

OFFERING CIRCULAR DATED 26 SEPTEMBER 2006

SAECURE 6 NHG B.V.

(incorporated with limited liability in the Netherlands)

€ 2,054,100,000 Senior Class A Mortgage-Backed Notes 2006 due 2098, issue price 100 per cent.

€ 7,200,000 Subordinated Class B Notes 2006 due 2098, issue price 100 per cent.

€ 6,200,000 Subordinated Class C Notes 2006 due 2098, issue price 100 per cent.

AEGON Levensverzekering N.V. and Haagsche Leeuw Hypotheken B.V. as Sellers

Application has been made to list the € 2,054,100,000 Senior Class A Mortgage-Backed Notes 2006 due 2098 (the "**Senior Class A Notes**"), the € 7,200,000 Subordinated Class B Notes 2006 due 2098 (the "**Subordinated Class B Notes**") and the € 6,200,000 Subordinated Class C Notes 2006 due 2098 (the "**Subordinated Class C Notes**") and together with the Subordinated Class B Notes, the "**Subordinated Notes**" and such Subordinated Notes together with the Senior Class A Notes, the "**Notes**") on Eurolist by Euronext Amsterdam N.V. ("**Euronext Amsterdam**"). The Notes are expected to be issued on 28 September 2006. This Offering Circular constitutes a prospectus for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**").

The Notes will carry floating rates of interest, payable quarterly in arrear on each Quarterly Payment Date (as defined herein). The rate of interest will be equal to the sum of three-months Euribor (as defined in the terms and conditions of the Notes, the "**Conditions**") plus a margin per annum which will be 0.025 per cent. for the Senior Class A Notes, 0.5 per cent. for the Subordinated Class B Notes and 0.85 per cent. for the Subordinated Class C Notes. If on the Quarterly Payment Date falling in August 2013 (the "**First Optional Redemption Date**") the Notes of any Class have not been redeemed in full, the margin for the Notes will increase and the interest applicable to such Notes will then be equal to the sum of three-months Euribor, plus a margin per annum which will be 0.1 per cent. for the Senior Class A Notes, 1 per cent. for the Subordinated Class B Notes and 1.7 per cent. for the Subordinated Class C Notes payable quarterly in arrear on each Quarterly Payment Date.

Payments of principal on the Senior Class A Notes will be made quarterly in arrear on each Quarterly Payment Date subject to and in accordance with the Conditions through application of the Available Redemption Funds. Until the Quarterly Payment Date immediately preceding the First Optional Redemption Date, the Issuer may on any Quarterly Payment Date which is not also a Substitution Date reserve the positive difference between the Available Principal Funds and the amount applied towards satisfaction of the Initial Purchase Price of any Further Advance Receivables, which amount shall, subject to certain conditions, be applied on the next succeeding Quarterly Payment Date which is also a Substitution Date towards the purchase of Substitute Mortgage Receivables. Payments of principal on the Subordinated Notes will not be made until the earlier of (i) the Quarterly Payment Date on which all amounts of interest and principal on the Senior Class A Notes will have been paid and (ii) the First Optional Redemption Date. On such Quarterly Payment Date or First Optional Redemption Date and on each Quarterly Payment Date thereafter payment of principal on the Subordinated Notes will be made subject to and in accordance with the Conditions. The Notes will mature on the Quarterly Payment Date falling in August 2008. On the First Optional Redemption Date and each Quarterly Payment Date thereafter (each an "**Optional Redemption Date**") the Issuer will have the option to redeem all of the Senior Class A Notes, in whole but not in part, at their Principal Amount Outstanding, subject to and in accordance with the Conditions.

It is a condition precedent to issuance that the Senior Class A Notes, on issue, be assigned an "AAA" rating by Fitch Ratings Ltd. ("Fitch"), the Subordinated Class B Notes, on issue, will be assigned an "A" rating by Fitch and the Subordinated Class C Notes, on issue, will be assigned a BBB- rating by Fitch. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. For a discussion of some of the risks associated with an investment in the Notes, see section *Risk Factors* herein.

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

The Notes of each Class will be initially represented by a temporary global note in bearer form (each a "**Temporary Global Note**"), without coupons, which will be deposited with a common 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 of the Notes. Interests in each Temporary Global Note will be exchangeable for interests in a permanent global note of the relevant class (each a "**Permanent Global Note**"), without coupons attached (the expression "**Global Notes**" means the Temporary Global Note of each class and the Permanent Global Note of each class and the expression "**Global Note**" means each Temporary Global Note or each Permanent Global Note, as the context may require) not earlier than forty (40) days after the Closing Date (as defined herein) upon certification as to non-U.S. beneficial ownership. Interests in each Permanent Global Note will, in certain limited circumstances, be exchangeable for Definitive Notes in bearer form as described in the Conditions.

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

Joint Arrangers

ABN AMRO

AEGON Nederland N.V.

Sole Bookrunner and Manager

ABN AMRO

IMPORTANT INFORMATION

Only the Issuer is responsible for the information contained in this Offering Circular. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this 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.

For the information contained in the following sections of this Offering Circular: *Overview of the Dutch Residential Mortgage Market*, *AEGON N.V.*, *Description of Portfolio Mortgage Loans* and *Mortgage Loan Underwriting and Servicing*, the Issuer has relied on information from the Sellers and for the information contained in the section *Stater Nederland B.V.*, the Issuer has relied on information from Stater Nederland B.V. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information in these sections and any other information from third-parties contained and specified as such in this Offering Circular has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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

No person has been authorised to give any information or to make any representation which is not contained in or 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 Joint Arrangers or the Manager.

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

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

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer, the Joint Arrangers 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 the Sellers have the obligation to update this Offering Circular, except when required by the listing and issuing rules of Euronext Amsterdam.

The Manager, the Joint Arrangers and the Sellers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Notes. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

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

In connection with the issue of the Notes, ABN AMRO Bank N.V. acting through its London Branch, or any other duly appointed person acting for ABN AMRO Bank N.V., may over-allot or effect transactions that stabilise or maintain the market price of the Notes at a level that might not otherwise prevail. However, there is no obligation on ABN AMRO Bank N.V. to undertake these actions. Such stabilisation may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of thirty (30) days after the Closing Date and sixty (60) days after the date of the allotment of the Notes. Stabilisation transactions shall be conducted in accordance with all applicable laws and regulations as amended from time to time.

Any stabilisation activity on Eurolist by Euronext Amsterdam shall be conducted in compliance with all applicable laws and regulations including those of Euronext Amsterdam and Article 32 of the Further Conduct of Business Regulation (*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).

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

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TRANSACTION SUMMARY

The following is a summary of the principal features of the transaction described in this Offering Circular including the issue of the Notes. The information in this section does not purport to be complete. This summary should be read solely as an introduction to and in conjunction with, and is qualified in its entirety by reference to, the detailed information appearing elsewhere in this Offering Circular. Prospective Noteholders are advised to read carefully, and to rely solely on, the detailed information appearing elsewhere in this Offering Circular and the Conditions and Transaction Documents referred to therein in making any decision whether or not to invest in any Notes. If a claim relating to the information contained in this Offering Circular will be brought before a competent court, the plaintiff investor will, subject to the legal requirement of the relevant member state of the European Economic Area, have to bear the costs of translating this Offering Circular before the legal proceedings are initiated. Civil liability in respect of this summary will only attach to the Issuer if this summary is misleading, incorrect or inconsistent when read in such manner as indicated above.

Capitalised terms used, but not defined, in this section can be found elsewhere in this Offering Circular, unless otherwise stated.

Risk Factors

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

Transaction

On the Closing Date, the Issuer, a Dutch private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands on 15 September 2006, will (i) issue the Notes and (ii) apply the proceeds of the Senior Class A Notes towards, *inter alia*, payment of part of the Initial Purchase Price for the Mortgage Receivables, consisting of any and all rights and claims of the relevant Seller against certain borrowers under or in connection with certain selected mortgage loans having the benefit of a NHG Guarantee or a guarantee from a Dutch municipality and secured by a first-ranking right of mortgage (*hypothekerecht*) or first and sequentially lower ranking rights of mortgage. The remainder, being an amount equal to € 18,378,800.40, which is equal to the aggregate amount of the Construction Deposits will be deposited into the Construction Deposit Account. The proceeds of the issue of the Subordinated Notes will be used to fund the Reserve Account.

The Portfolio Mortgage Loans have the benefit of a NHG Guarantee or a guarantee granted by a Dutch municipality which guarantee covers the outstanding principal, accrued unpaid interest and disposal costs of the Portfolio Mortgage Loans. Irrespective of scheduled repayments or prepayments made on the mortgage loans, the guaranteed amount under a NHG Guarantee reduces on a monthly basis by an amount which is equal to the monthly payments (principal and interest) as if the mortgage loan were being repaid on a thirty year annuity basis. Pursuant to the NHG Conditions, *Stichting Waarborgfonds Eigen Woningen* has no obligation to pay any loss (in whole or in part) incurred by a Borrower after a private or a forced sale of a Mortgaged Asset if the relevant Seller has not complied with the NHG Conditions. At the Closing Date each of the Sellers will represent and warrant, *inter alia*, that all NHG Conditions applicable at the time of origination of the Portfolio Mortgage Loans were complied with.

The Issuer will use receipts of principal and interest in respect of the Mortgage Receivables together with amounts it receives under the Liquidity Facility Agreement, Floating Rate GIC, Sub-Participation Agreement and Swap Agreement to make payments of, *inter alia*, principal and interest due in respect of the Notes, provided that up to and including the Quarterly Payment Date immediately preceding the First Optional Redemption Date, the Issuer will use the principal received by it in respect of the Mortgage Receivables to purchase Further Advance Receivables and/or, on a Substitution Date (subject to having received the consent of the Senior Class A Noteholders representing at least 51 per cent. of the Principal Amount Outstanding of the Senior Class A Notes) to purchase Substitute Mortgage Receivables, to the extent such Substitute Mortgage Receivables are offered to the Issuer by the Sellers.

It is of note that the obligations of the Issuer in respect of the Notes will rank behind the obligations of the Issuer in respect of certain items set forth in the applicable priority of payments and that the right to payment of principal and interest on the Subordinated Class B Notes is subordinated to the Senior Class A Notes and the right to payment of principal and interest on the Subordinated Class C Notes is Subordinated to the Senior Class A Notes and the Subordinated Class B Notes (as set forth under *Credit Structure* below).

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

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

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

Security Structure

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

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

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

Optional Redemption of the Notes

The Issuer may (but is not obliged to) redeem all of the Senior Class A Notes in whole but not in part, on any Optional Redemption Date or in the event of certain tax changes affecting the Notes at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority of the Notes. In addition, the Senior Class A Notes shall be redeemed by the Issuer in whole but not in part, following the exercise by the Sellers (acting jointly) of the Sellers Clean-up Call Option.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in the position to express a view on the likelihood of any such contingency occurring.

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

The Issuer believes that the factors described below represent the primary risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective Noteholders are informed to read the information contained herein in conjunction with the detailed information set out elsewhere in this Offering Circular and should reach their own views prior to making any investment decision.

Capitalised terms used, but not defined, in this section can be found elsewhere in this Offering Circular, unless otherwise stated.

Liabilities under the Notes and limited recourse

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

The obligations of the Issuer under the Notes are limited recourse obligations and the ability of the Issuer to meet its obligations to 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, payments under the Swap Agreement and the Sub-Participation Agreement, interest in respect of the balances standing to the credit of the Issuer Accounts, the availability of the Reserve Account, the Swap Credit Margin and the amounts to be drawn under the Liquidity Facility. See further under *Credit Structure* below.

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

Risks inherent to the Notes

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

(i) *Credit Risk*

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

- the fact that the Portfolio Mortgage Loans have the benefit of a NHG Guarantee or a guarantee from a Dutch municipality;
- the Reserve Account; and
- the Swap Credit Margin.

(ii) *Liquidity Risk*

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

(iii) *Prepayment Risk*

As long as the Senior Class A Noteholders representing at least 51 per cent. of the Principal Amount Outstanding of the Senior Class A Notes give their consent to the Issuer to purchase on each Substitution Date any Substitute Mortgage Receivables for an amount equal to the Available Principal Funds less the amount used to purchase any Further Advance Receivables and provided that the Sellers on such date offer to the Issuer additional mortgage receivables in an amount equal thereto, the Senior Class A Notes will not be redeemed until the First Optional Redemption Date. However, there is a risk that the conditions for substitution are not met or that

the Sellers do not offer sufficient Substitute Mortgage Receivables. In that case the Available Principal Funds will be used to redeem the Senior Class A Notes. The level of prepayments by the Borrowers can vary and therefore result, if no substitution takes place, in an average life of the Notes which is shorter or longer than may be anticipated. The average lives of the Senior Class A Notes are subject to some factors outside the control of the Issuer and consequently no assurance can be given that any estimates and assumptions will prove in any way to be realistic.

(iv) *Maturity Risk*

There is a risk that the Issuer will not have received sufficient principal to fully redeem the Notes at maturity. The Final Maturity Date for the Notes is the Quarterly Payment Date falling in August 2098. The Issuer has on any Optional Redemption Date the right to sell and assign all (but not only part of) the Mortgage Receivables to a third party, provided, however, that the Issuer shall before selling the Mortgage Receivables to a third party, first make and offer to the Sellers to purchase such Mortgage Receivables against payment of a purchase price equal to the then current market value of the Portfolio as determined by the MPT Provider or the Company Administrator, as the case may be, in the manner as set forth in Schedule 7 to the Mortgage Receivables Purchase Agreement (the "**Portfolio Market Value**"). The Issuer may moreover on any Optional Redemption Date obtain alternative funding to redeem the Senior Class A Notes. The Issuer shall be required to apply the proceeds of such sale or alternative funding, to the extent relating to principal, to redeem the Senior Class A Notes in accordance with Condition 6. If the Issuer does not exercise this option on the First Optional Redemption Date the interest rate for the Notes will be a floating rate based on three-months Euribor plus the margin set out below under *Interest Step-up*. No guarantee can be given that the Issuer will exercise its option or that there will be a third party purchaser or alternative funding available and therefore that the Senior Class A Notes will be redeemed on such First Optional Redemption Date.

(v) *Interest Rate Risk*

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

(vi) *Structural/Legal Risk*

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

Pass Through Structure

Interest

Up to but excluding the First Optional Redemption Date, the Notes will bear a floating rate of interest based on three-months Euribor plus a margin. From and including the First Optional Redemption Date

all the Notes will continue to bear a floating rate of interest based on three-months Euribor but the margin for the Notes will increase. The interest (including the step-up margin) will be paid, *inter alia*, from the amounts received by the Issuer from the Swap Counterparty under the Swap Agreement.

Principal

As from the Closing Date until the First Optional Redemption Date all amounts received by the Issuer as repayments or prepayments of principal on the Mortgage Receivables, payments made by the Savings Mortgage Participant for the Savings Participations and all proceeds from a sale of Mortgage Receivables will, subject to certain conditions, first be applied towards payment of the purchase price for Further Advance Receivables and/or Substitute Mortgage Receivables, if any, or reserved for such purpose (see below under *Mortgage Receivables Purchase Agreement*), and thereafter subject to and in accordance with the Conditions and the applicable priority of payments, towards redemption of the Senior Class A Notes, until fully redeemed.

Rating of the Notes

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

It is a condition precedent to issuance that, on issue, the Senior Class A Notes be assigned an "AAA" rating by Fitch, the Subordinated Class B Notes, on issue, will be assigned an "A" rating by Fitch and the Subordinated Class C Notes, on issue, will be assigned a "BBB-" rating by Fitch.

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

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.

Value of the Notes and Liquidity

Prior to this offering, there has been no public secondary market for the Notes and there can be no assurance that the issue price of the Notes will correspond to the price at which the Notes will be traded after the initial offering of the Notes. Furthermore, there can be no assurance that active trading

in the Notes will commence or continue after the offering. A lack of trading in the Notes could adversely affect the price of the Notes, as well as the Noteholders' ability to sell the Notes.

Loan to Foreclosure Value Ratio

The appraisal foreclosure value (*executiewaarde*) of the property on which a mortgage right is vested is approximately 85 per cent. of the market value (*vrije verkoopwaarde*) of the relevant mortgaged property. There can be no assurance that, on enforcement, all amounts owed by a Borrower under a Portfolio Mortgage Loan can be recovered from the proceeds of the foreclosure on the property which is subject to the Mortgage or that such proceeds will at least be equal to the estimated appraisal foreclosure value of the property (see *Description of Portfolio Mortgage Loans*). The terms and conditions relating to a NHG Guarantee provide that in case of Interest-only Mortgage Loans the principal amount of such loan may not exceed 50 per cent. of the market value of the relevant property.

NHG Guarantee and Dutch municipality guarantee

All Portfolio Mortgage Loans will have the benefit of either a '*Nationale Hypotheek Garantie*' ("**NHG Guarantee**") or a guarantee granted by a Dutch municipality. Pursuant to the NHG Conditions, the '*Stichting Waarborgfonds Eigen Woningen*' ("**WEW**") has no obligation to pay any loss (in whole or in part) incurred by a lender after a private or a forced sale of the mortgaged property if such lender has not complied with the NHG Conditions. The same may apply in respect of a guarantee granted by a Dutch municipality. Each of the Sellers will, therefore, with respect to each Portfolio Mortgage Loan represent and warrant, *inter alia*, that (i) to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), each NHG Guarantee or guarantee from a Dutch municipality connected to a Portfolio Mortgage Loan constitutes legal, valid and binding obligations of the WEW, enforceable in accordance with its terms, (ii) all NHG Conditions applicable to the NHG Guarantee or the terms and conditions applicable to the guarantee from the Dutch municipality, as the case may be, at the time of origination of the Portfolio Mortgage Loan were complied with and (iii) it is not aware (after having made all reasonable enquiries) of any reason why any claim under any NHG Guarantee or under the guarantee from the relevant Dutch municipality, as the case may be, should not be met in full and in a timely matter. Each of the Sellers shall be obliged to repurchase the relevant Mortgage Receivables in case of a breach of any of the representations and warranties as mentioned under *Mortgage Receivables Purchase Agreement* below. In addition, each of the Sellers will be obliged to repurchase a Mortgage Receivable if such Mortgage Receivable no longer has the benefit of either a NHG Guarantee or a guarantee granted by a Dutch municipality.

Furthermore, the NHG Conditions stipulate that the NHG Guarantee of the WEW will terminate upon expiry of a period of thirty (30) years after the establishment of the NHG Guarantee.

Finally, the NHG Conditions stipulate that the amount guaranteed by the WEW under the NHG Guarantee (irrespective of the type of redemption of the mortgage loan) is reduced on a monthly basis by an amount which is equal to the amount of the monthly repayments plus interest as if the mortgage loan were to be repaid on a thirty year annuity basis. The actual redemption structure of a Portfolio

Mortgage Loan can be different (see *Description of the Portfolio Mortgage Loans*). This may result in the Issuer not being able to fully recover any loss incurred with the WEW under the NHG Guarantee.

See for a more detailed description of the NHG Guarantees under *NHG Guarantee Programme* below.

Trust Deed

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

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

Transfer of Legal Title to Mortgage Receivables

Under Dutch law a transfer of title by way of assignment of a receivable can be effected either by means of (i) a deed of assignment executed between the assignee and the assignor and a notification

of the assignment to the relevant debtor or (ii) a notarial deed or a registered deed of assignment, without notification of the assignment to the relevant debtor being required. In the latter case notification to the debtors, however, will still be required to avoid that such debtors may validly discharge their obligations (*bevrijdend betalen*) by making a payment to the relevant assignor. The Mortgage Receivables Purchase Agreement provides that the assignment of the Mortgage Receivables by the Sellers to the Issuer will not be notified to the Borrowers unless certain events (referred to as Assignment Notification Events) occur. For a description of these notification events reference is made to the *Mortgage Receivables Purchase Agreement* below. In addition, the Mortgage Receivables Purchase Agreement provides that the Issuer may only register the deed of assignment (i) upon the occurrence of an Assignment Notification Event (as defined below) or (ii) with the prior written approval of the Sellers, which approval will not be unreasonably withheld or delayed, and of the Security Trustee, subject to the confirmation of Fitch that it will not adversely affect the then current rating assigned to the Notes. In this respect it is of note that the partial termination structure set out under Mortgage Rights below is only effective if the partial termination is perfected prior to assignment being completed, whether by means of notification or registration. Consequently, due to the partial termination structure in case of Bank Mortgages securing the Mortgage Receivables, registration of the deed of assignment prior to the occurrence of any of the Assignment Notification Events and the consequent partial termination of the Bank Mortgages may not be in the best interest of the Issuer in respect of the Mortgage Receivables.

Prior to notification of the assignment to a Borrower (or registration of the deed of assignment) legal title to the Mortgage Receivables will remain with the Sellers. Notification of the assignment to a Borrower (or registration of the deed of assignment) after any of the Sellers has been declared bankrupt, has been granted a suspension of payments 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. In respect of the Mortgage Receivables to the extent they correspond to Construction Deposits reference is made to what is stated under *Construction Deposits* below.

With respect to this adverse effect on the Issuer and its ability to comply with its obligations under the relevant Transaction Documents in the situation where notification of the assignment of the Mortgage Receivables (or registration of the deed of assignment) can no longer be effectively made due to bankruptcy, suspension of payments or emergency regulations involving the relevant Seller, the Sellers will, *inter alia*, grant a first-ranking undisclosed right of pledge (*stil pandrecht eerste in rang*) (i.e. without notification being required) under Dutch law to the Security Trustee and a second-ranking undisclosed right of pledge (*stil pandrecht tweede in rang*) to the Issuer over the relevant Mortgage Receivables. In addition, the Issuer will grant a first-ranking disclosed right of pledge (*openbaar pandrecht eerste in rang*) to the Security Trustee over the rights deriving from, *inter alia*, the Mortgage Receivables Purchase Agreement, as more fully described in *Description of Security* below. Notification of the undisclosed rights of pledge in favour of the Security Trustee and the Issuer can be validly made after bankruptcy, suspension of payments or emergency regulations have been declared in respect of the relevant Seller. Under Dutch law the Issuer and the Security Trustee can, in the event

of bankruptcy, suspension of payments or emergency regulations in respect of a Seller, exercise the rights afforded by law to pledgees as if there were no bankruptcy, suspension of payments or emergency regulations. However, bankruptcy, suspension of payments or emergency regulations involving a Seller would affect the position of the Security Trustee and the Issuer as pledgees in some respects, the most important of which are: (i) payments made by Borrowers prior to notification but after bankruptcy, suspension of payments or emergency regulations involving such Seller having been declared, will be part of the bankrupt estate of such Seller, although the relevant pledgee has the right to receive such amounts by preference after deduction of certain bankruptcy related costs, (ii) a mandatory freezing-period of up to four (4) months may apply, which, if applicable would delay the exercise of the right of pledge on the Mortgage Receivables, but the relevant pledgee remains entitled to collect such 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 the case of bankruptcy of such Seller.

Construction Deposits

Under the Mortgage Conditions relating to certain Portfolio Mortgage Loans, the relevant Borrowers are entitled to place part of the monies drawn down under such Portfolio Mortgage Loans on deposit with the relevant Seller and such Seller has committed to pay out such deposits to or on behalf of the Borrowers in order to enable them to pay for construction of or improvements to the mortgaged property, provided that certain conditions are met ("**Construction Deposits**"). Pursuant to the NHG Conditions, a Construction Deposit has to be paid out after the building activities or renovation activities have been finalised. If the remaining Construction Deposit exceeds € 2,500, such Construction Deposit will be set-off against the Mortgage Receivable up to the amount of the Construction Deposit, in which case the Issuer shall have no further obligation towards the relevant Seller to pay the remaining part of the Initial Purchase Price of the relevant Mortgage Receivable and any balance standing to the credit of the Construction Deposit Account will form part of the Available Principal Funds on the next succeeding Quarterly Payment Date. Pursuant to the NHG Conditions, if the remaining Construction Deposit is less than € 2,500, the relevant Seller has the right to pay out the remaining amount to the relevant Borrower and consequently the remaining part of the Initial Purchase Price will be paid to the relevant Seller.

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

Furthermore, under Dutch law the distinction between 'existing' receivables and 'future' receivables is

relevant in connection with Construction Deposits. If receivables are to be regarded as future receivables, an assignment and/or pledge thereof will not be effective to the extent the receivable comes into existence after or on the date on which the assignor or, as the case may be, the pledgor has been declared bankrupt or has had a suspension of payments granted to it or has been subject to emergency regulations. If, however, receivables are to be considered as existing receivables, the assignment and pledge thereof are not affected by the bankruptcy or suspension of payments of the assignor/pledgor or the applicability of emergency regulations.

The Issuer has been advised that whether such part of a Mortgage Receivable as relates to a Construction Deposit should be considered as an existing or future receivable is difficult to establish on the basis of the applicable terms and conditions of the relevant Portfolio Mortgage Loans and has not been addressed conclusively in case law or legal literature. If the full Mortgage Receivable is considered to be drawn down under the Portfolio Mortgage Loan when the Construction Deposit is created, the part of the Mortgage Receivable relating to the Construction Deposit will be deemed to be existing as from the creation of the Construction Deposit. However, it is also conceivable that such part of the Portfolio Mortgage Loan concerned is considered drawn down only when and to the extent the Construction Deposit is paid out to or on behalf of the Borrower in which case such part of the Mortgage Receivable is deemed to be a future receivable until the Construction Deposit is paid out.

If the part of the Mortgage Receivable relating to the Construction Deposit is to be regarded as a future receivable, the assignment and/or pledge of such part will not be effective if the Construction Deposit is paid out on or after the date on which the relevant Seller is declared bankrupt, granted suspension of payments or subjected to emergency regulations. In that case, the part of the Mortgage Receivable that is not subject to the assignment and/or pledge will no longer be available to the Issuer. However, prior to an Assignment Notification Event the Issuer will only pay the purchase price to a Seller if and to the extent during the preceding Portfolio Calculation Period amounts have actually been drawn down by and paid out to Borrowers by such Seller.

Set-off

Under Dutch law each Borrower will, subject to the legal requirements for set-off being met, be entitled to set off amounts due by the relevant Seller to it (if any) against amounts it owes in respect of the Mortgage Receivables. After assignment and/or pledge of the Mortgage Receivables to the Issuer and the Security Trustee and notification thereof to a Borrower, the Borrower will also have set-off rights vis-à-vis the Issuer and the Security Trustee, 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 Construction Deposits meet these requirements.

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

invalid, the foregoing applies *mutatis mutandis*.

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

The Mortgage Receivables Purchase Agreement provides that if a Borrower sets off amounts due to it by a Seller against the relevant Mortgage Receivable and, as a consequence thereof, the Issuer does not receive the amount which it would otherwise have been entitled to receive in respect of such Mortgage Receivable, such 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.

Until notification of the assignment to the Borrowers, a 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, a 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 such Seller. After notification of the assignment and/or pledges to the Borrowers, a Seller will no longer have any set-off right against the relevant Borrowers.

Provided certain conditions are met under the Portfolio Mortgage Loans, the Borrowers have the right to have the Construction Deposits paid out by the Sellers where there is such Construction Deposit. Under Dutch law a creditor is entitled to dissolve (*ontbinden*) an agreement and/or demand payment of damages if its debtor defaults in the performance of its obligations under such agreement. A possible bankruptcy, suspension of payments or emergency regulations involving a Seller in itself would not be grounds for the Borrowers to dissolve the agreements under which the relevant Portfolio Mortgage Loans arise unless the parties have agreed otherwise. If a Seller in that case performs all of its obligations with respect to the Construction Deposits, the relevant Borrowers will in turn have to perform their obligations under the Mortgage Receivables (including the part placed on the Construction Deposit). If both the Borrowers and the relevant Seller do not perform or have not performed all or part of their respective obligations under the agreements upon bankruptcy, suspension of payments or emergency regulations involving such Seller, the Borrower is entitled to summon such Seller and/or its bankruptcy trustee in writing to confirm within a reasonable term that it will perform such obligations. A failure to give such a confirmation will possibly cause the relevant Seller and/or its bankruptcy trustee (and possibly also the Issuer and/or the Security Trustee) to lose

its/their right to demand performance by the Borrowers of their obligations.

In addition, the Borrowers could, if a Seller would for any reason fail to fulfil its obligations relating to the Construction Deposits, invoke rights of set-off or other defences vis-à-vis the Issuer, which would reduce the proceeds of the relevant Mortgage Receivables.

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

Mortgage Rights

Uncertainty whether mortgage rights will follow Mortgage Receivables

The Mortgage Receivables sold to the Issuer will be secured by mortgage rights which not only secure the initial loan granted to the Borrower, but also other liabilities and monies that the Borrower, now or in the future, may owe to the relevant Seller (the so called *bankhypotheek*, hereinafter referred to as "**Bank Mortgages**"). Under Dutch law it is uncertain whether, in the event of assignment or pledge of a receivable secured by a Bank Mortgage, the mortgage will follow such receivable. It has been argued by a number of Dutch legal commentators that a Bank Mortgage will only follow the receivable which it secures if the relationship between the bank and a borrower has been terminated in such a manner that following the transfer, the bank cannot create or obtain new receivables against the borrower. Other Dutch legal commentators have, particularly in recent literature, defended the view that Bank Mortgages follow the receivable to the extent that it has been assigned, in particular where the mortgage deed indicates that the parties intended this to happen.

In the Mortgage Receivables Purchase Agreement each of the Sellers represents and warrants that the conditions applicable to Portfolio Mortgage Loans entered into after 1 March 1995 contained a provision to the effect that upon assignment of the relevant receivable(s), the mortgage right(s) will follow such receivable(s). This provision is a clear indication of the intentions of the parties in respect of assignment of the receivable. In the determination of whether a Bank Mortgage follows the receivable to which it is connected, the wording of the Mortgage Conditions in the relevant mortgage deed is an important factor. Whether such wording is the only and thus decisive factor, is not certain. However, the Issuer has been advised that the inclusion of this provision in the Mortgage Conditions provides support for the view that, in this case, the mortgage right will follow the Mortgage Receivable upon assignment or pledge as an ancillary right, albeit that there is no conclusive case law which supports this view.

Although there are strong arguments for defending the view that the mortgage right will follow the relevant Mortgage Receivables upon their assignment, each of the Sellers, consistent with previous transactions, has undertaken in the Mortgage Receivables Purchase Agreement in respect of the Mortgage Loans originated by it to partially terminate (*opzeggen*) or partially waive (*afstand doen van*), as the case may be, the relevant mortgage rights securing the Mortgage Receivables to the extent that such mortgage rights secure other debts than the relevant Mortgage Receivables assigned to the

Issuer by giving notice of such partial termination to or by entering into a deed of waiver with the relevant Borrowers prior to or at the same time that the Borrowers will be notified of the assignment or the deed of assignment is registered (see *Transfer of legal title to Mortgage Receivables* above). As a consequence of such partial termination or partial waiver the mortgage right would only secure the Mortgage Receivables assigned to the Issuer and would, in effect, cease to be a Bank Mortgage. Although there is no case law to directly support such 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 bank mortgage character is removed through partial termination or partial waiver prior to transfer of legal title to the Mortgage Receivables to the Issuer.

It is noted that if the Issuer does not have the benefit of the mortgage right, it also will not be entitled to claim under any NHG Guarantee. The same may apply in respect of a Dutch municipality guarantee.

