registrerend Taxateurs*" or "*RVT*")
- Estate Agents Association ("*Vereniging Bemiddeling Onroerend Goed*" or "*VBO*")

These are the same appraisers that are accepted for mortgages covered by the National Mortgage Guarantee scheme ("*Nationale Hypotheek Garantie*" or "*NHG*"). All appraisers have to be established within a range of 15 km near the property.

In the Netherlands, it is usual for new property to be valued at the design and specification stage.

A standard interest rate is charged on mortgages for up to 60 per cent of the foreclosure value. In the case of mortgage loans for more than 60 per cent, a higher interest rate is charged on the entire mortgage loan.

Other underwriting conditions

In addition to the above underwriting conditions, the following rules apply:

- mortgage loans are granted only to individuals
- joint and several liability for mortgage commitments (all owners are jointly and severally liable)
- the property to be mortgaged must be located in the Netherlands
- the property to be mortgaged must be for owner occupation only (not for rental)

Software tool

The underwriters are supported by a customised software tool, which encompasses the entire acceptance protocol. This tool checks National Mortgage Guarantee scheme status and calculates the maximum loan that can be advanced. It also forecasts the future value of any life insurance policy or investment account that forms part of the collateral. Furthermore, the tool produces the proposals.

Brokers send mortgage applications to the acceptance departments via an electronic data network. Internal audits are carried out at regular intervals to check whether the mortgage loans granted conform to the underwriting protocol. Mortgage Loans exceeding EUR 475,000 have to be approved by senior management. Mortgage Loans exceeding EUR 575,000 or deviating from the guidelines in some other way have to be approved by the credit committee.

Servicing

Introduction

In addition to its corporate support departments, the servicer has three major units, i.e. the middle office, the notary department and the back office. The middle office deals with all activities that lead to the granting of mortgages, the notary department handles documentation and money transfer via the notary, while the back office is responsible for the technical management of the portfolio, collection of interest payments, standard accounting routines and initiating of any procedures for arrears management.

A daily back-up is made of information in the mainframe systems. Networks and personal computers are provided with back-up in the same way. The back-ups are stored in a fire/burglar-proof safe at a separate building. Agreements on disaster recovery have been entered into with Getronics System Integration B.V. and Computer Back-up Centre ("*Computer Uitwijk Centrum*") in Lelystad. The procedure for this will be tested each year. Sources of externally developed software are available and stored. A service level agreement was concluded when the Seller was computerised. This service level agreement has been approved by the Dutch Central Bank ("*De Nederlandsche Bank N.V.*").

Collection

Mortgage Loan interest is collected by direct debit in 99.9 per cent of cases. Each month the mainframe automatically calculates the interest due. This is then debited from the borrower's account. If there is not enough money in the account, the direct debit procedure will be repeated four different times. Should the direct debit fail again, a giro collection form will be sent to the borrower. Borrowers who do not arrange for direct debit receive a giro collection form monthly. Interest received is recorded in the mortgage borrower's ledger account. All payments made by the borrower are automatically recorded under the respective operating entity.

Arrears management

If borrowers fail to make payment within 30 days of the due date, the arrears management procedure will apply, as follows:

- if payment has not been received 30 days after the due date, a first reminder will be sent. This will be accompanied by a giro collection form and be issued automatically by the system
- if payment has not been received 60 days after the due date, a second reminder will be sent. This will be accompanied by a giro collection form and be issued automatically by the system
- if payment has not been received 90 days after the due date, any guarantors will be notified accordingly. The largest group of guarantors are Dutch local authorities, which issue municipal guarantees. In the case of guarantees under the National Mortgage Guarantee scheme, notification will be after 150 days. Furthermore notice of default will be sent by registered post. This will state that if the arrears are not paid, the entire loan will be called in. There is a fifteen day grace period. If payment has still not been received at the end of this period, the borrower will be contacted by telephone
- if payment has not been received 120 days after the due date (see explanatory notes below) and no suitable solution has been found, the loan will finally be called in

During the period in which the arrears build up, efforts are always made to find a solution acceptable to both the borrower and the lender.

If the borrower fails to comply with the agreed payment schedule, or if there is obviously no prospect of the interest and/or premium arrears being paid in the near future, the file will be handed over to the Arrears Management department. The Arrears Management department specialises in handling these files.

Auctions

Sale at public auction is arranged only as a last resort. However, in cases where such a sale results from attachment or the bankruptcy of the borrower, the auction will be arranged immediately.

Fortis Hypotheek Bank plays an active role in the public auction proceedings and may bid for properties. Such bids will be made for its own account. In principle, bids may be made up to the foreclosure value of the property, provided that they never exceed the value of the total debt.

The borrower will be liable for any residual debt that remains after auction or private sale. In principle, a new repayment schedule will then be arranged for the residual debt. If the borrower does not agree to a repayment schedule, an external collection agency will be brought in to attempt collection of the debt.

MORTGAGE RECEIVABLES PURCHASE AGREEMENT

Under the Mortgage Receivables Purchase Agreement the Issuer will, on the Closing Date, purchase and 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 (i) to the extent relating to interest, including prepayment penalties as of the Closing Date and (ii) to the extent relating to principal as of 30 April 2005 (the 'Portfolio Cut-Off Date').

Purchase Price

The purchase price for the Mortgage Receivables shall consist of an initial purchase price (the 'Initial Purchase Price'), payable on the Closing Date and a deferred purchase price (the 'Deferred Purchase Price'). The Initial Purchase Price will be euro 1,667,958,129.74 which is equal to the aggregate outstanding principal amount of the Mortgage Receivables at Closing. An amount equal to euro 43,834,911.08 being the aggregate Construction Amount of the Initial Purchase Price will be withheld by the Issuer and will be deposited on 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' will be equal to (i) the positive difference, if any, between the Notes Interest Available Amount as calculated on each 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 (p) and (ii), after an Enforcement Notice, the amount remaining after payments as set forth in the Priority of Payments upon Enforcement under (a) up to and including (m) have been made (see *Credit Structure* above) on such date.

Representations and warranties

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

- (a) each of the Mortgage Receivables is duly and validly existing;
- (b) it has full right and title ("*titel*") to the Mortgage Receivables and no restrictions on the sale and transfer of the Mortgage Receivables are in effect and the Mortgage Receivables are capable of being assigned;
- (c) it has power ("*is beschikkingsbevoegd*") to sell and assign the Mortgage Receivables;
- (d) the Mortgage Receivables are free and clear of any encumbrances and attachments ("*beslagen*") and no option to acquire the Mortgage Receivables has been granted in favour of any third party with regard to the Mortgage Receivables;
- (e) each Mortgage Receivable is secured by a mortgage right on a Mortgaged Asset used for residential purposes in the Netherlands and is governed by Netherlands law;
- (f) upon creation ("*vestiging*") of each mortgage right and right of pledge (except for the pledge of Savings Insurance Policies entered into in connection with Investment Savings Mortgage Loans) securing the Mortgage Loans, the Seller was granted power by the mortgage deed to unilaterally terminate such mortgage right and such power to terminate has not been revoked, terminated or amended;
- (g) each Mortgaged Asset concerned was valued when application for a Mortgage Loan was made by an independent qualified valuer or surveyor, except that in case of Mortgage Loans (i) of which the principal sum outstanding does not exceed 60 per cent. of the purchase price of the Mortgaged Asset or 70 per cent. of the value based upon an assessment by the Netherlands tax authorities on the basis of the Act on Valuation of Real Property ("*Wet Waardering Onroerende Zaken*") or (ii) Mortgage Loans secured by newly built properties with a value less than euro 350,000 or euro 750,000 for new built properties in a housing project, no valuation is required; valuations are not older than 6 months prior to the date of mortgage application by the Borrower;
- (h) each Mortgage Receivable and the mortgage right and the right of pledge, if any, securing such receivable constitutes legal, valid, binding and enforceable obligations of the relevant Borrower;
- (i) each Mortgage Loan was originated by the Seller;
- (j) all Mortgages and Borrower Pledges (i) constitute valid mortgage rights ("*hypothekrechten*") and rights of pledge ("*pandrechten*") respectively on the Mortgaged Assets and the assets which are the subject of the Borrower Pledges and, to the extent relating to the Mortgages have been entered in the relevant public register ("*Dienst van het Kadaster en de Openbare Registers*"), (ii) have first priority ("*eerste in rang*") or, have first and sequentially lower ranking priority, (iii) were vested for a principal sum which is at least equal to the principal sum of the relevant Mortgage Loan when originated increased with interest, penalties, costs and any insurance premium paid by the Seller on behalf of the Borrower up to an amount of at least fifty five (55) per cent. of such outstanding principal amount, therefore in total up to a maximum amount of at least one hundred and fifty five (155) per cent. of the Outstanding Principal Amount of the relevant Mortgage Receivable;
- (k) 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 in the forms of mortgage deeds attached to the Mortgage

Receivables Purchase Agreement as Schedule 5 which is subdivided in (i) Schedule 5 A Part I and Part II to which the mortgage deeds relating to each type of Mortgage Loan are attached in two versions (excluding and including Further Advances), (ii) Schedule 5B Part I, Part II and Part III to which the general terms and conditions for mortgage loans used in each of the periods listed in the relevant Part are attached, (iii) Schedule 5C to which a standard offer letter ("*offerte*"), including all exhibits, is attached and (iv) Schedule 5D to which the form of Borrower Investment Savings Insurance Mortgage Pledge is attached;

