OFFERING CIRCULAR DATED 16 DECEMBER 2003

Dutch Mortgage Portfolio Loans III B.V.

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

euro 1,208,000,000 floating rate Senior Class A Mortgage-Backed Notes 2003 due 2035, issue price 100 per cent.

euro 20,000,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2003 due 2035, issue price 100 per cent.

euro 22,000,000 floating rate Junior Class C Mortgage-Backed Notes 2003 due 2035, issue price 100 per cent.

euro 6,250,000 floating rate Subordinated Class D Notes 2003 due 2035, issue price 100 per cent.

Application has been made to list the euro 1,208,000,000 floating rate Senior Class A Mortgage-Backed Notes 2003 due 2035 (the "**Senior Class A Notes**"), the euro 20,000,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2003 due 2035 (the "**Mezzanine Class B Notes**"), the euro 22,000,000 floating rate Junior Class C Mortgage-Backed Notes 2003 due 2035 (the "**Junior Class C Notes**") and the euro 6,250,000 floating rate Subordinated Class D Notes 2003 due 2035 (the "**Subordinated Class D Notes**", and together with the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes, the "**Notes**") on the Official Segment of the stock market of Euronext Amsterdam N.V. ("Euronext Amsterdam"). This Preliminary Offering Circular constitutes a prospectus for the purpose of the listing and issuing rules of Euronext Amsterdam. The Notes are expected to be issued on 17 December 2003.

The Notes will carry floating rates of interest, payable quarterly in arrear on each Quarterly Payment Date, based upon three months Euribor plus, up to the first Optional Redemption Date (as defined below), a margin of 0.25 per cent. per annum for the Senior Class A Notes, 0.63 per cent. for the Mezzanine Class B Notes, 1.15 per cent. for the Junior Class C Notes and 4.00 per cent. for the Subordinated Class D Notes. If on the Quarterly Payment Date falling in November 2013, the Notes have not been redeemed in full, subject to and in accordance with the terms and conditions of the Notes (the "**Conditions**"), then the margin applicable to the Notes will be reset and be per annum for the Senior Class A Notes 0.75 per cent., for the Mezzanine Class B Notes 1.26 per cent., for the Junior Class C Notes 1.725 per cent. and for the Subordinated Class D Notes 4.00 per cent.

The Notes are scheduled to mature on the Quarterly Payment Date falling in November 2035 (the "**Final Maturity Date**"). On the Quarterly Payment Date falling in February 2004 and each Quarterly Payment Date thereafter the Notes, other than the Subordinated Class D Notes, will be subject to mandatory partial redemption in the circumstances set out in, and subject to and in accordance with the Conditions. On the Quarterly Payment Date falling in November 2013 and each Quarterly Payment Date thereafter (each an "**Optional Redemption Date**") the Issuer will have the option to redeem all (but not some only) of the Notes at their Principal Amount Outstanding, subject to and in accordance with the Conditions. Unless previously redeemed in full, the Notes of the relevant Class of Notes (other than the Subordinated Class D Notes) will remain subject to mandatory partial redemption in the circumstances set out in, and subject to and in accordance with the Conditions on each Quarterly Payment Date. Prior to the first Optional Redemption Date, the Subordinated Class D Notes will only be subject to redemption if the Notes of the other Classes have been redeemed in full. Unless the Subordinated Class D Notes have been redeemed in full prior to the first Optional Redemption Date, the Subordinated Class D Notes will be subject to mandatory partial redemption on each Optional Redemption Date. In case the withholding or deduction of taxes, duties, assessments or charges are required by law in respect of payments of principal and/or interest of the Notes, such withholding or deduction will be made without an obligation of the Issuer to pay any additional amount to the Noteholders.

It is a condition precedent to issuance that the Senior Class A Notes, on issue, be assigned an "**Aaa**" rating by Moody's Investors Service Limited ("**Moody's**") and an "**AAA**" rating by Standard & Poor's Ratings Group, a division of the McGraw Hill Group of Companies ("**S&P**" and together with Moody's, the "**Rating Agencies**") the Mezzanine Class B Notes, on issue, be assigned at least an "**A2**" rating by Moody's and an "**A**" rating by S&P, the Junior Class C Notes, on issue, be assigned at least a "**Baa2**" rating by Moody's and a "**BBB**" rating by S&P and the Subordinated Class D Notes, on issue, be assigned a "**Ba2**" rating by Moody's and a "**BB**" rating by S&P. The "**BB**" rating by S&P of the Subordinated Class D Notes addresses the ultimate repayment of principal and interest. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. For a discussion of some of the risks associated with an investment in the Notes, see *Special Considerations* herein.

The Notes will be secured directly by a deed of surety from Stichting Security Trustee DMPL III (the "**Security Trustee**"), and indirectly by a pledge over the Mortgage Receivables and the Beneficiary Rights (as defined herein) and a pledge over all the assets of the Issuer. The right to payment of interest and principal on the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D Notes will be subordinated and may be limited as more fully described herein.

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

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, the Seller, the Managers, the Liquidity Facility Provider, the Floating Rate GIC Provider, the Participant, the Directors, the Issuer Administrator, the Pool Servicer, the Swap Counterparty, the Swap Guarantor, the Principal Paying Agent, the Paying Agent, the Reference Agent (each as defined herein) or, except for certain limited obligations under the Deed of Surety (as defined below) to – *inter alia* – the holders of the Notes (the "**Noteholders**"), the Security Trustee. Furthermore, none of the Seller, the Managers, the Liquidity Facility Provider, the Floating Rate GIC Provider, the Participant, the Directors, the Issuer Administrator, the Pool Servicer, the Swap Counterparty, the Swap Guarantor, the Principal Paying Agent, the Paying Agent, the Reference Agent or any other person, in whatever capacity acting, other than the Security Trustee in respect of limited obligations under the Deed of Surety, will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. None of the Seller, the Managers, the Liquidity Facility Provider, the Floating Rate GIC Provider, the Participant, the Directors, the Issuer Administrator, the Pool Servicer, the Swap Counterparty, the Swap Guarantor, the Principal Paying Agent, the Paying Agent or the Reference Agent will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances described herein).

Joint Lead Managers

Credit Suisse First Boston **Deutsche Bank**

Senior Co-lead Manager

BCP Investimento

Co-lead Managers

Dexia Capital Markets **SG Corporate and Investment Banking**

Fortis Bank **Rabobank International**

WestLB AG

IMPORTANT INFORMATION

The Issuer is responsible for the information contained in this Offering Circular except for the information referred to in the following two paragraphs. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information, except for the information for which the Seller is responsible, contained in this Offering Circular is in accordance with the facts and there are no other facts, the omission of which would, in the context of the issue of the Notes, make any statements herein, whether of fact or opinion, misleading in any material respect. The Issuer accepts responsibility accordingly.

The Seller is responsible solely for the information contained in the following sections of this Offering Circular: "**the Dutch Residential Mortgage Market**", "**Achmea Holding N.V.**", "**Achmea Hypotheekbank N.V.**", "**Description of the Mortgage Loans**" and "**Mortgage Loan Underwriting and Servicing**". To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information for which the Seller is responsible, is in accordance with the facts and there are no other facts, the omission of which would, in the context of the issue of the Notes, make any statements herein, whether of fact or opinion, misleading in any material respect.

The Swap Guarantor is responsible solely for the information contained in the section "**The Swap Guarantor**".

This Offering Circular is to be read in conjunction with the articles of association of the Issuer which are deemed to be incorporated herein by reference (see General Information below). This Offering Circular shall be read and construed on the basis that such document is incorporated in and forms part of this Offering Circular. Neither this Offering Circular nor any part thereof constitutes an offer or an invitation to sell or a solicitation of an offer to buy Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this document and the offering of the Notes in certain jurisdictions may be restricted by law.

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

Persons into whose possession this document (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 Purchase and Sale below. No one is authorised to give any information or to make any representation concerning the issue of the Notes other than those contained in this Offering Circular in accordance with applicable laws and regulations.

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

Neither the delivery of this Offering Circular at any time nor any sale made in connection with the offering of the Notes shall imply that the information contained herein is correct at any time subsequent to the date of this Offering Circular. The Issuer and the Seller have no obligation to update this Offering Circular, except when required by the listing and issuing rules of Euronext Amsterdam.

The Managers 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, hold or sell any Notes during the life of the Notes.

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

The Notes have not been and will not be registered under the US Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered, sold or delivered in or into the United States or to or for the account or benefit of US persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Notes are subject to US tax law requirements.

In connection with the issue of the Notes, Credit Suisse First Boston (Europe) Limited (the "**Stabilising Manager**") or any duly appointed person acting for the Stabilising Manager) may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time. Such stabilising shall be in compliance with all applicable laws and regulations In accordance with the rules of Euronext Amsterdam, such stabilising will in any event be discontinued within thirty (30) days after the Closing Date. Stabilisation transactions conducted on the stock market of Euronext Amsterdam must be conducted on behalf of the Stabilising Manager, by a Member of Euronext Amsterdam and must be conducted in accordance with all applicable laws and regulations of Euronext Amsterdam and Article 32 (and Annex 6) of the Further Regulation on Market Conduct Supervision of the Securities Trade 2002 ("*Nadere Regelling Gedragstoezicht Effectenverkeer 2002*"), as amended.

All references 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).

CONTENTS

SUMMARY

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

THE PARTIES:

Issuer:	Dutch Mortgage Portfolio Loans III B.V., incorporated under the laws of the Netherlands as a private company with limited liability (''*besloten vennootschap met beperkte aansprakelijkheid*'').
Seller:	Achmea Hypotheekbank N.V. (''**Achmea Hypotheekbank**''), incorporated under the laws of the Netherlands as a public company (''*naamloze vennootschap*'').
Originators:	Avéro Hypotheken B.V., Centraal Beheer Hypotheken B.V., FBTO Hypotheken B.V. and Woonfonds Nederland B.V., all incorporated under the laws of the Netherlands as a private company with limited liability (''*besloten vennootschap met beperkte aansprakelijkheid*'') and as of 1st September 2000 merged into the Seller.
Issuer Administrator:	Achmea Hypotheekbank.
Pool Servicer:	Achmea Hypotheekbank.
Security Trustee:	Stichting Security Trustee DMPL III, established under the laws of the Netherlands as a foundation (''*stichting*'').
Shareholder:	Stichting DMPL III Holding, established under the laws of the Netherlands as a foundation (''*stichting*''). The entire issued share capital of the Issuer is owned by the Shareholder.
Directors:	ATC Management B.V., the sole director of the Issuer and the Shareholder and Amsterdamsch Trustee's Kantoor B.V., the sole director of the Security Trustee. The Directors belong to the same group of companies.
Swap Counterparty:	Achmea Hypotheekbank.
Swap Guarantor:	Coöperatieve Centrale Raiffeisen- Boerenleenbank B.A., established under the laws of the Netherlands as a cooperative and acting through Rabobank International London Branch (''**Rabobank International**'').
Liquidity Facility Provider:	Coöperatieve Centrale Raiffeisen- Boerenleenbank B.A., established under the laws of the Netherlands as a cooperative and acting through Rabobank Nederland (''**Rabobank Nederland**'').
Floating Rate GIC Provider:	Rabobank Nederland.
Principal Paying Agent:	Deutsche Bank AG London (''**Deutsche Bank**'').
Paying Agent:	Deutsche Bank AG Amsterdam Branch (and together with Deutsche Bank in its capacity as Principal Paying Agent, the ''**Paying Agents**'').
Reference Agent:	Deutsche Bank.
Participant:	Achmea Pensioen- en Levensverzekeringen N.V., incorporated under the laws of the Netherlands as a public company (''*naamloze vennootschap*'').

THE NOTES:

Notes:	The euro 1,208,000,000 floating rate Senior Class A Mortgage-Backed Notes 2003 due 2035 (the ''**Senior Class A Notes**''), the euro 20,000,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2003 due 2035 (the ''**Mezzanine Class B Notes**''), the euro 22,000,000 floating rate Junior Class C Mortgage-Backed Notes 2003 due 2035 (the ''**Junior Class C Notes**'') and the euro 6,250,000 floating rate Subordinated Class D Notes 2003 due 2035 (the ''**Subordinated Class**

	D Notes'', and together with the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes, the ''**Notes**'') will be issued by the Issuer on 17 December 2003 (or such later date as may be agreed between the Issuer and the Managers) (the ''**Closing Date**'').
Issue Price:	The issue prices of the Notes will be as follows: (i) the Senior Class A Notes: 100 per cent.; (ii) the Mezzanine Class B Notes: 100 per cent.; (iii) the Junior Class C Notes 100: per cent.; and (iv) the Subordinated Class D Notes: 100 per cent..
Denomination:	The Notes will be issued in denominations of euro 500,000, except for the Subordinated Class D Notes, which will be issued in denominations of euro 625,000.
Status and Ranking:	The Notes of each Class rank *pari passu* and rateably without any preference or priority among Notes of the same Class. In accordance with the Conditions, the Trust Deed and the Deed of Surety (i) payments of principal and interest on the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, (ii) payments of principal and interest on the Junior Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes and the Mezzanine Class B Notes and (iii) payments of principal and interest on the Subordinated Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes. See further *Terms and Conditions of the Notes* below.
Interest:	Interest on the Notes is payable by reference to successive interest periods (each a ''**Floating Rate 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 20th day of February, May, August and November (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 20th day) in each year (each such day being a ''**Quarterly Payment Date**''). Each successive Floating Rate Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Floating Rate Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date falling in February 2004. The interest will be calculated on the basis of the actual days elapsed in the Floating Rate Interest Period divided by a year of 360 days. A ''**Business Day**'' means a day on which banks are open for business in Amsterdam and London provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement European Transfer System (''**TARGET System**'') or any successor thereto is operating credit or transfer instructions in respect of payments in euro. Interest on the Notes for each Floating Rate Interest Period from the Closing Date will accrue at an annual rate equal to the sum of the euro Interbank Offered Rate (''**Euribor**'') for three months deposits in euro (determined in accordance with Condition 4(f) (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for 2 and 3 months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.000005, being rounded upwards), plus up to the first Optional Redemption Date (as defined below), a margin of per annum:

(i) 0.25 per cent. for the Senior Class A Notes;

(ii) 0.63 per cent. for the Mezzanine Class B Notes;

(iii) 1.15 per cent. for the Junior Class C Notes; and

(iv) 4.00 per cent. for the Subordinated Class D Notes.

Interest Step up: If on the first Optional Redemption Date the relevant Class of Notes have not been redeemed in full, the margin on the Notes will be reset and which will be:

(i) 0.75 per cent. per annum for the Senior Class A Notes;

(ii) 1.26 per cent. per annum for the Mezzanine Class B Notes;

(iii) 1.725 per cent. per annum for the Junior Class C Notes; and

(iv) 4.00 per cent. per annum for the Subordinated Class D Notes,

payable by reference to Floating Rate Interest Periods on each Quarterly Payment Date.

Payment of Principal to Noteholders: The Issuer will be obliged to use all amounts received as principal on the Mortgage Receivables – subject to the Conditions – to (partially) redeem the Notes, excluding the Subordinated Class D Notes. Such amounts will be applied by the Issuer on each Quarterly Payment Date (the first falling in February 2004) in the following order of priority:

(i) *firstly* to the holders of the Senior Class A Notes until the Senior Class A Notes are fully redeemed,

(ii) *secondly*, to the holders of the Mezzanine Class B Notes, until the Mezzanine Class B Notes are fully redeemed; and

(iii) *thereafter*, to the holders of the Junior Class C Notes, until the Junior Class C Notes are fully redeemed.

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer will be obliged to apply the Notes Interest Available Amount, if and to the extent that all payments ranking above item (n) in the Interest Priority of Payments have been made in full, to redeem (or partially redeem) on a *pro rata* basis the Subordinated Class D Notes (i) on each Quarterly Payment Date, provided that on such Quarterly Payment Date, the Classes of Notes ranking higher in priority than the Subordinated Class D Notes have been redeemed in full, or (ii) on each Optional Redemption Date, until fully redeemed as long as the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes are not fully redeemed.

Optional Redemption of the Notes: On the Quarterly Payment Date falling in November 2013 and each Quarterly Payment Date thereafter (each an "**Optional Redemption Date**") the Issuer has the option to redeem all but not some only of the Notes, as follows:

(i) each of the Senior Class A Notes, at its Principal Amount Outstanding;

(ii) each of the Mezzanine Class B Notes at its Principal Amount Outstanding less the Mezzanine Class B Principal Shortfall (as defined in Condition 6(e)), if any; and

(iii) each the Junior Class C Notes at its Principal Amount Outstanding, less the Junior Class C Principal Shortfall (as defined in Condition 6(e)), if any.

Final Maturity Date: Unless previously redeemed as provided above, the Issuer will, subject to the Conditions, redeem the Notes, at their respective Principal Amount Outstanding on the Quarterly Payment Date falling in November 2035.

Redemption for tax reasons:	If the Issuer is or will become obliged to make any withholding or deduction for, or on account of, any taxes, duties or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any change in, or amendment to, the loans or regulations of the Netherlands or any other jurisdiction or any political sub-division or any authority thereof or therein having power to tax, or any charge in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the Closing Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer has the option to redeem the Notes, in whole but not in part, on any Quarterly Payment Date at their Principal Amount Outstanding, together with interest accrued up to and including the date of redemption.
Withholding tax:	All payments in respect of the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties or charges of whatsoever nature unless the Issuer or the Principal Paying Agent (as applicable) is required by applicable law to make any payment in respect of the Notes subject to any withholding or deduction of such taxes, duties or charges of whatsoever nature. In that event, the Issuer or the Principal Paying Agent (as the case may be) shall make such payment after the required withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Principal Paying Agent nor the Issuer will be obliged to make any additional payments to the Noteholders in respect of such withholding or deduction. The Issuer undertakes that, if European Council Directive 2003/48.EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 is brought into force, it will ensure that it maintains a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive; provided that Euronext or any other stock exchange would permit that.
Method of Payment:	For so long as the Notes are represented by a Global Note, payments of a 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.
Use of proceeds:	The Issuer will use the net proceeds from the issue of the Notes, other than the Subordinated Class D Notes, to pay to the Seller part of the Initial Purchase Price for the Mortgage Receivables (as described below), pursuant to the provisions of an agreement dated 16 December 2003 (the "**Mortgage Receivables Purchase Agreement**") and made between the Seller, the Issuer and the Security Trustee. See further *Mortgage Receivables Purchase Agreement* below. The net proceeds of the issue of the Subordinated Class D Notes will be credited to the Reserve Account.

THE MORTGAGE RECEIVABLES:

Mortgage Receivables:	Under the Mortgage Receivables Purchase Agreement, the Issuer will purchase and on the Closing Date accept the assignment of any and all rights (the "**Mortgage Receivables**") of the Seller against certain borrowers (the "**Borrowers**") under or in connection with certain selected Mortgage Loans (as defined below). The Issuer will be entitled to all interest amounts (including penalty interest) becoming due in respect of the Mortgage Receivables as of 1 December 2003 as well as principal amounts and prepayment penalties becoming due in respect of Mortgage Receivables as of 30 November 2003.