Uncertainty regarding effectiveness of partial termination or partial waiver of mortgage rights

The relevant statutory provisions only address termination and waiver in general, and legal commentators, although accepting the right of partial termination and partial waiver, do not specifically discuss partial termination or partial waiver of mortgage rights in the manner described above. It is therefore unclear whether such a partial termination or partial waiver 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 Sellers can effectively terminate or waive the mortgage rights as described above. If a Seller has become subject to a suspension of payments or emergency regulations or is declared bankrupt after notice of partial termination is given or a deed of waiver is entered into and the courts would come to the conclusion, notwithstanding the arguments against such an interpretation, that a Bank Mortgage cannot be converted by way of partial termination or partial waiver into a mortgage right which only secures the Mortgage Receivables or, following such conversion, does not follow the Mortgage Receivables upon their assignment, the Issuer would not have the benefit of the mortgage rights securing such Mortgage Receivables (and consequently would not be entitled to claim under the relevant NHG Guarantee or, if applicable, under the relevant Dutch municipality guarantee) and would have to rely on the assistance of the relevant Seller's administrator (in case of emergency regulations or suspension of payments) or bankruptcy trustee (in case of bankruptcy) to foreclose such mortgage rights. It is not certain whether such assistance would be given by an administrator or bankruptcy trustee. If, however, the mortgage rights would nevertheless (i.e. without the partial termination being effective) (pro rata) have followed the Mortgage Receivables upon assignment or pledge, the mortgage rights will be co-held by the relevant Seller and the Issuer in respect of which the rules applicable to co-ownership (*gemeenschap*) apply. The Dutch Civil Code provides for various mandatory rules applying to such co-owned rights. In the Mortgage Receivables Purchase Agreement the Sellers, the Issuer and the Security Trustee will agree that the Issuer and/or the Security Trustee, as the case may be, will manage and administer such co-held rights. It is uncertain whether the foreclosure of the mortgage rights will be considered as day-to-day management, and, consequently whether, upon a Seller being declared bankrupt or being granted a suspension of payments or subjected to emergency regulations, the consent of such Seller's bankruptcy trustee or administrator may be required for such foreclosure. The Sellers, the Issuer

and/or the Security Trustee, as the case may be, will agree that in case of foreclosure the share (*aandee!*) in each co-held mortgage right of the Security Trustee and/or the Issuer will be equal to the outstanding principal amount of the Mortgage Receivables, increased with interest and costs, if any, and the share of the relevant Seller will be equal to the Net Proceeds less the outstanding principal amount of the Mortgage Receivables, increased with interest and costs, if any. It is uncertain whether this arrangement will be enforceable. In this respect it will be agreed that in case of a breach by any of the Sellers of its obligations under these arrangements or if any of such agreements are dissolved, void, nullified, or ineffective for any reason in respect of a Seller, such Seller shall compensate the Issuer and/or the Security Trustee, as the case may be, forthwith for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee, as the case may be, incurs as a result thereof. Receipt by the Issuer and/or the Security Trustee is subject to the ability of the Sellers to actually make such payments.

Under Dutch 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 Mortgage Conditions in respect of the Mortgage Loans originated by the Sellers contained in the mortgage deeds relating to the Portfolio Mortgage Loans entered into after 1 January 1992 provide for a partial as well as a general termination right in respect of the Mortgage. The mortgage deeds entered into by the Sellers prior to 1 January 1992 do not grant the Sellers such right of termination. In order to remove the bank mortgage character of the mortgage rights securing the Portfolio Mortgage Loans granted prior to 1 January 1992, the Sellers have to use their right to waive part of the relevant mortgage rights on the basis of Section 3:81 of the Dutch Civil Code. In order for such partial waiver to be effective a notarial deed (*notariële akte*) needs to be executed between each of the Sellers and the relevant Borrowers. Albeit that the Borrowers are not obliged to cooperate, it is expected that the Borrowers will not refuse to co-operate since by entering into such deeds part of the mortgage rights will be released (to the extent that such mortgage rights secure other debts than the Mortgage Receivables) and the costs relating thereto will be for the account of the relevant Seller. However, it is expected that obtaining the Borrowers' cooperation may cause some delay.

Benefit of pledges or mortgage rights

Should a Seller be declared bankrupt or become subject to a suspension of payments or emergency regulations, its undertaking to give a notice of partial termination or to enter into a deed of waiver would no longer be enforceable and a notice of partial termination received after such date by a Borrower would not be effective. In addition, in such a situation the legal transfer of the relevant Mortgage Receivables could no longer be effected, although the Issuer and the Security Trustee would remain pledgees of such Mortgage Receivables (see *Transfer of Legal Title to Mortgage Receivables* above). The fact that notice of partial termination can no longer be given or a deed of waiver can no longer be entered into means that it is uncertain, depending on the specific facts and circumstances involved, (i) whether the Issuer and the Security Trustee as pledgees, will have the benefit of a mortgage right securing such Mortgage Receivables, and (ii) if subsequently a Borrower fails to comply with its obligations under the Portfolio 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 such Seller's administrator (in the case of emergency regulations or suspension of payments) or bankruptcy trustee (in the 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 would be forthcoming.

Insurance Policies

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

In this paragraph, certain legal issues relating to the effects of the assignment of the Mortgage Receivables on the Insurance Policies are set out. Investors should be aware that it is possible that (i) the Issuer will not benefit from the Insurance Policies and/or (ii) the Issuer may not be able to recover any amounts from the relevant Borrower if the Insurance Company defaults in its obligations as further described in this paragraph. As a consequence thereof the Issuer may not have a claim for such amounts on the Borrower and may, therefore, not have the benefit of the mortgage right securing such claim. In such case the rights of the Security Trustee will be similarly affected. The issues raised with respect to the Savings Mortgage Loans apply *mutatis mutandis* to the Savings Investment Mortgage Loans (which are the Universal Life Mortgage Loans to the extent the Borrower has invested part of the premiums paid on the relevant Savings Investment Policy in the Levensloop Hypotheek Rekening or Hypotheek Rekening).

Pledge

Many of the Portfolio Mortgage Loans have the benefit of an Insurance Policy. All rights of the Borrowers under the Insurance Policies have been pledged to the Sellers (collectively the "**Borrower Pledges**"). The Issuer has been advised that it is possible that the right to receive payment, including the commutation payment (*afkoopsom*), under the Insurance Policies will be regarded by a Dutch court as a future right. The pledge of a future right is, under Dutch law, not effective if the pledgor is declared bankrupt or granted a suspension of payments or subjected to emergency regulations, prior to the moment such right comes into existence. This means that it is uncertain whether such right of 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, where such pledge secures the same liabilities as the Bank Mortgages.

The observations on partial termination made in *Bank Mortgages* above apply equally to a right of pledge in respect of Insurance Policies created after 15 October 2001. With respect to Insurance Policies that were pledged prior to 15 October 2001 no termination right is stipulated by the Sellers. This means that no partial termination is possible and that it is uncertain whether the right of pledge

will follow in case of assignment and/or pledge of the relevant Portfolio Mortgage Loans, unless, and subject to the above, prior to or at the same time as the notification of the assignment and/or pledge a deed of waiver is entered into between each of the relevant Borrowers and the relevant Seller whereby such Seller partially waives its right of pledge. Pursuant to the Mortgage Receivables Purchase Agreement each of the Sellers will be obliged to partially waive its right of pledge if the relevant Mortgage Conditions relating to such right of pledge do not grant such Seller a right of termination in respect thereof.

Appointment of Beneficiary

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

Each of the Sellers will, to the extent legally possible, assign the Beneficiary Rights to the Issuer and pledge the Beneficiary Rights to the Issuer and the Security Trustee (see under *Description of Security* below), but it is uncertain whether this assignment and pledge will be effective. The Insurance Company has undertaken that upon the occurrence of an Assignment Notification Event, it will deem itself to have been instructed and authorised to pay the insurance proceeds to the Issuer. However, such a change would require the agreement of all parties involved, including the Borrower and the beneficiary, and such agreement is not obtained in advance. It is therefore not certain that the undertaking of the Insurance Company will have the desired effect. Because of the uncertainty as to whether the Issuer becomes beneficiary of the Insurance Policies and whether the pledge of the Beneficiary Rights is effective and for the situation that no irrevocable payment authorisation exists, the Issuer will at the Signing Date enter into a beneficiary waiver agreement (the "**Beneficiary Waiver Agreement**") with the Sellers, the Insurance Company and the Security Trustee, under which each of the Sellers, subject to the condition precedent of the occurrence of an Assignment Notification Event, waives its rights as beneficiary, if any, under the relevant Insurance Policies and appoints as first beneficiary (i) the Issuer subject to the dissolving condition of the occurrence of a pledge notification event (a "**Pledge Notification Event**") as referred to in Clause 7 of the Mortgage Receivables Pledge Agreement I relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Pledge Notification Event relating to the Issuer. It is, however, uncertain whether such

waiver and appointment will be effective, mainly because it is unclear whether or not the right to change the appointment can be validly pledged to the Issuer or is included in the rights of a Seller as pledgee or as beneficiary under the Insurance Policies. In view hereof the Sellers and the Insurance Company will in the Beneficiary Waiver Agreement undertake following an Assignment Notification Event to use their best efforts to obtain the co-operation from all relevant parties to appoint the Issuer or the Security Trustee, as the case may be, as first beneficiary under the Insurance Policies. In the event an irrevocable authorisation as described above exists, the relevant Seller and the Insurance Company will in the Beneficiary Waiver Agreement undertake, following an Assignment Notification Event, to use their best efforts to change the payment instruction in favour of (i) the Issuer subject to the dissolving condition of the occurrence of a Pledge Notification Event relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Pledge Notification Event relating to the Issuer. 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 relevant Seller, or to another beneficiary, instead of the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to a 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 a Seller and such Seller does not pay the amount involved to the Issuer or, as the case may be, the Security Trustee (e.g. in the case of bankruptcy of a Seller or if a Seller would be granted a suspension of payments or subjected to emergency regulations (see *Insolvency of Insurance Company* below)) or if the proceeds are paid to another beneficiary instead of the Issuer or the Security Trustee, as the case may be, this may result in the amount paid under the Insurance Policies not being applied in reduction of the Mortgage Receivable. This may lead to the Borrower invoking defences against the Issuer or the Security Trustee, as the case may be, for the amounts so received by any of the Sellers as further discussed under *Set-off or defences* below.

Insolvency of Insurance Company

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

Set-off or defences

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

As set out (under *Set-off* above) the Borrowers have waived their set-off rights, but it is uncertain whether such waiver is effective. If the waiver is not effective, the Borrowers will in order to invoke a right of set-off, need to comply with the applicable legal requirements. One of these requirements is that the Borrower should have a claim, which corresponds to his debt to the same counterparty. The Insurance Policies are contracts between the Insurance Company and the Borrowers on the one hand and the Portfolio Mortgage Loans are contracts between the Sellers and the Borrowers on the other hand. As, in respect of the Portfolio Mortgage Loans originated by AEGON Levensverzekering N.V., the Insurance Company and the Seller are the same legal entity this legal requirement is fulfilled automatically. However, in respect of the Portfolio Mortgage Loans originated by Haagsche Leeuw Hypotheken B.V., in order to invoke a right of set-off the Borrowers would have to establish that the Seller and the Insurance Company are to be regarded as one legal entity or that, based upon interpretation of case law, set-off is allowed, even if Haagsche Leeuw Hypotheken B.V. as Seller and the Insurance Company are not considered as one legal entity, since the Portfolio Mortgage Loans and the Insurance Policies are to be regarded as one interrelated relationship.

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

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

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

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

that, in view of the factual circumstances involved, *inter alia*, that the relevant Portfolio Mortgage Loans and the Insurance Policies are sold to the Borrower by one legal entity (in case of Portfolio Mortgage Loans originated by AEGON Levensverzekering N.V.) and/or as one single package (in case of all Portfolio Mortgage Loans, including those originated by Haagsche Leeuw Hypotheken B.V.), there is a considerable risk (*aanmerkelijk risico*) that the courts will honour set-off or defences by Borrowers, as described above, if in case of bankruptcy or emergency regulations of the Insurance Company, the Borrowers, which are insured will not be able to recover their claims under their Life Insurance Policies or Savings Policies, as the case may be. This may lead to the Issuer not having sufficient funds available to make payments in respect to the Senior Class A Notes.

Savings Mortgage Loans and Savings Insurance Policies

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

Investment Mortgage Loans

Under the Investment Mortgage Loans the Borrowers do not repay principal prior to maturity of the Mortgage Loans. Instead the Borrowers undertake to invest agreed amounts in certain investment funds. See further under Description of *Portfolio Mortgage Loans*.

Investment Accounts

Under the Investment Mortgage Loans the investments in certain investment funds are effected by the Borrowers paying certain agreed amounts to an investment account held at AEGON Bank N.V., which amounts are subsequently invested by Stichting AEGON Beleggersgiro in certain selected investment funds in accordance with the instructions of the relevant Borrowers. The investment funds are managed by AEGON Investment Management B.V. The participations that are purchased are credited to the investment accounts of the relevant Borrowers, such accounts being administered by AEGON Bank N.V. (the "**Investment Accounts**"). It is the intention that the Mortgage Receivables will be fully or partially repaid with the proceeds of the investments. In this structure the Borrowers have a claim on Stichting AEGON Beleggersgiro for the value of the investments. The purpose of Stichting AEGON Beleggersgiro is to hold participations in investment funds for custody purposes and normally its obligations vis-à-vis holders of the Investment Accounts should be equal to the value of the corresponding participations of Stichting AEGON Beleggersgiro in the investment funds. Provided that Stichting AEGON Beleggersgiro is in full compliance with all applicable laws, in particular the Act on the Supervision of the Securities Trade 1995 (*Wet toezicht effectenverkeer 1995*) and the Further Conduct of Business Regulation (*Nadere Regeling gedragstoezicht effectenverkeer 2002*) with respect to an "effectengiro", and provided the limitations to the scope of its business as set out in its corporate objective (pursuant to which it will be prohibited from conducting any commercial activities or activity other than its activities as custodian in respect of the securities held for the Borrowers and the keeping of the books in respect of the securities accounts) are observed, the investments made by the Borrower through Stichting AEGON Beleggersgiro will form part of the estate of Stichting AEGON Beleggersgiro and Stichting AEGON Beleggersgiro can be considered a bankruptcy remote entity. Should Stichting AEGON Beleggersgiro not be able to meet its obligations towards the Borrowers, this could lead to set-off or defences by Borrowers similar to those described under *Insurance Policies* above, except for the set-off or defences described in *Appointment of Beneficiary* in respect of the situation where a Seller is insolvent.

Pledge

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

Reduced Value of Investments

If the development of the value of the investments made under an Investment Mortgage Loan is disappointing in the opinion of the relevant Borrower, such Borrower may try to invoke set-off or other defences against the relevant Seller or the Issuer, as the case may be, 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 Mortgage Loans have been marketed by such Seller and/or its intermediaries and the promotional material provided to the Borrower. The above may also apply in case of reduction in value of investments made by the Insurance Company in connection with the Life Insurance Policies and/or Savings Investment Policies.

Long Leases

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

A long lease will, *inter alia*, end as a result of expiration of the long lease term (in case of a fixed period), or termination of the long lease by the leaseholder or the landowner. The landowner can terminate the long lease in the event the leaseholder has not paid the remuneration due for a period exceeding two (2) consecutive years or 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 against the landowner for such compensation. The amount of the compensation will, *inter alia*, be determined by the conditions of the long lease and may be less than the market value of the long lease.

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

Risks of Losses associated with declining property values

The security for the Notes created under the Security Documents (as defined below) may be affected by, among other things, a decline in the value of those properties subject to the mortgage rights securing the Mortgage Receivables and investments under the Insurance Policies. No assurance can be given that values of those properties have remained or will remain at the level at which they were on the date of origination of the related Portfolio Mortgage Loans. A decline in value may result in losses to the Noteholders if such security is required to be enforced.

Subordination

To the extent set forth in Conditions 4, 6 and 9, the Subordinated Class B Notes are subordinated in right of payment to the Senior Class A Notes and the Subordinated Class C Notes are subordinated in right of payment to the Senior Class A Notes and the Subordinated Class B Notes. Such subordination is designed to provide credit enhancement to the Senior Class A Notes. With respect to any Class of Notes, such subordination is designed to provide credit enhancement to any Class of Notes with a higher payment priority than such Class of Notes.

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

the Portfolio Mortgage Loans will be allocated as described in *Credit Structure* below.

Conflict of interest between the interests of holders of different Classes of Notes

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

No Extraordinary Resolution (as defined in Condition 14) to sanction a change which would have the effect of accelerating or increasing the maturity of the Senior Class A Notes, or any date for payment of interest thereon, increasing the amount of principal or the rate of interest payable in respect of the Senior Class A Notes shall take effect, unless it shall have been sanctioned with respect to the Senior Class A Notes by an Extraordinary Resolution of the Subordinated Class B Noteholders and/or the Subordinated Class C Noteholders.

An Extraordinary Resolution of the Subordinated Class B Noteholders and/or the Subordinated Class C 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 Subordinated Class B Noteholders. The Trust Deed imposes no such limitations on the powers of the Senior Class A Noteholders, the exercise of which will be binding on the Subordinated Class B Noteholders and the Subordinated Class C 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).

Financial Services Act

Under the new Financial Services Act (*Wet financiële dienstverlening*), which entered into force on 1 January 2006, a special purpose vehicle which services (*beheert*) and administers (*uitvoert*) loans granted to consumers, such as the Issuer when it becomes the legal owner of the Mortgage Receivables, must have a license under that act. An exemption from the license requirement is available, if the special purpose vehicle outsources the servicing of the loans and the administration thereof to an entity holding a license under the Financial Services Act. The Issuer has outsourced the servicing and administration of the Portfolio Mortgage Loans to the MPT Provider. The MPT Provider holds a license under the Financial Services Act and the Issuer will thus benefit from the exemption. However, if the MPT Agreement is terminated, the Issuer will need to outsource the servicing and

administration of the Portfolio Mortgage Loans to another licensed entity or it needs to apply for and hold a license itself. In the latter case, the Issuer will have to comply with the applicable requirements under the Financial Services Act. If the MPT Agreement is terminated and the Issuer has not outsourced the servicing and administration of the Portfolio Mortgage Loans to a licensed entity and, in such case, it will not hold a license itself, the Issuer will have to terminate its activities and settle (*afwickelen*) its existing agreements.

Exemption Regulation Act on the Supervision of the Credit System 1992

The Notes will be offered to professional market parties within the meaning of Section 1 paragraph e of the Exemption Regulation of 26 June 2002 in respect of the Act on the Supervision of the Credit System 1992 (*Vrijstellingsregeling Wet toezicht kredietwezen 1992*, the "**Exemption Regulation**"), as amended. Consequently, based on Section 2 of the Exemption Regulation, the Issuer is exempt from the obligation to obtain a licence within the meaning of Section 6 of the Act on the Supervision of the Credit System 1992 (*Wet toezicht kredietwezen 1992*), as amended. In addition, the notification requirement of Section 4 of the Exemption Regulation has been and will continue to be complied with.

EU Council Directive on taxation of savings income

Under the EU Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories have adopted similar measures (for example Switzerland has adopted a withholding system) with effect from the same date. Pursuant to Condition 5(b)(iv), the Issuer undertakes that it will ensure that it maintains a paying agent in an EU Member State that will not be obliged to withhold or deduct any tax pursuant to the EU Council Directive 2003/48/EC.

Change of law

The structure of the issue of the Notes and the ratings which are to be assigned to them are based on Dutch law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible change in Dutch law or administrative practice in the Netherlands after the date of this Offering Circular.

Reliance on third parties

Counterparties to the Issuer may not perform their obligations under the Transaction Documents, which may result in the Issuer not being able to meet its obligations. It should be noted that there is a risk that, *inter alia*, either (a) AEGON Levensverzekering N.V. in its capacity as Seller, MPT Provider, Insurance Company and Savings Mortgage Participant and Conversion Participant, (b) Haagsche Leeuw Hypotheken B.V. in its capacity as Seller, (c) AEGON N.V. in its capacity as Swap Guarantor, (d) AEGON Derivatives N.V. in its capacity as Swap Counterparty, (e) ABN AMRO Bank N.V. in its

capacity as Floating Rate GIC Provider, Liquidity Facility Provider, Paying Agent and Reference Agent, respectively, will not perform its obligations vis-à-vis the Issuer and (f) ATC Management B.V. as Director of the Issuer and Stichting Administratiekantoor SAECURE, Amsterdamsch Trustee's Kantoor B.V. as Director of the Security Trustee and ATC Financial Services B.V. as Company Administrator, will not perform their obligations under the relevant Management Agreement and the Company Administration agreement, respectively.

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) an 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 Fitch) transfer its rights and obligations to another of its offices, branches or affiliates or any other person that meets the criteria for a swap counterparty as set forth in the Swap Agreement to avoid the relevant Tax Event.

The Swap Agreement will be terminable by one party if (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. Upon such termination the relevant party will quantify, in accordance with accepted market practice, any loss or gain which would be suffered by or accrued to it by closing out its position and a settlement payment will be made. Any such termination payment could, if interest rates have changed significantly, be substantial. As a result, unless a replacement swap is entered into, the Issuer may have insufficient funds to make payments under the Notes.

The payment obligations of the Swap Counterparty are guaranteed by the Swap Guarantor (as defined below) pursuant to a payment guarantee issued by the Swap Guarantor.

The Swap Agreement provides that, in the event that any payment by the Issuer to the Swap Counterparty is less than the amount which the Issuer would be required to pay to the Swap Counterparty, the corresponding payment obligation of the Swap Counterparty to the Issuer shall be reduced by an amount equal to such shortfall. See further under *Interest Rate Hedging* below.

KEY PARTIES AND SUMMARY OF PRINCIPAL FEATURES

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

KEY PARTIES:

Issuer: SAECURE 6 NHG 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, the Netherlands, and registered with the Commercial Register of the Chamber of Commerce for Amsterdam, under number 34256133 (the "**Issuer**"). The entire issued share capital of the Issuer is held by Stichting Administratiekantoor SAECURE.

Sellers: AEGON Levensverzekering N.V., incorporated under the laws of the Netherlands as a public company with limited liability (*naamloze vennootschap*) having its corporate seat in The Hague, the Netherlands, and registered with the Commercial Register of the Chamber of Commerce for Haaglanden under number 27095315; and

Haagsche Leeuw Hypotheken 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 The Hague, the Netherlands, and registered with the Commercial Register of the Chamber of Commerce for Haaglanden under number 27185650,

(each a "**Seller**" and collectively, the "**Sellers**").

The entire issued share capital of AEGON Levensverzekering N.V. is held by AEGON Nederland N.V. The entire issued share capital of Haagsche Leeuw Hypotheken B.V. is held by AEGON Levensverzekering N.V.

Company

Administrator: ATC Financial Services 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, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 33210270 (the "**Company Administrator**"). The shares in the Company Administrator are held by

Amsterdam Trust Corporation B.V., which entity is also the sole shareholder of each of the Directors.

MPT Provider: AEGON Levensverzekering N.V. (the "**MPT Provider**").

Sub-Servicer: Stater Nederland 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 Amersfoort, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for Gooi- en Eemland under number 08716725 (the "**Sub-Servicer**").

Security

Trustee: Stichting Security Trustee SAECURE 6 NHG, established under the laws of the Netherlands as a foundation (*stichting*) having its corporate seat in Amsterdam, the Netherlands, and registered with the Commercial Register of the Chamber of Commerce for Amsterdam, under number 34255986 (the "**Security Trustee**").

Stichting

Administratiekantoor

SAECURE: Stichting Administratiekantoor SAECURE, established under the laws of the Netherlands as a foundation (*stichting*) having its corporate seat in Amsterdam, the Netherlands, and registered with the Commercial Register of the Chamber of Commerce for Amsterdam, under number 34223615.

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

Swap

Counterparty: AEGON Derivatives N.V., incorporated under the laws of the Netherlands as a public company with limited liability (*naamloze vennootschap*) having its corporate seat in The Hague, the Netherlands, and registered with the Commercial Register of the Chamber of Commerce for Haaglanden under number 27194223 (the "**Swap Counterparty**").

Swap

Guarantor: AEGON N.V., incorporated under the laws of the Netherlands as a public company with limited liability (*naamloze vennootschap*) having its corporate seat in The Hague, the Netherlands, and registered with the Commercial Register of the Chamber of Commerce for Haaglanden under number

27076669 (the "**Swap Guarantor**").

Floating Rate

GIC Provider: ABN AMRO Bank N.V., incorporated under the laws of the Netherlands as a public company with limited liability (*naamloze vennootschap*) having its corporate seat in Amsterdam, the Netherlands, and registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 33002587 (the "**Floating Rate GIC Provider**").

Liquidity Facility

Provider: ABN AMRO Bank N.V. (the "**Liquidity Facility Provider**").

Paying Agent: ABN AMRO Bank N.V. (the "**Paying Agent**").

Reference

Agent: ABN AMRO Bank N.V. (the "**Reference Agent**").

Joint Arrangers: ABN AMRO Bank N.V., London Branch and AEGON Asset Management (each an "**Arranger**" and together, the "**Joint Arrangers**").

Manager: ABN AMRO Bank N.V., London Branch (the "**Manager**").

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

Common Depository: Citibank, N.A. (London Branch) (the "**Common Depository**").

Listing

Agent: ABN AMRO Bank N.V. (the "**Listing Agent**").

Rating Agency: Fitch Ratings Ltd. (the "**Rating Agency**").

Insurance

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

Savings Mortgage

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

Conversion

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

THE NOTES:

Notes: The € 2,054,100,000 Senior Class A Mortgage-Backed Notes 2006 due 2098 (the "**Senior Class A Notes**"), the € 7,200,000 Subordinated Class B Notes 2006 due 2098 (the "**Subordinated Class B Notes**", the € 6,200,000 Subordinated Class C Notes 2006 due 2098 (the "**Subordinated Class C Notes**" and together with the Subordinated Class B Notes, the "**Subordinated Notes**" and such Subordinated Notes together with the Senior Class A Notes, the "**Notes**") will be issued by the Issuer on 28 September 2006 (or such later date as may be agreed between the Issuer and the Manager (the "**Closing Date**").

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

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

**Status and
Ranking:**

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

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

A "**Business Day**" means a day on which banks are open for business in Amsterdam, the Netherlands and London, United Kingdom, provided that such day is also a day on which the Trans-European Automated Real-Time Gross

Settlement Express Transfer System ("**TARGET System**") or any successor thereto is operating credit or transfer instructions in respect of payments in euro.

Each successive Quarterly Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Quarterly Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date falling in November 2006. The interest will be calculated on the basis of the actual number of days elapsed in a Quarterly Interest Period divided by 360 days.

Interest on the Notes for the first Quarterly Interest Period will accrue from (and include) the Closing Date at an annual rate equal to the linear interpolation between the Euro Interbank Offered Rate ("**Euribor**") for 1-month deposits in Euros and the Euribor for 2-months deposits in Euros (determined in accordance with Condition 4) plus a margin which will be for the Senior Class A Notes 0.025 per cent. per annum, for the Subordinated Class B Notes 0.5 per cent. per annum and for the Subordinated Class C Notes 0.85 per cent. per annum. Interest on the Notes for each successive Quarterly Interest Period will accrue at an annual rate equal to the sum of the Euribor for three-months deposits in euro (determined in accordance with Condition 4) plus a margin which will, up to (but excluding) the Quarterly Payment Date falling in August 2013 (the "**First Optional Redemption Date**"), be for the Senior Class A Notes 0.025 per cent. per annum, for the Subordinated Class B Notes 0.5 per cent. per annum and for the Subordinated Class C Notes 0.85 per cent. per annum.

Interest Step-up: If on the First Optional Redemption Date the Notes of any Class have not been redeemed in full, the margin for the Notes will increase and the interest applicable to the Notes will then be equal to the sum of Euribor for three-months deposits, payable by reference to Quarterly Interest Periods on each Quarterly Payment Date plus a margin per annum which is 0.10 per cent. for the Senior Class A Notes, 1. per cent. for the Subordinated Class B Notes and 1.7 per cent. for the Subordinated Class C Notes.

Final Maturity

Date: Unless previously redeemed as provided below, the Issuer will redeem any remaining Notes outstanding on the Quarterly Payment Date falling in August 2098.

**Payment of
Principal on**

the Notes:

Prior to the delivery of an Enforcement Notice, the Issuer shall on each Quarterly Payment Date apply the Available Principal Funds (as defined in Condition 6), subject to the possible application thereof, up to and including the Quarterly Payment Date immediately preceding the First Optional Redemption Date, towards payment of the purchase price for the Further Advance Receivables and/or Substitute Mortgage Receivables (all as defined below), if any, or to make a reservation for such purpose, subject to and in accordance with the Conditions, towards redemption, at their respective Principal Amount Outstanding of the Senior Class A Notes. See under *Credit Structure* below.

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

**Optional
Redemption
of the Notes:**

The Issuer will have the option to redeem all (but not only part of) the Senior Class A Notes on the First Optional Redemption Date and on each Quarterly Payment Date thereafter (each an "**Optional Redemption Date**"), at their Principal Amount Outstanding (as defined in Condition 6) plus accrued but unpaid interest thereon after payment of the amounts to be paid in priority to such Senior Class A Notes, subject to and in accordance with the Conditions and the Pre-Enforcement Revenue Priority of Payments.

**Redemption
following
clean-up call:**

The Issuer shall on the Quarterly Payment Date following the exercise by the Sellers (acting jointly) of their Sellers Clean-up Call Option (as defined below), redeem all (but only part of) the Senior Class A Notes at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to such Senior Class A Notes, subject to and in accordance with the Conditions and the Pre-Enforcement Revenue Priority of Payments.

**Redemption
for tax
reasons:**

The Issuer may (but is not obliged to) redeem all (but not only part of) the

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

Method of

Payment:

For so long as the Notes are represented by a Global Note, payments of principal and interest will be made in euro to a common depository for Euroclear and Clearstream, Luxembourg, for the credit of the respective accounts of the Noteholders.

Withholding tax:

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

Use of proceeds:

The Issuer will apply the proceeds from the issue of the Senior Class A Notes (i) towards payment of part of the Initial Purchase Price for the Mortgage Receivables (both as described below) and (ii) to make a deposit in an amount equal to the aggregate amount of the Construction Deposits at the Closing Date into the Construction Deposits Account (as described below).

The proceeds from the issue of the Subordinated Notes will be credited to the Reserve Account.

Security for

the Notes:

The Noteholders will benefit from the security created by the Sellers in favour

of the Security Trustee pursuant to the trust deed entered into on the Signing Date between the Sellers, the Security Trustee and Stichting Administratiekantoor SAECURE (the "**Trust Deed**") and the Pledge Agreements (as defined in the Conditions) (together with the Trust Deed, the "**Security Documents**").

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

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

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

MORTGAGE RECEIVABLES AND PRINCIPAL CONTRACTS:

Mortgage

Receivables: Under an agreement (the "**Mortgage Receivables Purchase Agreement**") to be entered into on 26 September 2006 (the "**Signing Date**") by and between the Sellers, the Issuer and the Security Trustee, the Issuer will on the Closing Date purchase and accept the assignment of any and all rights and claims (the "**Mortgage Receivables**", which will include upon the purchase thereof any Further Advance Receivables and any Substitute Mortgage Receivables (all as defined below)) of each of the Sellers against certain borrowers (the "**Borrowers**") under or in connection with certain selected mortgage loans (which may consist of one or more loan parts (*leningdelen*)) that have the benefit of a NHG Guarantee or a guarantee from a Dutch municipality and are originated by the Sellers and secured by a right of mortgage (*hypotheekrecht*) (each such right of mortgage a "**Mortgage**" and each such loan a "**Mortgage Loan**"). The Mortgage Receivables resulting from Life Mortgage Loans, Investment Mortgage Loans and Savings Mortgage Loans (each as defined below), will hereinafter be referred to as the "**Life Mortgage Receivables**", "**Investment Mortgage Receivables**" and "**Savings Mortgage Receivables**", respectively.

Further Advances: A portion of the Mortgage Receivables is secured by mortgage rights that will also secure any further advances granted by a Seller to the relevant Borrower (whereby further advances include (i) further advances made under a Portfolio Mortgage Loan (as defined below) which will be secured by the same mortgage as the loan previously disbursed under such Portfolio Mortgage Loan (*verhoogde inschrijving*), (ii) further advances made under a Portfolio Mortgage Loan which will also be secured by a second or sequentially lower ranking mortgage right as the loan previously disbursed under such Portfolio Mortgage Loan (*verhoging*) and (iii) withdrawals of monies which were previously repaid in reduction of the outstanding balance of the Portfolio Mortgage Loan (*heropname*), ((i), (ii) and (iii) hereinafter collectively defined as a "**Further Advance**"). The Mortgage Receivables Purchase Agreement provides that as from the Closing Date up to and including the Quarterly Payment Date immediately preceding the First Optional Redemption Date, if subject to the terms and conditions of the relevant Portfolio Mortgage Loan (the "**Mortgage Conditions**") a Seller has agreed with the Borrower to grant a Further Advance, the Issuer will on the next succeeding Quarterly Payment Date purchase and accept assignment of the mortgage receivables resulting from the granting of such Further Advance (the "**Further Advance Receivables**") provided, however, that the Additional Purchase Conditions are met (as described under *Mortgage Receivables Purchase Agreement* below).