- (l) the particulars of each Mortgage Loan, as set forth in the list of Mortgage Receivables attached to (i) the Mortgage Receivables Purchase Agreement as Schedule 1 and (ii) to the Deed of Assignment to be signed at the Closing Date as Annex 1, are correct and complete in all material respects;
- (m) each of the Mortgage Loans meets the Mortgage Loans Criteria as set forth below;
- (n) each of the Mortgage Loans has been granted in accordance with all applicable legal requirements and the Code of Conduct on Mortgage Loans ("*Gedragcode Hypothecaire Financieringen*") and met in all material respects the Seller's standard underwriting criteria and procedures prevailing at that time and such underwriting criteria and procedures do not materially differ from the current criteria and procedures as set forth in the Acceptance Conditions attached to the Mortgage Receivables Purchase Agreement;
- (o) all Investment Mortgage Receivables, all Life Mortgage Receivables and all Savings Mortgage Receivables are set out, and all as such indicated, in the relevant Schedule of the Mortgage Receivables Purchase Agreement;
- (p) each of the Investment Savings Mortgage Receivables and, as the case may be, Savings Mortgage Receivables, has the benefit of Savings Insurance Policies and either (i) the Seller has been validly appointed as beneficiary ("*begunstigde*") under such Savings Insurance Policies, upon the terms of the relevant Mortgage Loans and the relevant Savings Insurance Policies, which has been notified to the relevant Insurance Companies, or (ii) the relevant Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the relevant Mortgage Receivable;
- (q) each of the Life Mortgage Receivables has the benefit of a Life Insurance Policy and either (i) the Seller has been validly appointed as beneficiary ("*begunstigde*") under such Life Insurance Policies upon the terms of the relevant Mortgage Loans and the relevant Life Insurance Policies, which has been notified to the relevant Insurance Companies, or (ii) the relevant Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the relevant Mortgage Receivable;
- (r) each of the Investment Mortgage Receivables has the benefit of a Risk Insurance Policy and either (i) the Seller has been validly appointed as beneficiary ("*begunstigde*") under such Risk Insurance Policies upon the terms of the relevant Mortgage Loans and the relevant Risk Insurance Policies, which has been notified to the relevant Insurance Companies, or (ii) the relevant Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the relevant Mortgage Receivable;
- (s) the insurer under each Insurance Policy is one of the Insurance Companies and in respect of Investments Mortgage Loans and Life Mortgage Loans in the form of '*Maximum + Plan*', the investments are those set out in the relevant brochures, which may become available from time to time;
- (t) it has not been notified and is not aware of anything affecting the Seller's title to the Mortgage Receivables;
- (u) the notarial mortgage deeds ("*minuut*") relating to the Mortgages are kept by a civil law notary in the Netherlands, while the loan files, which include authentic copies of the notarial mortgage deeds, are kept by the Seller;
- (v) to the best knowledge of the Seller, the Borrowers are not in any material breach of any provision of their Mortgage Loans, other than in respect of payment obligations;
- (w) each Mortgage Loan constitutes the entire loan granted to the relevant Borrower and not merely one or more loan parts ("*leningdelen*");
- (x) each receivable under a mortgage loan ("*hypothecaire lening*") which is secured by the same mortgage right or if applicable, the same and sequentially lower mortgage rights, is sold and assigned to the Issuer pursuant to the Mortgage Receivables Purchase Agreement;
- (y) other than the aggregate Construction Amounts, the full principal amount of each Mortgage Loan was in case of each of the Mortgage Loans fully disbursed to the relevant Borrower, whether or not through the relevant civil law notary and no amounts are held in deposit with respect to premia and interest payments ("*rente en premiedepots*");
- (z) the aggregate Construction Amounts did not exceed the amount of euro 43,834,911.08 on 30 April 2005; and
- (aa) with respect to each of the Mortgage Receivables resulting from an Investment Mortgage Loan, a Life Mortgage Loan or, as the case may be, a Savings Mortgage Loan, to which an Insurance Policy is connected, a valid right of pledge has been entered into by the Seller and the relevant Borrower and such right of pledge has been notified to the relevant Insurance Companies;
- (bb) each of the Mortgage Assets on which a Mortgage has been vested to secure the Mortgage Receivable had, at the time the Mortgage Loan was advanced the benefit of buildings insurance ("*opstalverzekering*") for the full reinstatement value ("*herbouwwaarde*");
- (cc) the mortgage conditions provide that all payments by the Borrower should be made without any deduction or set-off;

- (dd) in respect of Investment Mortgage Loans, *Stichting ASR Beleggersgiro* only holds and retains participations in licensed investment institutions and is not actively involved in offering rights with respect to securities by means of opening an account; and
- (ee) the aggregate principal sum outstanding of all Mortgage Receivables is equal to euro 1,667,958,129.74.

Mortgage Loans Criteria

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

- (a) the Mortgage Loans are either:
- (i) Life Mortgage Loans ("*levenhypotheek*"), which can be in the form of "*Waerdije-Hypotheek Plan*", "*Stad Rotterdam Plan*", "*Maximum + Plan*" or "*Maximum + Hybride Hypotheek Plan*"; or
 - (ii) Investment Mortgage Loans ("*beleggingshypotheek*"); or
 - (iii) Savings Mortgage Loans ("*spaarhypotheek*"); or
 - (iv) combinations of the above mentioned types of Mortgage Loans; or
 - (v) Mortgage Loans which combine Savings Mortgage Loans with interest-only mortgage loans ("*aflossingsvrije hypotheek*");
- (b) the Borrower is a resident of the Netherlands;
- (c) each Mortgaged Asset was not the subject of residential letting at the time of origination of the Mortgage Loan;
- (d) each mortgage right securing a Mortgage Loan has been created after 1 January 1992;
- (e) the interest rate of each Mortgage Loan is fixed, subject to an interest reset from time to time, or in case of a Mortgage Loan with a so called margin interest rate, variable on an annual basis;
- (f) interest payments are scheduled to be made monthly by direct debit;
- (g) each Mortgage Loan is secured by a first-ranking mortgage right, or in case of Mortgage Loans secured on the same Mortgaged Assets, first and sequentially lower ranking mortgage rights;
- (h) no Mortgage Loan will have a legal maturity beyond 26 September 2091;
- (i) on 30 April 2005 no amounts due under any of the Mortgage Loans were overdue and unpaid, save that a default in interest payments with a maximum of three months will be permitted;
- (j) in case of substitution, on the relevant Quarterly Payment Date no amounts due under any of the Mortgage Loans are overdue and unpaid;
- (k) each Mortgaged Asset is located in the Netherlands;
- (l) where compulsory under the Acceptance Conditions used by the Seller, each Mortgage Loan has a compulsory Life Insurance Policy or Risk Insurance Policy attached to it;
- (m) at least one (interest) payment has been made in respect of the Mortgage Loan prior to the Closing Date or, in case of substitution, the relevant Quarterly Payment Date; and
- (n) if the Mortgage Loan results from a so-called bridge loan ("*overbruggingshypotheek*"), the principal sum outstanding of such Mortgage Loan, or of all Mortgage Loans secured on the same Mortgaged Assets together, did not exceed 130 per cent. of the foreclosure value of the Mortgaged Assets upon origination of the Mortgage Receivable or Mortgage Receivables, as the case may be.

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

Repurchase

If at any time after the Closing Date any of the representations and warranties relating to the Mortgage Loans and the Mortgage Receivables is untrue or incorrect, the Seller shall within 14 days of receipt of written notice thereof from the Issuer remedy the matter giving rise thereto and if such matter is not capable of remedy or is not remedied within the said period of fourteen (14) days, the Seller shall repurchase and accept re-assignment of the Mortgage Receivable.

If the Seller agrees with a Borrower to make a Further Advance prior to the occurrence of a Notification Event and partial termination of the relevant mortgage right (see paragraph *Notification Events* below), it shall repurchase and accept re-assignment of the Mortgage Receivable on the terms and conditions set forth above on the immediately following Mortgage Payment Date (see also paragraph *Substitution* below).

The Seller shall also repurchase and accept re-assignment of a Mortgage Receivable on the Mortgage Payment Date immediately following the date on which it agrees with a Borrower to a Mortgage Loan Amendment.

Furthermore, the Seller shall repurchase and accept re-assignment of a Mortgage Receivable on the Mortgage Payment Date immediately following the date on which the Seller has decided to comply with a request from the Borrower under the terms of an Investment Mortgage Loan to switch the premia accumulated in the relevant Savings Insurance Policy with any of the Insurance Companies ("*ASR Spaarhypotheek Garantie*") into another eligible investment under the Investment Mortgage Loan.

The purchase price in case of a repurchase by the Seller of Mortgage Receivables in any of the events described above, will be equal to the outstanding principal amount of the Mortgage Receivable together with interest and reasonable costs relating thereto (including any costs incurred by the Issuer in effecting and completing such purchase and assignment) accrued up to but excluding the date of purchase and assignment of the Mortgage Receivable. However, in the event of a repurchase as a result of the occurrence of a Mortgage Loan Amendment, the purchase price shall be equal to the outstanding principal amount of the relevant Mortgage Receivable, as described above, except that with respect to Mortgage Receivables which are in arrears for a period exceeding ninety (90) days or in respect of which an instruction has been given to the civil-law notary to start foreclosure proceedings, the purchase price shall be at least the lesser of (i) an amount equal to the foreclosure value of the Mortgaged Assets or, if no valuation report of less than twelve (12) months old is available, the indexed foreclosure value, or (ii) the sum of the outstanding principal amount together with accrued interest due but not paid, if any, and any other amount due under the Mortgage Receivable.

Regulatory Call Option

On each Quarterly Payment Date, the Seller has the option (the '**Regulatory Call Option**') to repurchase the Mortgage Receivables upon the occurrence of 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 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 (a '**Regulatory Change**').

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 its Regulatory Call Option.]