Repurchase of Mortgage Receivables:	In the Mortgage Receivables Purchase Agreement the Seller will undertake to repurchase and accept re-assignment of a Mortgage Receivable: (i) on the Mortgage Payment Date (as defined in *Credit Structure* below) immediately following the expiration of the relevant remedy period, if any, if any of the representations and warranties given by the Seller in respect of the relevant Mortgage Loan and the relevant Mortgage Receivable, including the representation and warranty that such Mortgage Loan or, as the case may be, such Mortgage Receivable meets certain mortgage loan criteria, is untrue or incorrect; (ii) on the Mortgage Payment Date immediately following the date on which the Seller agrees with a Borrower to grant a new mortgage loan or a further advance, whether or not under the Mortgage Loan, which is only secured by the mortgage right which also secures the Mortgage Receivable ("**Further Advance**"), unless such granting of the Further Advance results in the prepayment of the relevant Mortgage Receivable or the Seller has partially terminated the relevant mortgage right and borrower pledge to the extent such mortgage right and borrower pledge secures other debts than the relevant Mortgage Receivable; and (iii) on the Mortgage Payment Date immediately following the date on which the Seller agrees with a Borrower to amend the terms of the relevant Mortgage Loan and as a result thereof such Mortgage Loan no longer meets certain criteria set forth in the Mortgage Receivables Purchase Agreement.
Mortgage Loans:	The Mortgage Receivables to be sold by the Seller pursuant to the Mortgage Receivables Purchase Agreement will relate to loans secured by a first-ranking mortgage right or first- and sequentially lower ranking mortgage rights over, (i) a real property ("*onroerende zaak*"), (ii) an apartment right ("*appartementsrecht*") or (iii) a long lease ("*erfpacht*", together with real property and apartment rights, the "**Mortgaged Assets**") situated in the Netherlands and entered into by the Seller or one of the Originators on one hand and the relevant Borrowers on the other hand which meet criteria set forth in the Mortgage Receivables Purchase Agreement and which will be selected prior to or on the Closing Date (the "**Mortgage Loans**"). The Mortgage Loans will be in the form of (a) interest only mortgage loans ("*aflossingsvrije hypotheken*"), (b) linear mortgages ("*lineaire hypotheken*"), (c) annuity mortgages ("*annuïteiten hypotheken*"), (d) savings mortgages ("*spaarhypotheken*"), (e) life mortgage loans ("*levenhypotheken*") or (f) a combination of these forms. See further *Description of Mortgage Loans* below.
Interest-only Mortgage Loans:	A portion of the Mortgage Loans (or parts thereof) will be in the form of interest-only mortgage loans ("*aflossingsvrije hypotheken*", hereinafter "**Interest-only Mortgage Loans**"). Under an Interest-only Mortgage Loan, the Borrower does not pay principal towards redemption of the Interest-only Mortgage Loan until maturity of the relevant Mortgage Loan.
Linear Mortgage Loans:	A portion of the Mortgage Loans (or parts thereof) will be in the form of linear mortgage loans ("*lineaire hypotheken*", hereinafter "**Linear Mortgage Loans**"). Under a Linear Mortgage Loan, the Borrower pays a constant total monthly payment, made up of an initially high and subsequently decreasing interest portion and a fixed principal portion, and calculated in such a manner that the Linear Mortgage Loan will be fully redeemed at the maturity of the relevant Mortgage Loan.

Annuity Mortgage Loans:	A portion of the Mortgage Loans (or parts thereof) will be in the form of annuity mortgage loans (''*annuiteiten hypotheken*'', hereinafter ''**Annuity Mortgage Loans**''). Under an Annuity Mortgage Loan, the Borrower pays a constant total monthly payment, made up of an initially high and subsequently decreasing interest portion and an initially low and subsequently increasing principal portion, and calculated in such a manner that the Annuity Mortgage Loan will be fully redeemed at the maturity of the relevant Mortgage Loan.
Life Mortgage Loans:	A portion of the Mortgage Loans (or parts thereof) will be in the form of life mortgage loans (''*levenhypotheken*'', hereinafter ''**Life Mortgage Loans**''), which have the benefit of combined risk and capital insurance policies (the ''**Life Insurance Policies**'') taken out by Borrowers with any life insurance company established in the Netherlands in connection with a Life Mortgage Loan which is not a group company of the Seller (the ''**Life Insurance Company**'' and together with the Participant, the ''**Insurance Companies**''). Under a Life Mortgage Loan a Borrower pays no principal towards redemption until maturity. Until the early 1990's, the most common life insurance policy was the so-called ''**traditional life policy**'' (''*traditionele leven-polis*''), based on a calculated interest on (bond-)investments with a guaranteed minimum interest of 4 per cent. The traditional life insurance policy has since gradually been superseded by the so-called ''unit-linked'' Life Insurance Policy, the yield of which is based on the performance of certain investment funds as chosen by the insured.
Savings Mortgage Loans:	A portion of the Mortgage Loans will be in the form of savings mortgage loans (''*spaarhypotheken*'', hereinafter ''**Savings Mortgage Loans**''), which consist of Mortgage Loans entered into by one of the Originators or the Seller and the relevant Borrowers combined with a savings insurance policy with the Participant (a ''**Savings Insurance Policy**'' and together with the Life Insurance Policies, the ''**Insurance Policies**''). A Savings Insurance Policy is a combined risk insurance policy (i.e. a policy relating to an insurance which pays out upon the death of the insured) and capital insurance policy. Under a Savings Mortgage Loan no principal is paid by the Borrower prior to maturity of the Mortgage Loan. Instead, the Borrower/insured pays premium on a monthly basis to the Participant, which consists of a risk element and a savings element (the ''**Savings Premium**''). The Savings Premium is calculated in such a manner that, on an annuity basis, the final payment under the Savings Insurance Policy due by the Participant to the relevant Borrower is equal to the amount due by the Borrower to the Seller at maturity of the relevant Savings Mortgage Loan. See for more detail *Special Considerations* and *Description of the Mortgage Loans*.
Sub-Participation Agreement:	On the Closing Date, the Issuer will enter into a sub-participation agreement (the ''**Sub-Participation Agreement**'') with the Participant under which the Participant will acquire a participation in each of the Savings Mortgage Receivables (each a ''**Participation**''). In the Sub-Participation Agreement the Participant will undertake to pay to the Issuer all amounts received as Savings Premia on the Savings Insurance Policies. In return, the Participant is entitled to receive the Participation Redemption Available Amount (as defined in *Sub-Participation Agreement* below) from the Issuer to the extent relating to such Participations. The amount of the participation with respect to a Savings Mortgage Receivable will consist of (a) the initial participation at the Closing Date being the amount of euro 18,628,874.95, (b) increased on a monthly basis with the sum of (i) the Savings Premia received by the Participant and paid to the Issuer and (ii) a *pro rata*

part, corresponding to the Participation in the relevant Savings Mortgage Receivable, of the interest received by the Issuer in respect of such Savings Mortgage Receivable. See further *Sub-Participation Agreement* below.

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

Security for the Notes: The Notes will be secured (a) directly, by a deed of surety to be entered into on the Closing Date between the Security Trustee and certain Secured Parties (as defined in *Description of Security* below) pursuant to which the Security Trustee will agree to grant a surety (''*borgtocht*'') to the Secured Parties, which include the Noteholders, on a limited recourse basis (the ''**Deed of Surety**''); (b) indirectly, through the Security Trustee, by a first ranking pledge by the Seller to the Security Trustee and a second ranking pledge by the Seller to the Issuer over the Mortgage Receivables and the rights of the Seller as beneficiary under the Savings Insurance Policies (the ''**Savings Beneficiary Rights**'') and the Life Insurance Policies (the ''**Life Beneficiary Rights**'' and together with the Savings Beneficiary Rights, the ''**Beneficiary Rights**''); and (c) indirectly, through the Security Trustee, by a first ranking pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Swap Agreement (including the Swap Guarantee), the Sub-Participation Agreement, the Administration Agreement, the Liquidity Facility Agreement and the Floating Rate GIC and in respect of the Transaction Accounts (each as defined below). The amount payable to the Noteholders and the other Secured Parties will be limited to the amounts available for such purpose to the Security Trustee which, *inter alia*, will consist of amounts recovered by the Security Trustee on the Mortgage Receivables and amounts received by the Security Trustee as creditor under the Mortgage Receivables Purchase Agreement and the Trust Deed. Payments to the Secured Parties will be made in accordance with the Priority of Payments upon Enforcement (each as defined in Credit Structure below). See further *Special Considerations* below and for a more detailed description see *Description of Security* below.

CASH FLOW STRUCTURE:

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

receipts. Any drawing made under the Liquidity Facility Agreement will be debited from an account maintained with the Floating Rate GIC Provider (the "**Liquidity Facility Account**") and credited to the Master Collection Account. See *Credit Structure* below.

Master Collection Account: The Issuer shall maintain with the Floating Rate GIC Provider an account (the "**Master Collection Account**") to which the Issuer Administrator will, on behalf of the Seller, transfer on each Mortgage Payment Date all amounts of interest (including penalty interest), prepayment penalties and principal received by the Seller from the Borrowers under the Mortgage Receivables.

Reserve Account: The net proceeds of the Subordinated Class D Notes will be credited to an account (the "**Reserve Account**" and together with the Master Collection Account, the Liquidity Facility Account and the Liquidity Facility Stand-by Account (as defined in *Credit Structure*), the "**Transaction Accounts**") held with the Floating Rate GIC Provider. The purpose of the Reserve Account will be to enable the Issuer to meet the Issuer's payment obligations under items (a) up to and including (l) in the Interest Priority of Payments (as defined in *Credit Structure* below) in the event the Notes Interest Available Amount (as defined in *Credit Structure* below) is not sufficient to enable the Issuer to meet such payment obligations on a Quarterly Payment Date, provided that no drawing for item (l) may be made to the extent that the balance standing to the credit of the Reserve Account is, or would fall below, an amount equal to 0.50 per cent. of the aggregate Principal Outstanding Amount of the Notes, excluding the Subordinated Class D Notes on the Closing Date as a result thereof. If and to the extent that the Notes Interest Available Amount on any Quarterly Calculation Date exceeds the aggregate amount applied in satisfaction of items (a) up to and including (l) in the Interest Priority of Payments, the excess amount will be used to deposit on or, as the case may be, to replenish the Reserve Account by crediting such amount to the Reserve Account up to the Reserve Account Required Amount. The "**Reserve Account Required Amount**" shall, on any Quarterly Calculation Date, be equal to (a) until the first Optional Redemption Date 0.80 per cent. of the aggregate Principal Outstanding Amount of the Notes, excluding the Subordinated Class D Notes on the Closing Date and (b) thereafter the higher of (i) 1.25 per cent. of the aggregate Principal Amount Outstanding of the Notes, other than the Subordinated Class D Notes, on the first day of the following Floating Rate Interest Period and (ii) 0.25 per cent. of the aggregate Principal Outstanding Amount of the Notes, excluding the Subordinated Class D Notes on the Closing Date and (c) zero, on the Quarterly Payment Date on which the Notes, other than the Subordinated D Notes, have been or are redeemed in full, subject to the Conditions. The Reserve Account Required Amount will only decrease if each of the following conditions are met:

(a) the Outstanding Principal Amount of all Mortgage Receivables which are in arrears for a period exceeding 60 days is equal or less than 1.25 per cent. of the aggregate principal amount of all Mortgage Receivables; and

(b) there is no debit balance on the Principal Deficiency Ledger prior to the application of the Notes Interest Available Amount on the relevant Quarterly Payment Date.

Floating Rate GIC: The Issuer and the Floating Rate GIC Provider will enter into a guaranteed investment contract (the "**Floating Rate GIC**") on the Closing Date, whereunder the Floating Rate GIC Provider will agree

	to pay a guaranteed rate of interest determined by reference to Euribor on the balance standing from time to time to the credit of the Transaction Accounts.
Swap Agreement:	On the Closing Date, the Issuer will enter into a swap agreement with the Swap Counterparty, the Security Trustee and the Swap Guarantor (the "**Swap Agreement**") to hedge the risk between the rate of interest to be received by the Issuer on the Mortgage Receivables and the floating rate of interest payable by the Issuer on the Notes, other than the Subordinated Class D Notes. The Swap Guarantor will undertake in the Swap Agreement to assume all rights and obligations of the Swap Counterparty under the Swap Agreement if the Swap Counterparty fails under its payment obligation on any Quarterly Payment Date (the "**Swap Guarantee**"). See further *Credit Structure* below.

OTHER:

Management Agreements:	On the Closing Date, each of the Issuer, the Shareholder and the Security Trustee will enter into a management agreement with the relevant Director (together, the "**Management Agreements**"), whereunder the relevant Director will undertake to act as director of the Issuer, the Shareholder or, as the case may be, the Security Trustee and to perform certain services in connection therewith.
Administration Agreement:	Under an administration agreement to be entered into on the Closing Date (the "**Administration Agreement**") between the Issuer, the Issuer Administrator, the Pool Servicer and the Security Trustee, the Pool Servicer will agree to provide (i) administration and management services in relation to the Mortgage Loans on a day-to-day basis, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the Mortgage Loans and the implementation of arrear procedures including, if applicable, the enforcement of mortgages (see further section *Mortgage Loan Underwriting and Servicing* below) and (ii) the Issuer Administrator will agree to provide certain administration, calculation and cash management services for the Issuer on a day-to-day basis, including without limitation, all calculations to be made in respect of the Notes pursuant to the Conditions.
Listing:	Application has been made for the Notes to be listed on Euronext Amsterdam.
Ratings:	It is a condition precedent to issuance that (i) the Senior Class A Notes, on issue, be assigned a rating of "**Aaa**" by Moody's and "**AAA**" by S&P, (ii) the Mezzanine Class B Notes, on issue, be assigned a rating of at least "**A2**" by Moody's and "**A**" by S&P, (iii) the Junior Class C Notes, on issue, be assigned a rating of at least "**Baa2**" by Moody's and "**BBB**" by S&P and (iv) the Subordinated Class D Notes, on issue, be assigned a rating of "**Ba2**" by Moody's and "**BB**" by S&P. The "**BB**" rating by S&P of the Subordinated Class D Notes addresses the ultimate repayment of principal and interest.
Governing Law:	The Notes will be governed by and construed in accordance with the laws of the Netherlands.
Risk Weighting:	The Dutch Central Bank ("*De Nederlandsche Bank N.V.*") has stated that, for credit institutions regulated by it, the risk weighting applicable to the Senior Class A Notes shall be 50 per cent.

SPECIAL CONSIDERATIONS

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

Liabilities under the Notes

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

The ability of the Issuer to meet its obligations in full to pay principal of and interest on the Notes will be dependent on the receipt by it of funds under the Mortgage Receivables, the proceeds of the sale of any Mortgage Receivables and the Sub-Participation Agreement, the receipt by it of payments under the Swap Agreement and the receipt by it of interest in respect of the balances standing to the credit of the Transaction Accounts. In addition, the Issuer will have available to it the balances standing to the credit of the Reserve Account and the amount available to be drawn under the Liquidity Facility for certain of its payment obligations. See further *Credit Structure* below.

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

Deed of Surety

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

Transfer of Legal Title to Mortgage Receivables

The Mortgage Receivables Purchase Agreement will provide that the assignment of the Mortgage Receivables by the Seller to the Issuer will not be notified by the Seller to the Borrowers except if certain events occur. For a description of these notification events reference is made to the *Mortgage Receivables Purchase Agreement* below. Under Netherlands law the assignment of a receivable is only perfected if the assignment has been notified to the Borrower. Consequently, prior to such notification, legal title to the Mortgage Receivables will remain with the Seller. Notification of the assignment to a Borrower after the Seller has been declared bankrupt or has become subject to emergency regulations will not be effective and, consequently, in such event the legal ownership to the Mortgage Receivables will not pass to the Issuer. In order to protect the Issuer in the situation that notification of the assignment of the Mortgage Receivables can no longer be effectively made due to bankruptcy or emergency regulations involving the Seller, the Seller will grant a first-ranking "silent" right of pledge (i.e. without notification being required) under Netherlands law to the Security Trustee and a second-ranking "silent" right of pledge to the Issuer over the relevant Mortgage Receivables and the Issuer will grant a first-ranking "disclosed" right of pledge to the Security Trustee on the rights deriving from, *inter alia*, the Mortgage Receivables Purchase Agreement and the Beneficiary Rights, as more fully described in *Description of Security* below.

Notification of the "silent" rights of pledge in favour of the Security Trustee and the Issuer can be validly made after bankruptcy or emergency regulations have been declared in respect of the Seller. Under Netherlands law the Issuer and the Security Trustee can, in the event of bankruptcy or emergency regulations in respect of the Seller, exercise the rights afforded by law to pledgees as if there were no bankruptcy or emergency regulations. However, bankruptcy or emergency regulations involving the Seller would affect the position of the Security Trustee and the Issuer as pledgees in some respects, the most important of which are: (i) payments made by Borrowers prior to notification but after bankruptcy or emergency regulations involving the Seller having been declared, will be part of the bankrupt estate, although the relevant pledgee has the right to receive such amounts by preference after deduction of the general bankruptcy costs ("*algemene faillissementskosten*"), (ii) a mandatory "cool-off" period of up to two months may apply in case of bankruptcy or emergency regulations involving the Seller, which, if applicable, would delay the exercise of the right of pledge on the Mortgage Receivables and (iii) the relevant pledgee may be obliged to enforce its right of pledge within a reasonable period as determined by the bankruptcy trustee as possibly extended by the judge-commissioner ("*rechter-commissaris*") appointed by the court in case of bankruptcy of the Seller.

Bank Mortgages

All Mortgage Receivables sold to the Issuer and originated by Avéro Hypotheken B.V. and Woonfonds Nederland B.V. and by the Seller under the name Woonfonds Hypotheken will be secured by mortgage rights which not only secure the loan granted to the Borrower for the purpose of acquiring the mortgaged property, but also other liabilities and moneys that the Borrower, now or in the future, may owe to the Seller ("**Bank Mortgages**"). Under Netherlands law it is uncertain whether, in the event of assignment or pledge of a receivable secured by a Bank Mortgage, the Bank Mortgage will follow such receivable. Based upon case law, it is generally assumed by Netherlands legal commentators that a Bank Mortgage will only follow the receivable which it secures, if the relationship between the bank and the borrower has been terminated in such a manner that following the transfer, the bank cannot create or obtain new receivables against the borrower. However, in recent legal literature the view has been defended that the Bank Mortgage will partially follow the receivable to the extent that it has been assigned.

Credit Mortgages

Mortgage Receivables sold to the Issuer and originated by FBTO Hypotheken B.V. and Centraal Beheer Hypotheken B.V. and by the Seller under the names (i) Centraal Beheer Achmea, (ii) Avéro Achmea and/or (iii) FBTO Hypotheken will be secured by mortgage rights created under a mortgage deed in which the Borrower has given security over the Mortgaged Assets in excess of the amount of the initial Mortgage Loan. The mortgage deeds relating to such Mortgage Receivables provide that any Further Advances (see *Repurchase of Mortgage Receivables* in *Summary* above) granted by the Seller to the relevant Borrower are secured by the same mortgage right. It is likely that such Mortgage Receivables should be regarded as "*krediethypotheken*" ("**Credit Mortgages**"). Under Netherlands law it is uncertain whether, in the event of assignment or pledge of a receivable secured by a Credit Mortgage, the Credit Mortgage will follow such receivable. Based upon case law, it is assumed by Netherlands legal commentators that a Credit Mortgage will only follow the receivable

which it secures, if the relationship between the bank and the Borrower has been terminated in such a manner that following the transfer, the bank cannot create or obtain new receivables against the Borrower. However, in recent legal literature the view has been defended that the Credit Mortgage will partially follow the receivable to the extent that is has been assigned.

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

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

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

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

If notice of partial termination of the Bank Mortgages is not made prior to bankruptcy or emergency regulations of the Seller being declared or, as set out above, such partial termination would not be effective, the mortgage rights may also (partially) follow the Mortgage Receivables in as far as they are pledged, as is argued in recent literature (see above). If this view is followed, the Bank Mortgages would probably be co-held by the Security Trustee and/or the Issuer as pledgees and the Seller and would secure both the Mortgage Receivables held by the Issuer (or the Security Trustee, as the case may be) and any claims held by the Seller. In case the mortgage rights are co-held by both the Issuer or the Security Trustee and the Seller, the rules applicable to co-ownership ("*gemeenschap*") apply. The Netherlands Civil Code provides for various mandatory rules applying to such co-owned rights.