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

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

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

Substitution:

The Mortgage Receivables Purchase Agreement provides that as from the Closing Date up to and including the Quarterly Payment Date immediately preceding the First Optional Redemption Date, the Issuer will, subject to having received the consent of the Senior Class A Noteholders representing at least 51 per cent. of the Principal Amount Outstanding of the Senior Class A Notes, on each Quarterly Payment Date falling in May and November of each year up to and including the Quarterly Payment Date immediately preceding the First Optional Redemption Date (each a "**Substitution Date**") apply the Available Principal Funds up to a maximum amount equal to the Available Principal Funds less the amounts applied towards payment of the purchase price for the Further Advance Receivables (if any) on such Quarterly Payment Date (the "**Substitution Available Amount**") to purchase and accept assignment from the Sellers any additional mortgage receivables ("**Substitute Mortgage Receivables**") subject to the fulfilment of certain conditions which include, *inter alia*, the requirement that any Mortgage Loan to which the Substitute Mortgage Receivables relate should meet the Mortgage Loan Criteria (as defined below) and to the extent offered by the Sellers. See further under *Mortgage Receivables Purchase Agreement* below.

On any Quarterly Payment Date which is not also a Substitution Date, until the Quarterly Payment Date immediately preceding the First Optional Redemption Date, the Issuer may reserve the positive difference between the Available

Principal Funds and the amount applied on such Quarterly Payment Date in or towards satisfaction of the Initial Purchase Price of any Further Advance Receivables as calculated on the immediately preceding Notes Calculation Date (the "**Reserved Amount**") which amount remains to be deposited in the Transaction Account. The Reserved Amount will, subject to the Issuer having received the consent of the Senior Class A Noteholders representing at least 51 per cent. of the Principal Amount Outstanding of the Senior Class Notes and to the extent any Substitute Mortgage Receivables are offered by the Sellers, be applied towards the purchase of Substitute Mortgage Receivables on the next succeeding Quarterly Payment Date which is also a Substitution Date, provided that on such date the Additional Purchase Conditions are met (see *Mortgage Receivables Purchase Agreement* below). Any part of the Reserved Amount which is not applied towards the purchase of Substitute Mortgage Receivables on a Substitution Date will be available as Available Redemption Funds on such date, provided such amount is equal to or greater than € 1,000,000. The Available Redemption Funds on a Quarterly Payment Date will be equal to the Available Principal Funds less the sum of (i) the amounts applied towards in or to the satisfaction of the Initial Purchase Price of any Further Advance Receivables and (ii)(a) the Reserved Amount, if any, or (b) if the relevant Quarterly Payment Date is also a Substitution Date, the amount applied towards payment of the purchase price for any Substitute Mortgage Receivables, provided that if the difference between the Available Principal Funds and the sum of (i) and (ii)(b) above is less than € 1,000,000, the Available Redemption Funds shall be deemed to be zero on such date. The Available Redemption Funds are available for redemption of the Senior Class A Notes on a Quarterly Payment Date.

**Repurchase of
Mortgage**

Receivables:

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

- (i) within fourteen (14) days immediately following the expiration of the relevant remedy period (if any), if any of the representations and warranties made in respect of such Mortgage Receivable or the Portfolio Mortgage Loan from which such Mortgage Receivable results are untrue or incorrect;
- (ii) on the Quarterly Payment Date immediately following the date on which it agrees with a Borrower to grant a Further Advance under the relevant Portfolio Mortgage Loan (i) if and to the extent that the Further Advance Receivables do not meet the Additional Purchase Conditions and (ii) if such Further Advance is granted on or following

- the First Optional Redemption Date;
- (iii) within fourteen (14) days immediately following the date on which an amendment of the terms of the Portfolio Mortgage Loan becomes effective as a result of which such Portfolio Mortgage Loan no longer meets certain criteria set forth in the Mortgage Receivables Purchase Agreement and/or the MPT Agreement, unless such amendment is made as part of the enforcement procedures to be complied with upon a default by the Borrower under the relevant Portfolio Mortgage Loan;
 - (iv) within fourteen (14) days immediately following the date that the Portfolio Mortgage Loan no longer has the benefit of a NHG Guarantee or a Dutch municipality guarantee for the full amount of such Portfolio Mortgage Loan, in case of a NHG Guarantee, as adjusted in accordance with the NHG Conditions as a result of an action taken or omitted to be taken by it or the MPT Provider; and
 - (v) within fourteen (14) days immediately following the date that the relevant Seller has notified the Issuer and the Company Administrator that, while it is entitled to make a claim under the NHG Guarantee or Dutch municipality guarantee, will not make such claim.

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

Portfolio Mortgage Loans:

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

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

Each Portfolio Mortgage Loan shall have the benefit of a risk insurance policy (i.e. an insurance policy which pays out upon the death of the insured) (a "**Risk Insurance Policy**") taken out by the Borrower with the Insurance Company in the event and to the extent the relevant Portfolio Mortgage Loan exceeds 80 per cent. of the value of the relevant Mortgaged Asset. In case of Portfolio Mortgage Loans consisting of more than one loan part including a Life Mortgage Loan, Universal Life Mortgage Loan or Savings Mortgage Loan such Risk Insurance Policy will be included in the relevant Life Insurance Policy, Savings Investment Policy or, as the case may be, Savings Insurance Policy (all as defined below).

**NHG Guarantee/
Dutch municipality
guarantee:**

Each Portfolio Mortgage Loan will have the benefit of a guarantee under the '*Nationale Hypotheek Garantie*' (each a "**NHG Guarantee**") (see further under *NHG Guarantee Programme* below) or a guarantee granted by a Dutch municipality. The NHG Conditions apply to the NHG Guarantees. The terms and conditions applicable to the Dutch municipality guarantees may differ from the NHG Conditions.

**Linear Mortgage
Loans:**

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

**Interest-only
Mortgage Loans:**

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

Annuity Mortgage

Loans:

A portion of the Portfolio Mortgage Loans or parts thereof will be in the form of annuity mortgage loans (hereinafter "**Annuity Mortgage Loans**"). Under an Annuity Mortgage Loan, the Borrower pays a fixed monthly instalment, made up of an initially high and thereafter decreasing interest portion and an initially low and thereafter increasing principal portion, and calculated in such manner that the Annuity Mortgage Loan will be fully redeemed at maturity.

Life Mortgage

Loans:

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

Universal Life

Mortgage Loans:

A portion of the Portfolio Mortgage Loans or parts thereof will be in the form of universal life mortgage loans (hereinafter "**Universal Life Mortgage Loans**"), which are offered by the Sellers under the name of AEGON Levensloophypotheek and Universal Life Hypotheek. Under a Universal Life Mortgage Loan the Borrower does not pay principal prior to maturity of the Mortgage Loan, but instead takes out a combined risk and capital insurance policy (an "**Savings Investment Policy**") with the Insurance Company whereby part of the premiums paid is invested in certain investment funds and/or a certain fund under the name of Levensloop Hypotheek Rekening and Hypotheek Rekening (hereinafter referred to as "**LHR**"). The Borrowers may at any time switch (*omzetten*) their investments among the investment funds and to and from the LHR. The parts of any Universal Life Mortgage Loans whereby the premiums (or part thereof) paid by the Borrowers under the Savings Investment Policies are invested in the LHR (the "**Savings Investment**

Premium"), are hereinafter referred to as "**Savings Investment Mortgage Loans**". The Insurance Company, as Savings Mortgage Participant, will agree to use the amount of the Savings Investment Premiums (and the interest received on the Savings Participation) to acquire a Savings Participation in the Savings Investment Mortgage Receivables (all as defined below). It is the intention that the Universal Life Mortgage Loans will be fully or partially repaid by means of the proceeds of the Savings Investment Policies. See for more detail *Risk Factors* and *Description of Mortgage Loans*.

Investment

Mortgage Loans:

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

Savings

Mortgage

Loans:

A portion of the Portfolio Mortgage Loans or parts thereof will be in the form of savings mortgage loans (hereinafter "**Savings Mortgage Loans**"), which consist of Mortgage Loans entered into by the Sellers and the relevant Borrowers combined with a savings insurance policy (a "**Savings Insurance Policy**"). A Savings Insurance Policy consists of a combined risk and capital insurance policy taken out by the relevant Borrower with the Insurance Company in connection with the relevant Savings Mortgage Loan. Under a Savings Mortgage Loan no principal is paid by the Borrower prior to the maturity of the mortgage loan. Instead, the Borrower pays on a monthly basis a premium, which consists of a risk element and a savings element (the "**Savings Premium**"). The Savings Premium is calculated in such a manner that the proceeds of the Savings Insurance Policy due by the Insurance Company to the relevant Borrower will be equal to the amount due by the

Borrower to the relevant Seller at maturity of the Savings Mortgage Loan. See for more detail *Risk Factors* and *Description of the Portfolio Mortgage Loans*. The Insurance Company, as Savings Mortgage Participant, will agree to use the amount of the Savings Premiums (and the interest accrued thereon) to acquire a Savings Participation in the relevant Savings Mortgage Receivable (see *Sub-Participation Agreement* below).

Sub Participation Agreement:

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

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

Receivable, of the interest paid by the Borrower in respect of such Savings Mortgage Receivable or Savings Investment Mortgage Receivable. The aggregate initial participations with respect to the Savings Mortgage Receivables and Savings Investment Mortgage Receivables purchased by the Issuer on the Closing Date amounts to € 58,772,506.08. See further *Sub-Participation Agreement* below.

Conversion

Participation:

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

Construction

Deposits

Pursuant to the Mortgage Conditions (as defined below) Borrowers have the right to request that part of the Portfolio Mortgage Loan will be applied towards construction of or improvements to the mortgage property in respect of which the Borrowers have placed part of the monies drawn down under the Portfolio Mortgage Loan on deposit with the relevant Seller and such Seller has committed to pay out such deposits to or on behalf of the Borrowers in order to enable them to pay for construction of or improvements to the mortgaged property, provided certain conditions are met. The aggregate amount of these deposits (the "**Construction Deposits**") as at the Cut-Off Date is € 18,378,800.40.

On the Closing Date the Construction Deposit Account will be credited with an amount equal to the aggregate Construction Deposits as at the Cut-Off Date. Thereafter, the Issuer will, in case of purchase of Further Advance Receivables or Substitute Mortgage Receivables having a Construction Deposit attached to

it, on the relevant Quarterly Payment Date credit the Construction Deposit Account with an amount equal to the aggregate of such Construction Deposits. On each third Business Day prior to a Portfolio Payment Date (such day a "**Portfolio Calculation Date**"), the MPT Provider will notify the Issuer of all payments made out of the Construction Deposits to or on behalf of the Borrowers during the immediately preceding Portfolio Calculation Period, and the Issuer shall pay on the immediately succeeding Portfolio Payment Date an equal amount from the Construction Deposit Account to the relevant Seller in consideration of the assignment and transfer of the relevant Mortgage Receivable to the extent the money drawn under the relevant Portfolio Mortgage Loan had been placed on the Construction Deposit.

Pursuant to the Mortgage Conditions a Construction Deposit must be paid out within twenty-four (24) months, provided, however, that the relevant Seller and the Borrower may agree to another (longer) period and provided further that pursuant to the NHG Conditions a Construction Deposit has to be paid out after the building activities or renovation activities have been finalised. After such period, the remaining Construction Deposit will either (i) be paid out by the relevant Seller to the relevant Borrower, and consequently the remaining part of the Initial Purchase Price will be paid to such Seller, or (ii) will be set-off against the relevant Mortgage Receivable up to the amount of the Construction Deposit in which case the Issuer will have no further obligation towards the relevant Seller to pay the remaining part of the Initial Purchase Price and consequently any balance standing to the credit of the Construction Deposit Account will be used for redemption of the Senior Class A Notes in accordance with Condition 6. In addition, pursuant to the NHG Conditions, if the remaining Construction deposit is less than € 2,500, the relevant Seller has the right to pay out the remaining amount to the relevant Borrower.

Sale of Mortgage Receivables/

Alternative Funding: On any Optional Redemption Date the Issuer has the right to sell and assign (all but not part of) the Mortgage Receivables to a third party, provided, however, that the Issuer shall before selling the Mortgage Receivables to a third party, first make an offer to the Sellers to purchase such Mortgage Receivables against payment of a purchase price equal to the then current Portfolio Market Value. In addition, the Issuer may on any Optional Redemption Date obtain alternative funding to redeem the Senior Class A Notes. The Issuer shall be required to apply the proceeds of such sale or alternative funding, to the extent relating to principal, to redeem the Senior Class A Notes in accordance with Condition 6.

The purchase price of each Mortgage Receivable in the event of a sale to a third party shall at least be equal to the outstanding principal amount, together with accrued interest due but unpaid up to the last day of the Portfolio Calculation Period preceding the date of such sale, in respect of each Mortgage Receivable. In respect of Mortgage Receivables which are in arrears for a period exceeding 90 days or in respect of which an instruction has been given to the civil-law notary to start foreclosure proceedings, the purchase price shall be at least the lesser of (i) the sum of (a) an amount equal to the indexed foreclosure value of the Mortgaged Assets and (b) the amount claimable under the NHG Guarantee or Dutch municipality guarantee and (ii) the sum of the outstanding principal amount of the Mortgage Receivable, together with accrued interest due but unpaid, if any, and any other amounts due under the Mortgage Receivable. In case of a sale to the Sellers or any of them, the purchase price for the Mortgage Receivables will be equal to the then current Portfolio Market Value, provided that the sum of (i) the proceeds of such sale and (ii) any payments to be made by the Swap Counterparty to the Issuer in connection with the termination of the Swap Agreement (as defined below), is sufficient to pay all amounts due and payable to the Senior Class A Noteholders and any amounts to be paid in priority to the Senior Class A Notes in accordance with and subject to the Conditions.

MPT

Agreement:

Under a mortgage payment transaction provider agreement to be entered into on the Signing Date between the Issuer, the MPT Provider and the Security Trustee (the "**MPT Agreement**"), the MPT Provider will agree to provide administration and management services in relation to the Portfolio Mortgage Loans on a day-to-day basis, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the Portfolio Mortgage Loans and the implementation of arrears procedures including, if applicable, the enforcement of Mortgages (see further *Mortgage Loan Underwriting and Servicing* and *MPT Agreement and Company Administration Agreement* below).

Company

Administration

Agreement:

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

Management

Agreements:

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

CASH FLOW STRUCTURE:

Floating Rate

GIC:

On the Signing Date, the Issuer, the Floating Rate GIC Provider and the Security Trustee will enter into a guaranteed investment contract (the "**Floating Rate GIC**"), under which the Floating Rate GIC Provider will agree to pay a guaranteed rate of interest determined by reference to three-months Euribor on the balance standing from time to time to the credit of the Transaction Account, the Reserve Account and the Construction Deposit Account (all defined below) (such accounts, collectively to be referred to as the "**Issuer Accounts**").

Transaction

Account:

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

Reserve

Account:

The proceeds of the Subordinated 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) of the Pre-Enforcement Revenue Priority of Payments (as defined in *Credit Structure* below) in the event of a shortfall of the Available Revenue Funds (as defined in *Credit Structure* below) on a Quarterly Payment Date. If and to the extent that the Available Revenue Funds calculated on the third Business Day prior to a Quarterly Payment Date (each a "**Notes Calculation Date**") exceed the amounts required to meet items (a) up to and including (i) of the Pre-Enforcement Revenue Priority of Payments, such excess amount will be deposited in, or, as the case may be, used to replenish the Reserve Account by crediting such amount to the Reserve Account up to the required reserve account target level (the "**Reserve Account Target Level**") on the immediately

succeeding Quarterly Payment Date. The Reserve Account Target Level will on any Notes Calculation Date be equal to 0.65 per cent. of the aggregate Principal Amount Outstanding of the Senior Class A Notes at the Closing Date.

Construction

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

Liquidity Facility

Agreement: On the Signing Date, the Issuer will enter into an up to 364 day term liquidity facility agreement with the Liquidity Facility Provider (the "**Liquidity Facility Agreement**") under which the Issuer will be entitled to make drawings in order to meet certain shortfalls in its Available Revenue Funds. See under *Credit Structure* below.

Swap

Agreement: On the Signing Date, the Issuer will enter into a swap agreement with the Swap Counterparty (the "**Swap Agreement**") to hedge the risk 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 under *Credit Structure* below.

OTHER:

Listing: Application has been made to list the Notes on Euronext Amsterdam. Listing is expected to take place on or about 28 September 2006.

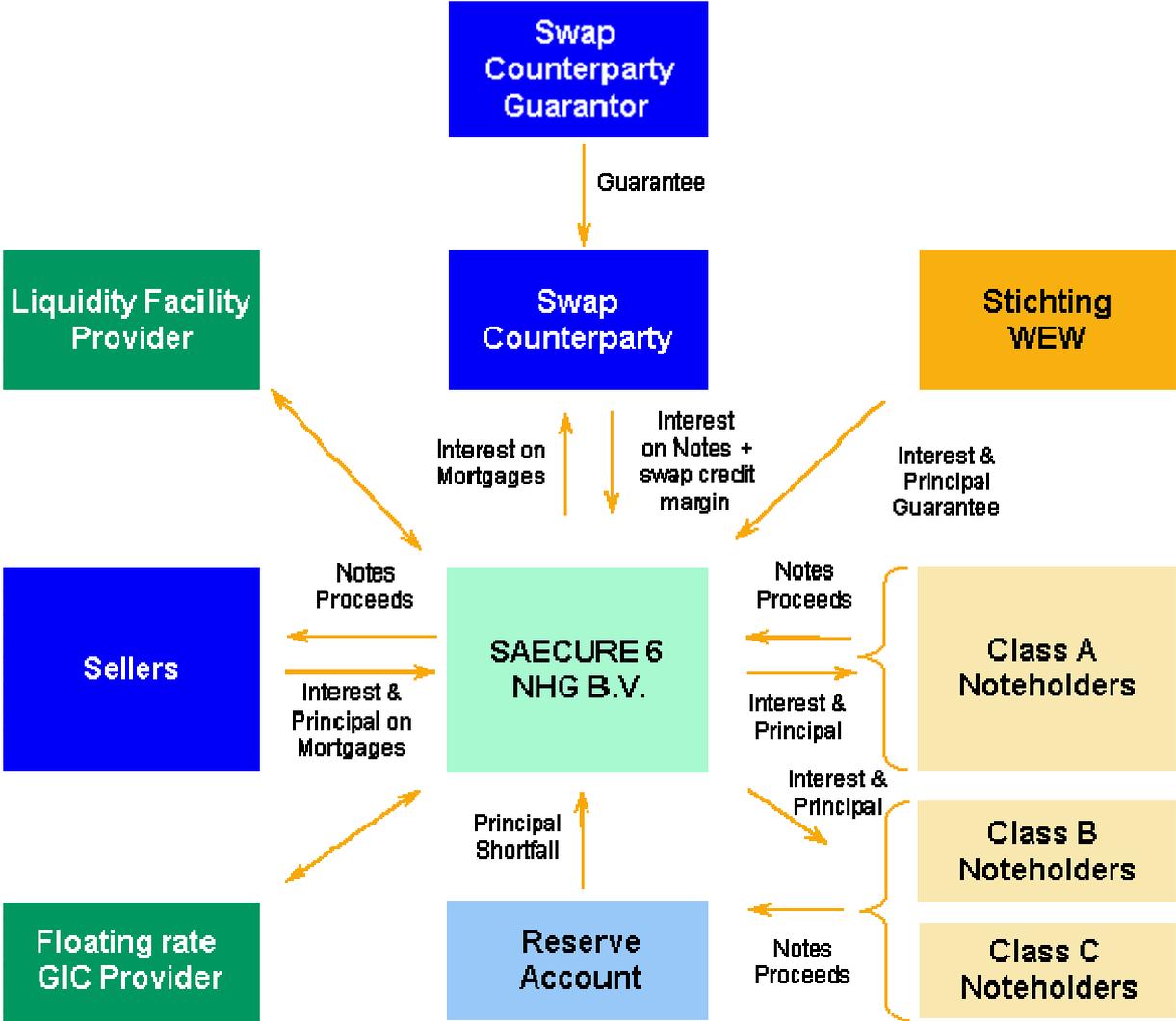
Rating: It is a condition precedent to issuance that, on issue, the Senior Class A Notes will be assigned an "AAA" rating by Fitch, the Subordinated Class B Notes, on issue, will be assigned an "A" rating by Fitch and the Subordinated Class C Notes, on issue, will be assigned a "BBB-" rating by Fitch.

Governing

Law: The Transaction Documents (which also include the Notes) will be governed by and construed in accordance with the laws of the Netherlands.

Structure diagram:

The transaction set out in this Offering Circular can be depicted as follows:



CREDIT STRUCTURE

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

Use of Proceeds

The Issuer will use the proceeds from the issue of the Senior Class A Notes (i) to pay part of the Initial Purchase Price for the Mortgage Receivables purchased by the Issuer on the Closing Date, (ii) to deposit an amount equal to € 18,378,800.40 into the Construction Deposits Account in order to enable the Issuer to pay for such parts of the Mortgage Receivables as correspond to the Construction Deposits. The proceeds of the Subordinated Notes will be credited to the Reserve Account.

Mortgage Loan Interest Rates

The Mortgage Loans pay interest on a floating rate basis or a fixed rate basis, subject to a reset from time to time. On the Cut-Off Date (as defined below) the weighted average interest rate of the Portfolio Mortgage Loans amounted to 4.67 per cent. Interest rates vary among individual Portfolio Mortgage Loans. The range of interest rates is described further in *Description of Portfolio Mortgage Loans* below.

Cash Collection Arrangements

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

If the rating of the short-term, unsecured and unguaranteed debt obligations of ABN AMRO Bank N.V. falls below F1 by Fitch (the "**Short Term Requisite Rating**"), the Sellers will, to maintain the then current rating assigned to the Notes, either: (i) ensure that payments to be made in respect of amounts received on the Collection Accounts relating to Mortgage Receivables will be guaranteed by a party having at least the Short Term Requisite Rating; or (ii) (a) open an account with a party having at least the Short Term Requisite Rating, and (b) transfer to such account an amount equal to the highest single amount of principal and interest (including, for the avoidance of doubt, interest penalties) received in respect of the Mortgage Receivables since the Closing Date on the Floating Rate GIC Account during one Portfolio Calculation Period; or (iii) implement any other actions agreed at that time with Fitch.

On the 25th day of each calendar month, and if such day is not a Business Day, the next succeeding Business Day, unless the next Business Day falls in the next calendar month, then the immediately preceding Business Day (each a "**Portfolio Payment Date**"), each of the Sellers shall transfer (or

procure that the MPT Provider shall transfer on its behalf) all amounts of principal and interest (including, for the avoidance of doubt, interest penalties (*boeterente*)) received by such Seller in respect of the Portfolio Mortgage Loans and whether or not paid to the relevant Seller's Collection Accounts during the immediately preceding Portfolio Calculation Period (being the period commencing on (and including) the second day of each calendar month and ending on (but excluding) the second day of the next succeeding calendar month) to the Transaction Account. Following an Assignment Notification Event as described under *Mortgage Receivables Purchase Agreement* below, the Borrowers will be required to pay all amounts due by them under the relevant Portfolio Mortgage Loans directly to the Transaction Account.

All amounts of principal and interest (including, for the avoidance of doubt, interest penalties) received by a Seller in respect of the Portfolio Mortgage Loans and paid to such Seller's Collection Accounts shall accrue interest payable by such Seller (or the MPT Provider on its behalf) to the Issuer, which rate of interest shall be equal to one-month Euribor calculated from (and including) the day of receipt of such amount on the Seller's Collection Accounts to (but excluding) the day such amounts are paid to the Issuer.

Issuer Accounts

Transaction Account

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

Furthermore, out of the balance standing to the credit of the Transaction Account, a remuneration of € 15,000 per calendar year for the engagement of the Issuer in the transaction contemplated by this Offering Circular will be reserved (pro rata) for the benefit of the Issuer in advance on each Quarterly Payment Date falling in February of each year, except for the period as from (and including) the Closing Date up to (but excluding) January 2007, which will be reserved in arrear on the Quarterly Payment Date falling in February 2007, (the "**Issuer Income Entitlement**") from which amount any corporate income tax payable by the Issuer in respect of such Issuer Income Entitlement will be paid.

Construction Deposit Account

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

occurrence of an Assignment Notification Event, the Issuer shall only be obliged to draw from the Construction Deposit Account an amount equal to the Construction Deposits or part thereof which have been paid out to the relevant Borrowers pursuant to the Mortgage Conditions, and pay such amount to the relevant Seller as part of the Initial Purchase Price (as defined below), as the case may be, if legal title to the Mortgage Receivables corresponding to the Construction Deposits or part thereof has been acquired by the Issuer.

If, on the third Portfolio Calculation Date (such date being the third Business Day before a Portfolio Payment Date) after the occurrence of an Assignment Notification Event legal title to the Mortgage Receivables corresponding to the Construction Deposits has not been acquired by the Issuer, the Issuer shall on the immediately succeeding Quarterly Payment Date draw the balance standing to the credit of the Construction Deposit Account to form part of the Available Principal Funds on that Quarterly Payment Date.

Reserve Account

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

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

If and to the extent that the Available Revenue Funds calculated on any Notes Calculation Date exceed the amounts required to meet item (a) up to and including (i) of the Pre-Enforcement Revenue Priority of Payments, the excess amount will be deposited on the Reserve Account or, as the case may 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 on any Notes Calculation Date be equal to 0.65 per cent. of the aggregate Principal Amount Outstanding of the Senior Class A Notes at the Closing Date.

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

If on any Notes Calculation Date all amounts of interest and principal due in respect of the Senior Class A Notes have been paid on the Quarterly Payment Date immediately preceding such Notes Calculation Date or will be paid on the Quarterly Payment Date immediately following such Notes

Calculation Date, the Reserve Account Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will thereafter form part of the Available Revenue Funds and will be available to redeem or partially redeem the Subordinated Class B Notes until fully redeemed and subsequently to redeem or partially redeem the Subordinated Class C Notes until fully redeemed and thereafter, towards satisfaction of the Deferred Purchase Price (as defined in *Mortgage Receivables Purchase Agreement*) to the Sellers.

Rating of Floating Rate GIC Provider

If at any time the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Floating Rate GIC Provider, are assigned a rating of less than F1 by Fitch, or if such rating is withdrawn, the Issuer and/or the Company Administrator on behalf of the Issuer will be required within thirty (30) days of any such event (i) to transfer the balance on all such Issuer Accounts to an alternative institution with the required minimum ratings, (ii) to procure that a third party, having at least the required ratings, guarantees the obligations of the Floating Rate GIC Provider, or (iii) to find another solution acceptable to Fitch in order to maintain the then current rating of the Notes.

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

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated as at each Notes Calculation Date as being received during the Notes Calculation Period (as defined in the Conditions) immediately preceding such Notes Calculation Date (items (i) up to and including (x) being hereafter referred to as the "**Available Revenue Funds**"):

- (i) as interest on the Mortgage Receivables, less, with respect to each Savings Investment Mortgage Receivable and each Savings Mortgage Receivable, an amount equal to the interest amount received multiplied by a fraction which is equal to the relevant Savings Participation or Conversion Participation divided by the outstanding principal amount of such Savings Investment Mortgage Receivable or, as the case may be, such Savings Mortgage Receivable (the "**Participation Fraction**"), and – prior to the occurrence of an Assignment Notification Event - less an amount equal to the interest received on the part of the Mortgage Receivables corresponding to any Construction Deposits relating thereto;
- (ii) as interest due and accrued on all amounts paid into the Sellers' bank accounts with respect of the Mortgage Receivables, from the date of receipt of such amounts up to and including the date they are swept to the Transaction Account;
- (iii) as interest credited to the Issuer Accounts;
- (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 Savings Investment Mortgage Receivable and each Savings Mortgage Receivable, an amount equal to the proceeds received multiplied by the Participation Fraction;

- (v) as amounts to be drawn under the Liquidity Facility (other than a Liquidity Facility Stand-by Drawing) (as defined below) on the immediately succeeding Quarterly Payment Date;
- (vi) as amounts to be received from the Swap Counterparty under the Swap Agreement on the immediately succeeding Quarterly Payment Date, excluding, for the avoidance of doubt, any collateral transferred pursuant to the Swap Agreement;
- (vii) as amounts to be drawn from the Reserve Account on the immediately succeeding Quarterly Payment Date;
- (viii) as amounts received in connection with a repurchase or sale of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed, as the case may be, or any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal, less, with respect to each Savings Investment Mortgage Receivable and each Savings Mortgage Receivable, an amount equal to the amount received multiplied by the Participation Fraction;
- (ix) as amounts received as post-foreclosure proceeds on the Mortgage Receivables, to the extent such amounts are not due and payable to *Stichting Waarborgfonds Eigen Woningen* or any Dutch municipality to satisfy their claims resulting from payment made by them under the NHG Guarantees and relevant Dutch municipality guarantee, respectively; and
- (x) after all amounts of interest and principal due in respect of the Notes, other than principal in respect of the Subordinated Notes, have been paid on the Quarterly Payment Date immediately preceding the relevant Notes Calculation Date or will be available for payment on the immediately succeeding Quarterly Payment Date, any amount standing to the credit of the Reserve Account,

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

- (a) *First*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) the amount to be reserved by the Issuer as Issuer Income Entitlement, and (ii) the fees and expenses due and payable to the Company Administrator and the MPT Provider under the Company Administration Agreement and MPT Agreement, respectively;
- (b) *Second*, 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 fees or other remuneration and indemnity payments (if any) due and payable to the Security Trustee and any costs, charges, liabilities and expenses incurred by the Security Trustee under and in connection with the relevant Transaction Documents;

- (c) *Third*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) the amounts due and payable (but not yet paid prior to the relevant Quarterly Payment Date) to third parties under obligations incurred in the Issuer's business (other than under the relevant Transaction Documents), including, without limitation, in or towards satisfaction of amounts or provisions for any payment of the Issuer's liability, if any, to tax (other than Dutch corporate income tax in relation to the Issuer Income Entitlement), (ii) the amounts due and payable to Fitch, (iii) the fees and expenses due and payable to any legal advisors, accountants and auditors appointed by the Issuer or the Security Trustee, and (iv) the fees and expenses due and payable to the Paying Agent, the Reference Agent, the Common Depository and any other agent designated under any of the relevant Transaction Documents;
- (d) *Fourth*, in or towards satisfaction of any amounts due and payable to the Liquidity Facility Provider under the Liquidity Facility, but excluding any gross up amounts or additional amounts due under the Liquidity Facility and payable under (n) below, or following a Liquidity Facility Stand-by Drawing in or satisfaction of sums to be credited to the Liquidity Facility Stand-by Ledger;
- (e) *Fifth*, in or towards satisfaction of amounts, if any, due and payable by the Issuer under the Swap Agreement, other than any termination payment (including a Settlement Amount (as defined therein)) due and payable as a result of the occurrence of an Event of Default (as defined therein) where the Swap Counterparty is the Defaulting Party or an Additional Termination Event (each as defined therein) relating to the credit rating of the Swap Guarantor and payable under (m) below (the "**Subordinated Swap Amount**");
- (f) *Sixth*, in or towards satisfaction of the amounts of interest due or accrued 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 (as defined below) until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to zero;
- (h) *Eighth*, in or towards satisfaction of the amounts of interest due or accrued due but unpaid in respect of the Subordinated Class B Notes;
- (i) *Ninth*, in or towards satisfaction of the amounts of interest due or accrued due but unpaid in respect of the Subordinated Class C Notes;
- (j) *Tenth*, in or towards satisfaction of any sums required to deposit on the Reserve Account or, as the may be, to replenish the Reserve Account up to the amount of the Reserve Account Target Level;

- (k) *Eleventh*, as from the earlier of (i) the Quarterly Payment Date on which all amounts of interest and principal on the Senior Class A Notes will have been paid and (ii) the First Optional Redemption Date, in or towards satisfaction of principal amounts due on the Subordinated Class B Notes until fully redeemed;
- (l) *Twelfth*, as from the earlier of (i) the Quarterly Payment Date on which all amounts of interest and principal on the Senior Class A Notes will have been paid and (ii) the First Optional Redemption Date, in or towards satisfaction of principal amounts due on the Subordinated Class C Notes until fully redeemed;
- (m) *Thirteenth*, in or towards satisfaction of any Subordinated Swap Amount payable to the Swap Counterparty under the terms of the Swap Agreement;
- (n) *Fourteenth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of any gross-up amounts and/or additional amounts due under the Liquidity Facility; and
- (o) *Fifteenth*, in or towards satisfaction of a Deferred Purchase Price Instalment to the Sellers pursuant to the Mortgage Receivables Purchase Agreement.