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 it under the Mortgage Receivables Purchase Agreement or under any Relevant Document (as defined in Condition 3) to which it is a party and such failure is not remedied within ten (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 ten (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 the representations and warranties stated in Clause 7, or under any of the other Relevant Documents to which the Seller is a party or if any notice or other document, certificate or statement delivered by it pursuant thereto proves to have been, and continues to be after the expiration of any applicable grace period provided for in any Relevant Document, untrue or incorrect in any material respect; or
- (d) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ("*ontbinding*") and liquidation ("*vereffening*") involving the Seller or any of its assets are placed under administration ("*onder bewind gesteld*"); or
- (e) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into emergency regulations ("*noodregeling*") as referred to in Chapter X of the Dutch Act on the Supervision of the Credit System 1992 ('*Wtk*') or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (f) at any time it becomes unlawful for the Seller to perform all or a material part of its obligations hereunder or under any Relevant Document to which it is a party; or

- (g) the Seller has given materially incorrect information or not given material information which was essential for the Issuer and the Security Trustee in connection with the entering into the Mortgage Receivables Purchase Agreement and/or any of the Relevant Documents; or
- (h) the Seller during a period of any two consecutive months fails to have a solvency ratio on a consolidated basis equal to or greater than the percentage required by Guideline 4001 issued pursuant to the Wtk as set out in the Netherlands Central Bank's Credit System Supervision Manual as amended from time to time ('Handboek Wtk') or pursuant to Guideline 4101 of the Handboek Wtk 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; or
- (i) the Netherlands Central Bank ("De Nederlandsche Bank N.V.") has restricted the Seller's powers in accordance with Clause 28.3(a) of the Wtk or has made an official announcement as referred to in Clause 28.3(b) of the Wtk and within two weeks after any such events the Seller has not taken the necessary steps resulting in such measures being withdrawn; or
- (j) the credit rating of FBN Holding's long term unsecured, unsubordinated and unguaranteed debt obligations falls below A3 by Moody's or such rating is withdrawn; or
- (k) FBN Holding withdraws the 403-Declaration;

then the Seller shall (i) in the case of the occurrence of notification event (k) or (l), if the Security Trustee so instructs the Seller or (ii) in the case of the occurrence of any notification event other than (k) and (l) unless the Security Trustee instructs it otherwise, forthwith notify or ensure that the relevant Borrowers and any other relevant parties indicated by the Issuer and/or the Security Trustee are forthwith notified of (i) the termination of the mortgage rights and the rights of pledge securing the Mortgage Receivables in as far as they secure other debts than the Mortgage Receivables assigned to the Issuer and (ii) the assignment of the Mortgage Receivables or, at its option, the Issuer shall be entitled to make such notifications itself. The Security Trustee shall, in the case of the occurrence of notification event (k), not instruct the Seller to give notice of partial termination and assignment as described above, unless it has received confirmation from Moody's that a downgrading of the Notes by Moody's will occur as a result of not giving such notice or (iii) in the case of the occurrence of any notification event other than (k), only instruct the Seller not to give notice of partial termination and assignment as described above, if it has received confirmation from Moody's that no downgrading of the Notes will occur as a result of not giving such notice.

In addition, pursuant to the Beneficiary Waiver Agreement (i) the Seller, subject to the condition precedent of the occurrence of a Notification Event or upon registration of the deed of assignment relating to the Mortgage Receivables and, if applicable, any Substitute Mortgage Receivables (see *Legislation on the requirements for assignment* below) waives its right as beneficiary under the Insurance Policies and appoints as first beneficiary (x) the Issuer subject to the dissolving condition of the occurrence of a Notification Event relating to the Issuer and (y) the Security Trustee under the condition precedent of the occurrence of a Notification Event relating to the Issuer and (ii) upon the occurrence of a Notification Event or upon registration of the deed of assignment relating to the Mortgage Receivables and, if applicable, any Substitute Mortgage Receivables, the Seller and the Insurance Companies shall (a) use their best efforts to obtain the co-operation from the relevant Insurance Companies and all other parties to appoint as first beneficiary under the Insurance Policies (to the extent such rights have not been waived) (x) the Issuer under the dissolving condition of the occurrence of a Notification Event relating to the Issuer and (y) the Security Trustee under the condition precedent of the occurrence of a Notification Event relating to the Issuer and (b) with respect to Insurance Policies where a Borrower Insurance Instruction has been given, use their best effort to change the payment instruction in favour of the Seller into such instruction in favour of (x) the Issuer under the dissolving condition of the occurrence of a Notification Event relating to the Issuer and (y) the Security Trustee under the condition precedent of the occurrence of a Notification Event relating to the Issuer.

Legislation on the requirements for assignment

As per 1 October 2004 the legal requirements for the assignment of mortgage receivables have been amended in such a manner that assignment can also be effectuated by means of a notarial or registered deed of assignment, without notification of the assignment to the debtors being required. Pursuant to this amendment, the Seller can assign the mortgage receivables, and transfer legal ownership, to the Issuer by the mere registration of the deed of assignment and would not be restricted to completing the assignment by notification in case of the occurrence of any Notification Event.

Pursuant to the Mortgage Receivables Purchase Agreement the Issuer will have the right at all times to register the deed of assignment regarding the Mortgage Receivables and, therefore, not only in the case of the occurrence of any Notification Event. The Issuer will undertake in the Trust Deed to exercise such right only with the written prior approval of the Security Trustee and subject to the confirmation of Moody's that it will not adversely effect the then current ratings assigned to the Notes.

Substitution

The Mortgage Receivables Purchase Agreement will provide that the Seller will have the right, but not the obligation to offer Substitute Mortgage Receivables on each Quarterly Payment Date to the Issuer and the Issuer will have the right, but not the obligation, to apply towards the purchase of Substitute Mortgage Receivables (i) on each Quarterly Payment Date up to the Step-Up Date the Notes Redemption Available Amount, and (ii) thereafter on each Quarterly Payment Date up to the Quarterly Payment Date immediately preceding the Final Maturity Date any amounts received as a result of a repurchase by the Seller of Mortgage Receivables in connection with (x) the granting of a Further Advance or (y) a switch from a Savings Insurance Policy under an Investment Mortgage Loan to another eligible investment, to the extent such amounts relate to principal less, with respect to each Investment Savings Mortgage Receivable and Savings Mortgage Receivable, the Participation, and, both in case of (i) and (ii) including an amount equal to the Initial Participation of any Substitute Mortgage Receivables and substitute Investment Mortgage Receivables to which a Savings Insurance Policy is connected (the '**Substitution Available Amount**'). The initial purchase price payable by the Issuer as consideration for any Substitute Mortgage Receivables shall be equal to the aggregate outstanding principal amount in respect of such Substitute Mortgage Receivables on the first day of the month of the relevant Quarterly Payment Date.

The purchase by the Issuer of Substitute Mortgage Receivables will be subject to a number of conditions, which include, *inter alia*, the conditions that on the relevant date of completion of the sale and purchase of the Substitute Mortgage Receivables:

- (a) the Seller will represent and warrant to the Issuer and the Security Trustee the matters set out in the clauses providing for the representations and warranties relating to the Mortgage Loans, the Mortgage Receivables and the Seller in the Mortgage Receivables Purchase Agreement with respect to the Substitute Mortgage Receivables sold and relating to the Seller (with certain exceptions to reflect that the Substitute Mortgage Receivables are sold and may have been originated after the Closing Date);
- (b) no Notification Event has occurred and is continuing;
- (c) not more than 3.00 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Loans is in arrears, for an amount exceeding two scheduled monthly payments of interest and principal;
- (d) the amount standing to the credit of the Reserve Account is equal to the Reserve Account Target Level;
- (e) the weighted average of the aggregate proportions of the outstanding principal amount of each Mortgage Loan and Substitute Mortgage Loan to the Foreclosure Value of the Mortgaged Assets (the '**LTFV-ratio**') does not exceed 110.5 per cent. The Issuer and the Seller may agree to a higher LTFV-ratio, subject to the confirmation of Moody's that no downgrading of the Notes, excluding the Subordinated Class D Notes, will occur as a result thereof;
- (f) the aggregate Outstanding Principal Amount of the Substitute Mortgage Loans and the Mortgage Loans purchased by the Issuer since the Quarterly Payment Date immediately preceding the relevant date of completion of the sale and purchase does not exceed twenty (20) per cent. of the aggregate Principal Amount Outstanding of the Notes, excluding the Subordinated Class D Notes, on such Quarterly Payment Date. The Issuer and the Seller may agree to a higher percentage, subject to the confirmation of Moody's that no downgrading of the Notes, excluding the Subordinated Class D Notes, will occur as a result thereof;
- (g) there has been no failure by the Seller to repurchase any Mortgage Receivable which it is required to repurchase pursuant of the Mortgage Receivables Purchase Agreement;
- (h) the Substitution Available Amount is sufficient to pay the purchase price for the relevant Substitute Mortgage Receivables;
- (i) the then current ratings assigned to the Notes by Moody's are not adversely affected as a result of such substitution;
- (j) up to the Step-Up Date, the cumulative Realised Losses do not exceed 0.65 per cent. of the outstanding principal amount of the Mortgage Receivables at the Closing Date and thereafter 1.00 per cent. of the outstanding principal amount of the Mortgage Receivables at the Closing Date;
- (k) the aggregate Outstanding Principal Amount of all Hybrid Mortgage Loans and Investment Mortgage Loans does not exceed sixty (60) per cent. of the aggregate Outstanding Principal Amount of all Mortgage Loans;
- (l) the aggregate Outstanding Principal Amount of Mortgage Receivables which result from so-called bridge loans ("*overbruggingshypotheken*") including any Substitute Mortgage Receivables which result from so-called bridge loans does not exceed five (5) per cent. of the aggregate Outstanding Principal Amount of all Mortgage Loans;
- (n) not more than 20 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables results from a Mortgage Loan entered into by the Seller with an employee of the Seller or any of its group companies as Borrower

SERVICING AGREEMENT

Services

In the Servicing Agreement the Pool Servicer will agree to continue to provide administration and management 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 Receivables and the transfer of such amounts (but no other amounts) on a monthly basis to the Master Collection Account (see also *Cash Collection Arrangements* in *Credit Structure*) and the implementation of arrear procedures including the enforcement of mortgage rights (see further *Mortgage Loan Underwriting* and *Servicing* above). The Pool Servicer will be obliged to administer the Mortgage Loans and the Mortgage Receivables at the same level of skill, care and diligence as mortgage loans in its own or, as the case may be, the Seller's portfolio.

The Administrator will in the Servicing Agreement 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 Master Collection Account and the production of monthly reports in relation thereto, (b) the direction of amounts debited from the Construction Account and the production of monthly reports in relation thereto, (c) drawings (if any) to be made by the Issuer from the Reserve Account, (d) all payments to be made by the Issuer under the Swap Agreement, (e) all payments to be made by the Issuer under the Notes in accordance with the Paying Agency Agreement and the Conditions, (f) the maintaining of all required ledgers in connection with the above and (f) all calculations to be made pursuant to the Conditions under the Notes.