In the Trust Deed the Seller, the Issuer and the Security Trustee will agree that the Issuer and/or the Security Trustee (as applicable) will manage and administer such co-held rights. It is uncertain whether the foreclosure of the mortgage rights will be considered as day-to-day management and, consequently the consent of the Seller's trustee (in case of bankruptcy) or administrator (in case of emergency regulations) may be required for such foreclosure. The Seller, the Issuer and/or the Security Trustee (as applicable) will agree that in case of foreclosure the share ("*aandeel*") in each co-held mortgage right of the Security Trustee and/or the Issuer will be equal to the Mortgage Receivable, increased with interest and costs, if any and the share of the Seller will be equal to the Net Proceeds less the Mortgage Receivables, increased with interest and costs, if any. It is uncertain whether this arrangement will be enforceable. In this respect it will be agreed that in case of a breach by the Seller of its obligations under these agreements or if any of such agreement is dissolved, void, nullified or ineffective for any reason in respect of the Seller, the Seller shall compensate the Issuer and/or the Security Trustee (as applicable) forthwith for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee (as applicable) incurs as a result thereof.

Proposed legislation on Requirements of Assignment

Currently a bill is pending before the Dutch Parliament, in which it is proposed to amend the legal requirements for the assignment of receivables in such a manner that it can also be effectuated by means of a notarial or registered deed of assignment, without notification of the assignment to the debtors being required. If and when this amendment would become effective, the Seller could assign the Mortgage Receivables, and transfer legal ownership, to the Issuer by the mere registration of the deed of assignment with the relevant tax authorities and would not be restricted to completing the assignment by notification in case of the occurrence of Notification Events. The partial termination structure set out under Bank Mortgages and Credit Mortgages above is, however, only effective if the partial termination is effectuated prior to the assignment being completed, whether by means of notification or after the proposed amendment becoming effective, registration or notification. Consequently, due to the partial termination structure in case of Bank Mortgages and Credit Mortgages securing the Mortgage Receivables, registration of the deed of assignment prior to the occurrence of the Notification Events and the consequent partial termination of the Bank Mortgages or Credit Mortgages may not be an option. However, pursuant to the Mortgage Receivables Purchase Agreement the Issuer will have the right to register the deed of assignment at any time upon the proposed amendment becoming effective. The Issuer will undertake in the Trust Deed to exercise such right only with the prior written approval of the Security Trustee and subject to the confirmation of the Rating Agencies that it will not adversely effect the then current ratings assigned to the Notes.

Set-off

Under Netherlands law each Borrower will, subject to the legal requirements for set-off being met, be entitled to set off amounts due by the Seller to him (if any) with amounts he owes in respect of the Mortgage Receivables. After assignment and/or pledge of the Mortgage Receivables to the Issuer and notification thereof to a Borrower, the borrower will also have set-off rights *vis-à-vis* the Issuer, provided that the legal requirements for set-off are met, and further provided that (i) the counterclaim of the Borrower results from the same legal relationship as the 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.

In view thereof, the Seller will represent and warrant that it has not accepted any deposits from the Borrowers and it currently does not have any account relationships with the Borrowers.

The conditions applicable to the Mortgage Loans originated by Avéro Hypotheken B.V. and FBTO Hypotheken B.V. or by the Seller under the names (i) Avéro Achmea and (ii) FBTO Hypotheken provide that payments by the Borrowers should be made without set-off. Although this clause is intended as a waiver by the Borrowers of their set-off rights *vis-à-vis* the Seller, under Netherlands law it is uncertain whether such waiver will be valid. Should such waiver be invalid, the foregoing applies *mutatis mutandis*.

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

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

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

Insurance Policies

The Savings Mortgage Loans have the benefit of Saving Insurance Policies with the Participant and the Life Mortgage Loans have the benefit of Life Insurance Policies (together with the Savings Insurance Policies, the "**Insurance Policies**") taken out with any of the Life Insurance Companies (and together with the Participant, the "**Insurance Companies**"). In the following paragraphs, certain legal issues relating to the effects of the assignment of Mortgage Loans and the Insurance Policies are set out. Investors should be aware that it may be 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 Borrower in case any of the Insurance Companies defaults in its obligations as further described in this paragraph. As a consequence thereof the Issuer may not have a claim on the Borrower and may, therefore, not have the benefit of the mortgage right. In such case the rights of the Security Trustee will be similarly affected.

Pledge

All rights of a Borrower under the Insurance Policies have been pledged to the Seller ("**Borrower Insurance Pledge**"). However, the Issuer has been advised that it is probable that the right to receive payment, including the commutation payment ("*afkoopsom*"), under the Insurance Policies will be regarded by a Netherlands court as a future right. The pledge of a future right is, under Netherlands law, not effective if the pledgor is declared bankrupt or is granted a suspension of payments (emergency regulations), prior to the moment such right comes into existence. This means that it is uncertain whether such pledge will be effective. Even if the pledge on the rights on the Insurance Policies 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 the pledge secures the same liabilities as the Bank Mortgages and the Credit Mortgages. The observations on partial termination made in *Bank Mortgages and Credit Mortgages* above apply equally to such right of pledge, except that the Mortgage Loans originated by Centraal Beheer Hypotheken B.V., Woonfonds Nederland B.V. and the Seller under the names Centraal Beheer Achmea and Woonfonds Hypotheken do not contain the right to terminate such Borrower Insurance Pledge at all.

Appointment of Beneficiary

Furthermore, (i) in the case of Mortgage Loans originated by Avéro Hypotheken B.V., FBTO Hypotheken B.V. and the Seller under the names Avéro Achmea and FBTO, the relevant Originator or the Seller has appointed itself beneficiary of the proceeds under the Savings Insurance Policies for all amounts owed by the Borrower to the relevant Originator and (ii) in the case of Mortgage Loans originated by Woonfonds Nederland B.V., Centraal Beheer Hypotheken B.V. and the Seller under the names Woonfonds Hypotheken and Centraal Beheer, the relevant Originator or the Seller has been appointed as beneficiary of the proceeds under the Insurance Policies up to the amount provided for in the mortgage deed, except that any other beneficiary appointed will rank ahead of the Seller, provided that in such event the relevant Insurance Company is irrevocably authorised by such beneficiary to apply the insurance proceeds in satisfaction of the Mortgage Receivable (the "**Borrower Insurance Proceeds Instruction**"). It is unlikely that the Beneficiary Rights will follow the Mortgage Receivables upon assignment or pledge thereof to the Issuer or the Security Trustee. The Beneficiary Rights will be pledged to the Security Trustee and the Issuer (see *Description of Security* below), but it is uncertain whether this pledge will be effective.

For the situation that no such Borrower Insurance Proceeds Instruction exists and/or the pledge of the Beneficiary Rights is not effective, the Issuer will enter into a beneficiary waiver agreement (the "**Beneficiary Waiver Agreement**") with the Seller and the Participant under which the Seller, subject to the condition precedent of the occurrence of a Notification Event (see *Mortgage Receivables Purchase Agreement*), waives its rights as beneficiary under the Savings Insurance Policies and appoints (i) the

Issuer as beneficiary subject to the dissolving condition ("*ontbindende voorwaarde*") of the occurrence of a Trustee I Notification Event (see *Description of Security*) relating to the Issuer and (ii) the Security Trustee as beneficiary under the condition precedent ("*opschortende voorwaarde*") of the occurrence of a Trustee I Notification Event relating to the Issuer. It is, however, uncertain whether such waiver and appointment will be effective. For the event that such waiver and appointment are not effective in respect of the Savings Insurance Policies and, furthermore, in respect of the Life Insurance Policies the Seller and, in respect of the Savings Insurance Policies, the Participant will undertake in the Beneficiary Waiver Agreement following a Notification Event to use its best efforts to obtain the co-operation from all relevant parties (including, in respect of the Life Insurance Policies, the Life Insurance Companies) to (a) waive its rights as beneficiary and (b) appoint (i) the Issuer subject to the dissolving condition of the occurrence of a Trustee I Notification Event relating to the Issuer or (ii) the Security Trustee under the condition precedent of the occurrence of a Trustee I Notification Event relating to the Issuer, as the case may be, as first beneficiary under the Insurance Policies. For the event a Borrower Insurance Proceeds Instruction exists, the Seller and, in respect of the Savings Insurance Policies only, the Participant will in the Beneficiary Waiver Agreement undertake to use its best efforts, following a Notification Event to obtain the co-operation from all relevant parties to change the payment instruction in favour of (i) the Issuer subject to the dissolving condition of the occurrence of a Trustee I Notification Event relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Trustee I Notification Event relating to the Issuer. 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 Polices will be payable to the Seller or to another beneficiary, instead of the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the Seller, it will be obliged to pay the amount involved to the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the Seller and the Seller does not pay the amount involved to the Issuer or the Security Trustee, as the case may be, e.g. in the case of bankruptcy of the Seller, or if the proceeds are paid to another beneficiary instead of the Issuer or the Security Trustee, as the case may be, this may result in the amount paid under the Insurance Policies not being applied in reduction of the Mortgage Receivable. This may lead to the Borrower invoking defences against the Issuer or the Security Trustee, as the case may be, for the amounts so received by the Seller as further discussed under *Set-off or defences* below, which may adversely affect the payment of the Notes.

Set-off or defences

If any of the Insurance Companies is no longer able to meet its obligations under the Insurance Policies, for example it is declared subject to emergency regulations or bankrupt, the Borrowers that have entered such Insurance Policies may try to limit the rights of the Seller or, as the case may be, the Issuer under the Mortgage Receivables through set-off or defences to the effect that such Borrowers are not liable to pay the amount outstanding under the Mortgage Receivables to the extent the Seller or, as the case may be, the Issuer or the Security Trustee would have received such amount from the relevant Insurance Company, but for such default by the relevant Insurance Company.

In respect of a right of set-off by Borrowers the following is noted. As set out in *Set-off* above, some of the Borrowers have waived their set-off rights, but it is uncertain whether such waiver is effective. If the waiver is not effective or in the case of Borrowers having not waived their set-off rights the Borrowers will in order to invoke a right of set-off, need to comply with the applicable requirements. One of these requirements is that the Borrower should have a claim which corresponds to his debt to the same counterparty. The Insurance Policies are contracts between the relevant Insurance Company and the Borrowers and the Mortgage Loans are contracts between the Seller and the Borrowers. Therefore, in order to invoke a right of set-off the Borrowers would have to establish that the Seller and the relevant Insurance Company should be regarded as one legal entity or possibly, based upon interpretation of case law that set-off is allowed, even in the absence of a single legal entity, since the Insurance Policies and the Mortgage Loans are to be regarded as one inter-related relationship. Another requirement is that the Borrowers should have a counterclaim. If the relevant Insurance Company is declared bankrupt or has become subject to emergency regulations, the Borrower will have the right to unilaterally terminate the Insurance Policy and to receive a commutation payment ("*afkoopsom*").

These rights are subject to the Borrower Insurance Pledge. However, despite this pledge it may be argued that the Borrower will be entitled to invoke a right of set-off for the commutation payment. However, apart from the right to terminate the Insurance Policies, the Borrowers are also likely to

have the right to rescind the Insurance Policies and to claim restitution of premiums paid and/or supplementary damages. It is uncertain whether such claim is subject to the Borrower Insurance Pledge. If not, the Borrower Insurance Pledge would not obstruct a right of set-off with such claim by Borrowers. Finally, set off *vis-à-vis* the Issuer and/or the Security Trustee is likely to be possible, since the Mortgage Loans and the Insurance Policies are to be regarded as one legal relationship (see *Set-off* above).

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

Life Mortgage Loans

In respect of the risk of such set-off or defences being successful, as described above, if, in case of bankruptcy or emergency regulations of any of the Life Insurance Companies, the Borrowers/insured will not be able to recover their claims under their Life Insurance Policies, the Issuer has been advised that, in view of the preceding paragraphs and the representation by the Seller that with respect to Mortgage Loans to which a Life Insurance Policy with a Life Insurance Company is connected (i) there is no connection, whether from a legal or a commercial point of view, between the Life Mortgage Loan and the relevant Life Insurance Policy other than the relevant Borrower Insurance Pledge and the relevant Life Beneficiary Rights, (ii) the Life Mortgage Loans and the Life Insurance Policies are not marketed as one product or under one name and (iii) the Borrowers were free to choose the relevant Life Insurance Company, it is unlikely that a court would honour set-off or defences of the Borrowers, as described above, if the Life Insurance Company is not a group company of the Seller.

Savings Mortgage Loans

In respect of Savings Mortgage Loans the Issuer has been advised that there is a considerable risk ("*een 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 wording of the mortgage documentation used by the Seller.

The Sub-Participation Agreement will, *inter alia*, provide that in case a Borrower includes a defence, including but not limited to a right of set-off or counterclaim, if, for whatever reason, the Participant does not pay the insurance proceeds when due and payable, whether in full or in part, in respect of the relevant Savings Insurance Policy, and, as a consequence thereof, the Issuer will not have received any amount which was in respect of such Savings Mortgage Receivable outstanding prior to such event, the Participation of the Participant in respect of such Savings Mortgage Receivable will be reduced by an amount equal to the amount which the Issuer has failed to receive as a result of such defence.

The amount of the Participation is equal to the amount of Savings Premium received by the Issuer plus the accrued yield on such amount (see *Sub-Participation Agreement* below) provided that 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 would invoke any such right of set-off or defence, if and to the extent that the amount for which the Borrower would invoke set-off or defences does not exceed the amount of the Participation. However, the amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the Participation.

Interest Rate Reset

The interest rate of each of the Mortgage Loans is to be reset from time to time. The Issuer has been advised that the right to reset the interest rate should probably be considered as an ancillary right and if this view is correct the interest rate reset rights would pass to the Issuer upon completion of the assignment of the Mortgage Receivables. However, the Issuer will in principle be bound by the relevant provisions of the Mortgage Conditions relating to the reset of interest rates. The Mortgage Conditions contain provisions relating to the interest rates and the interest periods to be offered to the Borrowers. Furthermore, in the Mortgage Conditions of one Originator, it is provided that 3 months prior to the interest rate reset date the Mortgage Loan (the Mortgage Conditions refer to the mortgage, but probably the Mortgage Loan is meant and not the mortgage right) will be terminated. This wording suggests that at the interest rate reset date the Mortgage Loan is novated (''*schuldvernieuwing*''), although a more likely interpretation is that the Mortgage Loan will terminate, unless extended by the Seller and the Borrower. If novation would take place prior to partial termination, this would mean that a new receivable would be created and the Mortgage Receivable should be considered to be prepaid, but the Bank Mortgage would then secure the new receivable.

The Seller has advised the Issuer that the approach adopted by the Seller in practice when administering the Mortgage Loans is to treat each Mortgage Loan (and related mortgage security) as being extended (and not novated or terminated) on an interest rate reset date and to only treat a Mortgage Loan (but not the related mortgage security) as being terminated on an interest reset date where a Borrower has not agreed to the rate offered by the Seller. A Borrower must formally accept, in writing, the new interest rate and period prior to the interest rate reset date. The Seller has been advised by its internal legal counsel that this approach is consistent with the proper and reasonable interpretation of the Mortgage Conditions of the Seller. In addition, the Seller has advised the Issuer that in practice the Seller has not encountered any claim by any Borrower which conflicts with the approach described above.

Long lease

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

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

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

Proposed European Union Directive on the taxation of savings

The EU has adopted a Directive regarding the taxation of savings income. Subject to a number of important conditions being met, it is proposed that Member States will be required from a date not earlier than 1 January 2005 to provide to the tax authorities of other Member States details of payment of interest and other similar income paid by a person to an individual in another Member State, except that Austria, Belgium, and Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise.

Under the information reporting system, a Member State will automatically communicate to the beneficial owner's Member State of residence information regarding interest payments (including the identity and residence of the beneficial owner) made by paying agents (as defined in the Directive) established within the former Member State, without requiring reciprocity. Under the withholding tax

system (for Austria, Belgium and Luxembourg), a Member State will levy a withholding tax in respect of interest payments made by paying agents established within their respective territories at a rate of fifteen (15) per cent. during the first three years of the transitional period, twenty (20) per cent. for the subsequent three years and thirty five (35) per cent. thereafter. The transitional period will end, and those Member States permitted to levy a withholding tax will, instead, be required to implement an information reporting system if and when the European Community enters into certain agreements with certain third countries regarding information exchange with respect to interest payments.

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

Under the Directive, if and when implemented following a decision by the Council that the above-mentioned condition will be met, an individual Holder of Notes who is resident in an EU Member State other than the Netherlands may become subject to the automatic supply of information to the Member State in which the individual is resident with regard to interest payments made by (or in certain cases, to) paying agents established in the Netherlands.

Swap Agreement

The Swap Counterparty will be obliged to make payments under the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. The Swap Agreement will provide, however, that if due to (i) action taken by a relevant taxing authority or brought in a court of competent jurisdiction, or (ii) any change in tax law, in both cases after the date of the Swap Agreement, the Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay to the Issuer additional amounts for or on account of tax (a "**Tax Event**"), the Swap Counterparty may (with consent of the Rating Agencies and the Issuer) transfer its rights and obligations to another of its offices, branches or affiliates or any other person to avoid the relevant Tax Event.

The Swap Agreement will be terminable by one party if – *inter alia* – (i) an event of default occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Swap Agreement or (iii) an Enforcement Notice is served. Events of default in relation to the Issuer will be limited to (i) non-payment under the Swap Agreement, (ii) a merger or similar transaction with another entity or person without assumption of the Issuer's obligations under the Swap Agreement and (iii) insolvency events. The Swap Agreement will terminate on the earlier of the Final Maturity Date and the date on which the Notes (excluding the Subordinated Class D Notes) have been redeemed or written-off in full in accordance with the Conditions.

The Swap Agreement provides that if the Swap Counterparty fails to make, when due, any payment to the Issuer under the Swap Agreement, the Swap Agreement will be novated to the Swap Guarantor. See further *Credit Structure* below.

Legal merger of the Seller and Originators

General

On 1 September 2000 Woonfonds Nederland B.V. (an indirect subsidiary of Achmea Hypotheekbank) and certain other entities have legally merged ("*juridisch gefuseerd*") into Centraal Beheer Hypotheken B.V., and Centraal Beheer Hypotheken B.V., Avéro Hypotheken B.V. and FBTO Hypotheken B.V. and certain other entities have legally merged ("*juridisch gefuseerd*") into Achmea Hypotheekbank. As a result of these legal mergers the Originators ceased to exist and Achmea Hypotheekbank remained as the surviving entity. In the case of a legal merger ("*juridische fusie*") all rights and obligations of the disappearing entity (the "*transferor*") pass on to the acquiring or surviving entity (the "transferee") by operation of law (Section 2:309 Dutch Civil Code ("DCC")). Exceptions to this general principle can exist as a result, *inter alia*, of statutory restrictions, the intention of the transferor and its contracting parties or the nature of the relationship between the transferor and such parties.

As a result of the legal mergers of Woonfonds Nederland B.V. into Centraal Beheer Hypotheken B.V. and Centraal Beheer Hypotheken B.V., Avéro Hypotheken B.V. and FBTO Hypotheken B.V. into Achmea Hypotheekbank, all rights and obligations between each of the Originators and the Borrowers in relation to the Mortgage Loans, the mortgage rights securing the Mortgage Receivables, the borrower pledges and the rights of the Originators as beneficiaries under Insurance Policies will have passed on to Achmea Hypotheekbank, as set out in and subject to the paragraphs below.

Mortgages and borrower pledges

The Issuer has been advised that as a result of the legal mergers described above, all rights and obligations of the Originators under the Mortgage Loans, the mortgage rights securing the Mortgage Receivables and borrower pledges have passed on to Achmea Hypotheekbank subject to the following two paragraphs.

In respect of Bank Mortgages and Credit Mortgages, there is case law of the Dutch Supreme Court that a security right under a Bank Mortgage or Credit Mortgage will not always transfer to an assignee in the case of a specific assignment ("*overgang onder bijzondere titel*"). The foregoing applies *mutatis mutandis* to borrower pledges that secure the same liabilities as the Bank Mortgages and Credit Mortgages ("Bank Pledges" and "Credit Pledges" respectively). However, although there is no express decision of the Dutch Supreme Court in respect thereof in the case of a transfer by operation of law ("*overgang onder algemene titel*") such as in the event of a legal merger, the Issuer has been advised that it is highly unlikely that the security rights of each Originator under a Bank Mortgage, a Credit Mortgage, a Bank Pledge or a Credit Pledge to the extent that such Bank Mortgage, Credit Mortgage, Bank Pledge or Credit Pledge secured receivables of the Originator against its Borrowers that existed at the time of the legal mergers, have not passed on to Achmea Hypotheekbank, subject to the possible exceptions mentioned in the following paragraph.