Any amount due and payable to third parties (other than pursuant to any of the Transaction Documents), under obligations incurred in the Issuer's business, including the obligation to pay Dutch corporate income tax in relation to the Issuer Income Entitlement, and any amount due and payable to the Participants (being the Savings Mortgage Participant and the Conversion Participant) under the Sub-Participation Agreement at a date which is not a Quarterly Payment Date, may be made on such date by the Issuer from the Transaction Account to the extent that the funds available on the Transaction Account are sufficient to make such payment.

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

The "**Available Principal Funds**" will consist of the sum of the following amounts, calculated as at each Notes Calculation Date as being received or held during the Notes Calculation Period (as defined in the Conditions) immediately preceding such Notes Calculation:

- (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 Savings Investment Mortgage Receivable and each Savings Mortgage Receivable, the Conversion Participation or Savings Participation, as the case may be, in such Savings Investment Mortgage Receivable or Savings Mortgage Receivable;
- (ii) as Net Proceeds (as defined in the Conditions) on any Mortgage Receivables, to the extent such proceeds relate to principal, less, with respect to each Savings Investment Mortgage Receivable and each Savings Mortgage Receivable, the Conversion Participation or Savings

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

- (iii) as amounts received in connection with a repurchase or sale of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed, as the case may be, or any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, less, with respect to each Savings Mortgage Receivable and each Savings Investment Mortgage Receivable, the Conversion Participation or Savings Participation, as the case may be, in such Savings Investment Mortgage Receivable or Savings Mortgage Receivable;
- (iv) as amounts to be credited to the Class A Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date in accordance with the Company Administration Agreement;
- (v) as Participation Increase and Initial Savings Participation (other than the Initial Savings Participation received on the Closing Date) pursuant to the Sub-Participation Agreement;
- (vi) as Switched Savings Participation to the extent such amount exceeds the then existing Conversion Participation, if any, held by the Insurance Company in respect of the relevant Savings Investment Mortgage Loan;
- (vii) as partial prepayments in respect of Mortgage Receivables, excluding prepayment penalties, if any;
- (viii) as amounts no longer payable to any of the Sellers or the Borrowers which were standing to the credit of the Construction Deposit Account in accordance with the Mortgage Receivables Purchase Agreement and in case a remainder of the Construction Deposit will be off-set against the Mortgage Receivables;
- (ix) the Reserved Amount; and
- (x) any part of the Available Redemption Funds calculated on the immediately preceding Notes Calculation Date which has not been applied towards redemption of the Senior Class A Notes on the immediately preceding Quarterly Payment Date.

The "**Available Redemption Funds**", as calculated on the immediately preceding Notes Calculation Date, will:

- (x) on any Quarterly Payment Date which is not also a Substitution Date be equal to the Available Principal Funds less the sum of:

- (a) the amount of the Available Principal Funds applied on such Quarterly Payment Date in or towards satisfaction of the Initial Purchase Price of any Further Advance Receivables; and
 - (b) (i) until the Quarterly Payment Date immediately preceding the First Optional Redemption Date, provided that all Additional Purchase Conditions (other than (a), (c), (d), (e) and (q)) are met on such Quarterly Payment Date, an amount equal to the Available Principal Funds less the amount applied on such Quarterly Payment Date in or towards satisfaction of the Initial Purchase Price of any Further Advance Receivables and (ii) thereafter, zero (the "**Reserved Amount**"),
- (y) on any Quarterly Payment Date which is also a Substitution Date be equal to the Available Principal Funds less the sum of:
- (a) the amount of the Available Principal Funds applied on such Quarterly Payment Date in or towards satisfaction of the Initial Purchase Price of any Further Advance Receivables; and
 - (b) the amount of the Available Principal Funds applied on such Quarterly Payment Date, up to the Substitution Available Amount, towards satisfaction of the Initial Purchase Price of any Substitute Mortgage Receivables,

provided that if the difference between the Available Principal Funds and the sum of (a) and (b) above is less than € 1,000,000, the Available Redemption Funds shall be deemed to be zero on such Quarterly Payment Date.

Prior to delivery of an Enforcement Notice by the Security Trustee, the Available Redemption Funds will pursuant to the terms of the Trust Deed be applied by the Issuer on each Quarterly Payment Date towards satisfaction of the principal amounts due on the Senior Class A Notes, until fully redeemed in accordance with the Conditions.

Priority of Payments upon Enforcement

Following delivery of an Enforcement Notice any amounts to be distributed by the Security Trustee under the Trust Deed, will be paid to the Security Beneficiaries (including the Noteholders, but excluding the Savings Mortgage Participant and the Conversion Participant) in the following order of priority (and in each case only if and to the extent payments of a higher priority have been made in full) (the "**Post-Enforcement Priority of Payments**"):

- (a) *First*, in or towards repayment of any Liquidity Facility Stand-by Loan due and payable but unpaid under the Liquidity Facility Agreement;

- (b) *Second*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) the amount to be reserved by the Issuer as Issuer Income Entitlement and (ii) the fees and expenses due and payable to the Company Administrator and the MPT Provider under the Company Administration Agreement and MPT Agreement, respectively;
- (c) *Third*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) the fees or other remuneration due and payable to the Directors in connection with the Management Agreements, (ii) the fees or other remuneration and indemnity payments (if any) due and payable to the Security Trustee and any costs, charges, liabilities and expenses incurred by the Security Trustee under and in connection with the relevant Transaction Documents, (iii) amounts due and payable to Fitch and (iv) the fees and expenses due and payable to the Paying Agent and the Reference Agent under the provisions of the Paying Agency Agreement;
- (d) *Fourth*, in or towards satisfaction of any amounts due and payable to the Liquidity Facility Provider under the Liquidity Facility, but excluding any gross up amounts or additional amounts due under the Liquidity Facility and payable under (n) below;
- (e) *Fifth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) all amounts of interest due or accrued but unpaid in respect of the Senior Class A Notes and (ii) amounts, if any, due but unpaid to the Swap Counterparty under the Swap Agreement other than any Subordinated Swap Amount payable under (k) below;
- (f) *Sixth*, in or towards satisfaction of all amounts of principal and other amounts due but unpaid in respect of the Senior Class A Notes;
- (g) *Seventh*, in or towards satisfaction of all amounts of interest due or accrued but unpaid in respect of the Subordinated Class B Notes;
- (h) *Eighth*, in or towards satisfaction of all amounts of principal and other amounts due but unpaid in respect of the Subordinated Class B Notes;
- (i) *Ninth*, in or towards satisfaction of all amounts of interest due or accrued but unpaid in respect of the Subordinated Class C Notes;
- (j) *Tenth*, in or towards satisfaction of all amounts of principal and other amounts due but unpaid in respect of the Subordinated Class C Notes;
- (k) *Eleventh*, in or towards satisfaction of any Subordinated Swap Amount;
- (l) *Twelfth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of any gross-up amounts and/or additional amounts due, if any, to the Liquidity Facility Provider

pursuant to the Liquidity Facility Agreement; and

- (m) *Thirteenth*, in or towards satisfaction of a Deferred Purchase Price Instalment to the Sellers pursuant to the Mortgage Receivables Purchase Agreement.

Liquidity Facility

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

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

If, at any time, the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider are (i) assigned a credit rating of less than F1 by Fitch, and/or such rating is withdrawn and (ii) within thirty (30) days of such downgrading or withdrawal the Liquidity Facility Provider is not replaced by the Issuer with a suitable alternative Liquidity Facility Provider or a third party having the required ratings has not guaranteed the obligations of the Liquidity Facility Provider or another solution acceptable to Fitch is not found, the Issuer will, unless Fitch has confirmed that the rating of the Notes will not be adversely affected, 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 Transaction Account with a corresponding credit to a ledger to be known as the "**Liquidity Facility Stand-by Ledger**". Amounts so credited to the Transaction Account may be utilised by the Issuer in the same manner as if the Liquidity Facility Stand-by Drawing had not been made. A Liquidity Facility Stand-by Drawing shall also be made if the Liquidity Facility is not renewed following its commitment termination date, unless the Liquidity Facility Provider has been replaced with a suitable alternative liquidity facility provider in accordance with the Liquidity Facility Agreement.

For these purposes, "**Liquidity Facility Maximum Amount**" means, on each Notes Calculation Date, an amount equal to 0.25 per cent. of the Principal Amount Outstanding of the Senior Class A Notes on the Closing Date.

Principal Deficiency Ledger

A principal deficiency ledger known as the "**Class A Principal Deficiency Ledger**" will be established by or on behalf of the Issuer in order to record any Realised Losses on the Mortgage Receivables (the "**Class A Principal Deficiency**"). Any Realised Losses will on the relevant Notes Calculation Date be debited to the Class A Principal Deficiency Ledger (such debit items being re-credited at item (g) of the Pre-Enforcement Revenue Priority of Payments).

"**Realised Losses**" means, on any Notes Calculation Date, the sum of (a) the aggregate outstanding principal amount of all Mortgage Receivables (less the aggregate amount of any Savings Participations and Conversion Participations therein) in respect of which the relevant Seller, the MPT Provider on behalf of such Seller, the Issuer, or the Security Trustee has foreclosed and has received the proceeds from *Stichting Waarborgfonds Eigen Woningen* or the relevant Dutch municipality following the claim, if any, made under the NHG Guarantee or Dutch municipality guarantee from the Closing Date up to and including such Notes Calculation Date *minus* the Net Proceeds in respect of such Mortgage Receivables (less the aggregate amount of any Savings Participations and Conversion Participations therein) applied to reduce the outstanding principal amount of such Mortgage Receivables and (b) with respect to Mortgage Receivables sold by the Issuer pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed, the amount of the aggregate outstanding principal amount of all such Mortgage Receivables (less the aggregate amount of any Savings Participations and Conversion Participations therein) *minus* the purchase price received, or to be received on the relevant Quarterly Payment Date, in respect of such Mortgage Receivables to the extent relating to principal (less the aggregate amount of any Savings Participations and Conversion Participations therein).

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

Interest Rate Hedging

The Mortgage Loan Criteria (as defined under Mortgage Receivables Purchase Agreement below) require that all Portfolio Mortgage Loans bear a fixed or floating 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 the sum of three-months Euribor plus a margin per annum, which margin will increase after the First Optional Redemption Date. The Issuer will hedge this interest rate exposure by entering into the Swap Agreement with the Swap Counterparty. Under the Swap Agreement, the Issuer will agree to pay amounts equal to the scheduled interest on the Mortgage Receivables and item (iii) of the Available

Revenue Funds (*minus* (i) with respect to each Savings Investment Mortgage Receivable and each Savings Mortgage Receivable, an amount equal to the interest amount scheduled to be received multiplied by the relevant Participation Fraction and minus (ii) an amount equal to the interest scheduled to be received on the part of the Mortgage Receivables corresponding to any Construction Deposits relating thereto) less certain expenses as described under (a), (b) and (c) of the Pre-Enforcement Revenue Priority of Payments. The Swap Counterparty will in return, agree to pay amounts equal to the scheduled interest due under the Notes, calculated by reference to the floating rate of interest applied to the Principal Amount Outstanding of the Notes on the first day of the relevant Quarterly Interest Period plus an excess margin (the "**Swap Credit Margin**") of 0.15 per cent. per annum applied to the relevant Principal Amount Outstanding of the Notes on the first day of the relevant Quarterly Interest Period. The notional amount under the Swap Agreement will, however, be reduced to the extent there is a debit balance on the Class A Principal Deficiency Ledger.

The payment obligations of the Swap Counterparty are guaranteed by the Swap Guarantor pursuant to a payment guarantee issued by the Swap Guarantor.

The Swap Agreement provides that in the event that any payment by the Issuer to the Swap Counterparty is less than the amount which the Issuer would be required to pay to the Swap Counterparty, the corresponding payment obligation of the Swap Counterparty to the Issuer shall be reduced by an amount equal to such shortfall.

Pursuant to the Swap Agreement, if, at any time, (i) in case the Swap Guarantor having obtained a short-term rating for its unsecured, unsubordinated and unguaranteed debt obligations by Fitch, such rating being lower or thereafter being assigned a rating of less than F1 by Fitch, or (ii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Guarantor are assigned a rating of less than A by Fitch (such ratings together the "**Fitch Required Ratings**") or (iii) any such rating (in case of the short-term rating when previously obtained) is withdrawn by Fitch, then the Swap Counterparty will at its own cost, within thirty (30) days of such reduction or withdrawal of any such rating, (i) transfer all of the rights and obligations of the Swap Counterparty with respect to the Swap Agreement to a replacement third party with a rating of at least as high as the Fitch Required Ratings, (ii) obtain a third party, having the Fitch Required Ratings, to unconditionally guarantee the obligations of the Swap Counterparty under the Swap Agreement, or (iii) post collateral to cover the potential replacement costs of the swap at a minimum amount in accordance with the swap criteria set by Fitch, provided that, when the Swap Guarantor has suffered a further downgrade below a short-term rating of F2 or a long-term rating of BBB+, or where the initial downgrade already took the rating below F2 or BBB+ (i) and (ii) are the recommended actions of choice, and (iii) is acceptable only if the mark-to-market calculations and the correct and timely posting of collateral are verified by an independent third party. Upon a further downgrade below investment grade, only actions (i) and (ii) are acceptable.

Sale of Mortgage Receivables

Under the terms of the Trust Deed, the Issuer will have the right to sell and assign all but not some of

the Mortgage Receivables on each Optional Redemption Date to a third party, provided, however, that the Issuer shall before selling the Mortgage Receivables to a third party, first make an offer to the Sellers to purchase such Mortgage Receivables against payment of a purchase price equal to the then current Portfolio Market Value, provided that the Issuer shall apply the proceeds of such sale to redeem the Senior Class A Notes (see Condition 6(e)). Furthermore, under the terms of the Mortgage Receivables Purchase Agreement, the Issuer shall be obliged to sell and assign the Mortgage Receivables to the Sellers or any of them, if the Sellers exercise their Sellers Clean-Up Call Option.

The purchase price of each Mortgage Receivable in the event of a sale to a third party shall at least be equal to the outstanding principal amount, together with accrued interest due but unpaid up to the last day of the Portfolio Calculation Period preceding the date of such sale, in respect of each Mortgage Receivable, except that with respect to Mortgage Receivables which are in arrears for a period exceeding 90 days or in respect of which an instruction has been given to the civil-law notary to start foreclosure proceedings, the purchase price shall be at least the lesser of (i) the sum of (a) an amount equal to the indexed foreclosure value of the Mortgaged Assets and (b) the amount claimable under the NHG Guarantee or the Dutch municipality guarantee and (ii) the sum of the outstanding principal amount of the Mortgage Receivable, together with accrued interest due but unpaid, if any, and any other amounts due under the Mortgage Receivable. In case of a sale to the Sellers or any of them, the purchase for the Mortgage Receivables will be equal to the then current Portfolio Market Value, provided that the sum of (i) the proceeds of such sale and (ii) any payments to be made by the Swap Counterparty to the Issuer in connection with the termination of the Swap Agreement, is sufficient to pay all amounts due and payable to the holders of the Senior Class A Notes and any amounts to be paid in priority to such Notes in accordance with and subject to the Conditions.

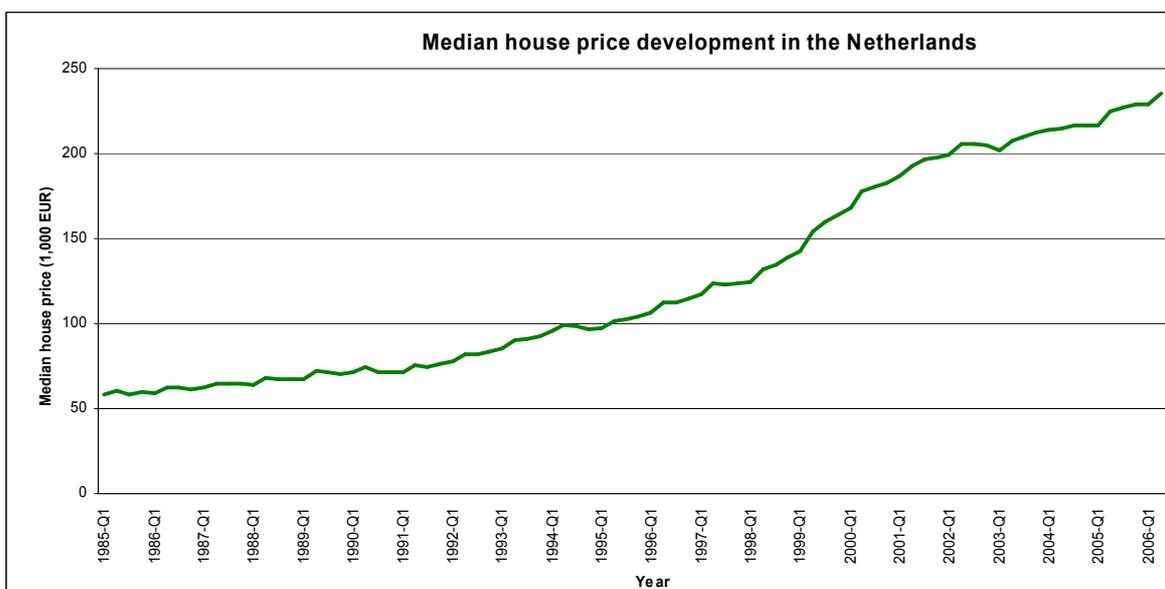
OVERVIEW OF THE DUTCH RESIDENTIAL MORTGAGE MARKET

The Dutch housing and mortgage market is relatively stable and differs in many respects from other European Union housing markets.

Market characteristics

House price developments

Economic growth, fiscal benefits, and demographic factors have caused an increasing demand for Dutch houses over the last decade. As a result, prices of Dutch residential property have shown strong developments especially in the latter part of the nineties. The recent economic environment with lower levels of consumer confidence has resulted in a slowdown of price increases. However, the underlining economic factors of the Dutch residential houses remain strong with the limited supply of new houses. The graph underneath shows the quarterly median house price index for the period from 1985 up to the first quarter of 2006. Figures are derived from 'Nederlandse Vereniging van Makelaars' (NVM).



The Netherlands has a relatively high Mortgage-Debt-to-GDP ratio

Compared to other European countries the Dutch market shows a relatively high degree of mortgage indebtedness. The Dutch tax system gives an incentive to homeowners to maximise their mortgage loan in order to take full advantage of the tax system. This leads to a relatively high Mortgage-Debt-to-GDP ratio in the Netherlands, which was close to 100 per cent. in 2005. Due to rising home-ownership and rising prices, total mortgage debt accumulation increased in the late nineties. Total mortgage debt is € 501 billion (end of 2005) in the Netherlands (Source CBS).

The Dutch market is characterised by relatively high Loan-to-Foreclosure Value ratios (LTFV)

The National Mortgage Guarantee has had an additional upward effect on the average Loan-to-Foreclosure Value ratio. In general maximum Loan-to-Foreclosure Value in the Netherlands for existing property is 130 per cent. of foreclosure value. For new construction, financial institutions are generally prepared to finance up to 110 per cent. of total costs of the house. Foreclosure value is around 85 per cent. of the market value. In Q2, 2006 the average issued mortgage amounted to € 265,221 (Source Kadaster). The average house price was € 227,000 at the end of 2005 (Source NVM).

The borrowing capacity of households increased

Dutch commercial banks determine theoretically the maximum borrowing capacity of a household by the percentage of the disposable household income that has to be paid on repayment and interest payments. The borrowing capacity of households used to be based on one household salary. For some time, mortgages can be based on the total household income. For households this resulted in a substantial increase of their borrowing capacity.

Default losses have always been relatively low

Despite relatively high LTFV ratios, default losses have always been relatively low. Causes of the low default losses can be summarised as followed: the small size of the country enables people to change jobs without moving. Conveyance fees and taxes are quite high (10 per cent. of total price) and limit mobility. Extensive knowledge of the customer typically limits the likelihood of default. Under Dutch law the lender is able to seize a portion of the borrower's earnings from his employer in case the borrower defaults.

The tax system operates as a strong disincentive for prepayment

Legislation in the Netherlands allows a borrower to prepay up to 10 to 15 per cent. a year of the original amount that has been borrowed without being penalised. Full prepayment without penalty is possible in case of moving and in case of decease. A borrower can also prepay his mortgage on an interest-reset date without a penalty if the new rate offered is unacceptable to the borrower. If prepayment occurs with a penalty, prepayment penalties can be severe: the borrower has to pay the lender a compensation for his loss of income. This compensation equals the present value of the loss in the net present value of the loan caused by the interest rate decline.

Market players

Commercial banks are the most dominant players on the Dutch mortgage market

Mortgage lenders can be found among commercial banks, specialised mortgage banks, building societies, insurance companies and pension funds. Commercial banks are the dominant players in the Dutch mortgage market. Research of the Dutch Central Bank (*De Nederlandsche Bank*) shows that the Dutch mortgage market is a highly competitive market. Competition among issuers is based on product innovation, extension of distribution channels, cross-selling and price competition.

A special feature of the mortgage market is the role of intermediaries

The role of intermediaries on the Dutch mortgage market demands special attention. During the last decade, many large and independent chains of mortgage intermediaries came into existence. Especially refinancing transactions seem to be stimulated by them. Because of the increasing role of intermediaries, the mortgage issuers have lost a part of their advisory role to clients. Since selling mortgages usually involves face-to-face contact with the potential borrowers, internet still is not an important distribution channel for mortgages, although it has improved transparency of pricing.

Government policy and restrictions

Mortgage interest payments are generally tax deductible

In the Netherlands it used to be possible to deduct all mortgage interest payments from taxable income. However, as of January 2001 a new income tax system has been introduced. This new tax system limits tax deductibility to interest payments on mortgage loans that have been applied for the acquisition or improvement of the house that is being used as primary residence and limits the number of years that interest payments can be deducted to thirty years. Homeowners must report an amount of (notional) income as benefit from occupying their residence. This notional income is balanced with the interest deduction and thus effectively reduces the tax benefit of the interest payment deduction. Residential mortgage loans may be linked with a life insurance policy or a savings insurance policy, with the most common term of insurance being 30 years. Generally, such mortgage loans are redeemed in full at maturity. The government encourages this method of redemption by exempting from tax the capital sum received under the policy, up to a certain amount plus annual indexing, provided that certain conditions are met.

On 1 January 2004, new legislation was enacted, that further limits the deduction of mortgage interest payments. If a tax payer has sold a house that was occupied by him, deduction of interest on a mortgage loan to acquire a new home will be limited to the interest on a principal amount equal to the purchase price of the new home less the amount of the funds he had available, after having redeemed the mortgage loan on his former residence.

AEGON N.V.

Foundation

AEGON N.V. was formed on November 30, 1983 as a result of a merger between AGO and Ennia, both of which were successors to insurance companies founded in the 1800s. AEGON N.V. is a public limited liability stock corporation established under Dutch law and is domiciled in the Netherlands. The headquarters are located at AEGONplein 50, PO Box 202, 2501 CE The Hague, the Netherlands, telephone +31 70 344 3210.

Summary description of the Group

AEGON is one of the world's largest life insurance and pension companies, and a strong provider of investment products. AEGON's business model is to empower local business units to identify and provide products and services that meet the evolving needs of our customers, using distribution channels best suited to their local markets. We take pride in balancing a local approach with the power of an expanding global operation.

With headquarters in The Hague, the Netherlands, AEGON companies employ approximately 27,000 people. AEGON's three major markets are the United States, the Netherlands and the United Kingdom. In addition, the Group is present in a number of other countries including Canada, China, Czech Republic, Hungary, Poland, Slovakia, Spain and Taiwan.

Respect, quality, transparency and trust constitute AEGON's core values as the company continually strives to meet the expectations of customers, shareholders, employees and business partners. AEGON is driven to deliver new thinking and its ambition is to be the best in the industry.

AEGON's strategy is to focus on the long-term financial protection and asset accumulation needs of its clients, with a primary focus on delivering life insurance, pension, savings and investment products.

AEGON maintains a multi-brand, decentralized business strategy and seeks to leverage the knowledge of local management to identify and deliver products and services that meet the evolving needs of customers, using distribution channels best suited to their local markets. Key control functions are aided by central coordination and support at Group level.

AEGON aims to achieve a long-term average net income growth of 10% per annum. In its pricing of new business and acquisitions, AEGON sets a minimum return on investment target well in excess of the cost of capital. AEGON aims to achieve a leading position in its chosen markets.

AEGON pursues organic growth, complemented by growth through selective acquisitions and partnerships, in countries that offer long-term profitable growth opportunities.

Consistent with this strategy, over 80 per cent of AEGON's business consists of life insurance, pensions and savings and investment products. The Group is also active in life reinsurance, accident and health insurance, general insurance and, to a limited extent, banking activities.

AEGON companies

AEGON USA's subsidiary companies contain five operating groups acting through one or more of the AEGON USA life insurance companies: Agency, Direct Marketing Services, Financial Markets, Institutional Products and Services, and Pension. The group structure enables AEGON USA to manage the organization more effectively, to identify business synergies, to pursue cross-selling opportunities, and to improve operating efficiencies. AEGON USA offers a broad portfolio of products nationwide to consumers, corporate and institutional clients. The products range varies from traditional life insurance to life for the account of policyholders, fixed and variable annuities, pension plans, institutional guaranteed products, supplemental health insurance and reinsurance. Products are offered using a multi-channel distribution system through a large variety of channels.

AEGON Canada operates multiple insurance, financial services, investment portfolio management and fund management businesses; it also provides wealth management solutions through its subsidiary companies. Products are offered to individuals and companies across Canada through various distribution channels.

AEGON The Netherlands implemented a new organizational structure as per January 1, 2004, with five service centers and three marketing and sales organizations. The five service centers that focus on customer service and the administration of the five main product lines are: Pensions, Life insurance, Non-Life insurance, Banking and Asset management. In 2005, AEGON The Netherlands transferred marketing activities from each of the three organizations to a central marketing unit for the Netherlands. AEGON The Netherlands offers a broad portfolio of products, which range from traditional life insurance to life insurance for the account of policyholders, group pension plans and institutional asset management products to accident and health and general insurance products. Distribution is equally broad using a large variety of channels.

AEGON UK is a major financial services organization specializing in the long-term savings and protection markets. AEGON UK sells a range of products through financial advisor channels in the United Kingdom. The business is centred on two core markets: individual and corporate customers.

AEGON Hungary offers both life insurance and non-life insurance products. The core business products are life, pension, mortgage, and household insurance. AEGON Hungary's distribution channels are independent and tied agents, pension advisors, direct marketing and worksite marketing. Using expertise and resources from the Hungarian operation, greenfield operations were started in Slovakia and the Czech Republic. In 2005, AEGON acquired Nationwide Poland. The company has been renamed AEGON Poland.

AEGON Spain markets life insurance and health insurance products to individuals and corporate clients. The products are sold through a variety of distribution channels, including a network of tied and career agents and financial institutions. AEGON Spain has strategic partnerships with three leading Spanish savings banks, CAM, Caja de Badagoz and Navarra, to enhance distribution capability.

AEGON Taiwan was started as a greenfield activity in 1994 and has experienced strong growth since then by adopting a multi-channel distribution strategy. AEGON Taiwan offers a broad range of insurance products, from whole life to variable universal annuities and from group life to health insurance products, that meet a variety of consumer needs. AEGON Taiwan served as a stepping-stone for China.

AEGON-CNOOC is a 50/50 joint venture established in Shanghai, People's Republic of China, by China National Offshore Oil Corporation and AEGON. AEGON-CNOOC commenced its operations in Shanghai in May 2003, In April 2005, AEGON-CNOOC's Beijing branch started full operations. Subsequently, in September 2005, the Jiangsu branch opened in Nanjing. AEGON-CNOOC is licensed to sell both traditional life products as well as accident and health products in mainland China using multiple distribution channels.

AEGON opened a representative office in New Delhi, India in 1997. Transamerica has operated a branch in Hong Kong for more than 50 years, focusing on universal life products and selling its products through independent brokers. In January 2005, Transamerica Occidental Life Insurance Company (Transamerica), a subsidiary of the AEGON Group, received a license from the Monetary Authority of Singapore to operate as a direct life insurer. Transamerica has established a branch in Singapore and will be offering universal and term life insurance products through Singapore-based financial advisors.

AEGON announced the entry into the French life and pension market through an alliance with La Mondiale, a French mutual life insurance company that specializes in life insurance and pensions, for the development of new pension ventures in Europe, in 2002. To effect this alliance, AEGON initially acquired a 20 per cent participation in La Mondiale Participations, the holding company under which the non-mutual activities of La Mondiale have been grouped. During 2004, after two years of successful cooperation, this participation was increased to 35 per cent.

AEGON shares

AEGON's common shares are quoted on the stock exchanges in Amsterdam, Frankfurt, London, New York (NYSE), Tokyo and Zurich. In addition, AEGON stock options are quoted on Euronext in Amsterdam, the Chicago Board Options Exchange and the Philadelphia Stock Exchange. AEGON recognizes that a modern company's license to operate is defined both by its ability to create value for its shareholders and policyholders and its respect for wider corporate, social and environmental responsibilities.

Key figures AEGON N.V. (in EUR million)

| | 2005 | 2004 |
|---|----------------|----------------|
| Operating earnings before tax | 2,147 | 1,772 |
| Net gains/losses on investments and impairment charges before tax | 1,171 | 1,020 |
| Other income/charges and share in profit/loss of associates | 297 | 3 |
| Income before tax | 3,615 | 2,795 |
| Net income | 2,732 | 2,256 |
| Production | | |
| Standardized new premium production life insurance | 2,539 | 2,320 |
| Gross deposits | 18,892 | 17,193 |
| Off balance sheet production | 17,425 | 16,027 |
| Total revenue generating investments | 358,414 | 304,642 |

Financial management and ratings

AEGON is committed to a strategy of maximizing profitable growth, while assuring its continued financial strength. AEGON manages capital adequacy of its operating units according to self-imposed standards which are based on the higher of the local minimum regulatory requirements and 165% of the S&P local adequacy models, plus any additional internally imposed requirements, if applicable. During 2005, Standard and Poor's maintained AEGON N.V.'s credit ratings at A+ with a stable outlook. Moody's Investor Service maintained the senior debt rating of AEGON N.V. at A2 with a stable outlook. On January 30, 2006, Fitch assigned AEGON N.V. an AA- (double A minus) rating to AEGON N.V.'s senior debt with a stable outlook and A+ ratings to subordinated debt and perpetual securities.

AEGON's financial strength is reflected in the ratings assigned by Standard & Poor's, Moody's and Fitch to the operating units in the USA, The Netherlands and the UK.

| Ratings (as per January 30, 2006) | AEGON N.V. | AEGON USA | AEGON NL | Scottisch Equitable |
|--|-------------------|------------------|-----------------|--------------------------------|
| S&P rating | A+ | AA | AA | AA |
| S&P outlook | Stable | Stable | Stable | Stable |
| Moody's rating | A2 | Aa3 | Not rated | A1 |
| Moody's outlook | Stable | Stable | Not rated | Stable |
| Fitch rating | AA- | AA+ | Not rated | Not rated |

Corporate governance

AEGON N.V. is a public company under Dutch law, and it is governed by three corporate bodies: the General Meeting of Shareholders, the Executive Board and the Supervisory Board. In December 2003, a new Dutch Corporate Governance Code was adopted. The code came into effect on January 1, 2004. AEGON endorses the code and the principles of good corporate governance included therein.

Management

The Executive Board, as a body, (the Executive Board) is charged with the management of the company, each member having specific areas of interest within an allocation of duties. The number of the Executive Board members and the terms of employment of these members are determined by the board of supervisory directors (Supervisory Board). The members of the Executive Board are appointed by the general meeting of shareholders of the company (the General Meeting of Shareholders) upon the nomination of the Supervisory Board for a four-year term. Members of the Executive Board are eligible for retirement upon reaching the age of 60. Retirement is mandatory at the age of 62. The articles of association require the Executive Board to obtain the prior approval of the Supervisory Board for a number of resolutions. The Supervisory Board may subject further resolutions of the Executive Board to its prior approval.

The oversight of the management of the Executive Board and of the company's business and general course of affairs is entrusted to the Supervisory Board, acting as a body with collective responsibility and accountability. The Supervisory Board also assists the Executive Board by giving advice. In performing their duties the Supervisory Board members shall act in accordance with the interests of the Company and its business. The members of the Supervisory Board are appointed and dismissed by the General Meeting of Shareholders upon nomination by the Supervisory Board. The Supervisory Board currently consists of nine non-executive members, one of whom is a former member of the Executive Board. Specific issues are dealt with in committees by the Supervisory Board members. With the goal of attaining a balanced composition of the Supervisory Board a profile has been drawn up that outlines the required qualifications of its members. Upon reaching the age of 70, a member of the Supervisory Board is no longer eligible for reappointment, except with the approval of the Supervisory Board. The remuneration of the members of the Supervisory Board is fixed by the General Meeting of Shareholders.