SUB-PARTICIPATION AGREEMENT

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

Participation

In the Sub-Participation Agreement each of the Insurance Companies will undertake to pay to the Issuer:

- (i) at the Closing Date or, in case of purchase and assignment of substitute Investment Mortgage Receivables to which a Savings Insurance Policy is connected and, as the case may be, substitute Savings Mortgage Receivables, the relevant Quarterly Payment Date, the sum of the amounts due up to 30 April 2005 or, as the case may be, the first day of the month of the relevant Quarterly Payment Date, by the relevant Borrowers to the Insurance Companies as Savings Premium and accrued interest thereon (the '**Initial Participation**');
- (ii) on each Mortgage Payment Date an amount equal to the amount scheduled to be received by the relevant Insurance Company as Savings Premium during the Mortgage Calculation Period then ended, including in respect of the Mortgage Payment Date falling in June 2005, the period commencing on 30 April 2005 up to (and including) 5 June 2005, in respect of the relevant Savings Insurance Policies.

As a consequence of such payments each of the Insurance Companies will acquire a participation (the '**Participation**') in each of the relevant Investment Savings Mortgage Receivables and Savings Mortgage Receivables, which is equal to the Initial Participation in respect of the relevant Investment Savings Mortgage Receivables and Savings Mortgage Receivables, increased during each Mortgage Calculation Period on the basis of the following formula (the '**Participation Increase**')

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

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

T = the amount of the Savings Premium scheduled to be received at the beginning of the Mortgage Calculation Period in respect of the relevant Investment Savings Mortgage Receivable or Savings Mortgage Receivable, as the case may be, and paid to the Issuer by the relevant Insurance Company;

S = the amount of the Savings Premium scheduled to be received in the Mortgage Calculation Period in respect of the relevant Investment Savings Mortgage Receivable or Savings Mortgage Receivable, as the case may be, and paid to the Issuer by the relevant Insurance Company;

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

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

In consideration for the undertaking of the Insurance Companies described above, the Issuer will undertake to pay to each Insurance Company on each Mortgage Payment Date an amount equal to the Participation in each of the Investment Savings Mortgage Receivables and Savings Mortgage Receivables in respect of which amounts have been received during the relevant Mortgage Calculation Period (i) by means of repayment and prepayment in full for the relevant Mortgage Receivables, but excluding prepayment penalties, if any, (ii) in connection with a repurchase of Investment Savings Mortgage Receivables and Savings Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, (iii) in connection with a sale of Investment Savings Mortgage Receivables and Savings Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal, and (iv) as Net Proceeds on any Investment Savings Mortgage Receivable or Savings Mortgage Receivable to the extent such amounts relate to principal (the '**Participation Redemption Available Amount**').

Reduction of Participation

If a Borrower invokes a defence, including but not limited to a right of set-off or counterclaim against any person in respect of the Investment Savings Mortgage Receivables or the Savings Mortgage Receivables 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, as a consequence thereof, the Issuer will not have received any amount outstanding prior to such event in respect of such Investment Savings Mortgage Receivable or Savings Mortgage Receivable, the Participation of the relevant Insurance Company in respect of such Investment Savings Mortgage Receivables or Savings Mortgage Receivables, will be reduced by an amount equal to the amount which the Issuer has failed to receive as a result of such defence and the calculation of the Participation Redemption Available Amount shall be adjusted accordingly.

Enforcement Notice

If an Enforcement Notice (as defined in Condition 10) is given by the Security Trustee to the Issuer, then and at any time thereafter the Security Trustee on behalf of the Insurance Companies may, and if so directed by the Insurance Companies shall, by notice to the Issuer:

- (i) declare that the obligations of the Insurance Companies under the Sub-Participation Agreement are terminated;
- (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 Investment Savings Mortgage Receivables and the Savings Mortgage Receivables.

Termination

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

COLLIER 2005-I B.V.

The Issuer was incorporated with limited liability under the laws of the Netherlands on 20 May 2005 under number BV1318744. The corporate seat ("*statutaire zetel*") of the Issuer is in Amsterdam, the Netherlands and its registered office is at 1076 EE Amsterdam, Frederik Roeskestraat 123, the Netherlands. The Issuer is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34226771.

The objectives of the Issuer are (a) to acquire, purchase, conduct the management of, dispose of and encumber receivables ("*vorderingen op naam*") and to exercise any rights connected to such receivables, (b) to acquire monies to finance the acquisition of receivables mentioned under (a) by way of issue of securities or by entering into loan agreements, (c) to on-lend and invest 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, (i) to borrow funds among others to repay the principal sum of the securities mentioned under (b), and (ii) to grant security rights and (f) to perform all activities which are incidental to or which may be conducive to any of the foregoing.

The Issuer 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 Holding Collier 2005-I.

Stichting Holding Collier 2005-I is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 5 April 2005. The objects of Stichting Holding Collier 2005-I are 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 (i) Stichting Holding Collier 2005-I and (ii) the Issuer is ATC Management B.V. The managing directors of ATC Management B.V. are J.H. Scholts, G.F.X.M. Nieuwenhuizen, J. Lont and A.G.M. Nagelmaker.

Statement by managing director of the Issuer

Since its incorporation, the Issuer has not traded, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in the Offering Circular dated 26 May 2005.

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

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

Capitalisation

The following table shows the capitalisation of the Issuer as of 31 May 2005 as adjusted to give effect to the issue of the Notes:

Share Capital

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

Borrowings

Senior Class A Notes	euro	1,536,300,000
Mezzanine Class B Notes	euro	67,700,000
Junior Class C Notes	euro	47,900,000
Subordinated Class D Notes	euro	16,500,000
Initial Participation	euro	16,080,028.06

Auditors' Report

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

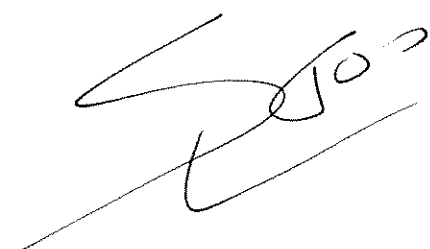
To the Directors of Collier 2005-I B.V.

Dear Sirs:

Collier 2005-I B.V. (the '**Issuer**') was incorporated on 20 May 2005 under number BV 1318744 with an issued share capital of euro 18,000. The Issuer has not yet filed any financial statements.

Amstelveen, 26 May 2005

Yours faithfully,
KPMG Accountants N.V.

A handwritten signature in black ink, appearing to be 'S. J. O.', is located in the bottom right corner of the page. The signature is written in a cursive style with a long horizontal line extending to the left.

USE OF PROCEEDS

The net proceeds of the Notes to be issued on the Closing Date amount to euro 1,668,400,000.

The net proceeds of the issue of the Notes, excluding the Subordinated Class D Notes, 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 issue of the Subordinated Class D Notes will be credited to the Reserve Account.

An amount of euro 43,834,911.08 of the Initial Purchase Price will be withheld by the Issuer and deposited on the Construction Account.

An amount of euro 16,080,028.06 will be received by the Issuer as consideration for the Initial Participation granted to the Insurance Companies in the Savings Mortgage Receivables and Investment Savings Mortgage Receivables. The Issuer will apply this amount towards payment of part of the Initial Purchase Price.

DESCRIPTION OF SECURITY

The Notes will be secured by the Deed of Surety to be entered into by the Security Trustee with (i) the Manager as initial Noteholder, (ii) the Directors, (iii) the Administrator, (iv) the Pool Servicer (v) the Principal Paying Agent, (vi) the Paying Agent, (vii) the Reference Agent, (viii) the Liquidity Facility Provider, (ix) the Swap Counterparty, (x) the Seller, and (xi) the Insurance Companies (the '**Secured Parties**'). The Security Trustee will agree in the Deed of Surety to grant a surety ("*borgtocht*") to the Secured Parties and will undertake to pay, as surety, after the date on which an Enforcement Notice has been received (see Condition 10 below) from time to time as soon as reasonably possible and practicable, to the Secured Parties, other than the Insurance Companies, an amount corresponding to the sum of any amounts due and payable 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 Administrator and the Pool Servicer under the Servicing Agreement;
- (d) as fees and expenses to the Principal Paying Agent, 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; and
- (g) to the Seller under the Mortgage Receivables Purchase Agreement;

provided that such amount shall never exceed the Notes Surety Available Amount which consists of the sum of amounts recovered ("*verhaald*") by it (a) on the Mortgage Receivables and the other assets pledged under the Trustee Pledge Agreement I and the Trustee Pledge Agreement II, other than the Investment Savings Mortgage Receivables and Savings Mortgage Receivables, and on Investment Savings Mortgage Receivables and, as the case may be, Savings Mortgage Receivables to the extent the amount exceeds the Participation in the relevant Investment Savings Mortgage Receivables and, as the case may be, Savings Mortgage Receivables; (b) amounts received in connection with the penalty provided in the Mortgage Receivables Purchase Agreement insofar such penalty relates to (i) Mortgage Receivables and the other assets pledged under the Trustee Pledge Agreement I and the Trustee Pledge Agreement II, other than Investment Savings Mortgage Receivables and, as the case may be, Savings Mortgage Receivables and (ii) with respect to Investment Savings Mortgage Receivables and, as the case may be, Savings Mortgage Receivables, the *pro rata* part of such Investment Savings Mortgage Receivables and, as the case may be, Savings Mortgage Receivables in relation to the Participation; (c) the amount of any advance having been made available to the Security Trustee under a recourse liquidity facility agreement to the extent the amount so made available will be recovered under (a) above and will not exceed the amount of such advance and (d) any amounts received from any of the Secured Parties, as received or recovered by any of them, in each case less the sum of (i) any amounts paid by the Security Trustee as surety to the Secured Parties and (ii) any costs, charges, liabilities and expenses incurred by the Security Trustee in connection with any of the Relevant Documents. Any amounts will be paid to the Secured Parties in accordance with and subject to the Priority of Payments upon Enforcement (see *Credit Structure* above).