Upon a legal merger and the passing on of a mortgage receivable to a transferee, the mortgage right or right of pledge may not pass to the transferee in the special circumstance that the mortgage right or right of pledge was created with the view of granting such right only to the relevant transferor, in this case an Originator. In order to make the determination whether this special circumstance would exist, a Dutch court would primarily look at the text of the mortgage deed and, if applicable the deed of pledge, but would also take other facts into consideration. The Issuer has been advised that the chances that a Borrower will be successful in demonstrating that the mortgage right or right of pledge has not passed on to Achmea Hypotheekbank as transferee of mortgage receivables which are secured by such mortgage right or right of pledge, following the legal mergers as a result of the right having been granted only to the relevant Originator are remote where the agreements entered into consist only of the standard mortgage documentation used by the Originators.

Insurance Policies

Some legal authors hold the view that rights with a strictly personal character do not pass on to a transferee in case of a legal merger. It has been argued that the right of a beneficiary under an insurance policy could constitute a personal right and would not pass on to a transferee. However, reasonable arguments can be made, that the appointment by the Borrower of an Originator as a beneficiary under a Savings Insurance Policy issued under standard documentation of the Participant has occurred solely to provide for a repayment at maturity of all or part of the loan made to the Borrower with proceeds of the Savings Insurance Policy of the Borrower. The Issuer has been advised that, based on such arguments, it is highly unlikely that a Dutch court would come to the conclusion that the rights of the Originators as beneficiaries under the Savings Insurance Policies granted to the Originators by Borrowers in connection with the mortgage loans made by the Originators to those Borrowers would not have passed on to Achmea Hypotheekbank upon the legal mergers of Woonfonds Nederland B.V. into Centraal Beheer Hypotheken B.V. and Centraal Beheer Hypotheken B.V., Avéro Hypotheken B.V. and FBTO Hypotheken B.V. into Achmea Hypotheekbank being effected. The Issuer has been advised that the same applies in respect of the Life Insurance Policies.

In respect of the legal merger of Centraal Beheer Levensverzekering N.V. and FBTO Levensverzekeringen N.V. into Achmea Pensioen- en Levensverzekeringen N.V. and the legal merger of Avéro Levensverzekeringen N.V. into Achmea Pensioen- en Levensverzekeringen N.V. and the ensuing transfer of the rights and obligations of Centraal Beheer Levensverzekering N.V., FBTO Levensverzekeringen N.V. and Avéro Levensverzekeringen N.V under the Savings Insurance Policies, the Issuer has been advised that such rights and obligations have passed on to the transferee, Achmea Pensioen- en Levensverzekeringen N.V., upon such legal merger having been effected, except for such rights and obligations that may not pass on as a result, *inter alia*, of the intentions of the transferor

and its contracting parties or the nature of the relationship between the transferor and such parties. However, based on the text of the Savings Insurance Policies, the Issuer has been advised that it is highly unlikely that any such rights and obligations under the Savings Insurance Policies would not have passed as a result of the intentions of the transferor and its contracting parties or the nature of the relationship between the transferor and such parties.

Prepayment Considerations

The maturity of the Notes of each Class will depend on, *inter alia*, the amount and timing of payment of principal (including full and partial prepayments) on the Mortgage Loans. The average maturity of the Notes may be adversely affected by a higher or lower than anticipated rate of prepayments on the Mortgage Loans. The rate of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax law (including but not limited to amendments to mortgage interest tax deductibility), local and regional economic conditions and changes in Borrower's behaviour (including but not limited to home-owner mobility). No guarantee can be given as to the level of prepayment that the Mortgage Loans may experience, and variation in the rate of prepayments of principal of the Mortgage Loans may affect each Class of Notes differently.

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

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

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

Furthermore, the "**BB**" rating by S&P of the Subordinated Class D Notes addresses the ultimate repayment of principal and interest.

Payments on the Mortgage Loans

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

Risks of Losses associated with declining values of mortgaged assets

The security for the Notes created under the Deed of Surety, and (indirect by) the Trustee Pledge Agreement I may be affected by, among other things, a decline in the value of those assets subject to the relevant mortgage rights. 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 Mortgage Loans. A decline in value may result in losses to the Noteholders if such security is required to be enforced.

Reduced value of investments

If the value of the investments under the Life Mortgage Loans has reduced considerably, a Borrower may invoke set-off or defences against the Issuer arguing that he has not been properly informed of the risks involved in the investments. The merits of any such claim will, to a large extent, depend on the manner in which the Life Mortgage Loans have been marketed and the promotional material provided to the Borrower.

Maturity Risk

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

Reliance on Third Parties

Counterparties to the Issuer may not perform their obligations under the Relevant Documents (as defined in the Conditions), which may result in the Issuer not being able to meet its obligations. It should be noted that there is a risk that (a) Achmea Hypotheekbank in its capacity of Seller and Issuer Administrator, the Pool Servicer and the Swap Counterparty will not meet its obligations *vis-à-vis* the Issuer under the Administration Agreement and the Swap Agreement, (b) Rabobank Nederland as the Floating Rate GIC Provider, the Liquidity Facility Provider and Rabobank International as the Swap Guarantor will not perform their respective obligations under the Floating Rate GIC, the Liquidity Facility Agreement and the Swap Agreement, (c) Deutsche Bank AG London as the Principal Paying Agent and Reference Agent and Deutsche Bank AG Amsterdam Branch as the Paying Agent will not perform their respective obligations under the Paying Agency Agreement, (d) the Participant will not perform its obligations under the Sub-Participation Agreement and (e) the Directors will not perform their obligations under the relevant Management Agreements.

No Gross-up for Taxes

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

Forecasts and Estimates

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

Limited Liquidity of the Notes

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

Optional Redemption

Notwithstanding the increase in the margin payable in respect of the floating rate of interest on the Notes on and from the first Optional Redemption Date no guarantee can be given that the Issuer will actually exercise its right to redeem the Notes on any Optional Redemption Date. The exercise of such right will, *inter alia*, depend on the Issuer having sufficient funds available to redeem the Notes, for example arising from a sale of Mortgage Receivables still outstanding at that time.

CREDIT STRUCTURE

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

Mortgage Loan Interest Rates

The interest rate of each Mortgage Loan is either fixed, subject to a reset from time to time, or variable. On the Closing Date the weighted average interest rate of the Mortgage Loans is expected to be 4.91 per cent. Interest rates vary between individual Mortgage Loans. The range of interest rates is described further in *Description of the Mortgage Loans* below.

Cash Collection Arrangements

Payments by the Borrowers under the Mortgage Loans are due on the last day of each calendar month, interest being payable in arrear. All payments made by Borrowers will be paid into collection accounts in the name of the Seller (the "**Seller Collection Accounts**"). The Seller Collection Accounts will also be used for the collection of moneys paid in respect of mortgages other than Mortgage Loans and in respect of other moneys belonging to the Seller.

If the rating of the long-term, unsecured and unguaranteed debt obligations of the Seller or any of the banks where the Seller Collection Accounts are held falls below 'A-' by S&P (the "**Required Minimum Rating**"), then the Seller will, to maintain the then current rating assigned to the Notes, either: (i) ensure that payments to be made in respect of amounts received on the Seller Collection Accounts relating to the Mortgage Receivables will be guaranteed by a party having at least the Required Minimum Rating; or (ii) implement any other actions agreed at that time with S&P and Moody's.

On each Mortgage Payment Date (being the 12th day of each calendar month or if this is not a business day the next succeeding business day) all amounts of principal, interest (including penalty interest) and prepayment penalties received by the Seller during the immediately preceding Mortgage Calculation Period, in respect of the Mortgage Loans will be transferred by the Seller or the Pool Servicer on its behalf, in accordance with the Administration Agreement, to the Master Collection Account.

For these purposes a "**Mortgage Calculation Period**" is the period commencing on (and including) 6th day of a calendar month and ending on (and including) the 5th day of the next calendar month except for the first Mortgage Calculation Period which will commence on (and include) 1 December 2003 and end on (and include) 5 January 2004.

Master Collection Account

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

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

The Issuer will also maintain with the Floating Rate GIC Provider the Reserve Account, the Liquidity Facility Account and the Liquidity Facility Stand-by Account (see below).

If on any Mortgage Payment Date the aggregate balance standing to the credit of the Master Collection Account, the Liquidity Facility Stand-by Account and the Reserve Account is higher than twenty (20) per cent. of the aggregate Principal Amount Outstanding of the Notes on such Mortgage Payment Date (the "**Excess Balance**"), the Issuer shall, or the Issuer shall procure that the Issuer Administrator on its behalf shall, immediately transfer the Excess Balance to an account in the name of the Issuer with an alternative bank with a minimum rating of A-1+ by S&P. If (i) 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 Prime-1 by Moody's or 'A-1' by S&P or such rating is withdrawn by Moody's or S&P or (ii) if the amount standing to the credit of the Master Collection Account exceeds euro 50,000,000 on the first day of a Floating Rate Interest Period and the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Floating Rate GIC Provider are

assigned a rating less than Aa3 by Moody's or such rating is withdrawn, the Floating Rate GIC Provider will use its best efforts within thirty (30) days of any such event (a) to obtain a third party, having at least the required minimum rating to guarantee the obligations of the Floating Rate GIC Provider or (b) to find an alternative Floating Rate GIC Provider acceptable to Moody's and S&P and the Security Trustee or (c) to find any other solution acceptable to Moody's or S&P to maintain the then current ratings assigned to the Notes.

Priority of Payments in respect of interest

The "**Notes Interest Available Amount**" means, on each Quarterly Payment Date, the amount calculated by the Issuer Administrator at the relevant Quarterly Calculation Date (as defined in Condition 6 (c)) as being received during the Quarterly Calculation Period (as defined in Condition 6 (c)) immediately preceding such Quarterly Calculation Date, as being:

(i) interest on the Mortgage Receivables less, with respect to each Savings Mortgage Receivable, an amount calculated as follows: R x P/SMR whereby R = the interest received on such Savings Mortgage Receivable, P = Participation in such Savings Mortgage Receivable and SMR = the principal amount due on such Savings Mortgage Receivable (P/SMR being the "**Participation Fraction**");

(ii) interest received on the Transaction Accounts;

(iii) prepayment and interest penalties under the Mortgage Receivables;

(iv) the 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 Mortgage Receivable, an amount equal to such amount received multiplied by the Participation Fraction;

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

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

(vii) amounts to be received from the Swap Counterparty under the Swap Agreement on the immediately succeeding Quarterly Payment Date, if any;

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

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

(x) amounts received as post-foreclosure proceeds; and

(xi) any (remaining) amounts standing to the credit of the Master Collection Account.

Prior to the delivery of an Enforcement Notice to the Issuer by the Security Trustee, the Issuer will, on each Quarterly Payment Date apply the Notes Interest Available Amount to make the following payments in the following order of priority (in each case only if and to the extent that payments of a higher order of priority have been made in full) (the "**Interest Priority of Payments**"), save for payments in respect of item (e) of the Interest Priority of Payments, to the extent such payments are due and payable under the Confirmation relating to the Swap Agreement and this excluding any Settlement Amount (as defined on the Swap Agreement) which will be made subject to and in accordance with the Interest Priority of Payments three business days prior to the relevant Quarterly Payment Date:

(a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of the fees or other remuneration due and payable to the Directors in connection with the Management Agreements and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Relevant Documents (as defined in Condition 3);

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

(c) *third*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, (i) of any amounts due and payable to third parties under obligations incurred in the Issuer's business (other than under the Relevant Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax, fees and expenses of Moody's and S&P, any legal advisor, auditor and accountant appointed by the Issuer and/or, as the case may be, the Security Trustee and (ii) fees and expenses due to (a) the Paying Agents and the Reference Agent under the Paying Agency Agreement, (b) the Liquidity Facility Commitment Fee under the Liquidity Facility Agreement, (c) the Swap Guarantor under the Swap Agreement and (d) the Floating Rate GIC Provider under the Floating Rate GIC;

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

(e) *fifth*, in or towards satisfaction of amounts, if any, due but unpaid under the Swap Agreement including a Settlement Amount (as defined therein) but except for any termination payment due or payable as a result of the occurrence of an event of default (as defined therein) where the Swap Counterparty and/or Swap Guarantor, as the case may be, is the defaulting party or, an Additional Termination Event (as defined therein) relating to the credit rating of the Swap Guarantor;

(f) *sixth*, in or towards satisfaction of interest due on the Senior Class A Notes;

(g) *seventh* in or towards making good any shortfall reflected in the Class A Principal Deficiency Ledger (defined below) until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to zero;

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

(i) *ninth*, in or towards making good any shortfall reflected in the Class B Principal Deficiency Ledger (defined below) until the debit balance, if any, on the Class B Principal Deficiency Ledger is reduced to zero;

(j) *tenth*, in or towards satisfaction of interest due or accrued but unpaid on the Junior Class C Notes;

(k) *eleventh*, in or towards making good any shortfall reflected in the Class C Principal Deficiency Ledger (defined below) until the debit balance, if any, on the Class C Principal Deficiency Ledger is reduced to zero;

(l) *twelfth*, in or towards satisfaction of interest due or accrued but unpaid on the Subordinated Class D Notes;

(m) *thirteenth*, in or towards satisfaction of any sums required to be deposited on the Reserve Account or, as the case may be, to replenish the Reserve Account up to the amount of the Reserve Account Required Amount (defined below);

(n) *fourteenth*, on each Optional Redemption Date in or towards satisfaction of principal due on the Subordinated Class D Notes;

(o) *fifteenth*, in or towards satisfaction of any amounts payable under the terms of the Swap Agreement which is not covered in item (e);

(p) *sixteenth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of gross-up amounts or additional amounts due, if any, to the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement; and

(q) *seventeenth*, in or towards satisfaction of a Deferred Purchase Price Instalment (as defined in *Mortgage Receivables Purchase Agreement* below) to the Seller.

Priority of Payments in respect of principal

The "**Notes Redemption Available Amount**" means, on a Quarterly Payment Date, the amount calculated by the Issuer Administrator on the immediately preceding Quarterly Calculation Date as being received or held during the immediately preceding Quarterly Calculation Period:

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

(ii) the Net Proceeds (as defined in Condition 6(c)) on any Mortgage Receivable to the extent such proceeds relate to principal less, with respect to each Savings Mortgage Receivable, the Participation in such Savings Mortgage Receivable;

(iii) amounts to be received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivable Purchase Agreement to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable, the Participation in such Savings Mortgage Receivable;

(iv) amounts to be received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal 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 Mortgage Receivable, the Participation in such Savings Mortgage Receivable;

(v) amounts to be credited to the Principal Deficiency Ledgers on the immediately succeeding Quarterly Payment Date in accordance with the Administration Agreement and items (g), (i) and (k) of the Interest Priority of Payments;

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

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

(viii) any part of the Notes Redemption Available Amount calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards satisfaction of any of the items set out in the Principal Priority of Payments on the immediately preceding Quarterly Payment Date.

Prior to the delivery of an Enforcement Notice by the Security Trustee, the Issuer will, on each Quarterly Payment Date apply the Notes Redemption Available Amount to make the following payments in the following order of priority (in each case only if and to the extent that payments of a higher order of priority have been made in full) (the "**Principal Priority of Payments**"):

(a) *firstly*, to the holders of the Senior Class A Notes, until the Senior Class A Notes are fully redeemed,

(b) *secondly*, to the holders of the Mezzanine Class B Notes, until the Mezzanine Class B Notes are fully redeemed; and

(c) *thirdly*, to the holders of the Junior Class C Notes, until the Junior Class C Notes are fully redeemed.

Priority of Payments upon Enforcement

Following delivery of an Enforcement Notice any amounts payable by the Security Trustee under the Deed of Surety other than in respect of the Participations held by the Participant will be paid to the Secured Parties (including the Noteholders but excluding the Participant) in the following order of priority (after deduction of costs incurred by the Security Trustee, which will include – *inter alia* – fees and expenses of Moody's and S&P and any legal adviser, accountant or auditor appointed by the Security Trustee) (and in each case only if and to the extent payments of a higher priority have been made in full) (the "**Priority of Payments upon Enforcement**"):

(a) *first, in or towards satisfaction, pro rata*, according to the respective amounts thereof, of (i) the fees or other remuneration due to the Directors (ii) the fees and expenses of the Paying Agents and the Reference Agent incurred under the provisions of the Paying Agency Agreement, (iii) the fees and expenses of the Issuer Administrator and the Pool Servicer under the Administration Agreement and (iv) the fees of the Swap Guarantor under the Swap Agreement;

(b) *second*, in or towards satisfaction of any sums due or accrued but unpaid under the Liquidity Facility Agreement, but excluding any gross-up amounts or additional amounts due under the Liquidity Facility Agreement payable under (l) below;

(c) *third*, 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 including any Settlement Amount (as defined therein) to be paid by the Issuer upon early termination of the Swap Agreement as determined in accordance with its terms but excluding any other costs to be paid by the Issuer on early termination payable under subparagraph (k) below;

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

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

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

(g) *seventh*, in or towards satisfaction of all amounts of interest due or accrued but unpaid in respect of the Junior Class C Notes;

(h) *eighth*, in or towards satisfaction of all amounts of principal and any other amount but unpaid in respect of the Junior Class C Notes;

(i) *ninth*, in or towards satisfaction of all amounts of interest due or accrued but unpaid in respect of the Subordinated Class D Notes;

(j) *tenth*, in or towards satisfaction of all amounts of principal and any other amount but unpaid in respect of the Subordinated Class D Notes;

(k) *eleventh*, to the Swap Counterparty in or towards payments of any amounts due under the Swap Agreement in respect of the Issuer's obligations in respect of the costs (other than a Settlement Amount) to be paid by the Issuer upon an early termination of the Swap Agreement, as determined in accordance with its terms;

(l) *twelfth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of gross-up amounts due, if any, to the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement; and

(m) *thirteenth*, in or towards satisfaction of the Deferred Purchase Price to the Seller.

Liquidity Facility

On the Closing Date, the Issuer will enter into the Liquidity Facility Agreement with the Liquidity Facility Provider. The Issuer will be entitled on any Quarterly Payment Date (other than on (i) a Quarterly Payment Date if and to the extent that on such date the Notes (other than the Subordinated Class D Notes) are redeemed in full or on (ii) the Final Maturity Date) to make drawings under the Liquidity Facility up to the Liquidity Facility Maximum Amount (as defined below). Any such drawing shall be credited to the Master Collection Account and debited from the "**Liquidity Facility Account**" with a corresponding credit to a ledger to be known as the "**Liquidity Facility Ledger**". The Liquidity Facility Agreement is for a term of 364 days. The commitment of the Liquidity Facility Provider is extendable at its option. Any drawing under the Liquidity Facility by the Issuer shall only be made on a Quarterly Payment Date if and to the extent that, after the application of amounts available in the Reserve Account and before any drawing under the Liquidity Facility, there is a shortfall in the Notes Interest Available Amount to meet items (a) to (j) (inclusive) (but not items (g) and (i)) in the Interest Priority of Payments in full on that Quarterly Payment Date provided that no drawing may be made to meet item (h) to the extent that, after application of the Notes Interest Available Amount, a debit balance would remain on the Class B Principal Deficiency Ledger and no drawing may be made to meet item (j) to the extent that, after application of the Notes Interest Available Amount, a debit balance would remain on the Class C Principal Deficiency Ledger. The Liquidity Facility Provider will rank in priority to payments and security to, *inter alia*, the Noteholders.