Set forth below is certain information concerning the members of the Executive and Supervisory Boards of the company. The business address of each member of the Executive and Supervisory Boards is AEGONplein 50, 2591 TV, The Hague, the Netherlands.

Executive Board

Donald J. Shepard (1946, American nationality) started his career with Life Investors in 1970. Serving in various management and executive functions with Life Investors, he became executive vice-president and chief operating officer in 1985, a position he held until AEGON consolidated its other United States operations with Life Investors to form AEGON USA in 1989. He became a member of

the Executive Board of AEGON N.V. in 1992. On April 18, 2002 he was appointed chairman of the Executive Board of AEGON N.V.

Joseph B.M. Streppel (1949, Dutch nationality) started his career in 1973 at one of AEGON's predecessors in several treasury and investment positions. In 1986 he became CFO of FGH BANK and in 1987 he joined the Executive Board of FGH BANK. In 1991 he became chairman and CEO of Labouchere and in 1995 also of FGH BANK. In 1998 he became CFO of AEGON N.V. Since May 2000, he has been a member of the Executive Board of AEGON N.V.

Johan G. van der Werf (1952, Dutch nationality) started his career in 1973 as an officer in the Merchant Marine. In 1982 he joined one of the predecessors of AEGON as a sales manager. From 1987 to 1992 he was chairman of the management board of Spaarbeleg and, in 1992, he became a member of the management board of AEGON The Netherlands. Since April 2002, he has been a member of the Executive Board of AEGON N.V. and CEO of AEGON The Netherlands.

Alexander R. Wynaendts (1960, Dutch nationality) started his career with ABN AMRO in 1984 and had several assignments in Asset Management (Amsterdam) and Corporate Finance (London). In 1997, he joined AEGON's Group Business Development department and was promoted to executive vice-president and head of Group Business Development in May 1998. In 2003, he was appointed a member of the Executive Board of AEGON N.V.

Supervisory Board Members

Dudley G. Eustace chairman (1936, British nationality) is chairman of Smith & Nephew plc (London, UK) and a retired vice-chairman of Royal Philips Electronics. He was appointed to AEGON's Supervisory Board in 1997 and his current term will end in 2009. He is also a member of the Supervisory Boards of Royal KPN N.V. and Hagemeyer N.V. He is currently chairman of the Supervisory Board Nominating and Strategy Committees.

O. John Olcay vice-chairman (1936, American nationality) is vice-chairman and managing director of Fischer, Francis, Trees and Watts, Inc. (New York, USA). He was appointed to AEGON's Supervisory Board in 1993 and his current term will end in 2008. He is also chairman of FFTW Funds Inc. in New York (USA), FFTW Funds Selection in Luxembourg, and FFTW Funds in Dublin (Ireland). He is currently a member of the Supervisory Board's Nominating and Strategy Committees.

Irving W. Bailey, II (1941, American nationality) is a senior advisor to Chrysalis Ventures. He is a retired chairman and CEO of Providian Corp., a former managing director of Chrysalis Ventures, and a former chairman of the Board of Directors of AEGON USA Inc. He was appointed to AEGON's Supervisory Board in 2004 and his current term will end in 2008. He is also a member of the Board of Directors of Computer Sciences Corp., Hospira Inc. He is currently a member of the Supervisory Board's Strategy Committee.

René Dahan (1941, Dutch nationality) is a retired executive vice president and director of Exxon Corporation. He was appointed to AEGON's Supervisory Board in 2004 and his current term will end in 2008. He is also chairman of the Supervisory Board of Royal Ahold N.V., a member of the Supervisory Boards of TNT N.V. and VNU N.V. and a member of the International Advisory Board of the Guggenheim Group. He is currently chairman of the Supervisory Board Compensation Committee and a member of the Supervisory Board Nominating Committee.

Shemaya Levy (1947, French nationality) is a retired executive vice-president and CFO of the Renault Group. He was appointed to AEGON's Supervisory Board in 2005 and his current term will end in 2009. He is also a non-executive director of Nissan Motor Co., Renault Finance, Renault Spain and the Safran Group and a member of the Supervisory Boards of the Sequia Technologies Group and TNT N.V. He is currently chairman of the Supervisory Board Audit Committee.

Toni Rembe (1936, American nationality) is a retired partner/senior counsel of Pillsbury Winthrop LLP (San Francisco, USA). She was appointed to AEGON's Supervisory Board in 2000 and her current term will end in 2008. She is also a member of the Board of Directors of AT&T, Inc. (USA). She is currently a member of the Supervisory Board Audit Committee.

Willem F. C. Stevens (1938, Dutch nationality) is a retired partner/senior counsel of Baker & McKenzie and was a senator in the Dutch Parliament until June 2003. He was appointed to AEGON's Supervisory Board in 1997 and his current term will end in 2009. He is also a member of the Supervisory Boards of N.V. Luchthaven Schiphol, TBI Holdings B.V., AZL N.V., Goedland N.V. and Emenegildo Zegna International N.V. He is currently a member of the Supervisory Board Audit and Compensation Committees.

Kees J. Storm (1942, Dutch nationality) is a former chairman of the Executive Board of AEGON N.V. He was appointed to AEGON's Supervisory Board in 2002 and his current term will end in 2006. He is chairman of the Supervisory Board of KLM Royal Dutch Airlines N.V., a member of the Supervisory Board of Pon Holdings B.V. and a member of the Board of Directors of InBev S.A. (Leuven, Belgium) and Baxter International Inc. (USA). He is currently a member of the Supervisory Board Strategy Committee.

Peter R. Voser (1958, Swiss nationality) is chief financial officer of Royal Dutch Shell plc. Until 2004, he was Group CFO and a member of the Group Executive Committee of ABB (Asea Brown Boveri) Ltd. He was appointed to the Supervisory Board in 2004 and his current term will end in 2008. He is also a non-executive member of the Board of Directors of UBS in Switzerland. He is currently a member of the Supervisory Board Audit Committee.

Leo M. van Wijk (1946, Dutch nationality) is president and CEO of KLM Royal Dutch Airlines N.V and vice-chairman of Air France-KLM S.A. He was appointed to the Supervisory Board in 2003 and his current term will end in 2007. He is also a member of the Supervisory Boards of Randstad Holding

N.V. and Martinair, and a member of the Board of Directors of Northwest Airlines. He is currently a member of the Supervisory Board Compensation Committee.

DESCRIPTION OF PORTFOLIO MORTGAGE LOANS

Products

AEGON The Netherlands markets seven basic types of mortgages:

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

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

Annuity mortgages

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

Linear mortgages

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

Interest-Only mortgages

Repayment-free mortgage or interest-only mortgages have a low monthly payment since the borrower only pays interest expense. Redemptions are postponed until the maturity of the mortgage in a bullet format. The mortgage is usually redeemed either by selling the property or by taking a new mortgage. The underwriting criteria for this type of loan are stricter than for the other mortgage types. Under NHG criteria there is a limit of 50 per cent. loan to property market value that can be borrowed. Consequently, the property owner has a significant equity portion in the property increasing the incentive to maintain payments. A borrower has to take another mortgage type in order to obtain financing over 50 per cent. loan to property market value.

As no redemption is required under the current tax regime, the maximum amount of interest is deductible from income to lower the tax bill during the entire life of the mortgage. As the interest-only mortgage has no redemption payments, the LTFV is not decreasing during the life of the mortgage, contrary to other types.

Savings mortgages

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

Traditional life insurance mortgages

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

UVL Life Insurance mortgages

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

Universal life mortgages

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

other LTV figures presented in the stratification tables do not take the building up of the savings account into consideration

Investment Mortgages

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

The Portfolio Mortgage Loans

The key characteristics of the Portfolio Mortgage Loans as of the Cut-Off Date are set out below. Each mortgage loan can consist of one or more mortgage loan parts. E.g. an interest only part and a savings mortgage part or parts with different interest reset dates and/or different final maturities.

The Portfolio Mortgage Loans (or in case of Portfolio Mortgage Loans consisting of more than one loan part, the aggregate of such loan parts) are secured by a first-ranking, or as the case may be a first and sequentially lower ranking Mortgage, evidenced by notarial mortgage deeds (*notariële akten van hypotheekstelling*) entered into by the Sellers and the Borrowers and have the benefit of a NHG Guarantee or a guarantee from a Dutch municipality. The Mortgage secures the relevant Portfolio Mortgage Loan and are vested over property situated in the Netherlands. The Portfolio Mortgage Loans and the Mortgages securing the liabilities arising therefrom are governed by Dutch law. The Mortgages securing the Portfolio Mortgage Loans are all in the form of Bank Mortgages. See *Uncertainty whether mortgage rights will follow Mortgage Receivables* in *Risk Factors* above.

The Portfolio Mortgage Loans have been selected in accordance with the criteria set forth in the Mortgage Receivables Purchase Agreement. For a description of the representations and warranties given by the Seller reference is made to *Mortgage Receivables Purchase Agreement* below.

The numerical information set out below relates to the Portfolio Mortgage Loans which were selected on 1 September 2006 (the "**Cut-Off Date**"). After the Closing Date, the Portfolio Mortgage Loans will change from time to time as a result of repayment, prepayment, further advances, substitution, amendment and repurchase of Mortgage Receivables.

All amounts below are expressed in euro.

Key characteristics of the Portfolio Mortgage Loans

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

Table 1

| Summary (as of 1 September 2006) | Key characteristics |
|---|----------------------------|
| Principal Amount | 2,112,856,920.42 |
| Savings on savings mortgages | 24,663,900.32 |
| Savings on Universal Life mortgages | 34,104,840.23 |
| Net principal outstanding | 2,054,088,179.87 |
| Construction Deposits | 18,378,800.40 |
| Principal Drawn | 2,035,709,379.47 |
| Number of loanparts | 19,647.00 |
| Number of loans | 14,947.00 |
| Average Principal (parts) | 104,549.51 |
| Average Principal (contracts) | 137,424.52 |
| Weighted Average Current Interest Rate | 4.67% |
| Weighted Average Current LTFV * | 110.30% |
| Weighted Average Current LTFV ** | 113.25% |
| Weighted Average Original LTFV*** | 114.85% |

* defined as (current principal per contract minus total savingsvalues) / original foreclosure value

** defined as current principal per contract / original foreclosure value

*** defined as original principal per contract / original foreclosure value

Universal Life Mortgages are building up capital in investment funds. These funds form additional collateral to the mortgage loan. This additional collateral is not used in the calculation of the Loan To Foreclosure Value ratios.

Type of mortgage loan

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

Table 2 **Type of mortgage loan**

| Mortgage Loan Type | No. of loan parts | % of total | Gross Principal Balance | % of total |
|---------------------------|--------------------------|-------------------|--------------------------------|-------------------|
| Annuity | 145 | 0.74% | 1,406,912.18 | 0.07% |
| Interest only | 2,292 | 11.67% | 112,783,478.91 | 5.34% |
| Investment | 1,531 | 7.79% | 221,572,202.50 | 10.49% |
| Life Insurance | 992 | 5.05% | 70,777,746.66 | 3.35% |
| Linear | 61 | 0.31% | 367,607.16 | 0.02% |
| Savings | 1,931 | 9.83% | 138,448,533.98 | 6.55% |
| Universal Life Savings | 436 | 2.22% | 44,582,022.00 | 2.11% |
| Universal Life | 11,355 | 57.80% | 1,522,918,417.03 | 72.08% |
| Zero outstanding | 904 | 4.60% | 0 | 0.00% |
| Total | 19,647 | 100.00% | 2,112,856,920.42 | 100.00% |

Interest reset dates

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

Table 3 Interest reset dates

| Year | No. of loan parts | % of total | Gross Principal Balance | % of total |
|--------------|--------------------------|-------------------|--------------------------------|-------------------|
| 2006 | 2,729 | 13.89% | 151,044,948.87 | 7.15% |
| 2007 | 1,568 | 7.98% | 190,982,617.11 | 9.04% |
| 2008 | 1,236 | 6.29% | 151,178,833.41 | 7.16% |
| 2009 | 1,106 | 5.63% | 127,452,190.34 | 6.03% |
| 2010 | 718 | 3.65% | 82,251,514.20 | 3.89% |
| 2011 | 1,649 | 8.39% | 196,702,614.67 | 9.31% |
| 2012 | 1,193 | 6.07% | 149,821,671.46 | 7.09% |
| 2013 | 1,528 | 7.78% | 210,624,138.58 | 9.97% |
| 2014 | 886 | 4.51% | 118,049,140.14 | 5.59% |
| 2015 | 524 | 2.67% | 63,040,086.64 | 2.98% |
| 2016 | 883 | 4.49% | 97,806,543.34 | 4.63% |
| 2017 | 433 | 2.20% | 31,888,789.14 | 1.51% |
| 2018 | 1,607 | 8.18% | 128,079,943.83 | 6.06% |
| 2019 | 823 | 4.19% | 78,068,224.89 | 3.69% |
| 2020 | 436 | 2.22% | 50,795,335.34 | 2.40% |
| 2021 | 375 | 1.91% | 45,071,603.70 | 2.13% |
| 2022 | 51 | 0.26% | 4,909,487.05 | 0.23% |
| 2023 | 173 | 0.88% | 21,345,036.03 | 1.01% |
| 2024 | 71 | 0.36% | 9,223,930.97 | 0.44% |
| 2025 | 137 | 0.70% | 15,991,169.77 | 0.76% |
| 2026 | 903 | 4.60% | 111,242,498.92 | 5.27% |
| 2027 | 4 | 0.02% | 613,191.00 | 0.03% |
| 2028 | 2 | 0.01% | 163,500.00 | 0.01% |
| 2029 | 5 | 0.03% | 489,995.00 | 0.02% |
| 2030 | 9 | 0.05% | 1,105,781.00 | 0.05% |
| 2031 | 58 | 0.30% | 7,560,743.15 | 0.36% |
| 2032 | 11 | 0.06% | 1,452,745.00 | 0.07% |
| 2033 | 22 | 0.11% | 2,939,394.00 | 0.14% |
| 2034 | 19 | 0.10% | 2,663,111.00 | 0.13% |
| 2035 | 14 | 0.07% | 1,899,346.00 | 0.09% |
| 2036 | 474 | 2.41% | 58,398,795.87 | 2.76% |
| Total | 19,647 | 100.00% | 2,112,856,920.42 | 100.00% |

Geographical distribution

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

Table 4 **Geographical distribution**

| Province | No. of loan parts | % of total | Gross Principal Balance | % of total |
|--------------------------|--------------------------|-------------------|--------------------------------|-------------------|
| Postcode to be allocated | 36 | 0.18 | 5,043,838.38 | 0.24 |
| Groningen | 1,026 | 5.22 | 101,076,750.38 | 4.78 |
| Friesland | 1,544 | 7.86 | 145,357,222.62 | 6.88 |
| Drente | 809 | 4.12 | 79,640,216.68 | 3.77 |
| Overijssel | 1,727 | 8.79 | 176,083,564.20 | 8.33 |
| Gelderland | 1,400 | 7.13 | 174,854,068.91 | 8.28 |
| Noord-Holland | 1,925 | 9.8 | 211,397,782.01 | 10.01 |
| Zuid-Holland | 5,539 | 28.19 | 610,406,924.07 | 28.89 |
| Zeeland | 964 | 4.91 | 89,189,164.56 | 4.22 |
| Brabant | 2,295 | 11.68 | 248,115,289.10 | 11.74 |
| Utrecht | 923 | 4.7 | 121,969,282.94 | 5.77 |
| Limburg | 828 | 4.21 | 86,097,873.92 | 4.07 |
| Flevoland | 631 | 3.22 | 63,624,942.65 | 3.01 |
| Total | 19,647 | 100 | 2,112,856,920.42 | 100 |

Interest rates

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

Table 5 Interest rates

| Interest Rate | No. of loan parts | % of total | Gross Principal Balance | % of total |
|-----------------------|--------------------------|-------------------|--------------------------------|-------------------|
| IR =< 3.50% | 2,077 | 10.57% | 120,952,633.87 | 5.72% |
| 3.50% < - IR =< 3.75% | 1,654 | 8.42% | 199,590,366.28 | 9.45% |
| 3.75% < - IR =< 4.00% | 2,088 | 10.63% | 270,260,391.72 | 12.79% |
| 4.00% < - IR =< 4.25% | 2,168 | 11.03% | 254,516,159.03 | 12.05% |
| 4.25% < - IR =< 4.50% | 1,697 | 8.64% | 211,141,172.04 | 9.99% |
| 4.50% < - IR =< 4.75% | 1,174 | 5.98% | 143,211,286.15 | 6.78% |
| 4.75% < - IR =< 5.00% | 1,480 | 7.53% | 196,061,765.12 | 9.28% |
| 5.00% < - IR =< 5.25% | 1,358 | 6.91% | 158,601,624.70 | 7.51% |
| 5.25% < - IR =< 5.50% | 1,160 | 5.90% | 121,943,562.77 | 5.77% |
| 5.50% < - IR =< 5.75% | 1,060 | 5.40% | 91,858,066.58 | 4.35% |
| 5.75% < - IR =< 6.00% | 972 | 4.95% | 93,276,356.78 | 4.41% |
| 6.00% < - IR =< 6.25% | 1,119 | 5.70% | 112,035,596.13 | 5.30% |
| 6.25% < - IR =< 6.50% | 742 | 3.78% | 78,150,229.06 | 3.70% |
| 6.50% < - IR =< 6.75% | 504 | 2.57% | 38,736,009.86 | 1.83% |
| 6.75% < - IR =< 7.00% | 126 | 0.64% | 6,278,427.90 | 0.30% |
| 7.00% < - IR =< 7.25% | 143 | 0.73% | 8,477,770.31 | 0.40% |
| 7.25% < - IR =< 7.50% | 65 | 0.33% | 4,430,849.84 | 0.21% |
| 7.50% < - IR =< 7.75% | 26 | 0.13% | 1,478,219.97 | 0.07% |
| 7.75% < - IR =< 8.00% | 8 | 0.04% | 532,747.04 | 0.03% |
| 8.00% < - IR =< 8.25% | 7 | 0.04% | 389,453.23 | 0.02% |
| 8.25% < - IR =< 8.50% | 4 | 0.02% | 217,950.63 | 0.01% |
| 8.50% < - IR =< 8.75% | 4 | 0.02% | 145,764.64 | 0.01% |
| 8.75% < - IR =< 9.00% | 2 | 0.01% | 113,445.05 | 0.01% |
| 9.00% < - IR =< 9.25% | 4 | 0.02% | 172,252.24 | 0.01% |
| 9.25% < - IR =< 9.50% | 1 | 0.01% | 45,378.02 | 0.00% |
| 9.50% < - IR =< 9.75% | 4 | 0.02% | 239,441.46 | 0.01% |
| Total | 19,647 | 100.00% | 2,112,856,920.42 | 100.00% |

Loan to original foreclosure value (LT original FV)

The distribution of the Portfolio Mortgage Loans (both by gross principal balance and by number of mortgage loan contracts) by reference to loan to original foreclosure value is set out in Table 6.

Table 6

Current Loan to Original Foreclosure Value*

| LTV % | | | No. Of loans | % of total | Gross principal balance | % of total |
|--------------|---------|---------|-------------------------|-------------------|------------------------------------|-----------------------|
| 0.00% | =< x < | 30,00% | 319 | 2.13% | 6,323,366 | 0.30% |
| 30.00% | =< x < | 40,00% | 145 | 0.97% | 5,555,570 | 0.26% |
| 40.00% | =< x < | 50,00% | 262 | 1.75% | 30,598,688 | 1.45% |
| 50.00% | =< x < | 60,00% | 373 | 2.50% | 39,386,585 | 1.86% |
| 60.00% | =< x < | 70,00% | 476 | 3.18% | 52,025,778 | 2.46% |
| 70.00% | =< x < | 80,00% | 603 | 4.03% | 71,519,505 | 3.38% |
| 80.00% | =< x < | 90,00% | 836 | 5.59% | 106,513,512 | 5.04% |
| 90.00% | =< x < | 100,00% | 1,038 | 6.94% | 136,310,134 | 6.45% |
| 100.00% | =< x < | 110,00% | 1,643 | 10.99% | 228,659,556 | 10.82% |
| 110.00% | =< x < | 120,00% | 3,483 | 23.30% | 533,541,200 | 25.25% |
| 120.00% | =< x <= | 130,00% | 5,769 | 38.60% | 902,423,028 | 42.71% |
| Total | | | 4,947 | 100.00% | 2,112,856,920.42 | 100.00% |

* defined as (current principal per contract minus total savings values) / original foreclosure value

Seasoning

The distribution of the Portfolio Mortgage Loans (both by gross principal balance and by number of mortgage loan contracts) by reference to the number of years seasoning is set out in Table 7.

Table 7 Seasoning

| Year of origination | No. of loan parts | % of total | Gross Principal Balance | % of total |
|----------------------------|--------------------------|-------------------|--------------------------------|-------------------|
| 1984 | 1 | 0.01% | 74,419.96 | 0.00% |
| 1985 | 10 | 0.05% | 629,669.17 | 0.03% |
| 1986 | 27 | 0.14% | 1,696,002.64 | 0.08% |
| 1987 | 29 | 0.15% | 1,348,167.45 | 0.06% |
| 1988 | 60 | 0.31% | 2,269,882.93 | 0.11% |
| 1989 | 73 | 0.37% | 1,626,816.58 | 0.08% |
| 1990 | 19 | 0.10% | 144,307.37 | 0.01% |
| 1991 | 23 | 0.12% | 549,058.43 | 0.03% |
| 1992 | 14 | 0.07% | 472,473.24 | 0.02% |
| 1993 | 12 | 0.06% | 411,525.56 | 0.02% |
| 1994 | 5 | 0.03% | 57,789.03 | 0.00% |
| 1995 | 39 | 0.20% | 2,525,545.47 | 0.12% |
| 1996 | 184 | 0.94% | 10,698,998.45 | 0.51% |
| 1997 | 549 | 2.79% | 32,431,516.11 | 1.53% |
| 1998 | 1,677 | 8.54% | 113,638,403.37 | 5.38% |
| 1999 | 1,198 | 6.10% | 95,031,700.01 | 4.50% |
| 2000 | 1,104 | 5.62% | 110,299,198.41 | 5.22% |
| 2001 | 1,411 | 7.18% | 150,339,474.40 | 7.12% |
| 2002 | 2,365 | 12.04% | 289,373,679.93 | 13.70% |
| 2003 | 3,024 | 15.39% | 386,587,237.64 | 18.30% |
| 2004 | 2,536 | 12.91% | 312,949,893.25 | 14.81% |
| 2005 | 2,557 | 13.01% | 281,778,338.26 | 13.34% |
| 2006 | 2,730 | 13.90% | 317,922,822.76 | 15.05% |
| Total | 19,647 | 100.00% | 2,112,856,920.42 | 100.00% |

Size of contract

The distribution of the Portfolio Mortgage Loans (both by gross principal balance and by number of mortgage loan contracts) by reference to the size of the mortgage loan contract is set out in Table 8.

Table 8 **Size of contract**

Size of loan contract

| Current Principal Balance | No. of loans | % of total | Gross Principal Balance | % of total |
|----------------------------------|---------------------|-------------------|--------------------------------|-------------------|
| x =< 50.000 | 453 | 3.03% | 9,929,766.74 | 0.47% |
| 50.000 < x =< 100.000 | 2,537 | 16.97% | 205,911,604.32 | 9.75% |
| 100.000 < x =< 150.000 | 5,388 | 36.05% | 678,181,945.99 | 32.10% |
| 150.000 < x =< 200.000 | 4,782 | 31.99% | 828,484,617.92 | 39.21% |
| 200.000 < x =< 250.000 | 1,772 | 11.86% | 386,566,886.45 | 18.30% |
| x = 250.000 | 15 | 0.10% | 3,782,099.00 | 0.18% |
| Total | 14,947 | 100.00% | 2,112,856,920.42 | 100.00% |

Underlying property

The distribution of the Portfolio Mortgage Loans (both by gross principal balance and by number of mortgage loan parts) by reference to the type of the underlying property is set out in Table 9.

Table 9 **Underlying property**

Underlying property

| Property Type | No. of loan parts | % of total | Gross Principal Balance | % of total |
|---------------------------------|--------------------------|-------------------|--------------------------------|-------------------|
| Apartment | 4,839 | 24.63% | 549,702,264.57 | 26.02% |
| Other family houses | 1 | 0.01% | 81,680.44 | 0.00% |
| Single family house with garage | 1,661 | 8.45% | 154,866,840.00 | 7.33% |
| Single Family House | 13,138 | 66.87% | 1,407,085,196.41 | 66.60% |
| No data | 8 | 0.04% | 1,120,939.00 | 0.05% |
| Total | 19,647 | 100.00% | 2,112,856,920.42 | 100.00% |

Legal maturity

The distribution of the Portfolio Mortgage Loans (both by gross principal balance and by number of mortgage loan parts) by reference to the legal maturity of the mortgage loan part is set out in Table 10.

Table 10 **Legal maturity**

| Year | No. of loan parts | % of total | Gross Principal Balance | % of total |
|--------------|--------------------------|-------------------|--------------------------------|-------------------|
| < 2006 | 793 | 4,08% | 0 | 0,00% |
| 2006 | 109 | 0,55% | 199.209,51 | 0,01% |
| 2007 | 102 | 0,52% | 913.903,68 | 0,04% |
| 2008 | 22 | 0,11% | 668.855,53 | 0,03% |
| 2009 | 67 | 0,34% | 3.270.101,52 | 0,15% |
| 2010 | 34 | 0,17% | 945.569,17 | 0,04% |
| 2011 | 26 | 0,13% | 976.231,90 | 0,05% |
| 2012 | 14 | 0,07% | 692.444,54 | 0,03% |
| 2013 | 31 | 0,16% | 1.612.114,24 | 0,08% |
| 2014 | 31 | 0,16% | 1.630.022,57 | 0,08% |
| 2015-2019 | 581 | 2,95% | 31.181.877,41 | 1,47% |
| 2020-2024 | 459 | 2,34% | 34.157.799,32 | 1,62% |
| 2025-2029 | 3.085 | 15,70% | 296.256.264,17 | 14,02% |
| 2030-2034 | 9.255 | 47,11% | 1.243.940.788,74 | 58,88% |
| 2035-2039 | 2.825 | 14,38% | 392.171.762,11 | 18,56% |
| 2040-2044 | 30 | 0,16% | 1.890.543,68 | 0,09% |
| 2045-2049 | 822 | 4,18% | 27.075.410,73 | 1,28% |
| 2050-2054 | 168 | 0,86% | 8.170.335,29 | 0,38% |
| 2055-2059 | 161 | 0,82% | 9.783.118,04 | 0,46% |
| 2060-2064 | 147 | 0,74% | 7.153.448,13 | 0,34% |
| 2065-2069 | 223 | 1,14% | 9.468.264,27 | 0,46% |
| 2070-2074 | 228 | 1,15% | 14.422.415,94 | 0,69% |
| 2075-2079 | 262 | 1,34% | 16.414.576,93 | 0,77% |
| 2080-2084 | 164 | 0,84% | 9.465.482,00 | 0,45% |
| 2085-2086 | 8 | 0,05% | 396.381,00 | 0,02% |
| Total | 19.647 | 100,00% | 2.112.856.920,42 | 100,00% |

Type of interest rate

The distribution of the Portfolio Mortgage Loans (both by gross principal balance and by number of mortgage loan parts) by reference the type of interest rate is set out in Table 11. Some mortgages have a so-called "orientation" interest for a period of two years, in which the borrower can choose an interest fixed period based on the interest rates that applied before the last interest rate change.

Table 11 **Type of interest rate**

| Type of Interest | No. of loan parts | % of total | Gross Principal Balance | % of total |
|-------------------------|--------------------------|-------------------|--------------------------------|-------------------|
| Fixed rate | 18.668 | 95,02% | 1.996.276.438,54 | 94,48% |
| Floating rate | 979 | 4,98% | 116.580.481,88 | 5,52% |
| Total | 19.647 | 100,00% | 2.112.856.920,42 | 100,00% |

NHG GUARANTEE PROGRAMME

NHG Guarantee

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

Since 1 January 1995 'Stichting Waarborgfonds Eigen Woningen' (the "**WEW**"), a central privatised entity, is responsible for the administration and granting of the NHG Guarantee, under a set of uniform rules. The NHG Guarantee covers the outstanding principal, accrued unpaid interest and disposal costs. Irrespective of scheduled repayments or prepayments made on the mortgage loans, the NHG Guarantee reduces on a monthly basis by an amount which is equal to the monthly payments of principal as if the mortgage loan were being repaid on a thirty year annuity basis. Information on the WEW and the NHG Guarantee can be found on www.nhg.nl.

Financing of the WEW

The WEW finances itself, *inter alia*, by a one-off charge to the borrower of 0.28 per cent. (as of 1 January 2005) of the principal amount of the mortgage loan. Besides this, the NHG scheme provides for liquidity support to the WEW from the Dutch State and the participating municipalities. Should the WEW not be able to meet its obligations under guarantees issued, the Dutch State will provide subordinated interest free loans to the WEW of up to 50 per cent. of the difference between the WEW's own funds and a pre-determined average loss level. Municipalities participating in the NHG scheme will provide subordinated interest free loans to the WEW of the other 50 per cent. of the difference. Both the "keep well" agreement (*achtervangovereenkomst*) between the Dutch State and the WEW and the "keep well" agreements between the municipalities and the WEW contain general 'keep well' undertakings of the Dutch State and the municipalities to enable the WEW at all times (including in the event of bankruptcy (*faillissement*), suspension of payments (*surseance van betaling*) or liquidation (*ontbinding*) of the WEW) to meet its obligations under guarantees issued.

The NHG Conditions

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

The specific terms and conditions for the granting of the NHG Guarantees, such as eligible income, purchasing or building costs etc., are set forth in published documents that will be subject to change from time to time.

The NHG scheme has specific rules for the level of credit risk that will be accepted. The credit worthiness of the applicant must be verified with the National Credit Register (Bureau krediet Registratie) ("**BKR**").

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

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

Furthermore, according to the NHG Conditions interest-only mortgage loans are allowed, provided that the interest-only part does not exceed 50 per cent. of the value of the property.

An NHG Guarantee can be issued up to a maximum of euro 250,000 (as of 1 January 2006).

Claiming under the NHG Guarantees

When a borrower is in arrears with payments under the mortgage loan for a period of four (4) months, the relevant Seller within thirty (30) days informs the WEW in writing of the outstanding payments, including the guarantee number, borrower's name and address, information about the underlying security, the date of start of late payments and the total of outstanding payments. The WEW may approach the lender and/or the borrower to attempt to solve the problem and make the borrower aware of the consequences. If an agreement cannot be reached, the WEW reviews the situation with the lender to endeavour to generate the highest possible proceeds from the property. The situation is reviewed to see whether a private sale of the property, rather than a public auction, would generate proceeds sufficient to cover the outstanding mortgage loan. Permission of the WEW is required in case of a private sale. A forced sale of the mortgaged property is only allowed in case the borrower is in arrears with payments under the mortgage loan for a period of seven (7) or more monthly instalments, unless the WEW has agreed that the forced sale may take place for other reasons or within a period of seven (7) months.

Within three (3) months of the private or forced sale of the property, the lender must make a formal request to the WEW for payment, using standard forms, which request must include all of the necessary documents relating to the original loan and the NHG Guarantee. After receipt of the claim and all the supporting details, WEW must make payment within two months. If the payment is late, provided the request is valid, WEW must pay interest for the late payment period.

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

Additional loans

Furthermore, the NHG Conditions contain provisions pursuant to which a Borrower who is or threatens to be in arrears with payments under the existing mortgage loan may have the right to request the WEW for a second guarantee to be granted by it in respect of an additional mortgage loan to be granted by the relevant lender. The monies drawn down under the additional loan have to be placed on deposit with the relevant lender and may, up to a maximum period of two (2) years, be used for, *inter alia*, payment of the amounts which are due and payable but unpaid under the existing mortgage loan, interest due and payable under the existing mortgage loan, interest due and payable under the additional mortgage loan and the costs made with respect to the granting of the additional mortgage loan. The relevant Borrower needs to meet certain conditions, including, *inter alia*, the fact that the financial difficulties are caused by a divorce, unemployment, disability or death of the partner.