In addition, in the Deed of Surety the Security Trustee undertakes to pay to the Insurance Companies the Participation Surety Available Amount which consists of, *inter alia*, (i) the amounts actually recovered ("*verhaald*") by it on the Investment Savings Mortgage Receivables and, as the case may be, Savings Mortgage Receivables, but only to the extent such amounts do not exceed the Participation in such Investment Savings Mortgage Receivables and Savings Mortgage Receivables, under any of the Pledge Agreements (as described below), (ii) amounts received in connection with the penalty provided in the Mortgage Receivables Purchase Agreement provided that such amounts relate to the Participation in the Investment Savings Mortgage Receivables and Savings Mortgage Receivables, and (iii) the amount of any advance having been made available to the Security Trustee under a recourse liquidity facility agreement to the extent the amount so made available will be recovered under (i) above, provided that such amounts shall never exceed the amount due and payable by the Issuer under or in connection with the Sub-Participation Agreement to the Insurance Companies.

The Seller shall grant a first ranking right of pledge ("*pandrecht*") (the '**Trustee Pledge Agreement I**') over the Mortgage Receivables and the Beneficiary Rights (see further *Insurance Policies* under *Special Considerations* above) to the Security Trustee on the Closing Date and in respect of any Substitute Mortgage Receivables undertakes to grant a first ranking right of pledge on the relevant Substitute Mortgage Receivables and, if applicable, the relevant Beneficiary Rights on the relevant Quarterly Payment Date. Security in respect of the Mortgage Receivables will be given by the Seller since it will have the legal title to the Mortgage Receivables, until notification has been made. After notification to the Borrowers of the assignment by the Seller to the Issuer of the Mortgage Receivables (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 shall be a party to such pledge agreement) will be bound by the provisions thereof in such event.

The Trustee Pledge Agreement I will secure all liabilities of the Seller under the Mortgage Receivables Purchase Agreement, including the obligation to pay a penalty 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 (as defined in the Trustee Pledge Agreement I) has occurred, to the Security Trustee. The penalty is drafted in such manner 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 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.

In addition, the Trustee Pledge Agreement I will be created as security for all liabilities (including, without limitation, recourse claims) of the Issuer to the Security Trustee in connection with the Deed of Surety. If the Security Trustee pursuant to its penalty claims on the Seller cannot fully recover all amounts required to meet its obligations under the Deed of Surety, it can create a recourse claim under the Deed of Surety against the Issuer by paying further amounts to the Noteholders. The obligations of the Security Trustee in this respect will, therefore, be conditional upon it having funds available to effectuate such payment. For this purpose, the Security Trustee should borrow an amount equal to the amount which it has as at such date collected and which it will be entitled to recover under the Trustee Pledge Agreement I and the Trustee Pledge Agreement II (see below). After having paid the Secured Parties using such borrowed funds, the Security Trustee will be entitled to reimbursement in respect of payments made by it under the Deed of Surety. It will therefore be entitled to apply the amounts held by it under the Trustee Pledge Agreement I and the Trustee Pledge Agreement II to pay its recourse claim and use these amounts to repay drawings made under the recourse liquidity facility agreement together with interest thereon and any related costs. In order to further secure the valid creation of the pledges in favour of the Security Trustee, the Issuer will as a separate and independent obligation, by way of parallel debt, undertake to pay the Security Trustee amounts equal to the amounts due by it to the Secured Parties.

The pledge on the Mortgage Receivables provided in the Trustee Pledge Agreement I will not be notified to the Borrowers except in case of certain Trustee I Notification Events. These Trustee I Notification Events will be similar to the Notification Events defined in the Mortgage Receivables Purchase Agreement. Prior to notification of the pledge to the Borrowers, the pledge will be a 'silent' right of pledge ("*stil pandrecht*") within the meaning of section 3:239 of the Netherlands Civil Code. The pledge on the Beneficiary Rights will be notified to the relevant Insurance Companies 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 Date and in respect of any Substitute Mortgage Receivables undertakes to grant a second ranking right of pledge on the relevant Substitute Mortgage Receivables and, if applicable, the relevant Beneficiary Rights on the relevant Quarterly Payment 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, all 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 (including, without limitation, recourse claims) of the Issuer to the Security Trustee resulting from or in connection with the Deed of Surety and will be vested on all rights of the Issuer under or in connection with (i) the Mortgage Receivables Purchase Agreement, (ii) the Servicing Agreement, (iii) the Liquidity Facility Agreement, (iv) the Floating Rate GIC, (v) the Sub-Participation Agreement, (vi) the Swap 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 Deed of Surety 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 Junior Class C Noteholders and the Subordinated Class D Noteholders, but amounts owing to the Mezzanine Class B Noteholders will rank in priority of payment after amounts owing to the Senior Class A Noteholders and amounts owing to the Junior Class C Noteholders will rank in priority of payment after amounts owing to the Senior Class A Noteholders and the Mezzanine Class B Noteholders and amounts owing to the Subordinated 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 Junior Class C Noteholders (see *Credit Structure* above).

THE SECURITY TRUSTEE

Stichting Security Trustee Collier 2005-I (the '**Security Trustee**') is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 5 April 2005. It has its registered office in Amsterdam, the Netherlands.

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

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

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 in definitive form if they are issued. While the Notes remain in global form, the same terms and conditions govern the Notes, except to the extent that they are not appropriate for Notes in global form. See 'The Global Notes' below.

The issue of the euro 1,536,300,000 floating rate Senior Class A Mortgage-Backed Notes 2005 due 2093 (the '**Senior Class A Notes**'), the euro 67,700,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2005 due 2093 (the '**Mezzanine Class B Notes**'), the euro 47,900,000 floating rate Junior Class C Mortgage-Backed Notes 2005 due 2093 (the '**Junior Class C Notes**') and the euro 16,500,000 floating rate Subordinated Class D Notes 2005 due 2093 (the '**Subordinated Class D Notes**'), and together with the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes, the '**Notes**') was authorised by a resolution of the managing director of Collier 2005-I B.V. (the '**Issuer**') passed on 20 May 2005. The Notes are issued under a Trust Deed dated 31 May 2005 (the '**Trust Deed**') between the Issuer and Stichting Security Trustee Collier 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**'), the forms of the Temporary Global Notes and the Permanent Global Notes, (ii) a Paying Agency Agreement (the '**Paying Agency Agreement**') dated 31 May 2005 between the Issuer, the Security Trustee, Banque Générale du Luxembourg S.A. as principal paying agent (the '**Principal Paying Agent**') and Fortis Bank Nederland N.V. as paying agent (the '**Paying Agent**'), together with the Principal Paying Agent, the '**Paying Agents**' and Fortis Bank nv-sa as reference agent (the '**Reference Agent**'), (iii) a Servicing Agreement (the '**Servicing Agreement**') dated 31 May 2005 between - *inter alia* - the Issuer, Mees Pierson Intertrust B.V. as the '**Administrator**', Fortis Hypotheek Bank N.V. as '**Pool Servicer**' and the Security Trustee, (iv) a deed of surety (the '**Deed of Surety**') dated 31 May 2005 between the Security Trustee and - *inter alia* - the Manager as initial holder of the Notes (the '**Noteholders**'), (v) a pledge agreement dated 31 May 2005 between the Seller, the Security Trustee and the Issuer, (vi) a pledge agreement dated 31 May 2005 between the Seller and the Issuer and (vii) a pledge agreement dated 31 May 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 below are defined in a master definitions agreement (the '**Master Definitions Agreement**') dated 26 May 2005 and signed by the Issuer, the Security Trustee, the Seller and certain other parties. Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions. As used herein, '**Class**' means either the Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes or the Subordinated Class D Notes, as the case may be.

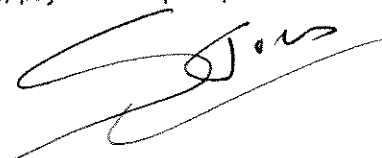
Copies of the Trust Deed, the Paying Agency Agreement, the Deed of Surety, the Pledge Agreements and the Master Definitions Agreement are available for inspection free of charge by holders of the Notes at the specified office of the Paying Agent and the present office of the Security Trustee, being at the date hereof Herengracht 420, 1017 BZ 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 Deed of Surety, 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 Agents may, to the fullest extent permitted by law, treat the holder of any Note and of the Coupons appertaining thereto as its absolute owner for all purposes (whether or not payment under such Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft thereof) for any purposes, including payment and no person shall be liable for so treating such holder. The signatures on the Notes will be in facsimile.

2. Status, Relationship between the 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, the Trust Deed and the Deed of Surety (i) payments of principal and interest on the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of principal



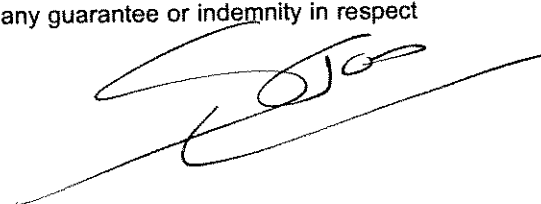
and interest on the Senior Class A Notes and (ii) payments of principal and interest on the Junior Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes and the Mezzanine Class B Notes and (iii) payments of principal and interest on the Subordinated 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 Junior Class C 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 Deed of Surety and the Pledge Agreements, which will create the following security rights:
- (i) a deed of surety ("*borgtocht*") on a limited recourse basis by the Security Trustee, *inter alia*, to the Noteholders;
 - (ii) a first ranking pledge by the Seller to the Security Trustee over the Mortgage Receivables and the Beneficiary Rights;
 - (iii) a second ranking pledge by the Seller to the Issuer over the Mortgage Receivables and the Beneficiary Rights;
 - (iv) 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 Administrator under or in connection with the Servicing Agreement; (c) against the Pool Servicer under or in connection with the Servicing Agreement; (d) against the Swap Counterparty under or in connection with the Swap Agreement; (e) against the Floating Rate GIC Provider under or in connection with the Floating Rate GIC and in respect of the Master Collection Account, the Reserve Account and the Construction Account (f) against the Liquidity Facility Provider under or in connection with the Liquidity Facility Agreement; and (g) against the Insurance Companies under the Sub-Participation Agreement.
- (d) The Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D 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 Junior Class C Notes and the Subordinated Class D Notes, the Mezzanine Class B Notes will rank in priority to the Junior Class C Notes and the Subordinated Class D Notes and the Junior Class C Notes will rank in priority to the Subordinated Class D Notes. The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Junior Class C Noteholders and the Subordinated Class D Noteholders, as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise) but requiring the Security Trustee in any such case to have regard only to the interests of the Senior Class A Noteholders, if, in the Security Trustee's opinion, there is a conflict between the interests of the Senior Class A Noteholders on one hand and the Mezzanine Class B Noteholders, the Junior Class C Noteholders and the Subordinated Class D Noteholders on the other hand and, if no Senior Class A Notes are outstanding, to have regard only to the interests of the Mezzanine Class B Noteholders, if, in the Security Trustee's opinion, there is a conflict between the interests of the Mezzanine Class B Noteholders on the one hand and the Junior Class C Noteholders and the Subordinated Class D Noteholders on the other hand and, if no Mezzanine Class B Notes are outstanding, to have regard only to the interests of the Junior Class C Noteholders, if, in the Security Trustee's opinion, there is a conflict between the interests of the Junior Class C Noteholders on the one hand and the Subordinated Class D Noteholders on the other hand. In addition, the Security Trustee shall have regard to the interests of the other Secured Parties, provided that in case of a conflict of interest between the Secured Parties the priority of payments 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 to the extent permitted by the Mortgage Receivables Purchase Agreement, the Servicing Agreement, the Pledge Agreements, the Deed of Surety, the Swap Agreement, the Floating Rate GIC, the Sub-Participation Agreement, the Liquidity Facility Agreement, the Notes Purchase Agreement, the Notes, the Paying Agency Agreement, the Beneficiary Waiver Agreement and the Trust Deed (together the '**Relevant Documents**') or with the prior written consent of the Security Trustee:

- (a) carry out any business other than as described in the Offering Circular dated 26 May 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 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 assets substantially or as an entirety to one or more persons;
- (e) permit the validity or effectiveness of the Deed of Surety, the Pledge Agreements, or the priority of the security created thereby or pursuant thereto to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations except as contemplated in the 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 Master Collection Account, the Construction Account and the Reserve Account, unless all rights in relation to such account will have been pledged to the Security Trustee as provided in Condition 2(c)(iv).

4. Interest

(a) *Period of Accrual*

The Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition 6) from and including the 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 Principal Paying Agent or 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 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 in respect of a floating rate of interest, on the basis of actual days elapsed in the Floating Interest Period divided by 360 days.

(b) *Interest Periods and Payment Dates*

Interest on the Notes is payable by reference to successive interest periods. Each successive interest period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the succeeding Quarterly Payment Date (each a '**Floating Interest Period**'), except for the first Floating Interest Period which will commence on (and include) the Closing Date and as (but exclude) the Quarterly Payment Date falling in September 2005.

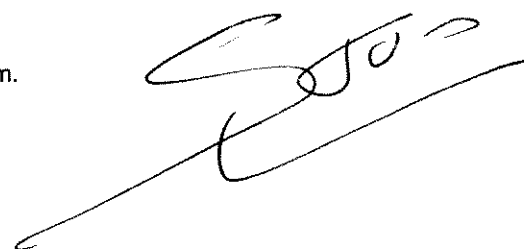
Interest on the Notes will be payable quarterly in arrear in euro in respect of the Principal Amount Outstanding (as defined in the Conditions) on the 25th day of March, June, September and December (or, if such day is not a Business Day (as defined below), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month, in which event the Business Day immediately preceding such 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, London, Brussels and Luxembourg, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement European Transfer System ('**TARGET System**') or any successor thereto is operating credit or transfer instructions in respect of payments in euro.

(c) *Interest prior to the Step-Up Date*

Up to (and including) the Quarterly Payment Date falling in June 2010 (the '**Step-Up Date**') and in respect of the Subordinated Class D Notes up to the Final Maturity Date, interest on the Notes for each Floating Interest Period will accrue at an annual rate equal to the sum of the Euro Interbank Offered Rate ('**Euribor**') for three months deposits in euros, plus:

- (i) for the Senior Class A Notes, a margin of 0.15 per cent. per annum;
- (ii) for the Mezzanine Class B Notes, a margin of 0.22 per cent. per annum;
- (iii) for the Junior Class C Notes, a margin of 0.45 per cent. per annum; and
- (iv) for the Subordinated Class D Notes a margin of 1.75 per cent. per annum.

(d) *Interest following the Step-Up Date*



If on the Step-Up Date any Class of Notes, other than the Subordinated Class D Notes, have not been redeemed in full, the interest rate applicable to the relevant Class of Notes will accrue in the Floating Interest Period commencing on the Step-Up Date and each Floating Interest Period thereafter at an annual rate equal to the sum of Euribor for three months deposits plus:

- (i) for the Senior Class A Notes, a margin of 0.50 per cent. per annum;
- (ii) for the Mezzanine Class B Notes, a margin of 0.90 per cent. per annum; and
- (iii) for the Junior Class C Notes, a margin of 2.00 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 Interest Period the rate equal to the sum of the Euro Interbank Offered Rate ("**Euribor**") for three months deposits in euro. The Reference Agent shall use the Euribor rate as determined and published jointly by the European Banking Federation and ACI – The Financial Market Association and which appears for information purposes on the 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 market at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date to prime banks in the euro-zone interbank market in an amount that is representative for a single transaction at that time; and
 - (B) determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotation as is provided; and
- (iii) 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 one month deposits to leading euro-zone banks in an amount that is representative for a single transaction in that market at that time,

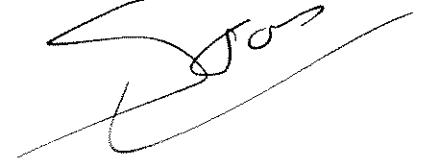
and Euribor for such Floating Interest Period shall be the rate per annum equal to the euro interbank offered rate for euro deposits as determined in accordance with this paragraph (e), provided that if the Reference Agent is unable to determine Euribor in accordance with the above provisions in relation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

(f) *Determination of Floating Rate of Interest and Calculation of the Floating Interest Amount*

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

(g) *Notification of the Floating Rate of Interest and the Floating Interest Amount*

The Reference Agent will cause the relevant Floating Rate of Interest and the relevant Floating Interest Amount and the Quarterly Payment Date applicable to each relevant Class of Notes to be notified to the Issuer, the Security Trustee, the Paying Agents, the Administrator, Euronext Amsterdam N.V. and to the holders of such Class of Notes by an advertisement in the English language in the Euronext Official Daily List ("*Officiële*



Prijscourant”) of Euronext Amsterdam N.V. The Floating Interest Amount and Quarterly Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Interest Period.

(h) *Determination or Calculation by Security Trustee*

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

(i) *Reference Banks and Reference Agent*

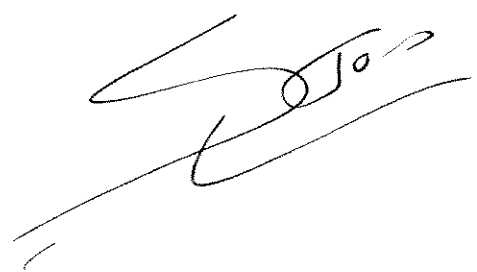
The Issuer will procure that, as long as any of the Notes remains outstanding, there will at all times be four Reference Banks and a Reference Agent. The Issuer has, subject to prior written consent of the Security Trustee, the right to terminate the appointment of the Reference Agent or of any Reference 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 Definitive Notes will be made upon presentation of the Definitive Note and against surrender of the relevant Coupon appertaining thereto, at any specified office of the Paying Agents in cash or by transfer to a euro account maintained by the payee with a bank in the Netherlands, as the holder may specify. All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment.
- (b) At the Final Maturity Date (as defined in Condition 6), or such earlier date the Notes become due and payable, the Definitive Notes should be presented for payment together with all unmatured Coupons appertaining thereto, failing which the full amount of any such missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five years following the due date for payment of such principal (whether or not such Coupons would have become unenforceable pursuant to Condition 8).
- (c) If the relevant Quarterly Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note or Coupon (**'Local Business Day'**), the holder thereof shall not be entitled to payment until the next following 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 Agents shall not be obliged to credit such account until the Local Business Day immediately following the day on which banks are open for business in the Netherlands. The names of the Paying Agents and of their offices are set out below.
- (d) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agents and to appoint additional or other paying agents provided that no paying agent located in the United States of America will be appointed and that the Issuer will at all times maintain a paying agent having a specified office in the European Union which, for as long as the Notes are listed on Eurolist of Euronext Amsterdam shall be located in the Netherlands. Notice of any termination or appointment of a Principal Paying Agent or a Paying Agent and of any changes in the specified offices of the Paying Agents will be given to the Noteholders in accordance with Condition 13.

6. Redemption and purchase

(a) *Final redemption*

A large, stylized handwritten signature in black ink, located in the bottom right corner of the page. The signature is cursive and appears to be a name, possibly 'L. J. O.', followed by a long horizontal stroke.

Unless previously redeemed as provided below, the Issuer will, subject to Condition 9(b), redeem the Notes at their Principal Amount Outstanding on the Quarterly Payment Date falling in September 2093 (the 'Final Maturity Date').

(b) *Mandatory redemption*

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer shall be obliged to apply the Notes Redemption Available Amount after payment of the initial purchase price for Substitute Mortgage Receivables, to redeem (or partially redeem) on each Quarterly Payment Date the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes at their Principal Amount Outstanding, in the following order:

(x) in case Sequential Amortisation Event has occurred, which is not cured prior to such Quarterly Payment Date:

- (a) *first*, the Senior Class A Notes, until fully redeemed, and, thereafter
- (b) *second*, the Mezzanine Class B Notes, until fully redeemed, and thereafter
- (c) *third*, the Junior Class C Notes, until fully redeemed

(y) unless a Sequential Amortisation Event has occurred which is not cured prior to such Quarterly Payment Date:

- (a) *first*, the Senior Class A Notes by applying the aggregate Principal Redemption Amount relating to such Class of Notes;
- (b) *second*, the Mezzanine Class B Notes by applying the aggregate Principal Redemption Amount relating to such Class of Notes; and
- (c) *third*, the Junior Class C Notes by applying the aggregate Principal Redemption Amount relating to such Class of Notes.