If, at any time, (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider are assigned a rating of less than Prime-1 by Moody's and/or A-1+ by S&P or such rating is withdrawn by Moody's and/or S&P and (ii) the Liquidity Facility Provider is not within thirty (30) days replaced by the Issuer with a suitably rated 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 Moody's and S&P is not found and (iii) the then current ratings assigned to the Notes are materially adversely affected as a result thereof, the Issuer will be

required forthwith to draw down the entirety of the undrawn portion of the Liquidity Facility (a "**Liquidity Facility Stand-By Drawing**") and credit such amount to an account with the Floating Rate GIC Provider (the "**Liquidity Facility Stand-by Account**") with a corresponding credit to a ledger to be known as the "**Liquidity Facility Stand-By Ledger**". Amounts so credited to the Liquidity Facility Stand-by Account may be utilised by the Issuer in the same manner as a drawing under the Liquidity Facility. A Liquidity Facility Stand-By Drawing shall also be made if the Liquidity Facility is not renewed following its commitment termination date.

For these purposes, "**Liquidity Facility Maximum Amount**" means, on any Quarterly Calculation Date the higher of (i) 2.00 per cent. of the aggregate Principal Amount Outstanding of the Notes, excluding the Subordinated Class D Notes, on such Quarterly Calculation Date and (ii) 0.50 per cent. of the aggregate Principal Outstanding Amount of the Notes, excluding the Subordinated Class D Notes on the Closing Date.

Reserve Account

The net proceeds of the issue of the Subordinated Class D Notes will be credited to the Reserve Account. Amounts credited to the Reserve Account will be available on any Quarterly Payment Date to meet items (a) to (l) (inclusive) of the Interest Priority of Payments, provided that no drawing for item (l) may be made to the extent that the balance standing to the credit of the Reserve Account is, or would fall below, an amount equal to 0.50 per cent. of the aggregate Principal Outstanding Amount of the Notes, excluding the Subordinated Class D Notes on the Closing Date as a result thereof.

If and to the extent that the Notes Interest Available Amount on any Quarterly Calculation Date exceeds the amounts required to meet items ranking higher than items (a) to (l) (inclusive) in the Interest Priority of Payments, the excess amount will be applied to replenish the Reserve Account up to the Reserve Account Required Amount. The "**Reserve Account Required Amount**" shall on any Quarterly Calculation Date be equal to (a) until the first Optional Redemption Date 0.80 per cent. of the aggregate Principal Outstanding Amount of the Notes, excluding the Subordinated Class D Notes on the Closing Date and (b) thereafter the higher of (i) 1.25 per cent. of the aggregate Principal Amount Outstanding of the Notes, other than the Subordinated Class D Notes, on the first day of the following Floating Rate Interest Period and (ii) 0.25 per cent. of the aggregate Principal Outstanding Amount of the Notes, excluding the Subordinated Class D Notes on the Closing Date and (c) zero on the Quarterly Payment Date on which the Notes, other than the Subordinated D Notes, have been or will be redeemed in full, subject to the Conditions. The Reserve Account Required Amount will only decrease if each of the following conditions are met:

(a) the Outstanding Principal Amount of all Mortgage Receivables which are in arrears for a period exceeding 60 days is equal or less than 1.25 per cent. of the aggregate principal amount of all Mortgage Receivables; and

(b) there is no debit balance on the Principal Deficiency Ledger prior to the application of the Notes Interest Available Amount on the relevant Quarterly Payment Date.

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

On the Quarterly Payment Date on which all amounts of principal due in respect of the Notes, except for the Subordinated Class D Notes, have been or will be paid, any amount standing to the credit of the Reserve Account will thereafter form part of the Notes Interest Available Amount and will be applied by the Issuer in or towards satisfaction of all items in the Interest Priority of Payments in accordance with the priority set out herein, including for redemption of principal of the Subordinated Class D Notes.

Principal Deficiency Ledger

A "**Principal Deficiency Ledger**" comprising three sub-ledgers, known as the "**Class A Principal Deficiency Ledger**", the "**Class B Principal Deficiency Ledger**" and the "**Class C Principal Deficiency Ledger**", respectively, will be established by or on behalf of the Issuer in order to record any Realised Losses on the Mortgage Receivables, including Realised Losses on the sale of Mortgage Receivables (each respectively the "**Class A Principal Deficiency**", the "**Class B Principal Deficiency**" and the "**Class C Principal Deficiency**", together a "**Principal Deficiency**"). Any Principal Deficiency shall be

debited to the Class C Principal Deficiency Ledger (such debit items being recredited, to the extent that payments are made, at item (k) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the aggregate Principal Amount Outstanding of the Junior Class C Notes (the "**Class C Principal Deficiency Limit**") and thereafter such amounts shall be debited to the Class B Principal Deficiency Ledger (such debit items being recredited, to the extent that payments are made, at item (i) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the aggregate Principal Amount Outstanding of the Mezzanine Class B Notes (the "**Class B Principal Deficiency Limit**") and thereafter such amounts shall be debited to the Class A Principal Deficiency Ledger (such debit items being recredited, to the extent that payments are made, at item (g) of the Interest Priority of Payments).

"**Realised Losses**" means, on any Quarterly Calculation Date, the sum of (I) the amount of the difference between (a) the aggregate Outstanding Principal Amount on all Mortgage Receivables on which the Seller, the Pool Servicer (on behalf of the Issuer or the Security Trustee), the Issuer or the Security Trustee has completed the Foreclosure Proceedings from Closing up to and including such Quarterly Calculation Date and (b) the sum of (i) the Net Proceeds on the Mortgage Receivable other than the Savings Mortgage Receivables; and (ii) the Net Proceeds on the Savings Mortgage Receivables less the Participation; and (II) with respect to Mortgage Receivables sold by the Issuer, the amount of the difference, if any, between (x) the aggregate Outstanding Principal Amount of such Mortgage Receivables and (y) the purchase price received in respect of such Mortgage Receivables to the extent relating to the principal less the relevant Participations.

Interest Rate Hedging

The Mortgage Loan Criteria (as defined under *Mortgage Receivables Purchase Agreement* below) require that all Mortgage Loans bear a floating rate of interest or a fixed rate of interest subject to a reset from time to time. The interest rate payable by the Issuer with respect to the Notes is calculated as a margin over Euribor. On the first Optional Redemption Date the margin on the Notes (excluding the Subordinated Class D Notes) will be reset and shall increase. The Issuer will hedge this interest rate exposure by entering into the Swap Agreement with the Swap Counterparty, the Security Trustee and the Swap Guarantor (such hedging excluding the Subordinated Class D Notes). Under the Swap Agreement, the Issuer will agree to pay three business days prior to each Quarterly Payment Date an amount (the "**Issuer Swap Payment**"), being the sum of:

(i) the aggregate amount of the interest on the Mortgage Receivables scheduled to be due during the relevant Quarterly Calculation Period less, with respect to interest receivable on each Savings Mortgage Receivable, an amount equal to such interest amount receivable multiplied by the Participation Fraction; and

(ii) any prepayment penalties received during the immediately preceding Quarterly Calculation Period; less

(iii) an excess margin (the "**Excess Margin**") of 0.35 per cent. per annum applied to the relevant Outstanding Principal Amount of the Mortgage Receivables on the first day of the relevant Quarterly Calculation Period; and less

(iv) certain expenses as described under (a), (b) and (c) of the Interest Priority of Payments.

The Swap Counterparty will agree to pay amounts equal to the scheduled interest due under the Notes, excluding the interest due under the Subordinated Class D Notes, and calculated by reference to the floating rate of interest applied to the Principal Amount Outstanding of the relevant Class of Notes, excluding the Subordinated Class D Notes, on the first day of the relevant Floating Rate Interest Period (the "**Swap Counterparty Payment**"). The notional amounts (the "**Notional Amounts**") under the Swap Agreement will, however, be reduced to the extent there is a debit balance on the Principal Deficiency Ledger.

If, on any Quarterly Payment Date, the sum of (i) all interest (excluding, for the avoidance of doubt, any prepayment penalties) actually received by the Issuer during the immediately preceding Quarterly Calculation Period, less with respect to interest received on each Savings Mortgage Receivable, an amount equal to such interest amount received multiplied by the Participation Fraction, (ii) any interest accrued on the Transaction Accounts and (iii) any amounts to be drawn under the Reserve Account, falls short of scheduled interest receivable on the Mortgage Receivables during the immediately preceding Quarterly Calculation Period less, with respect to interest receivable on each Savings Mortgage Receivable, an amount equal to such interest amount receivable multiplied by the Participation Fraction, the payment obligation of the Issuer will be reduced by an amount equal to

the lesser of (a) such shortfall and (b) the Issuer Swap Payment (the "**Adjustment**"). In such event the payment obligation of the Swap Counterparty will be reduced by the amount of the Adjustment on a euro for euro basis.

If the Swap Counterparty fails to make, when due, any payment to the Issuer under the Swap Agreement the Issuer shall promptly give notice thereof to the Swap Guarantor. Following such notice, the Swap Agreement shall be novated to the Swap Guarantor. Upon such novation (i) reference in this Offering Circular to the Swap Counterparty in respect of the Swap Agreement shall be a reference to the Swap Guarantor, (ii) the Swap Counterparty shall be released from all its rights and obligations under the Swap Agreement vis-a-vis the Issuer and (iii) the Swap Guarantor shall have assumed all its rights and obligations of the Swap Counterparty under the Swap Agreement.

Pursuant to the Swap Agreement, if, at any time, (i) the long-term, unsecured and unsubordinated debt obligations of the Swap Guarantor (or its successor) cease to be rated at least as high as 'A1' (or its equivalent) by Moody's or (ii) the short-term, unsecured and unsubordinated debt obligations of the Swap Guarantor (or its successor) cease to be rated at least as high as Prime-1 (or its equivalent) by Moody's (such ratings together the "**Moody's Required Ratings I**"), then the Swap Guarantor will, on a reasonable efforts basis and at its own cost attempt to:

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

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

(c) take such other action as the Swap Guarantor may agree with Moody's.

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

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

If any of (a), (b) or (c) are satisfied at any time, all collateral (or the equivalent thereof, as appropriate) transferred by the Swap Guarantor pursuant to (d) above will be re-transferred to the Swap Guarantor and the Swap Guarantor will not be required to transfer any additional collateral.

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

Pursuant to the Swap Agreement, if, at any time, (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Guarantor are assigned a rating of less than 'A-1' by S&P (the "**S&P Required Rating**"), or (ii) any such rating is withdrawn by S&P, then the Swap Guarantor will, on a best efforts basis, at its own cost, within thirty (30) days of such reduction or withdrawal of any such rating (i) transfer and assign its rights and obligations under the Swap Agreement to a third party having a rating at least as high as the S&P Required Rating; or (ii) enter into an agreement with a third party, having a rating at least as high as the S&P Required Rating, which party will guarantee or agree to become a co-obligor in respect of the obligations of the Swap Counterparty under the Swap Agreement; or (iii) provide credit support in a form and an amount sufficient to maintain the ratings of the Notes, other than the Subordinated Class D Notes, at the level which would have subsisted but for the then current rating of the Swap Counterparty, subject to confirmation in writing from S&P, or (iv) find any other solution acceptable to S&P to maintain the then current ratings assigned to the Notes, other than the Subordinated Class D Notes.

Transfer of obligations

The Swap Guarantor can transfer its obligations under the Swap Agreement to another entity or branch of equivalent rating within the consolidated Rabobank Group (whether as a result of a tax event or otherwise), subject to the prior approval of the rating agencies and the confirmation that this will not adversely affected the then current ratings of the Notes (other than the Subordinated Class D Notes). The costs (including the costs of the Issuer) of any such transfer are for the account of the Swap Guarantor.

THE DUTCH RESIDENTIAL MORTGAGE MARKET

Housing market

With a population of approximately 16 million inhabitants and a country measuring only 16,000 square miles the Netherlands are one of the world's most densely populated countries.

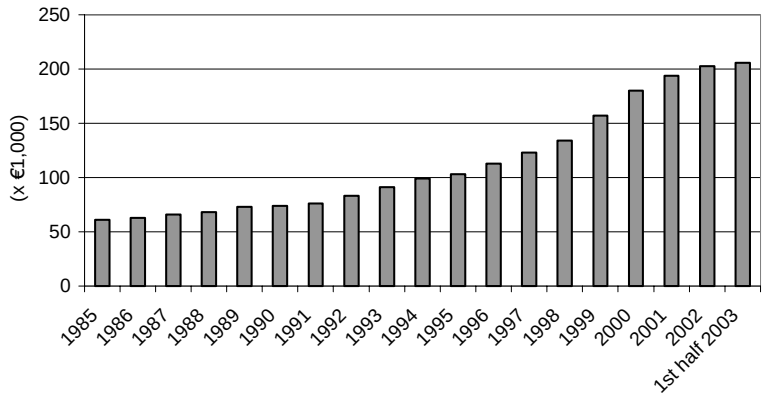
Historically the Netherlands have a relativity low level of owner occupancy. In the mid-1950s deduction of mortgage interest payments for income tax was introduced as an instrument to promote homeownership. Thanks to the positive effect of this instrument, homeownership has now risen to fifty four (54) per cent as is seen in the table below. Despite this development owner occupancy in the Netherlands still is significantly lower than the EU average of sixty four (64) per cent.

	Total dwelling Stock (in numbers)	**Owner occupied (in %)**
1947	2,126,000	28%
1956	2,567,000	29%
1964	3,072,000	34%
1971	3,787,000	35%
1977	4,480,000	41%
1982	4,957,000	42%
1986	5,384,000	43%
1990	5,802,000	45%
1994	6,116,000	48%
1995	6,191,900	48%
1996	6,276,000	49%
1997	6,357,600	50%
1998	6,440,500	51%
1999	6,522,400	52%
2000	6,589,700	52%
2001	6,649,000	53%
2002	6,709,000	54%

Source: VROM (Netherlands Ministry of Spatial Planning, Housing and Environment)

The Dutch housing market is relatively stable. After a recession during 1978-1982 property prices have steadily increased. Graphic 1 shows the yearly house price developments for the last seventeen (17) years. These figures are derived from the Dutch Association of Real Estate Agencies ("**NVM**"), which covers approximately sixty five (65) per cent of property sales in the Netherlands.

Dutch Property Price Developments



Source: NVM

Major price increases in the Netherlands housing market occurred in the 1997-2000 period, due to the combined effects of income growth and declining mortgage interest rates. Interest rates on mortgage loans have been relatively low in the last seven years. Find below a graph on the development of mortgage interest rates over the past twelve years.

Source: DNB (Dutch Central Bank)

Mortgage Loan market

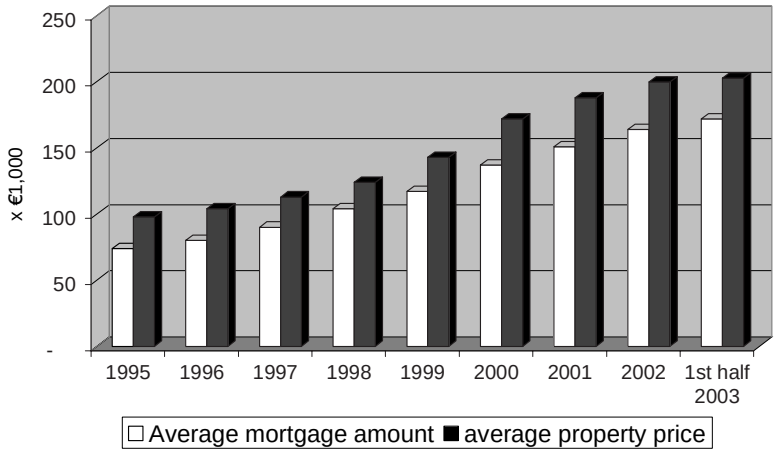
Coincide with the increase of property prices the Dutch mortgage market rose spectacularly from the mid to the late 1990s. In 2000 considerably less newly issued mortgages have been registered. This decrease mainly results from the fact that after 1999, house prices increases were lower and interest rates did not decline further. From 2001 up till now market growth is relatively stable. The table below illustrates the trends.

	Amount Newly issued (in EUR billions)	**Amount outstanding (EUR billions)**
1995	26	147
1996	38	167
1997	48	193
1998	60	219
1999	78	251
2000	70	285
2001	73	316
2002	82	350
1st half 2003	41	363

Source: CBS (Statistics Netherlands)

During the mortgage market peak period the average mortgage amount has increased significantly. As property price increased also, there is still overvalue available to back the outstanding mortgage debt as can be derived from the graph below.

Property price vs. average mortgage amount



Source: CBS

Characteristics of Dutch Mortgages

The most common mortgage types in the Netherlands are annuity, linear, interest only, savings, life and investment mortgages. Under the last three types of mortgages no principal is repaid during the term of the contract. Instead, the Borrower makes payments in a saving account, endowment insurance or investment fund. Upon maturity the loan is partly repaid with the money in the savings account, the insurance contract or the investment fund respectively available for redemption of such loan.

The Netherlands allow full deduction of mortgage interest payments for income tax. Condition to deductibility of interest in the Netherlands is owner occupancy of the property. In addition to this the period for allowed deductibility is restricted to a term of thirty (30) years.

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

The combination of an attractive fiscal regime, generally long periods of fixed interest rates and attractive repayment arrangements lead to advances of up to one hundred and twenty five (125) per cent. of the foreclosure value.

Prepayment rates in the Netherlands are relatively low, mainly due to prepayment penalties that are incorporated in the mortgage contracts. Prepayment penalties are generally calculated as the net present value of the interest loss to the lender upon prepayment. As other reason for low prepayment rates can be mentioned the relatively small number of relocations in the Netherlands for work-related reasons due to the small size of the country.

ACHMEA HOLDING N.V.

In this section entitled ''Achmea Holding N.V.'', references to ''Achmea'' and the ''Achmea Group'' are each to Achmea Holding N.V. and its subsidiaries.

Introduction

The Achmea Group consists of Achmea Holding N.V. and its subsidiaries. Achmea Holding N.V. was incorporated by deed of incorporation on 31 December 1991. Achmea Holding N.V. is a public company (''*naamloze vennootschap*'') incorporated under the laws of the Netherlands, to which the rules for large companies (''*structuurvennootschap*''), set out in Sections 158 to 164 inclusive of Book 2 of the Dutch Civil Code apply. The Articles of Association of Achmea Holding N.V. were most recently amended by deed of amendment on 7 March 2003. Achmea Holding N.V. is registered with the Trade Register at the Chamber of Commerce and Industry for Utrecht, registration number 30105155.

The Achmea Group was formed in 1995 as a result of the merger between the insurance groups AVCB (Avéro, Centraal Beheer) and the Zilveren Kruis Group. AVCB had previously added banking services to its principal areas of business with its acquisition of Staal Bankiers in 1994.

The Achmea Group offers businesses, institutions and consumers in Benelux a broad range of insurance, banking and mortgage products and accompanying services. Achmea also administers pension schemes, provides assistance at home and abroad and offers health and safety services, absenteeism prevention and reintegration services and services which encourage a healthy lifestyle. Above all, Achmea is noted for services which ''unburden'' its customers.

Achmea boasts an important market position in Life (including Pensions) and Occupational Health and is market leader in Health and Non-Life in 2002. Achmea makes use of all the important traditional and new distribution channels: personal selling, telephone selling, the employer-employee channel, agents, banks and, to a strongly increasing extent, the internet.

Achmea Holding N.V. is not a credit institution subject to supervision by the Dutch Central Bank (*De Nederlandsche Bank N.V.*), pursuant to the Netherlands Act on the Supervision of the Credit System 1992 (''*Wet toezicht kredietwezen 1992*'' or ''*Wtk*'').

Organisation and ownership

The eight Achmea Business Units all develop their own core activities and operate under their own brand names. The group entities are increasingly sharing the expertise of joint support departments and mid and back-offices. The management boards of the Achmea Business Units are responsible not only for the results of their own business unit but also for achieving the objectives of Achmea as a whole.