MORTGAGE LOAN UNDERWRITING AND SERVICING

AEGON Service Center Life

AEGON Service Center Life is the largest unit within AEGON Netherlands. AEGON Service Center Life is a top three player in the life insurance market in the Netherlands and focuses on adding value through excellent products and excellent service.

With respect to the mortgage activities, AEGON Service Center Life is engaged in mortgage distribution, origination, servicing and funding. AEGON Service Center Life focuses on streamlining the origination, servicing and funding process of mortgages, in a highly automated and paperless electronic format and features capabilities to enhance, accelerate and facilitate the securitisation process. The AEGON Service Center Life computer systems are very important in these processes and are regularly updated and modified.

As an originator, AEGON Service Center Life aims to increase its market share in the coming years through increasing its marketing efforts, focusing on profitability & quality and responding quickly to market changes. The underwriting is centralised in AEGON Service Center Life Leeuwarden, where a highly automated underwriting process and 47 experienced underwriters, handle more than 15,000 application forms every year. Part of the underwriting process is the special affairs department, where fraud protection procedures are developed and implemented.

As a mortgage payment transaction provider, AEGON Service Center Life services a total portfolio of approximately € 11 billion (from which € 1.7 billion by Stater Nederland B.V.) and approximately 93,000 mortgages loans (from which 13,000 from Stater Nederland B.V.). This portfolio is owned by several AEGON units and 9 external parties. AEGON Service Center Life acts as a mortgage payment transaction provider for all these parties. The collections and foreclosures processes are highly integrated to the servicing process. Through a conservative exhortation cycle and careful auction procedures, losses on the mortgage portfolio are limited.

AEGON Service Center Life will agree as the MPT Provider of the transaction to provide administration and management services to the Issuer in relation to the Mortgage Loans and the Mortgage Receivables, including the collection of payments of principal, interest and other amounts in respect of the Mortgage Receivables and the implementation of arrears procedures including, ultimately, the enforcement of mortgage rights. The MPT Provider 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 the Sellers' portfolio.

In the securitisation process, AEGON Service Center Life is able to identify specific loan pools based on underwriting criteria and provide rating agencies access to pool performance and information. Finally, AEGON Service Center Life provides detailed investor reports regarding pool status on a consistent basis.

Approval, Underwriting, Collections and Foreclosures

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

Approval Process and Underwriting

The mortgage loan underwriting and approval department is separated into two divisions: underwriting (15 people) and document management of approved loans (32 people). In 2005 the underwriting department received approximately 15,000 applications for mortgage loans, from which approximately 75 per cent. were checked by the automated FHS (Fast Mortgage System) and accepted by an underwriter, 5 per cent. were checked by the FHS and approved by a senior underwriter, the remaining 20 per cent. being rejected.

In the underwriting process, three major aspects will be reviewed in aggregate: applicant (credit history, employment, etc), income and property. The credit history of all applicants will be checked with the National Credit Register (*Bureau voor Kredietregistratie*). Applicants will be required to provide proof of employment and salary information. In addition, any self-employed applicants will be required to provide 3 years of historic accounting statements.

The ratio of the loan balance to the income of the applicant is an important measure to determine affordability of the loan. Under NHG criteria, AEGON Levensverzekering N.V. will generally not provide a loan where the ratio of the loan balance to the income exceeds the number of 5. AEGON Levensverzekering N.V. will not generally grant a loan to an applicant with a loan-to-foreclosure value that exceeds 130 per cent.. All property must have a recent valuation report from an approved external appraisal agency, insurance, and a proof of ownership. Properties constructed prior to 1940 will also require an architect's certificate which confirms the structural integrity of the building.

Collection and Foreclosures

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

Arrears Procedures

Payments are scheduled to be collected on the first day of each month, largely by direct debit. If there are amounts unpaid fifteen (15) days after the due date, the HAS System automatically generates a reminder notice that is mailed to the borrower. After forty-five (45) days a formal warning is sent to the borrower. After sixty (60) days the borrower is placed on the "telephone collections list". After ninety (90) days the borrower is placed on the "urgent arrears list". Once on this list the borrower will be regularly contacted through phone and/or mail. After four (4) missed payments (one hundred twenty (120) days), the entire loan (including accrued but unpaid interest) will be declared immediately due

and payable. The purpose of this declaration is the following:

- (i) Induce a final attempt for voluntary payment
- (ii) Allow the necessary legal documents to be drafted
- (iii) Begin the foreclosure process through the notary

Foreclosure Procedures

The foreclosure procedure will differ depending on the likelihood of the Seller realising a loss on the mortgage loan. If there is limited risk for loss, the debt collection department will manage the enforcement. If there is a substantial risk of loss, the C&F will proceed with a private sale (for approximately 65 per cent. of occasions) or begin an auction process (for approximately 35 per cent. of occasions). The C&F has the right to select their preferred enforcement method. In the case of a private sale, a real estate agent will be contacted by the C&F who will manage the sale on behalf of the C&F. In the case of an auction the C&F will attend every auction and will bid for the property to the extent a minimum price is not achieved at the auction.

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

Mortgage Processing Procedures

The Mortgage Processing Procedures at Stater are separated into three key activities, carried out by the following departments:

- **Deeds and Payments:** this department deals with handling notary deeds and outgoing payments, including handling of Construction deposits.
- **Loans & Policies:** this department deals with loan modifications and provides information to customers on their loans and savings policies.
- **Debtors:** collections, arrears, defaults, the debtors department carries out foreclosures and handling remaining debts. The high degree of system automation allows each employee to process multiple accounts. Workflow management supports the process.

Collections, arrears and foreclosure

Collections

Stater is authorised by the originator to draw the monthly payments from the borrower's bank account directly onto the respective MPT Provider's bank account. The computer system automatically collects the payments on the day before the last business day of each month. The control based upon the number of terms is replaced by the control on a daily basis. This not only applies to the signalling of new arrears, but also to the termination of the closed-in arrears and the supply of mutations and new cases to the bailiff.

Arrears procedures

A credit check is carried out at BKR, Dutch central Credit Bureau, the outcome of which indicates whether the borrower is experiencing difficulties making other payments on consumer loans or other debt instruments. Once a borrower has arrears for four consecutive months, the BKR will be notified.

Detailed information is collected on the borrower's current job status, actual income, and monthly expenditures. The borrower is invited to make a proposal for repaying the arrears balance. The debtors department, all in consultation with the lender, assesses the workout plan and a counterproposal can be made. The borrower can also choose to sell the property at this stage through a private sale.

Arrears (week 2 – week 6)

A distinction is made based upon the previous payment-behaviour (i.e. a credit scoring) of borrowers: normal, "sleeper" (technical arrear) or "recidivist" (a borrower who or has been more than 3 months in arrears in the last 12 month period or who has previously been in a Bailiff phase). All arrears are detected and signalled on a daily basis. For each loan in arrears, an AAA process ("Automatische Afhandeling Achterstanden"; Automatic Arrears Processing) is started up. A first reminder letter is automatically generated by the system and sent out to the borrower fourteen days after the identification of the arrears. The letter includes a specification of the arrears. In case no payment is received within fourteen days after the first reminder letter, a second, firmer letter of recall is sent. If the borrower still doesn't react within 2 weeks, the loan file is forwarded to the bailiff. An exception applies to "recidivists", which are passed immediately on to the bailiff 2 weeks after the first letter is sent out. The technical arrear borrower ("sleeper") will additionally receive a letter informing him of the correct payment frequency/date, etc. The technical arrear borrowers are forwarded to the bailiff one week after receiving the informing letter.

The Bailiff Phase (week 7 - week 10)

In the first week after the file has been handed over to the bailiff a first summon is sent. In the second week (is necessary) there is a first call, the third week there is a second summon and the fourth week there is a second call. During this period, Stater will follow-up any payment arrangements.

Active Arrears Management (AAT) (week 11- week 12)

If after those 4 weeks the borrower still does not react, the loan file is transferred back to Stater through the interface. An ABA-process (*Actieve Behandeling Achterstanden*; Active Treatment Arrears) will be generated, in which tasks will be assigned to the person in charge with the loan. The loan file is assigned to a dedicated person at Stater.

Foreclosure process (start week 13)

Approximately 13 weeks after the first missed payment date, AEGON Levensverzekering N.V. will initiate foreclosure proceedings, unless payment in full of all arrears is received or the borrower complies with the payment arrangement as agreed upon. If no payment arrangement was agreed upon, the foreclosure process is finalised after 25 weeks.

If any debt remains outstanding after allocation of the sale proceeds (sale proceeds either after private sale or public auction), Stater will execute all other loan collateral, such as pledged life insurances. After execution of all loan collateral, two additional letters will be sent out to the borrower stating the remaining debt. The lender can also attach a claim on the borrower's wages.

STATER NEDERLAND B.V.

Stater Nederland B.V. ("**Stater**") is the leading independent, third party provider of mortgage payment transactions with regard to residential mortgages in the Netherlands. The activities are provided in a completely automated and paperless electronic format. Stater has pioneered the use of technology through its E-transactions concept for owners of residential mortgage loan portfolios and features capabilities to enhance, accelerate and facilitate securitisation transactions. Stater's registered office is at De Brand 40, 3823 LL Amersfoort, the Netherlands.

Stater started its activities on 1 January 1997. The combination of technology and experience in originating and providing activities consisting of mortgage payment transactions and ancillary activities with regard to residential mortgage loans in the Netherlands has led to a market share of more than 30 per cent.

Stater provides activities consisting of mortgage payment transactions and ancillary activities with regard to a total of EUR 85.0 billion and approximately 529,000 mortgage loans. Stater is a 100 per cent subsidiary of Stater N.V., of which the shares are held for 100 percent by ABN AMRO Bank N.V. Stater provides an origination system that includes automated underwriting, allowing lenders to specify underwriting criteria for each loan pool. A credit-scoring model and a fraud detection system form part of automated underwriting.

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

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

MORTGAGE RECEIVABLES PURCHASE AGREEMENT

Under the Mortgage Receivables Purchase Agreement the Issuer will, on the Closing Date, purchase and accept from the Sellers the assignment of the Mortgage Receivables. The assignment of the Mortgage Receivables from the Sellers to the Issuer will not be notified to the Borrowers and the deed of assignment will not be registered, except in special events as further described hereunder (the "**Assignment Notification Events**"). The Issuer will be entitled to all proceeds in respect of the Mortgage Receivables as of 1 September 2006 (the "**Cut Off Date**"). Each of the Sellers will pay to the Issuer on each Portfolio Payment Date all proceeds received during the immediately preceding Portfolio Calculation Period in respect of the Mortgage Receivables.

Purchase Price

The purchase price for the Mortgage Receivables purchased by the Issuer pursuant to the Mortgage Receivables Purchase Agreement will consist of an initial purchase price (the "**Initial Purchase Price**") and a deferred purchase price (the "**Deferred Purchase Price**"). The Initial Purchase Price for the Mortgage Receivables purchased by the Issuer on the Closing Date will be equal to € 2,162,006,534.92 and will be paid by the Issuer on the Closing Date by applying (i) the proceeds received from the issue of the Senior Class A Notes, (ii) the up-front payment made by the Swap Counterparty to the Issuer under the Swap Agreement and (iii) the amount received by the Issuer as consideration for the Initial Participation granted to the Insurance Company in the Savings Mortgage Receivables and Savings Investment Mortgage Receivables, provided that part of the Initial Purchase equal to the aggregate Construction Deposits will be withheld by the Issuer and will be deposited into the Construction Deposit Account.

The Deferred Purchase Price for the Mortgage Receivables purchased by the Issuer pursuant to the Mortgage Receivables Purchase Agreement will be equal to the sum of all Deferred Purchase Price Instalments and each such instalment (each a "**Deferred Purchase Price Instalment**") will be equal to (i) the positive difference, if any, between the Available Revenue Funds as calculated on each Notes Calculation Date and the sum of all amounts payable by the Issuer as set forth in the Pre-Enforcement Revenue Priority of Payments under (a) up to and including (n) and (ii) after an Enforcement Notice, the amount remaining after payments as set forth in the Post-Enforcement Priority of Payments under (a) up to and including (l) have been made on the relevant Quarterly Payment Date (see *Credit Structure* above).

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

Representations and warranties

Each of the Sellers will represent and warrant on the Closing Date with respect to the Portfolio

Mortgage Loans granted by it and the Mortgage Receivables sold by it that- *inter alia* - :

- (a) the Mortgage Receivables are validly existing;
- (b) the relevant Seller has full right and title (*beschikkingsbevoegdheid*) to the Mortgage Receivables, and no restrictions on the sale and transfer of the Mortgage Receivables are in effect and the Mortgage Receivables are capable of being transferred;
- (c) the relevant Seller has power to sell and assign the Mortgage Receivables;
- (d) the Mortgage Receivables are free and clear of any rights of pledge or other similar rights (*bepaalde rechten*), encumbrances and attachments (*beslagen*) and no option rights have been granted in favour of any third party with regard to the Mortgage Receivables, other than pursuant to the Transaction Documents;
- (e) each Mortgage Receivable is (i) secured by a first ranking mortgage right (*eerste recht van hypotheek*), or as the case may be, first and second, or first, second and third ranking mortgage rights on the same Mortgaged Asset situated in the Netherlands and (ii) governed by Dutch law;
- (f) each Portfolio Mortgage Loan has the benefit of a NHG Guarantee or a guarantee from a Dutch municipality, as the case may be and each such guarantee connected to the relevant Portfolio Mortgage Loan (i) is granted for the full amount of the relevant Portfolio Mortgage Loan at origination, (ii) to the best of its knowledge and belief (having made all reasonable enquiries), constitutes legal, valid and binding obligations of *Stichting Waarborgfonds Eigen Woningen* or relevant Dutch municipality, enforceable in accordance with their terms, (iii) all NHG Conditions applicable to the NHG Guarantee or the guarantee from the relevant Dutch municipality, as the case may be, at the time of origination of the Portfolio Mortgage Loans were complied with and (iv) it is not aware of any reason why any claim made in accordance with the requirements pertaining thereto under any NHG Guarantee or guarantee from a Dutch municipality in respect of any Portfolio Mortgage Loan should not be met in full and in a timely manner;
- (g) the Mortgage Conditions applicable to the Mortgage Loans (in respect of the Mortgage Loans originated by the respective Seller, entered into after 1 March 1995) contain a provision to the effect that upon assignment of the relevant Mortgage Receivable(s), the mortgage right(s) will follow such Mortgage Receivable(s);
- (h) upon creation of each mortgage right securing the Portfolio Mortgage Loans (other than mortgage rights created prior to 1 January 1992), and, as from 15 October 2001, of each right of pledge securing the Portfolio Mortgage Loans was granted power by the mortgage deed to unilaterally terminate such mortgage right or right of pledge, in whole or in part, and such power to terminate has not been revoked, terminated or amended;
- (i) each residential property concerned was valued when the application for the relevant Portfolio Mortgage Loan was made by a qualified valuer or surveyor, which was at the time independent from the Borrower, except that in case of Portfolio Mortgage Loans secured by newly built properties, no valuation is required; valuations are not older than twelve (12) months prior to the date of mortgage application by the Borrower;
- (j) each Mortgage Receivable and each Mortgage and Borrower Pledge, if any, securing such Mortgage Receivable constitutes legal, valid, binding and enforceable obligations of the relevant Borrower, subject, as to enforceability, to any applicable bankruptcy laws or similar laws

- affecting the rights of creditors generally;
- (k) the Portfolio Mortgage Loan was originated by the respective Seller;
 - (l) all mortgage rights and rights of pledge granted to secure the Mortgage Receivables (i) constitute valid mortgage rights (*hypotheekrechten*) and rights of pledge (*pandrechten*), respectively, on the assets which are the subject of the mortgage rights and rights of pledge and, to the extent relating to the mortgage rights, entered into the appropriate public register, (ii) have first priority or, as the case may be, first and second priority, or first, second and third priority, and (iii) were vested for a principal sum which is at least equal to the principal sum of the Portfolio Mortgage Loan when originated, increased with an amount customary for a prudent lender of Dutch mortgage loans from time to time in respect of interest, penalties and costs;
 - (m) the particulars of each Portfolio Mortgage Loan (or parts thereof), as set forth in the list of Mortgage Receivables attached to the Mortgage Receivables Purchase Agreement as Schedule 3 and as Annex 1 to the Deed of Assignment to be signed at the Closing Date, are correct and complete in all material respects;
 - (n) each of the Portfolio Mortgage Loans meets the Mortgage Loan Criteria as set forth below;
 - (o) pursuant to the Administration Manual relating to the Portfolio Mortgage Loans the respective Seller only pays out monies under a Construction Deposit to or on behalf of a Borrower after having received relevant receipt from the relevant Borrower relating to the construction;
 - (p) the Portfolio Mortgage Loans are fully disbursed other than the amounts placed under a Construction Deposit (and, for the avoidance of doubt, any further advances which may be granted by the respective Seller to the Borrower);
 - (q) each of the Portfolio Mortgage Loans has been granted in accordance with all applicable legal requirements and the Code of Conduct on Mortgage Loans (*Gedragcode Hypothecaire Financieringen*) and materially met the respective Sellers' standard underwriting criteria and procedures and procedures prevailing at that time and is subject to terms and conditions customary in the Dutch mortgage market at the time of origination and not materially different from the terms and conditions applied by a prudent lender of Dutch residential mortgage loans;
 - (r) each of the Savings Mortgage Receivables, has the benefit of a Savings Insurance Policy and either (i) the respective Seller has been appointed as beneficiary (*begunstigde*) under such Savings Insurance Policies, upon the terms of the relevant Savings Mortgage Loans and the relevant Savings Insurance Policies, which appointment has been notified to the Insurance Company, or (ii) the Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the relevant Savings Mortgage Receivable;
 - (s) each of the Life Mortgage Receivables has the benefit of a Life Insurance Policy and either (i) the respective Seller has been validly appointed as beneficiary (*begunstigde*) under such Life Insurance Policies upon the terms of the relevant Life Mortgage Loans and the relevant Life Insurance Policies, which has been notified to the Insurance Company, or (ii) the Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the relevant Life Mortgage Receivable;
 - (t) each of the Universal Life Mortgage Receivables has the benefit of an Savings Investment Policy and either (i) the respective Seller has been validly appointed as beneficiary (*begunstigde*) under such Savings Investment Policies upon the terms of the relevant Universal

- Life Mortgage Loans and the relevant Savings Investment Policies, which has been notified to the Insurance Company, or (ii) the Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the relevant Universal Life Mortgage Receivable;
- (u) in respect of the Investment Mortgage Receivables having the benefit of a Risk Insurance Policy, (i) the respective Seller has been validly appointed as beneficiary (*begunstigde*) under such Risk Insurance Policies upon the terms of the relevant Investment Mortgage Loans and the relevant Risk Insurance Policies, which have been notified to the Insurance Company, or (ii) the Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the relevant Mortgage Receivable;
 - (v) the respective Seller has not been notified and is not aware of anything affecting its title to the Mortgage Receivables;
 - (w) the notarial mortgage deeds (*minuut*) relating to the Portfolio Mortgages Loans are kept by a civil law notary in the Netherlands, while the loan files, which include a scanned version of authentic copies of the notarial mortgage deeds, are kept by AEGON Levensverzekering N.V. in its capacity of MPT Provider and/or its sub-contractor;
 - (x) to the best of the respective Seller's knowledge and belief (having made all reasonable enquiries), the Borrowers are not in any material breach of any provision of the Portfolio Mortgage Loans;
 - (y) each Portfolio Mortgage Loan constitutes the entire loan granted to the relevant Borrower that is secured by the same Mortgage and not merely one or more loan parts (*leningdelen*);
 - (z) each receivable under a Portfolio Mortgage Loan which is secured by the same mortgage right is sold and assigned to the Issuer pursuant to the Mortgage Receivables Purchase Agreement;
 - (aa) with respect to each of the Mortgage Receivables resulting from an Universal Life Mortgage Loan, a Life Mortgage Loan or, as the case may be, a Savings Mortgage Loan, to which an Insurance Policy is connected, a valid right of pledge has been entered into by the respective Seller and the relevant Borrower and such right of pledge has been notified to the Insurance Company;
 - (bb) with respect to each of the Mortgage Receivables resulting from an Investment Mortgage Loan, a valid right of pledge has been entered into by the respective Seller and the relevant Borrower with respect to the relevant Investment Accounts and such right of pledge has been notified to AEGON Bank N.V.;
 - (cc) pursuant to the Mortgage Conditions each of the properties on which a Mortgage has been vested to secure the Mortgage Receivable had at the time the Portfolio Mortgage Loan was advanced, the benefit of buildings insurance (*opstalverzekering*) for the full reinstatement value (*herbouwwaarde*);
 - (dd) all Mortgage Receivables secured by a Mortgage on a long lease (*erfpacht*) provide that the principal sum of the Mortgage Receivable, including interest, will become immediately due and payable if, *inter alia*, the long lease terminates, if the lease holder materially breaches or ceases to perform his payment obligation under the long lease (*canon*) or if the lease holder in any other manner breaches the conditions of the long lease; and
 - (ee) the current mortgage conditions provide that all payments by the Borrower should be made without any deduction or set-off.

Mandatory Repurchase

If at any time after the Closing Date any of the representations and warranties relating to the Portfolio Mortgage Loans and the Mortgage Receivables proves to have been untrue or incorrect, the relevant Seller shall within fourteen (14) days after 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, such Seller shall, at its own expense, repurchase and accept re-assignment of the relevant Mortgage Receivable for a price equal to the outstanding principal amount of such 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 repurchase and re-assignment of the Mortgage Receivable.

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

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

Furthermore, the relevant Seller shall repurchase and accept re-assignment of all, but not part, of the Mortgage Receivables, if it has accepted the offer made by the Issuer pursuant to the Trust Deed on any Optional Redemption Date to purchase and accept assignment of all, but not part, of the Mortgage Receivables then outstanding against payment of the then current Portfolio Market Value (as defined in the Master Definitions Agreement) of such Mortgage Receivables, provided that such amount, together with any final payment to be received by the Issuer under the Swap Agreement upon termination thereof, is at least sufficient to pay all amounts due and payable to the holders of the Senior Class A Notes and any amounts to be paid in priority to the Notes in accordance with and subject to the Conditions.

Finally, the relevant Seller shall repurchase and accept re-assignment of the relevant Mortgage

Receivables within fourteen (14) days immediately following the date on which the relevant Seller (or the MPT Provider on its behalf) has notified the Issuer that (i) a Portfolio Mortgage Loan no longer has the benefit of a NHG Guarantee or a Dutch municipality guarantee for the full amount of such Portfolio Mortgage Loan, in case of a NHG Guarantee, as adjusted in accordance with the NHG Conditions as a result of an action taken or omitted to be taken by it or the MPT Provider or (ii) such Seller, while it is entitled to make a claim under the NHG Guarantee or Dutch municipality guarantee, will not make such claim.

Seller Clean-up Call Option

On each Quarterly Payment Date, the Sellers (acting jointly) may, but are not obliged to, repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables if on the Notes Calculation Date immediately preceding such Quarterly Payment Date the aggregate principal amount due on the Mortgage Receivables then outstanding is less than 10 per cent. of the aggregate principal amount of the Mortgage Receivables on the Cut-Off Date. The purchase price shall be equal to the then current Portfolio Market Value of such Mortgage Receivables, provided that such amount, together with any final payment to be received by the Issuer under the Swap Agreement upon termination thereof, is at least sufficient to pay all amounts due and payable to the holders of the Senior Class A Notes and any amounts to be paid in priority to such Notes in accordance with and subject to the Conditions.

Mortgage Loan Criteria

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

- (a) the Portfolio Mortgage Loan includes solely one or more of the following loan types:
 - (i) a Life Mortgage Loan (*traditionale levenhypotheek and levenhypotheek op basis van uvf*);
 - (ii) a Savings Mortgage Loan (*sparhypotheek*);
 - (iii) an Universal Life Loan (*uvf*);
 - (iv) an Investment Mortgage Loan (*beleggingshypotheek*);
 - (v) an Annuity Mortgage Loan (*annuïteiten hypotheek*);
 - (vi) an Interest-only Mortgage Loan (*aflossingsvrije hypotheek*); or
 - (vii) a Linear Mortgage Loan (*lineaire hypotheek*);
- (b) the Borrower was at the time of origination, a resident of the Netherlands and not employed by any of the Sellers or any of their group companies;

- (c) the Portfolio Mortgage Loan is secured by a first ranking right of mortgage, or in case of multiple Portfolio Mortgage Loans secured on the same Mortgaged Asset, first and second-ranking mortgage rights or first, second and third-ranking mortgage rights, on over (i) real estate (*onroerende zaak*), (ii) an apartment right (*appartementsrecht*) or (iii) a long lease (*erfpacht*) situated in the Netherlands and is governed by Dutch law;
- (d) at least one (interest) payment has been made in respect of the Portfolio Mortgage Loan prior to the relevant purchase date;
- (e) the Portfolio Mortgage Loan or part thereof does not qualify as a bridge loan (*overbruggingshypotheek*);
- (f) pursuant to the applicable Mortgage Conditions, (x) the Mortgaged Asset (i) may not be the subject of residential letting and (ii) had to be occupied by the relevant Borrower at and after the time of origination and (y) no consent for residential letting of the Mortgaged Asset has been given by the Seller;
- (g) the interest rate on the Portfolio Mortgage Loan (or if the Portfolio Mortgage Loan consists of more than one loan part, on each loan part) is a floating rate or a fixed rate, subject to an interest reset from time to time;
- (h) interest payments on the Portfolio Mortgage Loan are scheduled to be made monthly in arrear by direct debit;
- (i) the aggregate principal sum outstanding under the Portfolio Mortgage Loan does not exceed the maximum guaranteed amount as was applicable pursuant to the NHG Conditions at the time of origination thereof;
- (j) on the Cut-Off Date no amounts due under such Portfolio Mortgage Loan were overdue and unpaid for more than two monthly instalments;
- (k) where compulsory under the applicable Mortgage Conditions, the Portfolio Mortgage Loan has a Life Insurance Policy or Risk Insurance Policy attached to it;
- (l) each Portfolio Mortgage Loan has the benefit of a NHG Guarantee or a guarantee from a Dutch municipality; and
- (m) the Portfolio Mortgage Loan will not have a legal maturity beyond August 2096.

The same criteria apply to the selection of Further Advance Receivables and Substitute Mortgage Receivables, unless agreed otherwise with Fitch.

Assignment Notification Events

If, *inter alia*:

- (a) any of the Sellers fails in any material respect to duly perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any of the other Transaction Documents to which it is a party and such failure, if capable of being remedied, is not remedied within ten (10) Business Days after notice thereof; or
- (b) any representation, warranty or statement made or deemed to be made by any of the Sellers in the Mortgage Receivables Purchase Agreement, other than the representations and warranties made in relation to the Portfolio Mortgage Loans and the Mortgage Receivables, or under any of the Transaction Documents to which any of the Sellers is a party or in any notice or other document, certificate or statement delivered by it pursuant thereto proves to have been, and continues to be after the expiration of any applicable grace period, untrue or incorrect in any material respect; or
- (c) any of the Sellers has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its dissolution (*ontbinding*) and liquidation (*vereffening*) or has been granted a suspension of payments or, in respect of AEGON Levensverzekering N.V., is subjected to emergency regulations (*noodregeling*) or emergency measures (*opvangregeling*) as referred to in the Act on the Supervision of Insurance Companies 1993 (*Wet toezicht verzekeringsbedrijf 1993*) or its successor or any of the Sellers applies for its bankruptcy or is declared bankrupt (*failliet verklaard*) or any steps have been taken for the appointment of a receiver or a similar officer of any of them or of any or all of their assets; or
- (d) at any time it becomes unlawful for any of the Sellers to perform all or a material part of its obligations under the Transaction Documents in such a manner that this would have a material adverse effect on its ability to perform such obligations; or
- (e) the solvency ratio of AEGON Levensverzekering N.V. as calculated in accordance with the guidelines issued by the Dutch Central Bank (*De Nederlandse Bank*) (or its predecessor, the Pension and Insurance Chamber (*Pensioen en Verzekeringskamer*)) as in force on the date hereof of and reported to the Dutch Central Bank (*De Nederlandse Bank*) falls below 150 per cent., for two consecutive semi-annual reporting dates; or
- (f) the credit rating of AEGON N.V.'s long-term unsecured, unsubordinated and unguaranteed debt obligations falls below A by Fitch,

then, unless (i) in the event of the occurrence of an Assignment Notification Event referred to under (a) such failure, if capable of being remedied is so remedied to the satisfaction of the Issuer and the Security Trustee within a period of ten (10) Business Days, or (ii) in the event of the occurrence of an

Assignment Notification Event referred to under (e) or (f) the Issuer and the Security Trustee having received confirmation from Fitch that the then current ratings assigned to the Notes outstanding at that time are not adversely affected as a result of not giving notice as described below, each of the Sellers undertakes to forthwith (i) to the extent required, terminate (*opzeggen*) or waive (*afstand doen van*) the relevant mortgage rights and the relevant Borrower Pledge, if any, granted by the relevant Borrowers to the effect that such mortgage right or right of pledge, if any, no longer secures other debts (if any) than the Mortgage Receivables assigned to the Issuer and in respect of all Portfolio Mortgage Loans, (ii) notify the relevant Borrower and any other relevant party indicated by the Issuer and/or the Security Trustee of the assignment of the Mortgage Receivables and the Beneficiary rights relating thereto, all this substantially in accordance with the form of the notification letter attached to the Mortgage Receivables Purchase Agreement and (iii) make the appropriate entries in the relevant mortgage register with regard to the assignment of the Mortgage Receivables. The Issuer or the Security Trustee, on behalf of the Issuer, shall be entitled, to the extent applicable, to effect such termination, waiver, notification and entry itself for which each of the Sellers, to the extent required, has granted an irrevocable power of attorney to the Issuer and the Security Trustee.

Furthermore, the Issuer may at its option, but only (i) after the occurrence of an Assignment Notification Event or, (ii) with the prior written approval of the Sellers, which approval will not be unreasonably withheld or delayed, and of the Security Trustee, register the deed of assignment with any governmental authority or other authority indicated for that purpose under applicable law, in order to effect the transfer of the legal ownership of the Mortgage Receivables.

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

Purchase of Further Advance Receivables and Substitute Mortgage Receivables

Further Advance Receivables

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

Substitute Mortgage Receivables

The Mortgage Receivables Purchase Agreement provides that as from the Closing Date up to and including the Quarterly Payment Date immediately preceding the First Optional Redemption Date, subject to the Pre-Enforcement Principal Priority of Payments, the Issuer shall, subject to having received the consent of the Senior Class A Noteholders representing at least 51 per cent. of the Principal Amount Outstanding of the Senior Class A Notes, on each Substitution Date use the Available Principal Funds up to the relevant Substitution Available Amount to purchase and accept assignment of any Substitute Mortgage Receivables arising from one or more Mortgage Loans originated by any of the Sellers to a Borrower in accordance with the underwriting criteria and procedures prevailing at that time and which may be expected from a reasonably prudent mortgage lender in the Netherlands, if and to the extent offered by them, subject to the Additional Purchase Conditions being met.