The principal amount so redeemable in respect of each Note (each a '**Principal Redemption Amount**') on the relevant Quarterly Payment Date, shall be the Notes Redemption Available Amount (as applicable to each Class of Notes, other than the Subordinated Class D Notes) on the Calculation Date relating to that Quarterly Payment Date multiplied by the quotient of (a) the aggregate Principal Amount Outstanding of all Notes of the relevant Class and (b) the aggregate Principal Amount Outstanding of all Notes other than the Subordinated Class D Notes, and the resulting sum will be divided by the number of Notes of the relevant Class subject to such redemption (rounded down to the nearest euro), provided always that the Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Note of the relevant Class. Following application of the Principal Redemption Amount to redeem a Note, the Principal Amount Outstanding of such Note shall be reduced accordingly.

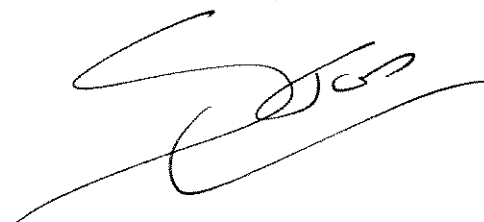
(c) *Definitions*

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

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

'**Notes Redemption Available Amount**' shall mean, on any Calculation Date, the aggregate amount received by the Issuer during the immediately preceding Calculation Period:

- (i) as repayment and prepayment in full of principal under the Mortgage Receivables, from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding prepayment penalties, if any, less, with respect to each Investment Savings Mortgage Receivable and, as the case may be, Savings Mortgage Receivable, the Participation in such Investment Savings Mortgage Receivable or, as the case may be, Savings Mortgage Receivable;
- (ii) as Net Proceeds (as defined in Condition 6(c) below) on any Mortgage Receivable, to the extent such proceeds relate to principal less, with respect to each Investment Savings Mortgage Receivable and, as the case may be, Savings Mortgage Receivable, the Participation in such Investment Savings Mortgage Receivable or, as the case may be, Savings Mortgage Receivable;



- (iii) as amounts received 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 Investment Savings Mortgage Receivable and, as the case may be, Savings Mortgage Receivable, the Participation in such Investment Savings Mortgage Receivable or, as the case may be, Savings Mortgage Receivable;
- (iv) as amounts received 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 Investment Savings Mortgage Receivable and, as the case may be, Savings Mortgage Receivable, the Participation in such Investment Savings Mortgage Receivable or, as the case may be, Savings Mortgage Receivable, as the case may be, if and to the extent such Participation is terminated;
- (v) as amount to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date in accordance with the Servicing Agreement;
- (vi) as Participation Increase pursuant to the Sub-Participation Agreement;
- (vii) as partial prepayment in respect of Mortgage Receivables; and
- (viii) any part of the Notes Redemption Available Amount calculated on the immediately preceding Calculation Date which has not been applied towards redemption of the Notes on the preceding Quarterly Payment Date;

Sequential Amortisation Event means any of the following events:

- (i) the balance standing to the credit of the Reserve Account is below the Reserve Account Target Level; or
- (ii) a balance is standing to the credit of the Principal Deficiency Ledger; or
- (iii) the aggregate Outstanding Principal Amount of Mortgage Receivables which are in arrears for more than 60 days at any time, exceeds 2.50 per cent. of the aggregate Outstanding Principal Amount of all Mortgage Receivables at such time.

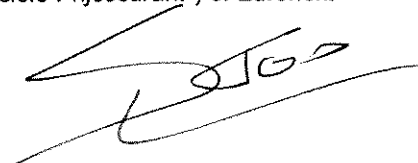
Net Proceeds', shall mean (a) the proceeds of a foreclosure on the mortgage assets, (b) the proceeds of foreclosure on any other collateral securing the Mortgage Receivable, (c) the proceeds, if any, of collection of any insurance policies in connection with the Mortgage Receivable, including but not limited to life insurance and building insurance, and (d) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs;

'Calculation Date' means, in relation to a Quarterly Payment Date the third business day prior to such Quarterly Payment Date;

'Calculation Period' means, in relation to a Calculation Date, the three successive Mortgage Calculation Periods immediately preceding such Calculation Date;

'Mortgage Calculation Period' means the period commencing on (and including) the sixth day of each calendar month and ending on (and including) the fifth day of the following calendar month, except for the first Mortgage Calculation Period which will commence on and include 30 April 2005 and ends on 5 June 2005.

- (d) *Determination of Principal Redemption Amount, Class D Redemption Amount and Principal Amount Outstanding*
 - (i) On each Calculation Date, the Issuer shall determine (or cause the Administrator to determine) (a) the Principal Redemption Amount and the Class D Redemption Amount and (b) the Principal Amount Outstanding of the relevant Note on the first day following the Quarterly Payment Date. Each determination by or on behalf of the Issuer of any Principal Redemption Amount or the Principal Amount Outstanding of a Note shall in each case (in the absence of manifest error) be final and binding on all persons.
 - (ii) The Issuer will cause each determination of a Principal Redemption Amount, the Class D Redemption Amount and Principal Amount Outstanding of Notes to be notified forthwith to the Security Trustee, the Paying Agents, the Reference Agent, Euroclear, Clearstream, Luxembourg, Euronext Amsterdam N.V. and to the holders of Notes, as long as the Notes are listed on Eurolist by Euronext Amsterdam N.V., by an advertisement in the English language in the Euronext Official Daily List ("*Officiële Prijscourant*") of Euronext



Amsterdam N.V. 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 Administrator to determine) the Principal Redemption Amount, the Class D Redemption Amount or the Principal Amount Outstanding of a Note, such Principal Redemption Amount, the Class D Redemption Amount or such Principal Amount Outstanding shall be determined by the Security Trustee in accordance with this paragraph (c) and paragraph (b) above (but based upon the information in its possession as to the Notes Redemption Available Amount each such determination or calculation shall be deemed to have been made by the Issuer.

(e) *Optional redemption*

Unless previously redeemed in full, the Issuer may, at its option, on giving not more than sixty (60) nor less than thirty (30) days written notice to the Security Trustee and the Noteholders in accordance with Condition 13, on each Quarterly Payment Date, subject to Condition 9(b), redeem all of the Notes other than the Subordinated Class D Notes, in whole but not in part at their Principal Amount Outstanding on such date.

(f) *Mandatory Redemption of Subordinated Class D 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, if and to the extent that all payments ranking above item (p) in the Interest Priority of Payments have been made in full, to redeem (or partially redeem) on a *pro rata* basis the Subordinated Class D Notes on the Step-Up Date and on each Quarterly Payment Date thereafter until fully redeemed. The principal amount so redeemable in respect of each Subordinated Class D Note (the "**Class D Redemption Amount**") on the relevant Quarterly Payment Date shall be such amount divided by the number of Subordinated Class D Notes (rounded down to the nearest Euro).

(g) *Redemption for tax reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Quarterly Payment Date, on giving not less than 30 nor more than 60 days' notice to the Noteholders and the Security Trustee at their Principal Amount Outstanding, subject to Condition 9(b) if, immediately prior to giving such 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 change in, or amendment to, the application of the laws or regulations of the Netherlands (including any guidelines issued by the tax authorities) or any other jurisdiction 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 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 (or such of them as are then outstanding) are also redeemed in full at the same time.

(h) *Redemption for regulatory reasons*

Each Quarterly Payment Date the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Quarterly Payment Date, by giving not less than thirty (30) nor more than sixty (60) days' notice to the Noteholders and the Security Trustee at their Principal Amount Outstanding, subject to Condition 9(b), 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 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 (a **'Regulatory Change'**); and
- (b) the Issuer will have sufficient funds available on the 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 (or such of them as are then outstanding) are also redeemed in full at the same time.

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 or charges of whatsoever nature unless the Issuer or the Principal Paying Agent (as applicable) is required by applicable law to make any payment in respect of the Notes subject to any 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 other law implementing or complying with, or introduced in order to conform to such Directive. In that event, the Issuer or the Principal 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 Principal 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 unless made within five years from the date on which such payment first becomes due.

9. Subordination

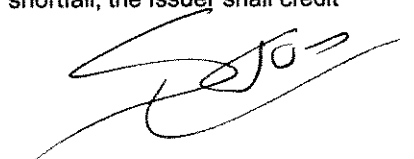
(a) *Interest*

Interest on the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D 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 Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Mezzanine Class B Notes on the next Quarterly Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of 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 Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Junior Class C Notes on the next 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 C Notes. In the event of a shortfall, the Issuer shall credit the Junior Class C Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the Junior Class C Notes, on any Quarterly Payment Date, in accordance with this Condition falls short of the aggregate amount of interest payable on the Junior 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 Junior 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 Junior Class C Note on the next succeeding Quarterly Payment Date.

In the event that on any Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Subordinated Class D Notes on the next 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 D Notes. In the event of a shortfall, the Issuer shall credit



the Subordinated Class D Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the Subordinated Class D Notes, on any Quarterly Payment Date, in accordance with this Conditions falls short of the aggregate amount of interest payable on the Subordinated 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 Subordinated 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 Subordinated Class D Note on the next succeeding Quarterly Payment Date.

(b) *Principal*

In the case a Sequential Amortisation Event has occurred, which is not cured prior to the relevant Quarterly Payment Date, or an Enforcement Notice has been served in accordance with condition 10, the Mezzanine Class B Noteholders will not be entitled to any repayment of principal in respect of the Mezzanine Class B Notes, until the date on which the Principal Amount Outstanding of all Senior Class A Notes is reduced to zero. 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 Mezzanine Class B Principal Shortfall on such Quarterly Payment Date. The '**Mezzanine Class B Principal Shortfall**' shall mean an amount equal to the quotient of the balance on the Class B Principal Deficiency Ledger divided by the number of Mezzanine Class B Notes outstanding 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 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.

In the case a Sequential Amortisation Event has occurred, which is not cured prior to the relevant Quarterly Payment Date, or an Enforcement Notice has been served in accordance with condition 10, the Junior Class C Noteholders will not be entitled to any repayment of principal in respect of the Junior Class C Notes until the date on which the Principal Amount Outstanding of all Senior Class A Notes is reduced to zero and the Principal Amount Outstanding of the Mezzanine Class B Notes is reduced to zero. 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 Junior Class C Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less the quotient of the balance on the Class C Principal Deficiency Ledger on such Quarterly Payment Date, divided by the number of Junior Class C Notes then outstanding. The '**Junior Class C Principal Shortfall**' shall mean an amount equal to the quotient of the balance on the Class C Principal Deficiency Ledger divided by the number of Junior Class C Notes outstanding on such Quarterly Payment Date. The Junior Class C Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Junior Class C 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.