Achmea and Eureko

Eureko B.V. holds 91.1 per cent. of the shares in the outstanding share capital of Achmea Holding N.V., a financial services provider operating in nine European Countries. Eureko's core activities are insurance and asset management. The main components of Eureko are: Achmea, F&C (an asset manager with its headquarters in the United Kingdom), Friends First in Ireland, Interamerican Hellenic Life (the largest life insurer on the Greek market), Império France and Union (Slovakia). Together with its partner in the consortium, Bank Millennium S.A. (formerly Big Bank Gdanski), Eureko also has a strategic investment of 30 per cent. in PZU, Poland's leading life and non-life insurer. Eureko aims to expand its insurance and asset management activities on its current European markets and tackle new markets which fits its development strategy. In December 2002, Banco Comercial Português, Eureko's second largest shareholder, reduced its involvement in Eureko. Vereniging Achmea is now the largest shareholder in Eureko B.V. (77.2 per cent.) and Achmea is by far the largest subsidiary of Eureko. This prompted Eureko and Achmea to examine how their respective management structures and holding organisations could be more efficiently structured, the aim being to combine and streamline activities and to cut costs.

In February 2003, the Achmea Group announced a proposed new governance structure, implementing a combined two-tier Executive and Supervisory structure for Eureko B.V. and Achmea Holding N.V. The composition of the two Boards is:

Executive Board:

G.J. Swalef, chairman
E.R. Jansen, vice chairman (with responsibility for business outside Benelux)
P. F.M. Overmars, vice chairman (Chief Executive Officer of Achmea, with responsibility for Benelux)
G.H.J. van Arkel
M.W. Dijkshoorn (Chief Operating Officer Achmea)
J. Medlock
G. van Olphen (Chief Financial Officer)
L.J. Pruis

Supervisory Board:

J. de Veer (chairman)
J.M. Jardim Gonçalves (vice chairman)
A.H.C.M. Walravens (vice chairman)
D. Contominas
T.J. Koek
A. Lauper
E.A.J. van de Merwe
F. Moerman
J. Nijland
L.G.L.M. Poell
H.J. Slijkhuis
B.J. van der Weg
P. Wijnmaalen
B.Y. Yntema

Eureko and Rabobank

On 17 September 2003, the Eureko Group and the Rabobank Group announced that they have begun exploratory discussions to develop some form of co-operation. The intention is to conclude these talks before the end of 2003.

Financial highlights Achmea

	2002	2001
	(x € million)	
Income statement		
Ordinary result before tax	(832)	277
Result after tax	(668)	538
Insurance		
Total gross premiums written	4,316	4,025
Gross premium income Life	1,794	1,845
Gross premium income Non-Life	1,080	895
Gross premium income Health	1,443	1,284
Investment income	(183)	1,086
Ordinary result before tax – insurance	(404)	223
Technical results Life	187	15
Technical results Non-Life	67	45
Technical results Health	43	6
Non-technical result – insurance	(700)	157
Banking		
Net interest margin	181	145
Ordinary result before tax	8	3
Balance sheet		
Total assets	40,642	40,136
Investments	20,607	21,783
Banking credit portfolio	16,327	14,308
Technical provisions	14,705	13,694
Group equity	2,516	3,584
Key indicators		
Embedded value	2,063	2,742
Income*	5,745	6,731
Number of employees in FTEs (average)	11,669	10,930
National health insurance funds		
Net earned premiums	2,583	2,393
Number of employees in FTEs (average)	1,561	1,597

*Income is defined as the total of gross premiums written, investment income (before deduction of investment expenses), banking income and other income, excluding those items included in other income that do not have the character of income.

Capitalisation of Achmea Holding N.V.

The authorised share capital of Achmea is 5,009,000,000 shares divided into 1,935,000,000 ordinary shares, 2,754,950,000 cumulative preference shares and 319,050,000 preference shares, each with a nominal value of 1 euro. All issued shares have been fully paid up. The issued share capital of Achmea is 1,009,961,468 shares divided into 919,791,266 ordinary shares, 454 cumulative preference shares and 90,169,748 preference shares. The following table sets out the capitalisation and indebtedness of Achmea as at 31 December 2002 and is derived from the audited consolidated financial statements of Achmea as at 31 December 2002. There has been no material change in the capitalisation or indebtedness of Achmea since 31 December 2002.

	As at 31 December 2002
	(in millions of euro)
Shareholders' equity	2,510.9
Minority interest	4.8
Fund for general banking risks	44.9
Total capital base	2,560.6

ACHMEA HYPOTHEEKBANK N.V.

Profile

Achmea Hypotheekbank was incorporated on 16 June 1995 with the purpose of collectively attracting funding on the capital and money markets to fund the mortgage portfolios of the mortgage companies of the Achmea Group. Until the legal merger as of 1 September 2000 the mortgage companies of which each have granted loans under its own name were the following:

- Avéro Hypotheken B.V.
- FBTO Hypotheken B.V.
- Centraal Beheer Hypotheken B.V.
- Centraal Beheer Woninghypotheken B.V.
- Woonfonds Holland B.V.
- Woonfonds Nederland B.V.
- Zilveren Kruis Hypotheken B.V.

Since the legal merger, Achmea Hypotheekbank issues mortgage loans under several (insurance) brand names to private individuals in the Netherlands. There have been two methods: direct writing (Centraal Beheer Achmea; FBTO; Zilveren Kruis Achmea) and through an intermediary (Avéro Achmea; Woonfonds Hypotheken). The mortgage business of Achmea Hypotheekbank is linked with the other activities of the Achmea Group, especially the life insurance and the investment funds business. In principle, mortgages are provided for residential property only. Furthermore, it is envisaged that Achmea Hypotheekbank will merge with its sole subsidiary Woonfonds Holland B.V. in December 2003.

The total mortgage-portfolio of Achmea Hypotheekbank expanded from euro 4.2 billion at the end of 1995 to euro 11.8 billion per 30 June 2003. The funding of Achmea Hypotheekbank in 1995 depended fully on private placements with mostly Dutch institutional investors. Nowadays Achmea Hypotheekbank taps the Euromarket with private and public loans under its own MTN-programme. Achmea Hypotheekbank issues debt instruments secured by a pledge of mortgage receivables under a trust agreement entered into by Achmea Hypotheekbank, with Stichting Trust Achmea Hypotheekbank as most recently amended on 2nd November 2000 (the "**Trust Agreement**"). The portfolio subject to the Trust Agreement or pledged for the benefit of other financing parties amounted to euro 8,4 billion as at 30 June 2003. In 1999 the first private securitisation of euro 0.2 billion was completed. Securitisation as at mid 2003 totals over euro 2.7 billion. Profits in the last five years varied from euro 22 million over the year 1998, via euro 11 million in 2001 to euro 20 million in 2002. The unaudited result in the first half year of 2003 was euro 12 million.

The BIS-ratio as at 30 June 2003 was 10.7 per cent.

Shareholders' equity

The authorised share capital of Achmea Hypotheekbank is euro 90,756,040, divided into 200,000 shares with a nominal value of euro 453.78 each. 40,001 shares were fully paid up and called up as at 30 June 2003 and held by Achmea Bank Holding N.V.. The share premium account as at 30 June 2003 amounts to euro 164,206,000.

Management

The articles of association of Achmea Hypotheekbank provide for management to be carried out by a Board of Managing Directors under the supervision of a Board of Supervisory Directors. Day-to-day policies are the responsibility of the Board of Managing Directors.

Board of Managing Directors

E.A.J. van der Merwe (chairman a.i.)
H.W. te Beest
P.F.C. Göbel

Board of Supervisory Directors

J. Medlock (chairman)
G. van Olphen
L.J. Pruis

Key Figures 1998 – 1st half 2003

	2003 1st half*	2002	2001	2000	1999	1998
			(in millions of Euro)			
Balance sheet total	12,747	12,729	11,154	10,267	9,804	7,890
Mortgage loan portfolio	11,750	11,281	10,309	9,524	8,616	7,300
Group capital base	522	538	493	439	424	351
Total income	39	81	63	65	87	77
Operating expenses.....	23	50	48	44	50	39
Value adjustments to receivables	—	1	—	(2)	—	4
Net profit.....	12	20	11	15	24	22
BIS-ratio.....	10.7%	10.4%	10.8%	11.7%	10.6%	10.6%

*unaudited

Mortgage activities

The history of the mortgage activities of the Achmea Group goes back to the early 1970's (Woonfonds) and 1980's (Centraal Beheer). For the insurance business the cross-selling opportunities are numerous when selling mortgages to private individuals. Compared to the market in the Netherlands the acceptance criteria of the mortgage companies of the Achmea Group are of average or even conservative standards. The loan losses of Achmea Hypotheekbank in the last five years totalled euro 710,000, less than 0.25 basis points annually on the average portfolio.

DESCRIPTION OF THE MORTGAGE LOANS

The Mortgage Receivables to be sold and assigned on the Closing Date to the Issuer are any and all rights (whether actual or contingent) of the Seller against any Borrower under or in connection with any Mortgage Loans selected by agreement between the Seller and the Issuer.

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

The Mortgage Loans have been selected in accordance with the Mortgage Loan Criteria as set out in Mortgage Receivables Purchase Agreement. All of the Mortgage Loans were originated by the Originators and the Seller between 1995 and 2003.

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

Repayment types

Achmea Hypotheekbank offers a selection of mortgage products. The pool contains five distinguishable repayment types: interest only, annuity, linear, traditional life/unit linked mortgage and savings mortgage.

The following types of repayment are involved in the transaction.

Interest-only mortgage

In the case of an interest-only mortgage, the customer does not repay the capital during the term. The customer pays interest only and repays the capital in a lump sum at the end of the term.

Annuity mortgage

With the annuity mortgage, the customer pays a fixed monthly amount for the entire fixed-interest period. This amount is made up of interest and capital repayment. To begin with, the customer pays chiefly interest and repays only a small amount of the capital. As the term of the mortgage progresses, the interest portion becomes smaller and the capital repayment portion larger. At the end of the term, the mortgage is repaid in full.

Linear mortgage

In the case of a straight-line mortgage, the customer repays a fixed amount of the mortgage each month. The customer pays interest on the balance of the loan monthly. At the end of the term, the mortgage loan is repaid in full.

Traditional life/unit linked mortgage (external insurance policy)

In the case of a traditional life/unit linked mortgage the customer does not repay any capital during the term of the mortgage. Instead, the customer pays a monthly insurance-based premium. The premium for the insurance-based scheme consists of two elements: (i) an element to cover the risk of death and (ii) an element to be invested in an investment fund (i.e. bonds, shares). The proceeds of the policy is meant to be applied towards redemption, whether partially or fully, of the mortgage loan at the end of the term. The life insurance company has to be based in the Netherlands.

Savings mortgage

In the case of a savings mortgage, the customer does not repay any capital during the term of the mortgage. Instead, he/she pays a monthly insurance-based premium. The insurance policy ensures that the mortgage is repaid at the end of the term. If the customer dies during the term of the loan, the mortgage is repaid in full or in part by means of an endowment insurance policy.

The premium for the insurance-based scheme consists of two elements: (i) an element to cover the risk of death and (ii) a savings element. The interest rate the customer pays on the mortgage is the same as the interest rate paid on the savings element.

In case of all repayment types the costumer is obligated to take out a life insurance for the part of the loan above eighty (80) per cent. or ninety (90) per cent. of the foreclosure value.

Interest types

Achmea Hypotheekbank offers a number of different types of interest as summarised below.

Floating rate (''Flexi- or Profirente'')

The floating interest rate is fixed for one calendar quarter. The interest rate can be changed on the first day of a calendar quarter in line with the prevailing daily interest rate. The customer can switch to a longer fixed-interest period during the quarter without incurring a penalty.

Starter interest rate (''WAF or opstaprente'')

There are three types of starter interest rate: three-month, one-year and two-year. With these types of interest rate, if there is an interest rate rise, the customer is given the option of choosing a longer fixed-interest period within a response time of five days. If the costumer has not chosen another interest period at the end of the fixed period, he is allowed to choose another starter interest rate.

Fixed interest (''Vaste- or TRAM rente'')

The customer pays the same interest rate throughout the fixed-interest period. The fixed-interest periods are available in terms of one year to thirty (30) years. For terms longer than three years, it is possible to change the term, subject to certain conditions, by means of interest rate averaging. In the case of the one-year interest rate, there is a scenario which allows the customer to switch to a longer fixed-interest period during the term, as is the case for the quarterly variable interest rate.

Transitional interest rate (''Rentegewenningsrente'')

The fixed-interest period lasts for a total of ten (10) years. With this type of interest rate, the customer pays an increasing rate of interest for the first three years. In the fourth to the tenth year, the customer pays the same interest rate. In the first year, the interest rate is 1.5 per cent. lower than in the fourth to the seventh year. In the second and third year, the rate is 1.0 per cent. and 0.5 per cent. lower respectively.

Bandwidth interest rate (''Component- or Renteperfectrente'')

In the case of a bandwidth interest rate, a contracted rate of interest is agreed for a certain term. The customer pays this rate of interest in the first year. In addition to the contracted rate of interest, an upper and a lower limit is set, which we refer to as the bandwidth. Every year, the contracted rate of interest is checked against the prevailing rate of interest. The contracted rate is amended only if the prevailing rate of interest goes above or below the agreed bandwidth. As long as the current bandwidth interest rate remains within the bandwidth, nothing changes. If the bandwidth interest rate is above the limit when it is checked, only the excess is added to the contracted rate of interest. Conversely, the same principle applies, i.e. the amount below the lower limit is deducted from the contracted rate of interest. If the bandwidth interest rate is back in the bandwidth again at the time of the annual check, the original contracted interest rate will be charged.

Summary of the Pool

The numerical information set out below relates to a provisional pool of Mortgage Loans (the "**Provisional Pool**") which was selected on 31 October 2003. All amounts are in euro. All amounts relating to principal are net of any Participation. Each table shows the weighted average coupon ("WAC") and weighted average maturity ("WAM"). The information set out below relates to the Provisional Pool and may not necessarily correspond to that of the Mortgage Receivables actually sold to the Issuer on the Closing Date. After the Closing Date the portfolio will change from time to time as a result of repayment, prepayment, amendment and repurchase of Mortgage Receivables.

Key Characteristics of the Mortgage Pool as of 31 October 2003

Outstanding Principal Balance (euro)	1,400,506,309
Average Principal Balance by Borrower (euro)	118,346
Maximum Exposure by Borrower (euro)	399,327
Number of Loanparts	21,389
Number of Borrowers	11,834
Weighted Average Seasoning (months)	40
Weighted Average Maturity (months)	303
Weighted Average Coupon (WAC)	4.93%
Weighted Average	
Loan-to-Value (Non-Indexed Recorded Foreclosure Value)	77.29%
Loan-to-Value (Indexed Recorded Foreclosure Value)[1]	63.67%
Loan-to-Value (Non-Indexed Estimated Fair Market Value)[2]	65.70%
Loan-to-Value (Indexed Estimated Fair Market Value)[3]	54.12%

(1) Indexed on the basis of provincial median price developments as determined by the NVM (Dutch association of real estate agents) as of Q3 2003

(2) Assuming Foreclosure Values to be 85% of the Fair Market Value

(3) Indexed on the basis of provincial median price developments as determined by the NVM (Dutch association of real estate agents) as of Q3 2003 and assuming Foreclosure Values to be 85% of the Fair Market Value

Loan-to-Value (Recorded Foreclosure Value)

Range of Loan-to Value	Number of Loanparts	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)	WAM (months)	WAC (%)
0.0% <= LTV < 50.0%	3,486	182,463,962	13.0%	302	4.89%
50.0% <= LTV < 60.0%	2,751	158,407,983	11.3%	296	4.91%
60.0% <= LTV < 70.0%	4,022	257,263,397	18.4%	299	4.89%
70.0% <= LTV < 80.0%	3,013	210,910,010	15.1%	305	4.76%
80.0% <= LTV < 90.0%	2,426	164,304,968	11.7%	300	4.99%
90.0% <= LTV < 100.0%	1,348	92,194,682	6.6%	304	4.99%
100.0% <= LTV < 105.0%	999	67,606,610	4.8%	299	5.14%
105.0% <= LTV < 110.0%	902	66,787,597	4.8%	305	5.06%
110.0% <= LTV < 115.0%	758	59,144,122	4.2%	311	5.03%
115.0% <= LTV < 120.0%	704	57,026,535	4.1%	300	5.17%
120.0% <= LTV < 125.0%	980	84,396,441	6.0%	323	5.01%
Total	21,389	1,400,506,309	100.0%	303	4.93%

Loan-to-Value (Indexed Recorded Foreclosure Value)[1]

Range of Loan-to Value	Number of Loanparts	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)	WAM (months)	WAC (%)
0.0% <= LTV < 50.0%	8,870	468,952,442	33.5%	287	5.09%
50.0% <= LTV < 60.0%	2,920	197,754,413	14.1%	299	4.95%
60.0% <= LTV < 70.0%	3,165	229,770,395	16.4%	303	4.83%
70.0% <= LTV < 80.0%	2,032	151,402,267	10.8%	309	4.78%
80.0% <= LTV < 90.0%	1,327	102,782,015	7.3%	316	4.83%
90.0% <= LTV < 100.0%	1,054	77,638,607	5.5%	316	4.96%
100.0% <= LTV < 105.0%	517	40,700,500	2.9%	323	4.91%
105.0% <= LTV < 110.0%	462	38,272,494	2.7%	326	4.82%
110.0% <= LTV < 115.0%	394	34,382,846	2.5%	330	4.81%
115.0% <= LTV < 120.0%	379	33,109,817	2.4%	334	4.86%
120.0% <= LTV < 130.0%	269	25,740,514	1.8%	343	4.70%
Total	21,389	1,400,506,309	100.0%	303	4.93%

(1) Indexed on the basis of provincial median price developments as determined by the NVM (Dutch association of real estate agents) as of Q3 2003

Loan-to-Value (Non-Indexed Estimated Fair Market Value)[1]

Range of Loan-to Value	Number of Loanparts	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)	WAM (months)	WAC (%)
0.0% <= LTV < 50.0%	5,998	325,624,020	23.3%	299	4.90%
50.0% <= LTV < 60.0%	4,504	289,450,818	20.7%	299	4.88%
60.0% <= LTV < 70.0%	3,242	226,027,425	16.1%	306	4.78%
70.0% <= LTV < 80.0%	2,748	186,795,564	13.3%	300	4.99%
80.0% <= LTV < 90.0%	1,740	117,992,340	8.4%	302	5.10%
90.0% <= LTV < 100.0%	1,948	150,576,800	10.8%	304	5.09%
100.0% <= LTV < 105.0%	860	73,379,995	5.2%	320	5.01%
105.0% <= LTV < 110.0%	349	30,659,347	2.2%	326	4.98%
Total:	21,389	1,400,506,309	100.0%	303	4.93%

(1) Assuming Foreclosure Values to be 85% of the Fair Market Value

Loan-to-Value (Indexed Estimated Fair Market Value)[1]

Range of Loan-to Value	Number of Loanparts	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)	WAM (months)	WAC (%)
0.0% <= LTV < 50.0%	11,424	642,343,991	45.9%	290	5.05%
50.0% <= LTV < 60.0%	3,717	268,339,482	19.2%	303	4.84%
60.0% <= LTV < 70.0%	2,197	163,746,172	11.7%	310	4.80%
70.0% <= LTV < 80.0%	1,480	112,827,328	8.1%	318	4.84%
80.0% <= LTV < 90.0%	1,152	88,772,652	6.3%	319	4.92%
90.0% <= LTV < 100.0%	970	83,090,390	5.9%	329	4.86%
100.0% <= LTV < 105.0%	405	37,243,761	2.7%	340	4.77%
105.0% <= LTV < 110.0%	44	4,142,532	0.3%	348	4.26%
Total:	21,389	1,400,506,309	100.0%	303	4.93%

(1) Indexed on the basis of provincial median price developments as determined by the NVM (Dutch association of real estate agents) as of Q3 2003 and assuming Foreclosure Values to be 85% of the Fair Market Value