Initial Purchase Price

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

Additional Purchase Conditions

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

- (a) the relevant Seller represents and warrants to the Issuer and the Security Trustee (with reference to the relevant date of completion of the sale and purchase) the matters set out in the clauses providing for the representations and warranties relating to the Portfolio Mortgage Loans, the Mortgage Receivables and the Sellers in the Mortgage Receivables Purchase

Agreement with respect to the relevant Mortgage Receivables sold by it to the Issuer;

- (b) no Assignment Notification Event has occurred and is continuing;
- (c) the relevant Portfolio Mortgage Loan meets the Mortgage Loan Criteria;
- (d) (i) in case of a purchase of Further Advance Receivables, the Available Principal Funds are sufficient to sufficient to pay the Initial Purchase Price for the relevant Further Advance Receivables and (ii) in case of a purchase of Substitute Mortgage Receivables, the Initial Purchase Price payable in respect of the Substitute Mortgage Receivables does not exceed the Substitution Available Amount;
- (e) any Beneficiary Rights relating to the relevant Mortgage Receivables are also assigned to the Issuer;
- (f) the weighted average loan to foreclosure value ("**LTFV**") of all the Portfolio Mortgage Loans, including the relevant Mortgage Receivables, does not exceed the weighted average LTFV of the Portfolio Mortgage Loans as at the Closing Date by more than 1.2 per cent. points. The Issuer and the Sellers may agree to a higher LTFV, subject to confirmation of Fitch that no downgrading of the Notes will occur as a result thereof;
- (g) the aggregate of the Realised Losses incurred as from the Closing Date up to the relevant purchase date for the relevant Mortgage Receivables does not exceed 0.1 per cent. of the initial aggregate outstanding principal amount of the Portfolio Mortgage Loans at the Cut-Off Date;
- (h) not more than 2 per cent. of the aggregate outstanding principal amount of the Mortgage Receivables is in arrears for a period exceeding ninety (90) days;
- (i) as a result of the purchase of the relevant Mortgage Receivables the aggregate outstanding principal amount of the Mortgage Receivables resulting from Interest-only Mortgage Loans does not exceed four (4) per cent. of the aggregate outstanding principal amount of all Mortgage Receivables at that time;
- (j) there has been no failure by any of the Sellers to repurchase any Mortgage Receivable which it is required to repurchase pursuant to the Mortgage Receivables Purchase Agreement;
- (k) the purchase of the relevant Mortgage Receivables does not adversely affect the then current rating assigned to the Notes;
- (l) the aggregate outstanding principal amount of all Portfolio Mortgage Loans having a current loan to foreclosure value ("**CLFV**") in excess of 120 per cent. does not exceed the aggregate outstanding principal amount of such Portfolio Mortgage Loans as at the Cut-Off Date by more

than 5 per cent. points;

- (m) the aggregate outstanding principal amount of the Substitute Mortgage Receivables sold and assigned by the Sellers to the Issuer during the immediately preceding 12 calendar months does not exceed 20 per cent. of the aggregate outstanding principal amount of the Portfolio Mortgage Loans as at the first day of such 12 months period;
- (n) the aggregate outstanding principal amount of the Investment Mortgage Loans does not exceed the aggregate outstanding principal amount of all Portfolio Mortgage Loans as at the Cut-Off Date by more than 4 per cent.;
- (o) the aggregate outstanding principal amount of the Portfolio Mortgage Loans in respect of which the Borrower has placed an amount of more than EUR 10,000 on deposit with the relevant Seller to be applied towards construction or improvement to the Mortgaged Asset does not exceed the aggregate outstanding principal amount of the Portfolio Mortgage Loans in respect of which the Borrower had placed an amount of more than EUR 10,000 on deposit with the relevant Seller to be applied towards construction or improvement to the Mortgaged Asset as at the Cut-Off Date by more than 4 per cent.;
- (p) the balance standing to the credit of the Reserve Account is equal to the Reserve Account Target Level; and
- (q) on the date of completion of the sale and purchase of the relevant Mortgage Receivables no amounts due under the relevant Mortgage Receivables are overdue and unpaid.

When the Issuer purchases and accepts assignment of any Further Advance Receivable and/or Substitute Mortgage Receivable, the relevant Seller will at the same time create a right of pledge on such Mortgage Receivable in favour of the Security Trustee and the Issuer, respectively.

MPT AGREEMENT AND COMPANY ADMINISTRATION AGREEMENT

Services

In the MPT Agreement the MPT Provider will agree to provide management services to the Issuer on a day-to-day basis in relation to the Portfolio Mortgage Loans and the Mortgage Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Mortgage Receivables, all administrative actions in relation thereto and the implementation of arrears procedures including the enforcement of Mortgage Rights (see further *Mortgage Loan Underwriting and Servicing* above). The MPT Provider will be obliged to manage the Portfolio Mortgage Loans and the Mortgage Receivables with the same level of skill, care and diligence as mortgage loans in its own or, as the case may be, the Sellers' portfolios.

The MPT Provider which holds a license under the Financial Services Act (*Wet financiële dienstverlening*) by operation of law, has, in accordance with the MPT Agreement, appointed Stater Nederland B.V. as its sub-servicer to carry out (part of) the activities described above. The Issuer and the Security Trustee have consented to the appointment of Stater Nederland B.V. as sub-servicer.

The MPT Agreement may be terminated by the Issuer and the Security Trustee, acting jointly, upon the occurrence of certain termination events, including but not limited to, a failure by the MPT Provider to comply with its obligations (unless remedied within the applicable grace period), dissolution or liquidation of the MPT Provider, the MPT Provider being declared bankrupt or becoming subject to emergency regulations or if the MPT Provider no longer holds a licence under the Financial Services Act (*Wet financiële dienstverlening*). In addition the MPT Agreement may be terminated by the MPT Provider upon the expiry of not less than six (6) months' notice, subject to written approval of the Issuer and the Security Trustee, which approval may not be unreasonably withheld and a confirmation of Fitch that there will be no adverse impact on the then current rating assigned to the Notes. A termination of the MPT Agreement by either the Issuer and the Security Trustee or the MPT Provider will only become effective if a substitute MPT provider is appointed.

After termination of the MPT Agreement, the Security Trustee and the Issuer shall use their best efforts to appoint a substitute MPT provider and such substitute MPT provider shall enter into an agreement with the Issuer and the Security Trustee substantially on the terms of the MPT Agreement, provided that such substitute MPT provider shall have the benefit of a servicing fee at a level to be then determined. Any such substitute MPT provider must have experience of administering mortgage loans and mortgages of residential property in the Netherlands and hold a licence under the Financial Services Act (*Wet financiële dienstverlening*). The Issuer shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Security Trustee on the terms of the Issuer Rights Pledge Agreement (as defined below), *mutatis mutandis*, to the satisfaction of the Security Trustee.

The MPT Provider does not have any liability whatsoever to the Noteholders in respect of any failure

by the Issuer to pay any amounts due under the Notes. The Notes will be solely the obligations and responsibilities of the Issuer and not of any other entity or person involved in the transaction, including, without limitation, the MPT Provider, except for certain limited obligations of the Security Trustee under the Trust Deed.

Company Administration Agreement

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

The Company Administration Agreement may be terminated by the Issuer and the Security Trustee, acting jointly, upon the occurrence of certain termination events, including but not limited to, a failure by the Company Administrator to comply with its obligations (unless remedied within the applicable grace period), dissolution or liquidation of the Company Administrator or the Company Administrator being declared bankrupt or granted a suspension of payments. In addition the Company Administration Agreement may be terminated by the Company Administrator upon the expiry of not less than six (6) months' notice, subject to written approval of the Issuer and the Security Trustee, which approval may not be unreasonably withheld and a confirmation of Fitch that there will be no adverse impact on the then current rating assigned to the Notes. A termination of the Company Administration Agreement by either the Issuer and the Security Trustee or the Company Administrator will only become effective if a substitute administrator is appointed.

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

SUB-PARTICIPATION AGREEMENT

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

Savings Participation

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

- (a) at the Closing Date, or, in the case of the purchase and assignment of Substitute Mortgage Receivables or Further Advance Receivables to which a Savings Insurance Policy or Savings Investment Insurance Policy is connected, at the relevant Quarterly Payment Date, an amount equal to the sum of the amounts received up to and including 1 September 2006 or, as the case may be, the first day of the calendar month in which such Quarterly Payment Date falls by the Savings Mortgage Participant as Savings Premium or Savings Investment Premiums and accrued interest thereon under the respective Savings Mortgage Loans and Savings Mortgage Loans (the "**Initial Savings Participation**");
- (b) on each Portfolio Payment Date an amount equal to the amounts switched (as described below under *Conversion Participation*) under Savings Investment Policies from investments in certain investment funds to the LHR during the Portfolio Calculation Period immediately preceding such Portfolio Payment Date (the "**Switched Savings Participation**"); and
- (c) on each Portfolio Payment Date an amount equal to the amount received by the Savings Mortgage Participant during the Portfolio Calculation Period immediately preceding such Portfolio Payment Date, as Savings Premium or Savings Investment Premium in respect of the relevant Savings Insurance Policies and Savings Policies, respectively,

provided that in respect of each relevant Savings Mortgage Receivable and Savings Investment Mortgage Receivable no amounts will be paid to the extent as a result thereof the Savings Participation in such relevant Savings Mortgage Receivable or Savings Investment Mortgage Receivable would exceed the outstanding principal amount of such Savings Mortgage Receivable or Savings Investment Mortgage Receivable at such time (the "**Maximum Savings Participation Amount**").

As a consequence of such payments the Savings Mortgage Participant will acquire a savings mortgage participation (the "**Savings Participation**") in each of the relevant Savings Mortgage Receivables and Savings Investment Mortgage Receivables, which is equal to the Initial Savings Participation and the Switched Savings Participation in respect of the relevant Savings Mortgage Receivables and Savings Investment Mortgage Receivables, increased during each Portfolio

Calculation Period with the amount calculated on the basis of the following formula (the "**Participation Increase**"):

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

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

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

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

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

In consideration for the undertaking of the Savings Mortgage Participant described above, the Issuer will undertake to pay to the Savings Mortgage Participant on each Portfolio Payment Date an amount equal to the Savings Participation in each of the Savings Mortgage Receivables and Savings Investment Mortgage Receivables in respect of which amounts have been received during the immediately preceding Portfolio Calculation Period or, in the case of the first Portfolio Payment Date, during the period which commences on the Closing Date and ends on the last day of the Portfolio Calculation Period immediately preceding such first Portfolio Payment Date (i) by means of repayment and prepayment under the relevant Mortgage Receivables from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding prepayment penalties, if any, and, furthermore, excluding amounts paid as partial prepayments on such Mortgage Receivables to the extent such partial prepayment does not exceed the difference between (a) the principal amount outstanding under the relevant Mortgage Receivable and (b) the Savings Participation and/or Conversion Participation therein, (ii) in connection with a repurchase of such Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, (iii) in connection with a sale by the Issuer of such Mortgage Receivable pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed to the extent such amounts relate to principal, and (iv) as Net Proceeds on such Mortgage Receivables to the extent such amounts relate to principal

(the "**Savings Participation Redemption Available Amount**").

Reduction of Participation

If:

- (i) a Borrower invokes a right of set-off or a defence against any person in respect of the relevant Savings Mortgage Receivables or the Savings Investment Mortgage Receivables, as the case may be, based upon a default in the performance, whether in whole or in part and for any reason, by the Savings Mortgage Participant of its obligations under the relevant Savings Insurance Policy or Savings Investment Policy, as the case may be; or
- (ii) the Savings Mortgage Participant fails to pay any amount due by it to the relevant Seller or the Issuer, as the case may be, under or in connection with any of the Savings Insurance Policies or Savings Investment Policies and/or a Seller fails to pay any amount due by it to the Issuer in accordance with the Mortgage Receivables Purchase Agreement in respect of a Savings Mortgage Receivable or an Savings Investment Mortgage Receivable;

and, as a consequence thereof, the Issuer will not have received any amount which it would have received if such defence or failure to pay would not have been made in respect of such Savings Mortgage Receivable or Savings Investment Mortgage Receivable, the Savings Participation of the Savings Mortgage Participant in respect of such Investment Savings Mortgage Receivables or Savings Mortgage Receivables, will be reduced by an amount equal to the amount which the Issuer has failed to so receive and the Savings Participation shall be adjusted accordingly.

Enforcement Notice

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

- (i) declare that the obligations of the Savings Mortgage Participant under the Sub-Participation Agreement are terminated;
- (ii) declare the Savings Participation and/or Conversion Participation be immediately due and payable, whereupon it shall become so due and payable, but such payment obligations shall be limited to the Savings Participation Redemption Available Amount or Conversion Participation Redemption Available Amount received or collected by the Issuer or, in case of enforcement, the Security Trustee under the Savings Mortgage Receivables and the Savings Investment Mortgage Receivables.

Conversion Participation

Pursuant to the conditions applicable to the Savings Investment Policies taken out by the Borrower with the Insurance Company in relation to a Universal Life Mortgage Loan, a Borrower may convert, in

whole or in part (*switchen*) amounts invested in the LHR into investments in certain other investment funds. Pursuant to the Sub-Participation Agreement, upon such switch, AEGON Levensverzekering N.V., in its capacity of Conversion Participant will thereafter participate in the converted Mortgage Loan, in an amount pro rata to the converted part of the Savings Participation in the Mortgage Loan (the "**Conversion Participation**"). The Conversion Participation will, unlike the Savings Participation, not increase monthly with the interest received on such Conversion Participation, as the interest on the Conversion Participation will be paid directly to the Conversion Participant. In addition, the Conversion Participant is entitled to receive the Conversion Participation Redemption Available Amount (as defined in the Master Definitions Agreement). Conversion Participations may be reconverted into Savings Participations.

Termination

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

SAECURE 6 NHG B.V.

The Issuer was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands on 15 September 2006 under number B.V. 1388208. 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 34256133.

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

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

The Issuer has an authorised share capital of € 20,000, of which € 20,000 has been issued and is fully paid. All shares of the Issuer are held by Stichting Administratiekantoor SAECURE.

Stichting Administratiekantoor SAECURE is a foundation (*stichting*) incorporated under the laws of the Netherlands on 23 March 2005. Stichting Administratiekantoor SAECURE is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34223615. The objects of Stichting Administratiekantoor SAECURE are to, *inter alia*, acquire and hold shares in the share capital of the Issuer and to exercise all rights attached to such shares, to dispose of and encumber such shares and to issue (non-voting) depository receipts (*certificaten*). Pursuant to the articles of association of Stichting Administratiekantoor SAECURE an amendment of the articles of association of Stichting Administratiekantoor SAECURE requires the prior written consent of the Stichting Security Trustee SAECURE 6 NHG. Moreover, the Director shall only be authorized to dissolve the Stichting Administratiekantoor SAECURE after the Issuer has been fully discharged for all its obligations by virtue of the Transaction Documents.

Stichting Administratiekantoor SAECURE has issued (non-voting) depository receipts (*certificaten*) for all the 200 shares held by it in the capital of the Issuer. ATC Investments B.V. holds all such

depository receipts. The administration conditions (*administratievoorwaarden*) provide that the depository receipts cannot be exchanged for shares in limited conditions (*geroyeerd*) except at the written request of depository receipt holders representing at least ninety-five per cent. of the nominal value of the aggregate number of depository receipts at the request of the holder thereof.

The sole managing director of each of the Issuer and Stichting Administratiekantoor SAECURE is ATC Management B.V. ATC Management B.V. has elected domicile at the registered office of the Issuer at Frederik Roeskestraat 123, 1076 EE Amsterdam, telephone number +31 20 5771177. The managing directors of ATC Management B.V. are J.H. Scholts, G.F.X.M. Nieuwenhuizen, J. Lont and A.G.M. Nagelmaker.

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

ATC Management B.V. belongs to the same group of companies as Amsterdamsch Trustee's Kantoor B.V., being the sole Director of the Security Trustee. Therefore, a conflict of interest may arise. In this respect it is of note that in the management agreements entered into by each of the Directors with the entity of which it has been appointed managing director (*statutair directeur*), each of the Directors agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director (*statutair directeur*) should do or should refrain from doing, and (ii) refrain from taking any action detrimental to the obligations under any of the Transaction Documents or the then current rating assigned to the Notes outstanding. In addition each of the Directors agrees in the relevant management agreement that it will not enter into any agreement in relation to SAECURE 6 NHG B.V., and/or Stichting SAECURE Holding and/or Stichting Security Trustee SAECURE 6 NHG other than the Transaction Documents to which it is a party, without the prior written consent of the Stichting Security Trustee SAECURE 6 NHG.

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

The financial year of the Issuer coincides with the calendar year. The first financial year shall end on 31 December 2007.

Capitalisation

The following table shows the capitalisation of the Issuer as of 28 September 2006 as adjusted to give effect to the issue of the Notes. Copies of the deed of incorporation and the articles of association of the Issuer may be obtained at the specified offices of the Issuer and at the specified offices of the Paying Agent during normal business hours.

Share Capital

| | |
|--------------------------|----------|
| Authorised Share Capital | € 20,000 |
| Issued Share Capital | € 20,000 |

Borrowings

| | | |
|-------------------------------|---|---------------|
| Senior Class A Notes | € | 2,054,100,000 |
| Subordinated Class B Notes | € | 7,200,000 |
| Subordinated Class C Notes | € | 6,200,000 |
| Initial Savings Participation | € | 58,772,506.08 |

Exempted Credit Institution

The Issuer is not subject to any licence requirement under Section 6 of the Act on the Supervision of the Credit System 1992 (*Wet toezicht kredietwezen 1992*), as amended, due to the fact that the Notes will be offered solely to professional market parties within the meaning of Section 2 of the Exemption Regulation of 26 June 2002 in respect of the Act on the Supervision of the Credit System 1992 (*Vrijstellingsregeling Wet toezicht kredietwezen 1992*), as amended from time to time (the "**Exemption Regulation**") and Section 2 of the policy rules of the Dutch Central Bank (*De Nederlandsche Bank N.V.*) on key concepts of market access and enforcement of the Act on the Supervision of the Credit System 1992 published on 29 December 2004 (*Beleidsregel 2005 kernbegrippen markttoetreding en handhaving Wtk 1992*) ("**PMP's**"), and all other repayable funds (*opvorderbare gelden*) obtained by the Issuer are obtained from PMP's.

Financial services Act

The Issuer is not subject to any licence requirement under the new Financial Services Act (*Wet financiële dienstverlening*), as the Issuer has outsourced the servicing and administration of the Portfolio Mortgage Loans to the MPT Provider. The MPT Provider holds a license under the Financial Services Act and the Issuer will thus benefit from the exemption.

Auditors' Report

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

To the Director of SAECURE 6 NHG B.V.

The Hague, 26 September 2006

Dear Sirs,

SAECURE 6 NHG B.V. (the "**Issuer**") was incorporated on 15 September 2006 under number B.V. 1388208 with an issued share capital of € 20,000. The Issuer has not yet prepared any financial statements. Since its incorporation, the Issuer has not traded, no profits and losses have been made

or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in the Offering Circular dated 26 September 2006.

Yours faithfully,
Ernst & Young Accountants

COMPANY ADMINISTRATOR

ATC Financial Services B.V. will be appointed as Company Administrator in accordance with and under the terms of the Company Administration Agreement (see further under *MPT Agreement and Company Administration Agreement* above). ATC Financial Services B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands on 4 May 1995. It has its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Frederik Roeskestraat 123, 1076 EE Amsterdam, the Netherlands. The Company Administrator is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 33210270.

The objects of the Company Administrator are (a) to represent financial, economic and administrative interests in the Netherlands and other countries; (b) to act as trust company, as well as to participate in, manage and administer other enterprises, companies and legal entities, and (c) to perform any and all acts which are related, incidental or which may be conducive to the above.

The managing directors of the Company Administrator are J.H. Scholts, A.G.M. Nagelmaker and G.F.X.M. Nieuwenhuizen. The sole shareholder of the Issuer Administrator is Amsterdam Trust Corporation B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and having its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands. The managing directors of Amsterdam Trust Corporation B.V. are H.P. Sluysen, R.F. Govaerts and J.Lont.

USE OF PROCEEDS

The aggregate proceeds of the Notes to be issued on the Closing Date amount to € 2,067,500,000. The proceeds from the issue of the Senior Class A Notes will be applied on the Closing Date (i) to pay part of the Initial Purchase Price for the Mortgage Receivables purchased by the Issuer on the Closing Date pursuant to the Mortgage Receivables Purchase Agreement and (ii) to deposit an amount equal to € 18,378,800.40 into the Construction Deposits Account. The proceeds of the Subordinated Notes will be credited to the Reserve Account.

DESCRIPTION OF SECURITY

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

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

The Sellers, the Issuer and the Security Trustee will enter into a pledge agreement (the "**Mortgage Receivables Pledge Agreement I**") pursuant to which a first ranking undisclosed right of pledge (*stil pandrecht eerste in rang*) will be granted by the Sellers to the Security Trustee over the Mortgage Receivables and a first ranking disclosed right of pledge (*openbaar pandrecht eerste in rang*) will be granted by the Sellers to the Security Trustee over the Beneficiary Rights in order to create security for all liabilities of (i) the Issuer to the Security Trustee in connection with the Trust Deed, including the Parallel Debt, and (ii) the Sellers to the Security Trustee under or in connection with the Transaction Documents, amongst others the Mortgage Receivables Purchase Agreement including but not limited to the parallel debt entered into by each of the Sellers as provided in Clause 11 thereof, and the MPT Agreement. Pursuant to the Mortgage Receivables Pledge Agreement I, each of the Sellers further undertakes, in respect of any Further Advance Receivables (unless the Mortgage Receivables resulting from a Portfolio Mortgage Loan in respect of which a Further Advance is granted is being repurchased and re-assigned by the Seller) and any Substitute Mortgage Receivables sold and assigned to the Issuer, to grant a first ranking undisclosed right of pledge on the relevant Further Advance Receivables and Substitute Mortgage Receivables and the Beneficiary Rights relating thereto on the relevant purchase date. In this respect, the Issuer and the Security Trustee

acknowledge that (i) the Parallel Debt constitutes undertakings, obligations and liabilities of the Issuer to the Security Trustee which are separate and independent from and without prejudice to the Principal Obligations of the Issuer to any Security Beneficiary, and (ii) the Parallel Debt represents the Security Trustee's own claim (*vordering*) to receive payment of the Parallel Debt from the Issuer, provided that the aggregate amount that may become due under the Parallel Debt will never exceed the aggregate amount that may become due under all of the Principal Obligations to the Security Beneficiaries. The same applies *mutatis mutandis* for the parallel debt entered into by each of the Sellers to the Security Trustee under the Mortgage Receivables Purchase Agreement.

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

In addition, the Sellers, the Issuer and the Security Trustee will enter into a second pledge agreement (the "**Mortgage Receivables Pledge Agreement II**") pursuant to which a second ranking undisclosed right of pledge (*stil pandrecht tweede in rang*) over the Mortgage Receivables and a second ranking disclosed right of pledge (*openbaar pandrecht tweede in rang*) over the Beneficiary Rights will be granted by the Sellers to the Issuer and pursuant to which the Sellers in respect of any Further Advance Receivables (unless the Mortgage Receivables resulting from a Portfolio Mortgage Loan in respect of which a Further Advance is granted is being repurchased and reassigned by the Seller) and Substitute Mortgage Receivables sold and assigned to the Issuer undertakes to grant to the Issuer a second ranking undisclosed right of pledge on the relevant Further Advance Receivables and Substitute Mortgage Receivables and the Beneficiary Rights relating thereto on the relevant purchase date. This right of pledge will secure all liabilities of the Sellers 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 Pledge Notification Event (as defined in the Issuer Rights Pledge Agreement) 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. This right of pledge on the Mortgage Receivables will also be an undisclosed 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.

Finally, the Issuer will vest a right of pledge on any and all existing and future rights and claims that are owed and will be owed to the Issuer (the "**Issuer Rights**") under (i) the Mortgage Receivables

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

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

The security provided pursuant to the provisions of the Trust Deed and the Pledge Agreements shall indirectly, through the Security Trustee, serve as security for the benefit of the Security Beneficiaries, including, without limitation, each of the Senior Class A Noteholders, the Subordinated Class B Noteholders and the Subordinated Class C Noteholders, but amounts owing to the Subordinated Class B Noteholders will rank junior to amounts owing to the Senior Class A Noteholders and amounts owing to the Subordinated Class C Noteholders will rank junior to amount owing to the Senior Class A Noteholders and the Subordinated Class B Noteholders (see *Credit Structure* above).

THE SECURITY TRUSTEE

Stichting Security Trustee SAECURE 6 NHG (the "**Security Trustee**") is a foundation (*stichting*) incorporated under the laws of the Netherlands on 13 September 2006. It has its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Frederik Roeskestraat 123, 1076 EE Amsterdam, the Netherlands. The Security Trustee is registered with the Commercial Register of the Chamber of Commerce for Amsterdam under number 34255986.

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

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

TERMS AND CONDITIONS OF THE NOTES

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

The issue of the € 2,054,100,000 Senior Class A Mortgage-Backed Notes 2006 due 2098 (the "**Senior Class A Notes**"), the € 7,200,000 Subordinated Class B Notes 2006 due 2098 (the "**Subordinated Class B Notes**") and the € 6,200,000 Subordinated Class C Notes 2006 due 2098 (the "**Subordinated Class C Notes**") and together with the Subordinated Class B Notes, the "**Subordinated Notes**" and such Subordinated Notes together with the Senior Class A Notes, the "**Notes**") was authorised by a resolution of the managing director of SAECURE 6 NHG B.V. (the "**Issuer**") passed on 20 September 2006. The Notes will be issued on 28 September 2006 (or such later date as may be agreed between the Manager and the Issuer (the "**Closing Date**") under a trust deed (the "**Trust Deed**") dated 26 September 2006 (the "**Signing Date**") between the Issuer, Stichting Security Trustee SAECURE 6 NHG and Stichting Administratiekantoor SAECURE (the "**Security Trustee**").

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

The statements in these terms and conditions of the Notes (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of (i) the Paying Agency Agreement, (ii) the Trust Deed, which will include the form of the Notes and the interest coupons appertaining to the Notes (the "**Coupons**"), the forms of the Temporary Global Notes and the Permanent Global Notes, (iii) a mortgage receivables purchase agreement (the "**Mortgage Receivables Purchase Agreement**") dated the Signing Date between AEGON Levensverzekering N.V. and Haagsche Leeuw Hypotheken B.V. as sellers (each a "**Seller**" and collectively, the "**Sellers**"), the Issuer and the Security Trustee, (iv) a mortgage payment transaction provider agreement (the "**MPT Agreement**") dated the Signing Date between the Issuer, AEGON Levensverzekering N.V., as mortgage payment transactions provider (the "**MPT Provider**") and the Security Trustee, (v) a company administration agreement (the "**Company Administration Agreement**") dated the Signing Date between Issuer, ATC Financial Services B.V., as administrator (the "**Company Administrator**") and the Security Trustee, (vi) a mortgage receivables pledge agreement (the "**Mortgage Receivables Pledge Agreement I**") dated the Signing Date between the Sellers, the Issuer and the Security Trustee, (vii) a mortgage receivables pledge agreement (the "**Mortgage Receivables Pledge Agreement II**") dated the Signing Date between the Sellers, the Security Trustee and the Issuer (viii) an issuer rights pledge agreement (the "**Issuer Rights Pledge Agreement**") dated the Signing Date between, *inter alia*, the Issuer and the Security Trustee and (viii) an issuer accounts pledge agreement (the "**Issuer Accounts Pledge**

Agreement") dated the Signing Date between, *inter alia*, the Issuer and the Security Trustee (jointly with the three pledge agreements referred to under (v), (vi) and (vii) above, the "**Pledge Agreements**" and the Pledge Agreements together with the Trust Deed, the "**Security Documents**" and together with certain other agreements, including all aforementioned agreements and the Notes, the "**Transaction Documents**").

Certain words and expressions used below are defined in a master definitions agreement (the "**Master Definitions Agreement**") dated the Signing Date and signed by the Issuer, the Security Trustee, the Sellers and certain other parties. Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions. If the term or definitions in the Master Definitions Agreement would conflict with terms or definitions used herein, the terms and conditions of these Conditions shall prevail. As used herein, "**Class**" means the Senior Class A Notes, the Subordinated Class B Notes or the Subordinated Class C Notes, as the case may be.

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

1. Form, Denomination and Title

(a) Definitive Notes

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

(b) Legend on Definitive Notes

The Definitive Notes and the Coupons will bear the following legend: "Any United States Person (as defined in the Internal Revenue Code), who holds this obligation will be subject to the limitations under the United States income tax laws, including limitations provided in section 165(j) and 1287(a) of the Internal Revenue Code". The sections referred to in the legend provide that such a United States Person will not, with certain exceptions, be

permitted to deduct any loss, and will not be eligible for favourable capital gains treatment with respect to any gain, realised on a sale, exchange or redemption of a Definitive Note or Coupon.

2. Status, Relationship between the Notes and Security

(a) Status

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

In accordance with the provisions of Conditions 4, 6 and 9, and the Trust Deed (i) payments of principal and interest on the Subordinated Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes and payments of principal and interest on the Subordinated Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Subordinated Class B Notes.

(b) Security

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

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

The holders of the Notes will benefit from the Security. The Senior Class A Notes will rank in priority to the Subordinated Class B Notes and the Subordinated Class C Notes and the

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

3. Covenants of the Issuer

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

- (a) carry out any business other than as described in the Offering Circular dated 26 September 2006 relating to the issue of the Notes and as contemplated in the Transaction Documents;
- (b) incur or permit to subsist any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness, except as contemplated in the Transaction Documents;
- (c) create, promise to create or permit to subsist any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of any part of its assets, except as contemplated in the Transaction Documents;
- (d) consolidate or merge with any other person or convey or transfer its assets substantially or as an entirety to one or more persons;
- (e) permit the validity or effectiveness of the Trust Deed and 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 Transaction Documents;

- (f) have any employees or premises or have any subsidiary or subsidiary undertaking;
- (g) have an interest in any bank account other than (i) the Issuer Accounts or (ii) an account into which collateral under the Swap Agreement is transferred, unless all rights in relation to such account will have been pledged to the Security Trustee as provided in Condition 2(b)(iii);
- (h) amend, supplement or otherwise modify its articles of association or other constitutive documents;
- (i) pay any dividend or make any other distribution to its shareholder(s), other than from amounts standing to the credit of the Transaction Account classified as the Issuer Income Entitlement and which have not been applied by the Issuer for the payment of any corporate income tax in respect of such Issuer Income Entitlement, the payment of dividend or distributions in accordance with this provision, the issue of any further shares or otherwise; or
- (j) engage in any activity whatsoever which is not incidental to or necessary in connection with, any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in.

4. Interest

(a) *Period of Accrual*

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 only part of a Note that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgement) at the rate applicable to such Note up to but excluding the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh day after notice is duly given by the Paying 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 on the basis of the actual number of days elapsed in the Quarterly Interest Period divided by 360 days.

(b) Interest Periods and Payment Dates

Interest on the Notes shall be payable by reference to successive interest periods (each a "**Quarterly Interest Period**") and will be payable in arrear in euro in respect of the Principal Amount Outstanding (as defined in Condition 6) of the Notes, respectively, on the 25th day of February, May, August and November in each year, or if such day is not a Business Day (as defined below), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 25th day is the relevant Business Day (each such day being a "**Quarterly Payment Date**"). A "**Business Day**" means a day on which banks are open for business in Amsterdam, the Netherlands and London, United Kingdom, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System (the "**TARGET System**") or any successor thereto is operating credit or transfer instructions in respect of payments in euro. Each successive Quarterly Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Quarterly Interest Period, which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date falling in November 2006.

(c) Interest on the Notes

Except for the first Quarterly Interest Period whereby interest will accrue from the Closing Date at an annual rate equal to the linear interpolation between the Euro Interbank Offered Rate ("**Euribor**") for 1-month deposits in euro and the Euribor for 2-months deposits in euro, interest on the Notes for each Quarterly Interest Period will from the Closing Date up to (but excluding) the First Optional Redemption Date accrue at an annual rate equal to the sum of the Euribor for three-months deposits in euro, plus:

- (i) for the Senior Class A Notes, a margin of 0.025 per cent. per annum;
- (ii) for the Subordinated Class B Notes, a margin of 0.5 per cent. per annum; and
- (iii) for the Subordinated Class C Notes, a margin of 0.85 per cent. per annum.

(d) Interest following the First Optional Redemption Date

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

- (i) for the Senior Class A Notes, a margin of 0.10 per cent. per annum;
- (ii) for the Subordinated Class B Notes, a margin of 1 per cent. per annum; and
- (iii) for the Subordinated Class C Notes, a margin of 1.7 per cent. per annum.

(e) *Euribor*

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

- (i) The Reference Agent will obtain for each Quarterly Interest Period the rate equal to Euribor for three-months deposits in euro. The Reference Agent shall use the Euribor rate as determined and published jointly by the European Banking Federation and ACI - The Financial Market Association and which appears for information purposes on the 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) at or about 11:00 a.m. (Central European time) on the day that is two (2) Business Days preceding the first day of each Quarterly Interest Period (each an "**Interest Determination Date**").
- (ii) If, on the relevant Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking 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 (4) major banks in the euro-zone interbank market (the "**Reference Banks**") to provide a quotation for the rate at which three-months euro deposits are offered by it in the euro-zone interbank market at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date to prime banks in the euro-zone interbank market in an amount that is representative for a single transaction at that time; and
 - (B) determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotations as are provided; and
- (iii) if fewer than two (2) such quotations are provided as requested, the Reference Agent will determine the arithmetic mean (rounded, if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks, of which there shall be at least two in number, in the euro-zone, selected by the Reference Agent, at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date for three-months deposits to leading euro-zone banks in an amount that is representative for a single transaction in that market at that time,

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

provisions in relation to any Quarterly Interest Period, Euribor applicable during such Quarterly Interest Period will be Euribor last determined in relation thereto.