The Subordinated Class D Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Subordinated 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.

(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 a 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 the relevant 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 Junior Class C Noteholders or, if no Senior Class A Notes, Mezzanine Class B Notes and Junior Class C Notes are outstanding, by an Extraordinary Resolution of the Subordinated Class D



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 (30) days after written notice by the Security Trustee to the Issuer requiring the same to be remedied; or
- (c) if a conservatory attachment ("*conservatoir beslag*") or an executory attachment ("*executoriaal beslag*") on any major part of the Issuer's assets is made and not discharged or released within a period of thirty (30) days; or
- (d) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or winding-up of the Issuer or for the appointment of a liquidator or receiver of the Issuer 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 ("*surseance van betaling*") or for bankruptcy ("*faillissement*") or is 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, the Junior Class C Notes or the Subordinated Class D Notes, irrespective of whether an Extraordinary Resolution is passed by the Mezzanine Class B Noteholders, the Junior Class C Noteholders or the Subordinated Class D 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 or the Junior Class C Noteholders or the Subordinated Class D 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 Deed of Surety, including the making of a demand for payment thereunder, the Trust Deed, the Pledge Agreements and the Notes, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the 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 Junior Class C Noteholders or, if all amounts due in respect of the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes have been fully paid, the Subordinated Class D 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, winding-up, 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, apart from any recourse claims in connection with the Deed of Surety, 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, or, if all such newspapers shall cease to be published or timely publication therein shall not be practicable, in such newspaper as the Security Trustee shall approve having a general circulation in Europe and, as long as the Notes are listed on Eurolist by 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.

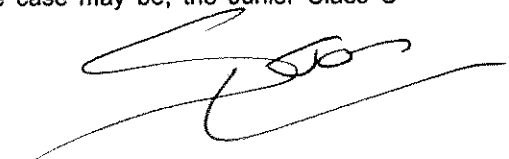
14. Meetings of Noteholders; Modification; Consents; Waiver

- (a) The Trust Deed contains provisions for convening meetings of the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Junior Class C Noteholders and the Subordinated Class D 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 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-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including the sanctioning of a Basic Terms Change shall be at least 75 per cent. of the amount of the Principal Amount Outstanding of the Notes of the relevant Class and the majority required shall be at least 75 per cent. of the validly cast votes 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 thirty (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, the Mezzanine Class B Notes, the Junior Class C Notes or the Subordinated Class D Notes, as the case may be, 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, the Mezzanine Class B Notes, the Junior Class C Notes or the Subordinated Class D Notes, as the case may be, shall take effect unless it shall have been sanctioned with respect to the Senior Class A Notes by an Extraordinary Resolution of the Mezzanine Class B Noteholders and/or the Junior Class C Noteholders and/or the Subordinated Class D Noteholders.

An Extraordinary Resolution of the Mezzanine Class B Noteholders and/or the Junior Class C Noteholders and/or the Subordinated Class D 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 Junior Class C



Noteholders or it is sanctioned by an Extraordinary Resolution of the Senior Class A Noteholders, the Mezzanine Class B Noteholders or the Junior Class C Noteholders, as the case may be. 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 Junior Class C Noteholders and the Subordinated Class D 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 (ii) Moody's has confirmed that the then current ratings assigned to 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 Junior Class C Noteholders and the Subordinated Class D 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

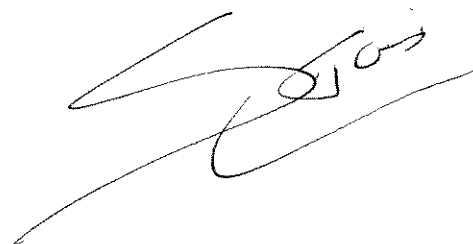
Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the office of the Principal Paying Agent or the Paying Agent upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may 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 Eurolist by 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 the 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 1,536,300,000 (ii) in the case of the Mezzanine Class B Notes a Temporary Global Notes in bearer form, without coupons, in the principal amount of euro 67,700,000 (iii) in the case of the Junior Class C Notes a Temporary Global Note in bearer form, without coupons, in the principal amount of euro 47,900,000 and (iv) in the case of the Subordinated Class D Notes a Temporary Global Note in bearer form without coupons, in the principal amount of euro 16,500,000. Each Temporary Global Note will be deposited with Banque Générale du Luxembourg S.A., as common depository for Euroclear Bank S.A./N.V., as operator of Euroclear and Clearstream, Luxembourg on or about 31 May 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 forty (40) days after the issue date of the Notes (the 'Exchange Date') for interests in a permanent global note (each a 'Permanent Global Note'), in bearer form, without coupons, 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 depository.

The Global Notes will be transferable by delivery. Each Permanent Global Note will be exchangeable for Definitive Notes only in the circumstances described below. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note will be entitled to receive any payment made in respect of that Note in accordance with the respective rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes, which must be made by the holder of a Global Note, for 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 requirement of such stock exchange will be met). Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

For 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 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 fourteen (14) days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Security Trustee is available, or (iii) as a result of any amendment to, or change in the laws or regulations of the Netherlands (or of any political sub-division thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after 31 May 2005, the Issuer or the

Principal Paying Agent 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) Junior Class C Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Junior Class C Notes; and
- (iv) Subordinated Class D Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Subordinated Class D Notes;

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

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 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.
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:

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

- (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

Fortis Bank nv-sa (the '**Manager**') has, pursuant to a notes purchase agreement dated 26 May 2005, among the Manager, the Issuer and the Seller (the '**Notes Purchase Agreement**'), agreed with the Issuer, subject to certain conditions, that Fortis Bank nv-sa will purchase the Notes at their issue price. The Issuer and the Seller have agreed to indemnify and reimburse the Manager against certain liabilities and expenses in connection with the issue of the Notes.

United Kingdom

The Manager 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 United States Securities Act of 1933 (as amended) (the '**Securities Act**') and are subject to United States tax law requirement. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to US persons. The Manager 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 these paragraphs have the meanings given to them by Regulation S under the Securities Act and the US Internal Revenue Code and regulations thereunder.

France

The Manager 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, the Manager 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

The Manager 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 13 December 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. The Manager 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, the Manager 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 or 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 Manager 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. The distribution of this document and the offering of the Notes in certain jurisdictions may be restricted by law.

GENERAL INFORMATION

1. The issue of the Notes has been authorised by a resolution of the managing director of the Issuer passed on 20 May 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 and will bear common code 022063120 and ISIN Code XS0220631203 and Fondscod 15400.
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 and will bear common code 022063146 and ISIN Code XS0220631468 and Fondscod 15401.
4. The Junior Class C Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 022063162 and ISIN Code XS0220631625 and Fondscod 15402.
5. The Subordinated Class D Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 022063197 and ISIN Code XS0220631971 and Fondscod 15403.
6. There has been no material adverse change in the financial position or prospects of the Issuer since 20 May 2005.
7. KPMG Accountants have given and have not withdrawn its written consent to their report included herein in the form and context in which it appears.
8. 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.
9. Copies of the following documents may be inspected at the specified offices of the Security Trustee and the Paying Agent during normal business hours:
 - (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 Deed of Surety;
 - (vii) the Trustee Pledge Agreement I;
 - (viii) the Trustee Pledge Agreement II;
 - (ix) the Issuer Pledge Agreement;
 - (x) the Servicing Agreement;
 - (xi) the Sub-Participation Agreement;
 - (xii) the Floating Rate GIC;
 - (xiii) the Swap Agreement;

- (xiv) the Liquidity Facility Agreement;
 - (xv) the Beneficiary Waiver Agreement;
 - (xvi) the Master Definitions Agreement; and
 - (xvii) the articles of association of the Security Trustee.
10. The audited annual financial statements of the Issuer will be made available free of charge, at the specified offices of the Paying Agent.
 11. 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 office of the Issuer.
 12. 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.
 13. This Offering Circular constitutes a prospectus for the purpose of the Listing and Issuing Rules of Euronext Amsterdam.

ANNEX I

FORM OF PERFORMANCE REPORT

Performance Report Collier 2005-I B.V.

Period:

Mortgage and Notes Balances		EUR
Mortgage Loan Principle Balance	-	
Participations	-	
Net Mortgage Loan Balance / Collateral Balance	-	
Class A Notes Balance	-	
Class B Notes Balance	-	
Class C Notes Balance	-	
Class D Notes Balance	-	
Total Notes Balance	-	

Collections		EUR
Interest Received	-	
Principal Received	-	

Foreclosed Mortgages		EUR
Number of Mortgages Foreclosed upon	-	
Gross Loan Balance Foreclosed upon	-	
-/- Participation Value on Foreclosed Loans	-	
Gross Loss	-	
Total Recovered Amount	-	
-/- Interest due but unpaid (interest amounts in arrear)	-	
Principal Recoveries	-	
Net Loss on Foreclosed Mortgages	-	

Delinquencies

Numbers		
in Arrear < 1 month		
in Arrear 1 - 2 months		
in Arrear 2 - 3 months		
in Arrear 3 - 4 months		
in Arrear > 4 months		
in Arrear under Arrear Management due to divorce, death or special Arrangements		
Total number of loans in Arrear		
Interest Amounts		EUR
Interest Paid	-	
in Arrear < 1 month	-	
in Arrear 1 - 2 months	-	
in Arrear 2 - 3 months	-	
in Arrear 3 - 4 months	-	
in Arrear > 4 months	-	
in Arrear under Arrear Management due to divorce, death or special Arrangements	-	
Total amounts in Arrear	-	
Principal in Arrear (Loan balance less Savings Balance)		EUR
in Arrear < 1 month	-	
in Arrear 1 - 2 months	-	
in Arrear 2 - 3 months	-	
in Arrear 3 - 4 months	-	
in Arrear > 4 months	-	
in Arrear under Arrear Management due to divorce, death or special Arrangements	-	
Total Principal in Arrear in Arrear	-	

		EUR
Reserve Account Balance	-	
Master Collection Account Balance	-	

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