Origination Date

Year of Origination	Number of Loanparts	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)	WAM (months)	WAC (%)
1995	1,109	50,985,497	3.6%	235	6.44%
1996	1,871	93,938,206	6.7%	252	5.68%
1997	2,004	114,473,636	8.2%	258	5.33%
1998	2,280	141,394,135	10.1%	275	5.16%
1999	3,059	188,538,828	13.5%	287	5.06%
2000	2,584	167,921,289	12.0%	305	5.02%
2001	2,833	190,595,627	13.6%	321	5.06%
2002	3,097	220,978,390	15.8%	333	4.58%
2003	2,552	231,680,702	16.5%	344	4.04%
Total:	21,389	1,400,506,309	100.0%	303	4.93%

Maturity

Range of Years	Number of Loanparts	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)	WAM (months)	WAC (%)
2003 <= Maturity < 2008	88	2,764,825	0.2%	27	5.12%
2008 <= Maturity < 2013	330	11,489,181	0.8%	87	5.45%
2013 <= Maturity < 2018	843	40,760,480	2.9%	147	5.61%
2018 <= Maturity < 2023	1,374	78,854,339	5.6%	201	5.38%
2023 <= Maturity < 2028	4,883	284,418,583	20.3%	270	5.45%
2028 <= Maturity < 2033	11,514	768,311,995	54.9%	323	4.90%
2033 <= Maturity < 2034	2,357	213,906,906	15.3%	355	4.04%
Total:	21,389	1,400,506,309	100.0%	303	4.93%

Redemption Type

Type of Mortgage	Number of Loanparts	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)	WAM (months)	WAC (%)
Annuity Mortgages	508	19,281,735	1.4%	273	5.30%
Interest Only	15,069	968,902,467	69.2%	315	4.76%
Life Mortgages	3,276	264,736,764	18.9%	278	4.95%
Linear Mortgages	81	2,652,933	0.2%	226	4.88%
Savings Mortgages	2,455	144,932,411	10.3%	270	6.01%
Total:	21,389	1,400,506,309	100.0%	303	4.93%

Interest Type

Interest Type	Number of Loanparts	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)	WAM (months)	WAC (%)
Fixed	15,422	975,429,740	69.6%	299	5.34%
Floating	3,915	290,120,608	20.7%	324	3.39%
Component	1,322	85,503,596	6.1%	285	5.28%
RGH	665	45,251,560	3.2%	290	5.41%
WAF/Opstap	65	4,200,805	0.3%	317	4.58%
Total:	21,389	1,400,506,309	100.0%	303	4.93%

Current Interest Rates

Range of Interest Rate	Number of Loanparts	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)	WAM (months)	WAC (%)
r < 3.50	2,451	195,893,303	14.0%	330	3.09%
3.50% <= r < 4.00%	1,579	110,683,025	7.9%	320	3.74%
4.00% <= r < 4.50%	2,119	151,429,988	10.8%	316	4.24%
4.50% <= r < 5.00%	2,500	170,658,043	12.2%	303	4.77%
5.00% <= r < 5.50%	4,125	277,873,729	19.8%	298	5.22%
5.50% <= r < 6.00%	4,597	282,369,172	20.2%	295	5.69%
6.00% <= r < 6.50%	2,194	123,172,040	8.8%	291	6.18%
6.50% <= r < 7.00%	1,139	54,691,684	3.9%	268	6.68%
7.00% <= r < 7.50%	430	20,906,176	1.5%	239	7.18%
7.50% <= r < 8.00%	121	5,599,566	0.4%	222	7.65%
8.00% <= r < 8.50%	104	5,144,903	0.4%	227	8.18%
8.50% <= r < 9.00%	26	1,782,607	0.1%	217	8.68%
9.00% <= r < 9.50%	3	255,355	0.0%	153	9.34%
9.50% <= r < 10.0%	1	46,717	0.0%	138	9.60%
Total:	21,389	1,400,506,309	100.0%	303	4.93%

Interest Rate Reset Dates

Range of Years	Number of Loanparts	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)	WAM (months)	WAC (%)
Reset <= 2007	9,904	656,788,392	46.90%	306	4.39%
2007 < Reset <= 2012	7,062	459,481,206	32.8%	304	5.23%
2012 < Reset <= 2017	2,615	171,472,045	12.2%	296	5.59%
2017 < Reset <= 2022	1,555	96,839,257	6.9%	285	5.88%
2022 < Reset <= 2027	206	12,932,300	0.9%	309	6.06%
2027 < Reset <= 2032	40	2,515,564	0.2%	327	6.22%
2032 < Reset <= 2033	7	477,545	0.0%	356	5.89%
Total:	21,389	1,400,506,309	100.0%	303	4.93%

Exposure per Borrower ("B.E.")

Range of Borrower Exposure (EURO x 1,000)	Number of Loanparts	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)	WAM (months)	WAC (%)
B.E. < 25	241	4,418,737	0.3%	231	5.59%
25 <= B.E. < 50	1,505	46,851,828	3.3%	263	5.55%
50 <= B.E. < 75	2,842	119,533,116	8.5%	276	5.32%
75 <= B.E. < 100	3,585	177,566,012	12.7%	289	5.12%
100 <= B.E. < 125	3,494	208,253,421	14.9%	299	4.96%
125 <= B.E. < 150	3,164	215,738,591	15.4%	307	4.94%
150 <= B.E. < 175	2,120	170,335,824	12.2%	311	4.83%
175 <= B.E. < 200	1,542	131,135,834	9.4%	316	4.72%
200 <= B.E. < 225	998	96,671,197	6.9%	316	4.71%
225 <= B.E. < 250	709	76,914,998	5.5%	316	4.75%
250 <= B.E. < 275	443	50,895,172	3.6%	319	4.69%
275 <= B.E. < 300	247	30,942,127	2.2%	316	4.85%
300 <= B.E. < 325	210	26,472,442	1.9%	317	4.66%
325 <= B.E. < 350	122	18,142,965	1.3%	319	4.86%
350 <= B.E. < 375	111	17,337,008	1.2%	314	4.44%
375 <= B.E. < 400	56	9,297,039	0.7%	325	4.66%
Total:	21,389	1,400,506,309	100.0%	303	4.93%

Geographical Distribution

Geographic Region	Number of Loanparts	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)	WAM (months)	WAC (%)
Drenthe	807	50,884,190	3.6%	303	4.80%
Flevoland	636	42,915,451	3.1%	295	4.76%
Friesland	557	33,114,060	2.4%	307	4.68%
Gelderland	2,750	175,360,451	12.5%	305	4.86%
Groningen	642	37,505,679	2.7%	302	4.86%
Limburg	915	53,722,867	3.8%	298	5.20%
Noord-Brabant	4,890	325,939,207	23.3%	305	4.95%
Noord-Holland	3,491	237,407,884	17.0%	300	4.96%
Overijssel	2,021	120,477,011	8.6%	306	4.77%
Utrecht	1,506	108,579,625	7.8%	304	4.95%
Zeeland	257	15,535,727	1.1%	297	5.27%
Zuid-Holland	2,917	199,064,158	14.2%	301	5.06%
Total:	21,389	1,400,506,309	100.0%	303	4.93%

Originator (Brand/Label)

Originator	Number of Loanparts	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)	WAM (months)	WAC (%)
Avero Achmea	2,222	143,610,546	10.3%	312	4.96%
Centraal Beheer Achmea	3,478	222,169,293	15.9%	302	5.28%
FBTO	635	30,307,545	2.2%	262	5.59%
Woonfonds Nederland	15,054	1,004,418,924	71.7%	303	4.83%
Total:	21,389	1,400,506,309	100.0%	303	4.93%

MORTGAGE LOAN UNDERWRITING AND SERVICING

Origination

Principles

The mortgage loans to be assigned on the Closing Date were each originated by one of the individual Originators, each (except for Achmea Hypotheekbank) being at such time or (directly or indirectly) a one hundred (100) per cent. subsidiary of the Seller.

The loans to be assigned on the Closing Date were originated either through direct marketing (in the case of Centraal Beheer Hypotheken B.V., FBTO Hypotheken B.V. or the Seller under the names Centraal Beheer Achmea ("**Centraal Beheer**") and FBTO) or through independent intermediaries (in the case of Woonfonds Nederland Hypotheken B.V., Avéro Hypotheken B.V. and the Seller under the names Woonfonds Hypotheken ("**Woonfonds**") and Avéro Achmea).

In both cases, prior to the merger into the Seller, the responsibility of accepting the loans rested exclusively with the Originators. To be accepted, loans had to fit into a set of standard underwriting criteria, which are authorised by the management board of Achmea Group. Exceptions could only be made under special circumstances and with the approval of the management of the respective Originator. After the merger, the responsibility of accepting the loans rested with the Seller.

Procedure of Originators

The origination procedure started as an Originator received a loan application form (in hard copy or electronically) from either the prospective Borrower or from an intermediary, such as a mortgage adviser, insurance agent, or real estate broker. The data from the form are entered into the respective automated offering-program system. This system would evaluate whether the collateral value and income met the requirements for a mortgage loan.

Initially the income tests were performed on the (industry standard) basis of pre-tax income versus pre-tax debt servicing costs (the so-called "*woonquote*"). As of 2001, a more advanced income test has been implemented at Woonfonds which takes into account the income of the borrower, the costs of the loan, the real estate tax and the income tax. The net result of the calculation must conform to standards that are based on data of the Nibud (the National Institute for Budget guidance). This latter test is aimed at better incorporating tax-deductibility of interest charges and other variables. The Nibud-model was also implemented for Centraal Beheer and Avéro in October 2003.

Through this system, the application was evaluated in relation to the underwriting criteria. At the same time, detailed credit information in relation to the applicant was received automatically from the *Bureau Krediet Registratie* ("**BKR**"). BKR provides positive and negative credit information on all Borrowers with credit histories at financial institutions in the Netherlands.

Once the application was found to match the criteria, a loan proposal was sent to the applicant or to his intermediary/mortgage broker. If the Borrower accepted the proposal, (within 3 weeks) after reception of other relevant documents (such as proof of income and insurance policies) as well as the valuation on the underlying property was satisfactory to the Originator, the loan was granted. The valuation of the real estate was performed by an independent certificated valuer except in cases of (i) buildings under construction, where the value is based on the building contract or (ii) when the loan was less than ninety (90) per cent. of the value based on real estate tax valuations, or (iii) at Centraal Beheer only, if the loan was less than sixty (60) per cent of the theoretical foreclosure value based on eighty five (85) per cent. of the purchase price. The relevant information was put in the automated middle and back office systems.

The Borrower was informed that the loan was granted and a notary public was advised of the exact terms and conditions of the loan and asked to draft a notarial deed for the mortgage loan. The original deed was stored by the notary, but an authenticated copy and all other relevant original documents are stored by the Seller in fire-proof archives. The notary public is also responsible for registering the mortgage with the central Property Register (the "*Kadaster*").

Servicing

Mortgage Administration

Once a mortgage has been accepted and registered by the notary the regular administration of the mortgage commences. Administration are those activities that occur during the regular running time of the mortgage such as changes in interest, making payments out of the construction depot as the

construction of the building progresses, or the administration of (partial) redemption payments and the subsequent recalculation of the new interest payments, or even termination of the loan if full repayment has been made.

Interest Collections

Payments are drawn from the Borrower's account by direct debit. Payments are typically scheduled to be received by the Seller on the first business day of each month. The servicing system automatically collects payments from the relevant bank accounts by automatic fund transfers. Payment information is monitored daily by personnel in the accounts receivable management departments ("*Debiteuren Beheer*"). The percentage of Borrowers paying by way of direct debit is ninety seven (97) per cent. This automated process has a fail rate of 1.2 per cent.. This can be caused by a change in the bank account of the Borrower of which the Pool Servicer may not have been notified or the account may have insufficient funds.

If the first initial automatic collection failed, a new batch is automatically generated to perform a repeat try on the 8th day after such failed automatic collection. This automatic repeat action has a fifty (50) per cent. success rate. If both collections are unsuccessful the Borrower will receive a first reminder on the 15th day after non payment.

Arrears management

Debiteuren Beheer handles all contacts with the Borrower in terms of payments and arrears. Contact with the Borrower starts and typically ends with a reminder letter. Arrears management reminder letters are automatically generated by the system and sent out to the borrower within thirty (30) days of the first late payment under the mortgage by that Borrower. This is the second reminder. At this point, a penalty interest charge is also automatically added to the prevailing interest rate on the mortgage loan. For standardised thresholds of default in payments, a credit check is carried out at BKR. If the outcome of this check at BKR shows that the borrower is experiencing difficulties making other payments on consumer loans or other debts, the account will be put on the active treatment list, from which time the default management process starts.

Default management

If the second reminder does not result in payment the account goes into "active treatment". Once the account has been given active treatment status, *Debiteuren Beheer* works with the Borrower to ascertain whether a solution to his/her payment problem can then be reached. This is mostly done by telephone. In most cases the Borrower will either make payment or agree to and sign a settlement plan. If the Borrower seeks co-operation in solving the deficiency, *Debiteuren Beheer* can and will make arrangements. Detailed information is collected on the Borrower's current job status, actual income, and monthly out flows. The Borrower is invited to make a proposal for repaying his/her arrear balance. *Debiteuren Beheer* assesses the workout plan and a counter-proposal is made if necessary. Compliance by the Borrower with planned payments is punctually monitored. Plans are typically 3 months with exceptional cases up to 6 months. If Borrower deviates from the plan the account is transferred to a special treatment team ("**Bijzonder Beheer**"). If no contact can be made a third letter is sent by registered mail. If that registered letter is not answered or is returned unopened the Borrowers account is transferred to *Bijzonder Beheer*. If *Debiteuren Beheer* is unsuccessful in trying to get the Borrower out of the arrear situation for more than three months after the first missed payment the file will also be transferred to *Bijzonder Beheer*. Whereas *Debiteuren Beheer* tries to get payment but also to keep customer satisfaction in mind, *Bijzonder Beheer* will use all legal means to get payment. This can include obtaining a letter of lien of salary (the employer will deduct the agreed amount from the Borrowers salary before salary payment is made, this deduction is paid directly to the Lender) and/or getting a third party guarantor to assist in payment and guaranteeing future payment.

A joined effort to sell the property is often made. The Borrower can choose to sell his/her house at this stage, which will be accepted by the Seller if revenues from a voluntary sale cover the outstanding debt in full, or if it is expected that foreclosure will realise a lower recovery value. If amounts are still outstanding after the sale of the property, these amounts still have to be repaid by the Borrower for which, if possible a settlement agreement will be entered into. If all the above measures are unsuccessful the last step is foreclosure.

Foreclosure process

If a workout plan cannot be negotiated with the Borrower or the Borrower fails to comply with the settlement, the foreclosure process starts. A notary is appointed to initiate the foreclosure process. In general, the decision to foreclose will be taken six months following the initial default by the Borrower. *Bijzonder Beheer* calculates the best method of maximising the sale value of the property. This could mean that the property is sold either as a private sale or by public auction. A private sale can, and often does, precede a public auction. When the decision is made to foreclose, the head of the department gives formal instruction to the notary. The date of the sale will be set by the notary within three weeks of this instruction and, usually, will be four to 10 weeks after the decision to foreclose (depending on the region and the number of other foreclosures currently being handled). Throughout the foreclosure process, the borrower's management team works according to guidelines set down by Netherlands law, the lender and the BKR.

Debt after sale or foreclosure

If amounts are still outstanding after the foreclosure process has been completed, *Bijzonder Beheer* continues to manage the remaining receivables indirectly. The entire file is handed over to a bailiff who will continue to seek payment from the Borrower through all available means. The bailiff works on a no cure no pay arrangement. The extra expenses incurred are added to the default amount as are penalty interests.

Detailed working process descriptions of all the above steps are available and used by the Pool Servicer.

MORTGAGE RECEIVABLES PURCHASE AGREEMENT

Under the Mortgage Receivables Purchase Agreement the Issuer will purchase and, on the Closing Date, accept from the Seller the assignment of the Mortgage Receivables. The assignment of the Mortgage Receivables from the Seller to the Issuer will not be notified to the Borrowers, except in special events as further described hereunder ("**Notification Events**"). The Issuer will be entitled to all interest amounts (including penalty interest) becoming due of the Mortgage Receivables as of 1 December 2003 as well as principal amounts and prepayment penalties becoming due in respect of the Mortgage Receivables as of 30 November 2003.

Purchase Price

The purchase price for the Mortgage Receivables shall consist of an initial purchase price (the "**Initial Purchase Price**"), which shall be payable on the Closing Date, and a deferred purchase price (the "**Deferred Purchase Price**"). The Initial Purchase Price will be equal to the aggregate Outstanding Principal Amount of the Mortgage Loans to which the Mortgage Receivables relate on 30 November 2003. The "**Outstanding Principal Amount**" means, in respect of a Mortgage Loan, at any time, the aggregate principal sum ("*hoofdsom*") due by the relevant Borrower under the relevant Mortgage Loan and, after the occurrence of a Realised Loss in respect of such Mortgage Loan, zero. The Deferred Purchase Price shall be equal to the sum of all Deferred Purchase Price Instalments and each "**Deferred Purchase Price Instalment**" will be equal to the positive difference, if any, between the Notes Interest Available Amount as calculated on each Quarterly Calculation Date and the sum of all amounts payable by the Issuer as set forth in the Interest Priority of Payments under (a) up to and including (p) or, as the case may be, as set forth in the Priority of Payments upon Enforcement under (a) up to and including (l) have been made on such date (see *Credit Structure* above).