- (f) *Determination of Floating Rate of Interest and Calculation of the Floating Interest Amount*
The Reference Agent will, as soon as practicable after 11.00 a.m. (Central European Time) on each relevant Interest Determination Date, determine the floating rates of interest referred to in paragraphs (c) and (d) above for each relevant Class of Notes (the "**Floating Rate of Interest**") and calculate the amount of interest payable on this Class of Notes for the following Quarterly Interest Period (the "**Floating Interest Amount**") by applying the relevant Floating Rate of Interest to the Principal Amount Outstanding of the relevant Class of Notes. The determination of the relevant Floating Rate of Interest and the Floating Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.
- (g) *Notification of the Floating Rate of Interest and the Floating Interest Amount*
The Reference Agent will cause the relevant Floating Rate of Interest and the relevant Floating Interest Amount and the Quarterly Payment Date applicable to each relevant Class of Notes to be notified to the Issuer, the Security Trustee, the Paying Agent, the Company Administrator, Euronext Amsterdam N.V. ("**Euronext Amsterdam**") and to the holders of such Class of Notes by an advertisement in the English language in the Daily Official List (*Officiële Prijscourant*) of Euronext Amsterdam. The Floating Interest Amount and Quarterly Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Quarterly Interest Period.
- (h) *Determination or Calculation by Security Trustee*
If the Reference Agent at any time for any reason does not determine the relevant Floating Rate of Interest or fails to calculate the relevant Floating Interest Amount in accordance with paragraph (f) above, the Security Trustee shall determine the relevant Floating Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in paragraph (f) above), it shall deem fair and reasonable under the circumstances, or, as the case may be, the Security Trustee shall calculate the Floating Interest Amount in accordance with paragraph (f) above, and each such determination or calculation shall be final and binding on all parties.
- (i) *Reference 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 ninety (90) days' notice in writing to that effect. Notice of any such termination will be given to the holders of the relevant Class of Notes in accordance with Condition 13. If any person shall be unable or

unwilling to continue to act as 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) *Global Notes*

For so long as the Notes are represented by a Global Note, payments of principal and interest will be made in euro to Euroclear and Clearstream, Luxembourg, as the case may be, for the credit of the respective accounts of the Noteholders.

(b) *Definitive Notes*

- (i) 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 Agent 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.
- (ii) On the Final Maturity Date (as defined in Condition 6), or such earlier date on which the Notes become due and payable, the Definitive Notes should be presented for payment together with all unmatured Coupons appertaining thereto, failing which the full amount of any such missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five (5) years following the due date for payment of such principal (whether or not such Coupons would have become unenforceable pursuant to Condition 8).
- (iii) If the relevant Quarterly Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note or Coupon ("**Local Business Day**"), the holder thereof shall not be entitled to payment until the next following Local Business Day, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to an euro account as referred to above, the Paying Agent shall not be obliged to credit such account until the Local Business Day immediately following the day on which banks are open for business in the Netherlands. The name of the Paying Agent and details of its office are set out

below.

- (iv) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents provided that no paying agent located in the United States of America will be appointed and 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 by Euronext Amsterdam shall be located in the Netherlands, and provided further that the Issuer will maintain a paying agent in an EU Member State that will not be obliged to withhold or deduct any tax pursuant to the EU Council Directive 2003/48/EU. Notice of any termination or appointment of a Paying Agent and of any changes in the specified offices of the Paying Agents will be given to the Noteholders in accordance with Condition 13.

6. Redemption and Substitution

(a) Definitions

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

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

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

- (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 Savings Investment Mortgage Receivable and each Savings Mortgage Receivable, the Conversion Participation or Savings Participation as the case may be, in such Savings Investment Mortgage Receivable or Savings Mortgage Receivable;
- (ii) as Net Proceeds on any Mortgage Receivables, to the extent such proceeds relate to principal, less, with respect to each Savings Investment Mortgage Receivable and each Savings Mortgage Receivable, the Conversion Participation or Savings Participation, as the case may be, in such Savings Investment Mortgage Receivable or Savings Mortgage Receivable;
- (iii) as amounts received in connection with a repurchase or sale of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed, as the

case may be, or any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, less, with respect to each Savings Investment Mortgage Receivable and each Savings Mortgage Receivable, the Conversion Participation or Savings Participation, as the case may be, in such Savings Investment Mortgage Receivable or Savings Mortgage Receivable;

- (iv) as amounts to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date in accordance with the Company Administration Agreement;
- (v) as Participation Increase and Initial Savings Participation (other than the Initial Savings Participation received on the Closing Date) pursuant to the Sub-Participation Agreement;
- (vi) as Switched Savings Participation to the extent such amount exceeds the then existing Conversion Participation, if any, held by the Insurance Company in respect of the relevant Savings Investment Mortgage Loan;
- (vii) as partial prepayments in respect of Mortgage Receivables, excluding prepayment penalties, if any;
- (viii) as amounts no longer payable to any of the Sellers or the Borrowers which were standing to the credit of the Construction Deposit Account in accordance with the Mortgage Receivables Purchase Agreement;
- (ix) the Reserved Amount; and
- (x) any part of the Available Redemption Funds calculated on the immediately preceding Notes Calculation Date which has not been applied towards redemption of the Notes on the immediately preceding Quarterly Payment Date.

The "**Available Redemption Funds**" on any Quarterly Payment Date, as calculated on the immediately preceding Notes Calculation Date, shall mean:

- (x) if such Quarterly Payment Date is not also a Substitution Date, an amount equal to the Available Principal Funds less the sum of:
 - (a) the amount of the Available Principal Funds applied on such Quarterly Payment Date in or towards satisfaction of the Initial Purchase Price of any Further Advance Receivables; and

- (b) the Reserved Amount,
- (y) if such Quarterly Payment Date is also a Substitution Date, an amount equal to the Available Principal Funds less the sum of:
 - (a) the amount of the Available Principal Funds applied on such Quarterly Payment Date in or towards satisfaction of the Initial Purchase Price of any Further Advance Receivables; and
 - (b) the amount of the Available Principal Funds applied on such Quarterly Payment Date, up to the Substitution Available Amount, towards satisfaction of the Initial Purchase Price of any Substitute Mortgage Receivables,

provided that if the difference between the Available Redemption funds and the sum of (a) and (b) above is less than € 1,000,000, the Available Redemption Funds shall be deemed to be zero on such Quarterly Payment Date.

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

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

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

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

"Realised Losses" means, on any Notes Calculation Date, the sum of (a) the aggregate outstanding principal amount of all Mortgage Receivables (less the aggregate amount of any Savings Participations and Conversion Participations therein) in respect of which the

relevant Seller, the MPT Provider on behalf of such Seller or the Security Trustee has foreclosed and has received the proceeds from *Stichting Waarborgfonds Eigen Woningen* following the claim, if any, made under the NHG Guarantee or a guarantee from a Dutch municipality from the Closing Date up to and including such Notes Calculation Date *minus* the Net Proceeds in respect of such Mortgage Receivables (less the aggregate amount of any Savings Participations and Conversion Participations therein) applied to reduce the outstanding principal amount of such Mortgage Receivables and (b) with respect to Mortgage Receivables sold by the Issuer pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed, the amount of the aggregate outstanding principal amount of all such Mortgage Receivables (less the aggregate amount of any Savings Participations and Conversion Participations therein) *minus* the purchase price received, or to be received on the relevant Quarterly Payment Date, in respect of such Mortgage Receivables to the extent relating to principal (less the aggregate amount of any Savings Participations and Conversion Participations therein).

"Reserved Amount" shall mean, on any Quarterly Payment Date which is not also a Substitution Date, (i) until the Quarterly Payment Date immediately preceding the First Optional Redemption Date, provided that all Additional Purchase Conditions (other than (a), (c), (d), (e) and (q)) are met on such Quarterly Payment Date, an amount equal to the Available Principal Funds, as calculated on the immediately preceding Notes Calculation Date less the amount of the Available Principal Funds applied on such Quarterly Payment Date in or towards satisfaction of the Initial Purchase Price of any Further Advance Receivables and (ii) thereafter, zero.

"Substitution Date" shall mean each Quarterly Payment Date falling in May and November of each year up to and including the Quarterly Payment Date immediately succeeding the First Optional Redemption Date.

(b) *Final Redemption*

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 August 2098 (the **"Final Maturity Date"**).

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

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer shall on each Quarterly Payment Date apply the Available Redemption Funds towards redemption, at their Principal Amount Outstanding, of the Senior Class A Notes until fully redeemed.

The principal amount so redeemable in respect of each Note (each a **"Principal Redemption Amount"**), on the relevant Quarterly Payment Date, shall be the Available Redemption Funds on the Notes Calculation Date relating to that Quarterly Payment Date

divided by the number of Notes of the relevant Class subject to such redemption (rounded down to the nearest euro), provided always that the Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Note. Following application of the Principal Redemption Amount to redeem a Note, the Principal Amount Outstanding of such Note shall be reduced accordingly.

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

- (i) On each Notes Calculation Date, the Issuer shall determine (or cause the Company Administrator to determine) (a) the Principal Redemption Amount and (b) the Principal Amount Outstanding of the relevant Note on the first day following the relevant Quarterly Payment Date. Each determination by or on behalf of the Issuer of any Principal Redemption Amount or the Principal Amount Outstanding of a Note shall in each case (in the absence of manifest error) be final and binding on all persons.
- (ii) The Issuer will cause each determination of a Principal Redemption Amount and Principal Amount Outstanding of Notes to be notified forthwith to the Security Trustee, the Paying Agent, the Reference Agent, Euroclear, Clearstream, Luxembourg, Euronext Amsterdam N.V. and to the holders of Notes by an advertisement in the English language in the Daily Official 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 Company Administrator to determine) the Principal Redemption Amount or the Principal Amount Outstanding of a Note, such Principal Redemption Amount or such Principal Amount Outstanding shall be determined by the Security Trustee in accordance with paragraph (c) above and this paragraph (d) (but based upon the information in its possession as to the Available Principal Funds each such determination or calculation shall be deemed to have been made by the Issuer.

(e) *Optional redemption*

The Issuer may, at its option, on giving not more than sixty (60) nor less than thirty (30) days written notice to the Security Trustee and the Noteholders in accordance with Condition 13, on the Quarterly Payment Date falling in August 2013 (the "**First Optional Redemption Date**") and on each Quarterly Payment Date thereafter (each an "**Optional Redemption Date**") redeem all (but not only part) of the Senior Class A Notes at their Principal Amount Outstanding plus accrued but unpaid interest thereon on such date.

(f) *Redemption following clean-up call*

The Sellers (acting jointly) have the option to repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables on any Quarterly Payment Date on which the principal amount due on the Mortgage Receivables then outstanding is less than 10 per

cent. of the aggregate principal amount of the Mortgage Receivables on the Cut-Off Date (the "**Sellers Clean-up Call Option**"). On the Quarterly Payment Date on which the Sellers exercise their Sellers Clean-up Call Option the Issuer shall redeem all (but not only part of) the Senior Class A Notes at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to the Senior Class A Notes.

(g) *Redemption of Subordinated Notes*

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer will be obliged, as from the earlier of (i) the Quarterly Payment Date on which all amounts of interest and principal on the Senior Class A Notes will have been paid and (ii) the First Optional Redemption Date, to apply the Available Revenue Funds, if and to the extent that all payments ranking above item (k) in the Pre-Enforcement Revenue Priority of Payments as set forth in the Trust Deed have been made in full, to redeem (or partially redeem) on a pro rata basis the Subordinated Class B Notes on each Quarterly Payment Date until fully redeemed and thereafter to redeem (or partially redeem) on a pro rata basis the Subordinated Class C Notes on each Quarterly Payment Date until fully redeemed. Any amount so redeemed will be deemed to be a Principal Redemption Amount for the purpose of calculating the Principal Amount Outstanding of each of the Subordinated Notes. Unless previously redeemed in full, the Issuer will, subject to Condition 9(b), redeem the Subordinated Notes at their Principal Amount Outstanding on the Quarterly Payment Date falling in August 2098.

(h) *Redemption for tax reasons*

The Issuer may (but is not obliged to) redeem all (but not only part of) the Senior Class A Notes at their Principal Amount Outstanding plus accrued but unpaid interest thereon up to and including the date of redemption, subject to and in accordance with the Conditions, if (a) the Issuer or the Paying Agent has become or would become obligated to make any withholding or deduction from payments in respect of any of the Notes (although the Issuer will not have any obligation to pay additional amounts in respect of any such withholding or deduction) and/or (b) the Issuer has become or would become subject to any limitation of the deductibility of interest on any of the Notes, as a result of (i) a change in any laws, rules or regulations or in the interpretation or administration thereof, or (ii) any act taken by any taxing authority on or after the issue date of the Notes. No redemption pursuant to sub-clause (ii) may be made unless the Issuer receives an opinion of independent counsel that there is a probability that the act taken by the taxing authority leads to one of the events mentioned at (a) or (b).

(i) *Substitution*

The Issuer will, subject to having received the consent of the Senior Class A Noteholders representing at least 51 per cent. of the Principal Amount Outstanding of the Senior Class A Notes, on each Substitution Date apply the Available Principal Funds up to a maximum amount equal to the Substitution Available Amount to purchase and accept assignment

from the Sellers any Substitute Mortgage Receivables to the extent offered by the Sellers. At least twenty (20) Business Days prior to a Substitution Date the Issuer shall give written notice to the Senior Class A Noteholders of the Substitution Available Amount, substantially in the form of the Annex attached for that purpose to the Trust Deed. On the tenth Business Day following such written notice, the Issuer shall inform the Sellers whether or not and to what extent the Senior Class A Noteholders representing at least 51 per cent. of the Principal Amount Outstanding of the Senior Class A Notes, have given or are deemed to have given their consent to the application of the Available Principal Funds up to the Substitution Available Amount to purchase and accept assignment any Substitute Mortgage Receivables. If relevant, the Sellers will within five (5) Business Days after receipt of the notice from the Issuer, inform the Issuer whether or not and to what extent they will offer to the Issuer on the next succeeding Substitution Date any Substitute Mortgage Receivables.

7. Taxation

All payments of, or in respect of, principal and interest on the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or charges is required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to such Noteholders.

8. Prescription

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

9. Subordination

(a) Interest

Interest on the Subordinated Notes shall be payable in accordance with the provisions of Conditions 4 and 5, subject to the terms of this Condition and subject to the provisions of the Trust Deed.

In the event that on any Notes Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Subordinated Class B Notes on the next Quarterly Payment Date, the amount available (if any) shall be applied pro rata to the amount of interest due on such Quarterly Payment Date to the holders of the Subordinated Class B Notes. In the event of a shortfall, the Issuer shall credit

the Subordinated Class B Notes Interest Shortfall Ledger (as defined in the Master Definitions Agreement), with an amount equal to the amount by which the aggregate amount of interest paid on the Subordinated Class B Notes, on any Quarterly Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Subordinated 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 Subordinated 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 Subordinated Class B Note on the next succeeding Quarterly Payment Date.

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

(b) Principal

If on any Notes Calculation Date all amounts of interest and principal due in respect of the Notes, except for principal in respect of the Subordinated Class B Notes and the Subordinated Class C Notes, have been paid or will be available for payment on the Quarterly Payment Date immediately following such Notes Calculation Date, the Reserve Account Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will on the Quarterly Payment Date immediately succeeding such Notes Calculation Date form part of the Notes Interest Available Amounts and will be available to redeem or partially redeem firstly the Subordinated Class B Notes until fully redeemed and thereafter the Subordinated Class C Notes until fully redeemed. If on the Quarterly Payment Date on which all amounts of interest and principal due in respect of the Notes, except for principal in respect of the Subordinated Class B Notes and the Subordinated Class C Notes, have been paid or will be paid (i) no balance is standing to the credit of the

Reserve Account in excess of the Reserve Account Target Level, then notwithstanding any other provisions of these Conditions the Subordinated Class B Noteholders and the Subordinated Class C Noteholders will not be entitled to any repayment of principal in respect of the Subordinated Class B Notes or the Subordinated Class C Notes respectively, or (ii) a balance is standing to the credit of the Reserve Account in excess of the Reserve Account Target Level, then notwithstanding any other provisions of these Conditions the principal amount payable on the redemption of each Subordinated Class B Note or each Subordinated Class C Note respectively, on such date shall not exceed the balance standing to the credit of the Reserve Account in excess of the Reserve Account Target Level, divided by the number of Subordinated Class B Notes or the number of the Subordinated Class C Notes then outstanding. The Subordinated Class B Noteholders and the Subordinated Class C Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Subordinated Class B Notes or the Subordinated Class C Notes respectively, after the earlier of (i) the Final Maturity Date and (ii) the date on which the Issuer no longer holds any Mortgage Receivables and there are no balances standing to the credit of the Issuer Accounts.

(c) *General*

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

10. **Events of Default**

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

- (a) the Issuer is in default for a period of fifteen (15) days or more in the payment on the due date of any amount due in respect of the Notes of the Relevant Class; or
- (b) the Issuer fails to perform any of its other obligations binding on it under the Notes of the

Relevant Class, the Trust Deed, the Paying Agency Agreement or the Pledge Agreements and, except where such failure, in the reasonable opinion of the Security Trustee, is incapable of remedy, such default continues for a period of thirty (30) days after written notice by the Security Trustee to the Issuer requiring the same to be remedied; or

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

provided, however, that, if Senior Class A Notes are outstanding, no Enforcement Notice may or shall be given by the Security Trustee to the Issuer in respect of the Subordinated Notes, irrespective of whether an Extraordinary Resolution is passed by the Subordinated Class B Noteholders or the Subordinated Class C 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 Subordinated Class B Noteholders and the Subordinated Class C Noteholders.

11. Enforcement

(a) Enforcement

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

including, but not limited to, the Noteholders, and will apply the net proceeds received or recovered towards satisfaction of the Parallel Debt. The Security Trustee shall distribute such net proceeds (after deduction of the amounts due and payable to the Savings Mortgage Participant and the Conversion Participant under the Sub-Participation Agreement) to the Security Beneficiaries (other than the Savings Mortgage Participant and the Conversion Participant) in accordance with the Post-Enforcement Priority of Payments set forth in the Trust Deed.

(b) No Action against Issuer by Noteholders

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

(c) Undertaking Noteholders

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

(d) Limitation of Recourse

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

12. Indemnification of the Security Trustee

The Trust Deed contains provisions for the indemnification of the Security Trustee and for its relief from responsibility. The Security Trustee is entitled to enter into commercial transactions with the Issuer and/or any other party to the Transactions 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 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) *Meeting of Noteholders*

The Trust Deed contains provisions for convening meetings of the Senior Class A Noteholders, the Subordinated Class B Noteholders and the Subordinated Class C Noteholders to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of these Conditions or any provisions of the Transaction Documents, provided that no change of certain terms by the Noteholders of any Class including the date of maturity of the Notes of the relevant Class, or a change which would have the effect of postponing any day for payment of interest in respect of such Notes, reducing or cancelling the amount of principal 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, such Basic Terms Change may be sanctioned by an Extraordinary Resolution of the Noteholders of the relevant Class of Notes as described below.

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

No Extraordinary Resolution to sanction a change which would have the effect of

accelerating or increasing the maturity of the Senior Class A Notes or the Subordinated 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 or the Subordinated 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 Subordinated Class B Noteholders and the Subordinated Class C Noteholders.

An Extraordinary Resolution of the Subordinated Class B Noteholders and the Subordinated Class C 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. 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 Subordinated Class B Noteholders and the Subordinated Class C 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) Modification, authorisation and waiver without consent of Noteholders

The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Transaction Documents which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except if prohibited in the Transaction Documents), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Transaction Documents, 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 Fitch and (ii) Fitch has confirmed that the then current rating 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) Indemnification for individual Noteholders

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

15. Replacements of Notes and Coupons

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

16. Governing Law

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

THE GLOBAL NOTES

Each Class of the Notes shall be initially represented by (i) in the case of the Senior Class A Notes a Temporary Global Note in bearer form, without coupons, in the principal amount of € 2,054,100,000, (ii) in the case of the Subordinated Class B Notes a Temporary Global Note in bearer form, without coupons, in the amount of € 7,200,000 and (iii) in the case of the Subordinated Class C Notes a Temporary Global Note in bearer form, without coupons, in the amount of € 6,200,000. Each Temporary Global Note will be deposited with Citibank, N.A. as common depository for Euroclear Bank S.A./N.V., as operator of Euroclear and Clearstream, Luxembourg on or about 28 September 2006. Upon deposit of each such Temporary Global Note, Euroclear and Clearstream, Luxembourg will credit each purchaser of Notes represented by such Temporary Global Note with the amount of the relevant Class of Notes equal to the amount thereof for which it has purchased and paid. Interests in each Temporary Global Note will be exchangeable (provided certification of non-U.S. beneficial ownership by the Noteholders has been received) not earlier than forty (40) days after the issue date of the Notes (the "**Exchange Date**") for interests in a permanent global note (each a "**Permanent Global Note**"), in bearer form, without coupons, in the amount of the Notes of the relevant Class (the expression "**Global Notes**" meaning the Temporary Global Notes of each Class and the Permanent Global Notes of each Class and the expression "**Global Note**" means any of them, as the context may require). On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant Class, the Permanent Global Note will remain deposited with the common depository.

The Global Notes will be transferable by delivery. Each Permanent Global Note will be exchangeable for definitive notes to bearer (the "**Definitive Notes**") only in the circumstances described below. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note will be entitled to receive any payment made in respect of that Note in accordance with the respective rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes, which must be made by the holder of a Global Note, for 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 of any publication required by a stock exchange, that stock exchange

agrees or, as the case may be, any other publication requirement of such stock exchange will be met). Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

For 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 amount of that Class of Notes and the expression 'Noteholder' shall be construed accordingly, but without prejudice to the entitlement of the bearer of the relevant Global Note to be paid 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 the Closing Date, the Issuer or the Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form, then the Issuer will at its sole cost and expense, issue:

- (i) Senior Class 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) Subordinated Class B Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Subordinated Class B Notes; and
- (iii) Subordinated Class C Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Subordinated Class C 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.

DUTCH TAXATION

This is a general summary and the tax consequences as described here may not apply to a holder of Notes. Any potential investor should consult his own tax adviser for more information about the tax consequences of acquiring, owning and disposing of Notes in his particular circumstances.

This taxation summary solely addresses the principal Dutch tax consequences of the acquisition, the ownership and disposition of Notes. It does not consider every aspect of taxation that may be relevant to a particular holder of Notes under special circumstances or who is subject to special treatment under applicable law. Where in this summary English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law.

This summary is based on the tax laws of the Netherlands as they are in force and in effect on the date of this Offering Circular. The laws upon which this summary is based are subject to change, perhaps with retroactive effect. A change to such laws may invalidate the contents of this summary, which will not be updated to reflect any such change. This summary assumes that each transaction with respect to Notes is at arm's length.

Withholding tax

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

Taxes on income and capital gains

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

Individuals

A Non-Resident holder of Notes who is an individual will not be subject to any Dutch taxes on income or capital gains in respect of any benefit derived or deemed to be derived from Notes, including any payment under Notes and any gain realised on the disposal of Notes, provided that both of the following conditions are satisfied:

1. His Notes are not attributable to any enterprise, which is either managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, as the case may be, from which enterprise he derives

profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of such enterprise, other than as an entrepreneur or a shareholder.

2. He does not derive benefits and is not deemed to derive benefits from Notes that are taxable as benefits from miscellaneous activities in the Netherlands (*resultaat uit overige werkzaamheden in Nederland*).

Benefits derived or deemed to be derived from Notes by a Non-Resident holder of Notes who is an individual and who satisfies condition 1. above, including any payment thereunder and any gain realised on the disposal thereof, are taxable as benefits from miscellaneous activities in the Netherlands if he, or an individual who is a connected person in relation to him as meant in article 3.91, paragraph 2, letter b, or letter c, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), has a substantial interest (*aanmerkelijk belang*) in the Issuer.

A person has a substantial interest in the Issuer if such person – either alone or, in the case of an individual, together with his partner (*partner*), if any – has, directly or indirectly, either the ownership of shares representing five per cent. or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer, or rights to acquire, directly or indirectly, shares, whether or not already issued, that represent five per cent. or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of the Issuer, or the ownership of profit participating certificates (*winstbewijzen*) that relate to five per cent. or more of the annual profit of the Issuer or to five per cent. or more of the liquidation proceeds of the Issuer.

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

Furthermore, a Non-Resident holder of Notes who is an individual and who satisfies condition 1. above may, inter alia, derive benefits from Notes that are taxable as benefits from miscellaneous activities in the following circumstances, if such activities are performed or deemed to be performed in the Netherlands:

- a. if his investment activities go beyond the activities of an active portfolio investor, for instance in case of the use of insider knowledge (*voorkennis*) or comparable forms of special knowledge; or
- b. if he makes Notes available or is deemed to make Notes available, legally or in fact, directly or indirectly, to certain parties as meant in articles 3.91 and 3.92 of the Dutch Income Tax Act 2001 under circumstances described there.

Entities

A Non-Resident holder of Notes other than an individual will not be subject to any Dutch taxes on income or capital gains in respect of any benefit derived or deemed to be derived from Notes, including any payment under Notes or any gain realised on the disposal of Notes, provided that (a) if such Non-Resident holder of Notes derives profits from an enterprise that is either managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of such enterprise (other than as an entrepreneur or as a holder of securities), its Notes are not attributable to such enterprise, and (b) such Non-Resident holder of Notes does not have a substantial interest in the Issuer.

A person other than an individual has a substantial interest in the Issuer, (x) if it has a substantial interest in the Issuer (as described above under *Individuals*) or (y) if it has a deemed substantial interest in the Issuer. A deemed substantial interest may be present if its shares, profit participating certificates or rights to acquire shares or profit participating certificates in the Issuer have been acquired by such person or are deemed to have been acquired by such person on a non-recognition basis.

General

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

Gift and inheritance taxes

A person who acquires Notes as a gift, in form or in substance, or who acquires or is deemed to acquire Notes on the death of an individual, will not be subject to Dutch gift tax or to Dutch inheritance tax, as the case may be, unless:

- (i) the donor is, or the deceased was resident or deemed to be resident in the Netherlands for purposes of gift or inheritance tax, as the case may be; or
- (ii) the Notes are or were attributable to an enterprise or part of an enterprise that the donor or the deceased carried on through a permanent establishment or a permanent representative in the Netherlands at the time of the gift or of the death of the deceased; or
- (iii) the donor made a gift of Notes, then became a resident or deemed resident of the Netherlands, and died as a resident or deemed resident of the Netherlands within 180 days after the date of the gift.

Other taxes and duties

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable by a holder of Notes in the Netherlands in respect of or in connection

with the execution, delivery and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the issue of Notes or the performance by the Issuer of its obligations thereunder or under the Notes.

SUBSCRIPTION AND SALE

The Manager has, pursuant to a subscription agreement dated 26 September 2006 by and between the Manager, the Issuer and the Sellers (the "**Subscription Agreement**"), agreed with the Issuer, subject to certain conditions, to subscribe for the Notes at their issue price. The Issuer has agreed to indemnify and reimburse the Manager against certain liabilities and expenses in connection with the issue of the Notes.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospective Directive (each, a "**Relevant Member State**"), the Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State, at any time:

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

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

The Netherlands

The Manager represents and agrees that (a) it is a PMP and (b) it has offered or sold and will offer or

sell, directly or indirectly, as part of the initial distribution or at any time thereafter, the Notes exclusively (i) to PMP's as reasonably identified by the Issuer on the Closing Date or (ii) to persons which cannot reasonably be identified by the Issuer on the Closing Date, provided that the Notes have a denomination of at least € 100,000 (or the equivalent in any other currency) and shall upon their issuance be included in a clearing institution that is established in a EU Member State, the United States of America, Japan, Australia, Canada or Switzerland; so that it can reasonably be expected that the Manager will transfer the Notes exclusively to other PMP's.

United Kingdom

The Manager has represented, warranted and agreed that (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom and (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated 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 any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

United States

The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") or any other applicable securities law. Subject to certain exceptions, the Notes may not be offered, sold, or delivered within the United States or to, or for the account or benefit of, U.S. persons.

The Manager has agreed that it will not offer, sell or deliver the Notes within the United States or to or for the account of U.S. persons except as permitted by applicable law and the Subscription Agreement. In addition, until forty (40) days after the purchase, 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. As applicable, terms used in these paragraphs have the meanings given to them by Regulation S under the Securities Act.

Notice to investors

The Notes have not been and will not be registered under the Securities Act or any other applicable securities laws, and may not be offered or sold in the United States except pursuant to an effective registration statement or in accordance with an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and such other laws. Accordingly, the Notes (and any interests therein) are being offered and sold outside the United States to non-US persons in compliance with Regulation S under the Securities Act.

The Notes will be represented upon issuance by a temporary global security which is not exchangeable for definitive securities until the expiration of the 40-day distribution compliance period and, in the case of persons other than distributors, until certification of beneficial ownership of the Notes by a non-U.S. person or a U.S. person who purchased the Notes in a transaction that does not

require registration under the Securities Act.

The Notes will bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE 'SECURITIES ACT'), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE ISSUE DATE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO A US PERSON (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES."

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

General

The distribution of this 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 does not constitute an offer, or an invitation to subscribe for or purchase, any Notes.

GENERAL INFORMATION

1. The issue of the Notes has been authorised by a resolution of the managing director of the Issuer passed on 20 September 2006.
2. The Senior Class A Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Clearnet S.A. Amsterdam Branch Stock Clearing and will bear common code 26674476 and ISIN XS0266744761 and Fondscodex 15825.
3. The Subordinated Class B Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Clearnet S.A. Amsterdam Branch Stock Clearing and will bear common code 26674573 and ISIN XS0266745735 and Fondscodex 15826.
4. The Subordinated Class C Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Clearnet S.A. Amsterdam Branch Stock Clearing and will bear common code 26806356 and ISIN XS0268063566 and Fondscodex 15834.
5. There has been no material adverse change in the financial position or prospects of the Issuer since 15 September 2006.
6. Ernst & Young Accountants has given and has not withdrawn its written consent to the issue of this offering circular with its report included herein in the form and context in which it appears.
7. Since its incorporation, the Issuer is not involved in any legal, arbitration or governmental proceedings which may have a significant effect on the Issuer's financial position or profitability nor, so far as the Issuer is aware, are any such proceedings pending or threatened against the Issuer.
8. Copies of the following documents may be inspected at the specified offices of the Security Trustee and the Paying Agent during normal business hours, as long as any Notes are outstanding:
 - (i) the Offering Circular;
 - (ii) the deed of incorporation of the Issuer;
 - (iii) the Mortgage Receivables Purchase Agreement;
 - (iv) the Paying Agency Agreement;
 - (v) the Trust Deed;
 - (vi) the Security Beneficiaries Agreement;
 - (vii) the Mortgage Receivables Pledge Agreement;
 - (viii) the Rights Pledge Agreement;
 - (ix) the Accounts Pledge Agreement;

- (x) the MPT Agreement;
- (xi) the Company Administration Agreement;
- (xii) the Sub-Participation Agreement;
- (xiii) the Floating Rate GIC;
- (xiv) Liquidity Facility Agreement;
- (xv) the Swap Agreement;
- (xvi) the Beneficiary Waiver Agreement;
- (xvii) the Master Definitions Agreement;
- (xviii) the Subscription Agreement;
- (xix) the articles of association of the Issuer; and
- (xx) the articles of association of the Security Trustee.

9. No statutory or non-statutory accounts in respect of any financial year of the Issuer have been prepared. So long as the Notes are listed on Eurolist by Euronext Amsterdam, the most recently published audited annual accounts of the Issuer from time to time will be available at the specified offices of the Security Trustee.
10. 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.
11. The estimated aggregate cost of the transaction amount to approximately 0.07 per cent. of the proceeds of the Notes. There are no costs deducted by the Issuer from any investment made by any Noteholder in respect of the subscription or purchase of the Notes.
12. This Offering Circular constitutes a prospectus for the purpose of the Prospectus Directive.

List of documents incorporated by reference in this Offering Circular

- The articles of association of the Issuer

REGISTERED OFFICES

ISSUER

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the Netherlands

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2591 TV 's-Gravenhage
the Netherlands

MPT PROVIDER

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COMPANY ADMINISTRATOR

ATC Financial Services B.V.
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SECURITY TRUSTEE

Stichting Security Trustee SAECURE 6 NHG
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REFERENCE AGENT

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