Representations and warranties

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

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

(b) the Seller has full right and title ("*titel*") to the Mortgage Receivables and no restrictions on the sale and assignment of the Mortgage Receivables are in effect and the Mortgage Receivables are capable of being assigned;

(c) the Seller has power ("*is beschikkingsbevoegd*") to sell and assign the Mortgage Receivables;

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

(e) each Mortgage Receivable is secured by a Mortgage on Mortgaged Assets in the Netherlands and is governed by Netherlands law;

(f) each Mortgaged Asset concerned was valued when application for a Mortgage Loan was made by an independent certificated valuer with the exception of: (i) Mortgage Loans of which the Outstanding Principal Amount does not, at the time of application by the Borrower, exceed one hundred (100) per cent. of the foreclosure value of the residential property on the basis of an assessment by the Netherlands tax authorities on the basis of the Act on Valuation of Real Property ("*Wet Waardering Onroerende Zaken*") or (ii) property to be constructed or in construction at the time of application for a Mortgage Loan where the Mortgage Loan to be granted does not exceed hundred and ten (110) per cent. of the foreclosure valuation (based on the building contract) or (iii) Mortgage Loans that do not exceed sixty (60) per cent of the theoretical foreclosure value based on eighty five (85) per cent. of the purchase price of the Mortgaged Asset;

(g) each Mortgage Receivable, the mortgage right and the borrower pledge, if any, constitute legal, valid, binding and enforceable obligations of the relevant Borrower;

(h) each Mortgage Loan was originated by the Seller or the relevant Originator;

(i) all Mortgages and all borrower pledges (i) constitute valid mortgage rights ("*hypotheekrechten*") and rights of pledge ("*pandrechten*") respectively on the assets which are the subject of the Mortgages and borrower pledges respectively and, to the extent relating to the Mortgages to secure the Mortgage Receivables, have been entered in the relevant public register ("*Dienst van*

het Kadaster en de Openbare Registers''), (ii) have first priority (''*eerste in rang*''), or, as the case may be, have first (''*eerste in rang*'') and immediately sequentially lower in priority and (iii) were vested for a principal sum which is at least equal to the principal sum of the Mortgage Loan when originated, increased with interest, penalties, costs and any insurance premium paid by the relevant Originator or, as the case may be, the Seller on behalf of the Borrower, up to an amount of at least fifty (50) per cent. of such Outstanding Principal Amount, therefore in total up to a maximum amount of not less than one hundred and fifty (150) per cent. of the Outstanding Principal Amount of the relevant Mortgage Receivables upon origination;

(j) each of the Mortgage Loans meets the Mortgage Loan Criteria;

(k) each of the Mortgage Loans has been granted in accordance with all applicable legal requirements and materially met the relevant Originator's or Seller's standard underwriting criteria and procedures prevailing at that time, which do not materially differ from the criteria and procedures set forth in the Offering Circular dated 16 December 2003 and the Administration Manual;

(l) as at 30 November 2003, no amounts due and payable under any of the Mortgage Receivables were unpaid;

(m) the Seller has not been notified and is not aware of anything affecting the Seller's title to the Mortgage Receivables;

(n) the maximum principal amount of each Mortgage Loan does not, at the Closing Date, exceed one hundred and twenty five (125) per cent. (one hundred and twenty five per cent.) of the original foreclosure value (''*executiewaarde*'') of the Mortgaged Assets;

(o) upon creation of each Mortgage, the Seller or the relevant Originator was granted power by the mortgage deed to unilaterally terminate such Mortgage and such power to terminate has not been revoked, terminated or amended;

(p) each of the Savings Mortgage Receivables and the Life Mortgage Receivables has the benefit of a Savings Insurance Policy with the Participant and a Life Insurance Policy with any of the Life Insurance Companies, respectively, and either (i) the Seller has been validly appointed as beneficiary (''*begunstigde*'') under such Insurance Policies, upon the terms of the relevant Mortgage Loans and the relevant Insurance Policies, which have been notified to the relevant Insurance Companies or (ii) the Seller has been given a Borrower Insurance Proceeds Instruction;

(q) with respect to each of the Savings Mortgage Receivables and the Life Mortgage Receivables to which a Savings Insurance Policy with the Participant and a Life Insurance Policy with any of the Life Insurance Companies, respectively, is connected, the Seller has the benefit of a borrower pledge granted by the relevant Borrower and such right of pledge has been notified to the relevant Insurance Companies, which, to the extent required has been recorded on the relevant Insurance Policy;

(r) with respect to Life Mortgage Loans to which a Life Insurance Policy with a Life Insurance Company is connected, (i) there is no connection, whether from a legal or a commercial point of view, between the Life Mortgage Loan and the relevant Life Insurance Policy other than the relevant Borrower Insurance Pledge and the relevant Life Beneficiary Rights, (ii) the Life Mortgage Loans and the Life Insurance Policies are not marketed as one product or under one name and (iii) the Borrowers were free to choose the relevant Life Insurance Company; and

(s) at the Closing Date the aggregate Outstanding Principal Amount of Life Mortgage Loans with Life Insurance Policies with a specific Life Insurance Company does not exceed 3.00 per cent. of the Outstanding Principal Amount of all Mortgage Receivables.

Repurchase

If at any time after the Closing Date any of the representations and warranties relating to a Mortgage Loan or a Mortgage Receivable proves to have been untrue or incorrect, the Seller shall within fourteen (14) days of receipt of written notice thereof from the Issuer remedy the matter giving rise thereto and if such matter is not capable of being remedied or is not remedied within the said period of fourteen (14) days, the Seller shall on the next succeeding Mortgage Payment Date repurchase and accept reassignment of such Mortgage Receivable for a price equal to the then Outstanding Principal Amount of such Mortgage Receivable together with interest accrued up to but excluding such Mortgage Payment Date and reasonable costs relating thereto (including any costs incurred by the Issuer in effecting and completing such repurchase and re-assignment).

If the Seller agrees with a Borrower to make a Further Advance prior to the occurrence of a Notification Event and partial termination of the relevant mortgage right (see paragraph *Notification Events* below), it shall repurchase and accept reassignment of the Mortgage Receivable on the terms and conditions set forth above on the immediately following Mortgage Payment Date, unless such granting of the Further Advance results in the prepayment of the relevant Mortgage Receivable or the Seller has partially terminated the relevant mortgage right and borrower pledge to the extent such mortgage right and borrower pledge secures other debts than the relevant Mortgage Receivable.

The Seller shall also repurchase and accept reassignment of a Mortgage Receivable on the Mortgage Payment Date immediately following the date on which it agrees with a Borrower to amend the terms of the relevant Mortgage Loan and such amendment is not in accordance with the conditions set out in the Mortgage Receivables Purchase Agreement, which include the condition that after such amendment the relevant Mortgage Loan continues to meet each of the Mortgage Loans Criteria (as set out below) and the representations and warranties of the Mortgage Receivables Purchase Agreement (as set out above).

Mortgage Loan Criteria

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

(a) the Mortgage Loans are in the form of

  (1) interest only mortgage loans ("*aflossingsvrije hypotheken*");

  (2) annuity mortgage loans ("*annuïteitenhypotheken*");

  (3) linear mortgage loans ("*lineaire hypotheken*");

  (4) savings mortgage loans ("*spaarhypotheken*");

  (5) life mortgage loans ("*levenhypotheken*"); or

  (6) mortgage loans which combine any of the above mentioned mortgage forms;

(b) the Borrower is not an employee of the Seller nor of any member of the Achmea Group of companies;

(c) the Borrower is a resident of the Netherlands;

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

(e) the Mortgaged Assets were not the subject of residential letting and was, or was to be, occupied by the relevant Borrower (and certain family members in which case the Outstanding Principal Amount of such Mortgage Loans did not exceed seventy five (75) per cent. of the original foreclosure value of the Mortgaged Asset);

(f) each Mortgage Loan has been originated after 1 January 1995;

(g) the Outstanding Principal Amount of each Mortgage Loan does not exceed euro 400,000;

(h) the legal final maturity of each Mortgage Loan does not extend beyond 1st of November 2033;

(i) the Outstanding Principal Amount of each of the Mortgage Loans did not, on the Closing Date exceed one hundred twenty five (125) per cent. of the foreclosure value;

(j) the Mortgaged Asset is for residential use or for partial residential and partial commercial use by the Borrower, located in the Netherlands;

(k) each Mortgage Loan is secured by a first or first and immediately sequentially lower in priority or any lower ranking Mortgage; and

(l) all of the Mortgage Loans are fully disbursed.

Notification Events

If, *inter alia*:

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

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

(c) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ("*ontbinding*") and liquidation ("*vereffening*") or legal demerger ("*juridische splitsing*") involving the Seller or any of its assets are placed under administration ("*onder bewind gesteld*"); or

(d) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into emergency regulations ("*Noodregeling*") as referred to in Chapter X of the Netherlands Act on the Supervision of the Credit System 1992 ("*Wtk*") or for bankruptcy or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or

(e) the Seller during a period of any two consecutive months fails to have a solvency ratio on a consolidated basis at least 0.25 per cent. above the percentage required by Guideline 4001 issued pursuant to the Wtk as set out in the Netherlands Central Bank's Credit System Supervision Manual as amended from time to time ("**Handboek Wtk**") for tier 1 capital and 0.50 per cent. above the percentage required by clause 4001 of the Handboek WTK for tier 1 capital, upper tier 2 capital and lower tier 2 capital together; or

(f) the actual liquidity of the Seller pursuant to Guideline 4101 of the Handboek Wtk is not greater or equal to the required liquidity under the broad liquidity test, as defined in such Guideline 4101 of the Handboek Wtk during a period of any two consecutive months; or

(g) the Dutch Central Bank has restricted the Seller's powers in accordance with Clause 28.3(a) of the Wtk or has made an official announcement as referred to in Clause 28.3(b) of the Wtk and within two weeks after any such events the Seller has not taken the necessary steps resulting in such measures being withdrawn; or

(h) the credit rating by S&P of the Seller's long-term unsecured, unsubordinated and unguaranteed debt obligations falls below BBB+, or such rating is withdrawn; or

(i) the credit rating by Moody's of the Seller's long-term, unsecured, unsubordinated and unguaranteed debt obligations is set below or falls below Baa1, or such rating is withdrawn,

then, and at any time thereafter, unless an appropriate remedy to satisfaction of the Security Trustee and after having received confirmation from Moody's and S&P is found within a period of ten (10) business days, except in the occurrence of the events mentioned under (c) and (d) where no remedy shall apply, the Seller shall forthwith notify the Borrowers and any other relevant parties indicated by the Issuer and/or the Security Trustee of (i) the termination of the mortgage rights to the extent possible and the borrower pledges securing the Mortgage Receivables in as far as they secure other debts than the Mortgage Receivables assigned to the Issuer and (ii) the assignment of the Mortgage Receivables or, at its option, the Issuer shall be entitled to make such notifications itself.

In addition, pursuant to the Beneficiary Waiver Agreement (i) the Seller, subject to the condition precedent of the occurrence of a Notification Event waives its right as beneficiary under the Savings Insurance Policies and appoints as first beneficiary (x) the Issuer subject to the dissolving condition of the occurrence of a Trustee I Notification Event relating to the Issuer and (y) the Security Trustee under the condition precedent of the occurrence of a Trustee I Notification Event relating to the Issuer and (ii) upon the occurrence of a Notification Event and to the extent that such waiver and appointment are not effective in respect of the Savings Insurance Policies and furthermore in respect of the Life Insurance Policies, the Seller and in respect of Savings Insurance Policies, the Participant shall (a) use its best efforts to terminate the appointment of the Seller as beneficiary under the Insurance Policies and to appoint as first beneficiary under the Insurance Policies (x) the Issuer under the dissolving condition of the occurrence of a Notification Event relating to the Issuer and (y) the Security Trustee under the condition precedent of the occurrence of a Notification Event relating to the Issuer and (b) with respect to Insurance Policies where a Borrower Insurance Instruction has been given, use their best efforts to withdraw the Borrower Insurance Proceeds Instruction in favour of the Seller and to issue such instruction in favour of (x) the Issuer under the dissolving condition of the occurrence of a Notification Event relating to the Issuer and (y) the Security Trustee under the condition precedent of the occurrence of a Notification Event relating to the Issuer.

Proposed legislation on Requirements for Assignment

Currently a bill is pending before the Dutch Parliament, in which it is proposed to amend the legal requirements for the assignment of receivables in such a manner that it can also be effectuated by means of a notarial or registered deed of assignment, without notification of the assignment to the debtors being required. If and when this amendment would become effective, the Seller could assign the Mortgage Receivables, and transfer legal ownership, to the Issuer by the mere registration of the deed of assignment with the relevant tax authorities and would not be restricted to completing the assignment by notification in case of the occurrence of Notification Events. The partial termination structure set out under Bank Mortgages above is, however, only effective if the partial termination is effectuated prior to the assignment being completed, whether by means of notification or after the proposed amendment becoming effective, registration or notification. 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 certain events and the consequent partial termination of the Bank Mortgages may not be an option. However, pursuant to the Mortgage Receivables Purchase Agreement the Issuer will have the right to register the deed of assignment at any time upon the proposed amendment becoming effective. The Issuer will undertake in the Trust Deed to exercise such right only with the prior written approval of the Security Trustee and subject to the confirmation of Moody's and S&P that it will not adversely effect the then current ratings assigned to the Notes.

ADMINISTRATION AGREEMENT

Services

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

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

THE SWAP GUARANTOR

Rabobank, founded over a century ago, is one of the largest banking groups in the Netherlands and ranks in the top 30 banking institutions in the world in terms of total assets and Tier 1 capital. The group is a cooperative banking organisation comprised of Rabobank Nederland (a cooperative entity licensed as a credit institution in the Netherlands), Rabobank Nederland's local member credit institutions (the "**Local Rabobanks**") and numerous specialised finance and other subsidiaries. In the Netherlands, the Rabobank Group follows an "Allfinanz" concept, meaning it provides an integrated range of financial services comprised primarily of retail banking, wholesale banking, asset management and investment, insurance and leasing to a wide range of both individual and corporate customers. Internationally, Rabobank pursues a niche strategy in investment and international corporate banking through Rabobank International. At 30 June 2003, the Rabobank Group operated in the Netherlands through 341 Local Rabobanks and 1,829 offices and internationally through overseas offices in countries outside the Netherlands.

Since Rabobank first obtained its credit ratings in 1984, it has generally received Aaa and AAA ratings for its senior unsecured long term debt from Moody's and S&P's, respectively.

At 30 June 2003, Rabobank had total assets of euro 402 billion, loans outstanding to private sector borrowers amounting to euro 221.7 billion (net of reserves for loan losses), group equity of euro 22.0 billion, funds entrusted of euro 180.9 billion and euro 69.1 billion in savings accounts. Rabobank's pre-tax return on average group equity for the half year ended 30 June 2003 was 11.4 per cent. (expressed on an annualized basis).

Capitalisation

As a result of Rabobank's cooperative ownership structure, it is not allowed to pay dividends, which benefits its capital base. Because a large part of Rabobank's assets is invested in residential mortgages, its risk adjusted capital ratios compare favorably to its peer banks. At 30 June 2003, Rabobank had a Tier 1 ratio of 10.2.

SUB-PARTICIPATION AGREEMENT

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

Participation

In the Sub-Participation Agreement the Participant will undertake to pay to the Issuer:

(i) at the Closing Date or, in case of a switch from any type of Mortgage Loan into a Savings Mortgage Loan, the relevant Mortgage Payment Date, to the Issuer the sum of an amount equal to the savings premia in respect of the Savings Insurance Policies received by the Participant with accrued interest up to the first day of the month of the Closing Date or, as the case may be, the relevant Mortgage Payment Date (the "**Initial Participation**") in relation to each of the Savings Mortgage Loans; and

(ii) on each Mortgage Payment Date, an amount equal to the amount received by the Participant as Savings Premium during the immediately preceding Mortgage Calculation Period in respect of the relevant Savings Insurance Policies, provided that in respect of each relevant Savings Mortgage Receivable no amounts will be paid to the extent that, as a result, thereof the Participation (as defined below) in such relevant Savings Mortgage Receivable would exceed the Outstanding Principal Amount of the relevant Savings Mortgage Receivable.

As a consequence of such payments the Participant will acquire a participation in respect of each of the Savings Mortgage Receivables (the "**Participation**"), which will be equal on any date to the Initial Participation in respect of the relevant Savings Mortgage Receivables increased during each Mortgage Calculation Period on the basis of the following formula (the "**Monthly Participation Increase**"):

((P/H) x R) + S whereby

P = the Participation in the Savings Mortgage Receivable on the first day of the relevant Mortgage Calculation Period;

H = the principal sum outstanding on the Savings Mortgage Receivable on the first day of the relevant Mortgage Calculation Period;

R = the amount of interest, due by the Borrower on the Savings Mortgage Receivable and actually received by the Issuer in such Mortgage Calculation Period; and

S = the amount received by the Issuer from the Participant in such Mortgage Calculation Period in respect of the relevant Savings Mortgage Receivable pursuant to the Sub-Participation Agreement.

In consideration for the undertaking of the Participant described above, the Issuer will undertake to pay the Participant on each Mortgage Payment Date in respect of each of the Savings Mortgage Receivables in respect of which amounts have been received during the relevant Mortgage Calculation Period (or, in the case of the first Mortgage Payment Date, during the period which commences on the Closing Date and ends on the last day of the Mortgage Calculation Period immediately preceding such first Mortgage Payment Date) (i) by means of repayment and prepayment in full under the relevant Savings Mortgage Receivables from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding any prepayment penalties and interest penalties, (ii) in connection with a repurchase of any Savings Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal (iii) in connection with a sale of Savings Mortgage Receivables pursuant to the Trust Deed and to the extent such amounts relate to principal and (iv) as Net Proceeds on any Savings Mortgage Receivables to the extent such amounts relate to principal (together, the "**Participation Redemption Available Amount**") which amount will never exceed the amount of the Participation.

Reduction of Participation

If:

(i) a Borrower invokes a defence, including but, not limited to, a right of set-off or counterclaim, if for whatever reason, the Participant does not pay the insurance proceeds when due and payable, whether in full or in part, in respect of the relevant Savings Insurance Policy; or

(ii) the Seller fails to pay any amount due by it to the Issuer pursuant to the Mortgage Receivables Purchase Agreement in respect of a Savings Mortgage Receivable;

and, as a consequence thereof, the Issuer will not have received any amount which was in respect of such Savings Mortgage Receivable outstanding prior to such event, the Participation of the Participant in respect of such Savings Mortgage Receivable will be reduced by an amount equal to the amount which the Issuer has failed to receive, as a result of such defence or failure to repay, and the calculation of the Participation Redemption Available Amount shall be adjusted accordingly.

Enforcement Notice

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

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

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

Termination

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

DUTCH MORTGAGE PORTFOLIO LOANS III B.V.

Dutch Mortgage Portfolio Loans III 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 24 November 2003 under number B.V. 1256445. The registered office of the Issuer is in Amsterdam, the Netherlands. The Issuer is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 33226415.

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

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

Stichting DMPL III Holding is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 29 October 2003. The objects of Stichting DMPL III Holding are, *inter alia*, to incorporate, acquire and to hold shares in the share capital of the Issuer and to exercise all rights attached to such shares and to dispose of and encumber such shares. The sole managing director of Stichting DMPL III Holding is ATC Management B.V..

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

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

The managing directors of ATC Management B.V. are Mr. J.H. Scholts, Mr. G.F.X.M. Nieuwenhuizen, Mr. J. Lont and Mr. A.G.M. Nagelmaker.

Statement by managing director of the Issuer

Since its incorporation, the Issuer has not traded, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in the Offering Circular dated 16 December 2003.

Capitalization

The following table shows the capitalization of the Issuer as of 24 November 2003 as adjusted to give effect to the issue of the Notes and the initial participation:

Share Capital

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

Borrowings

Senior Class A Notes	euro 1,208,000,000
Mezzanine Class B Notes	euro 20,000,000
Junior Class C Notes	euro 22,000,000
Subordinated Class D Notes	euro 6,250,000
Initial participation	euro 18,628,874.95

Auditors' Report

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

"To the Directors of
Dutch Mortgage Portfolio Loans III B.V.

16 December 2003

Dear Sirs:

Dutch Mortgage Portfolio Loans III B.V. (the "**Issuer**") was incorporated on 24 November 2003 under number B.V. 1256445 with an issued share capital of euro 18,000. The Issuer has not yet prepared any financial statements.

Yours faithfully,

KPMG Accountants N.V."

USE OF PROCEEDS

The net proceeds of the Notes to be issued on the Closing Date amount to euro 1,254,819,500.

The net proceeds of the issue of the Notes, excluding the Subordinated Class D Notes, will be applied on the Closing Date to pay part of the Initial Purchase Price for the Mortgage Receivables purchased under the Mortgage Receivables Purchase Agreement. The net proceeds of the issue of the Subordinated Class D Notes will be credited to the Reserve Account.

An amount of euro 18,628,874.95 will be received by the Issuer as consideration for the initial participation granted to the Participant in the Savings Mortgage Receivables. The Issuer will apply this amount towards payment of part of the Initial Purchase Price.

DESCRIPTION OF SECURITY

The Notes will be secured by the Deed of Surety to be entered into by the Security Trustee with (i) the initial Noteholders, (ii) the Directors, (iii) the Paying Agents (iv) the Reference Agent, (v) the Liquidity Facility Provider, (vi) the Swap Counterparty (vii) the Seller, (viii) the Participant, (ix) the Issuer Administrator and (x) the Pool Servicer (together the "**Secured Parties**"). The Security Trustee will agree in the Deed of Surety to grant a surety ("*borgtocht*") to the Secured Parties and will undertake to pay, as surety, after the date on which an Enforcement Notice has been received by it (see Condition 10 below) from time to time as soon as reasonably possible and practicable, to the Secured Parties, other than the Participant pursuant to the Sub-Participation Agreement an amount corresponding to the sum of any amounts due and payable by the Issuer:

(a) to the Noteholders under the Notes;

(b) as fees or other remuneration to the Directors under the Management Agreements;

(c) as fees and expenses to the Issuer Administrator and the Pool Servicer under the Administration Agreement;

(d) as fees and expenses to the Paying Agents and the Reference Agent under the Paying Agency Agreement;

(e) to the Liquidity Facility Provider under the Liquidity Facility Agreement;

(f) to the Swap Counterparty and the Swap Guarantor under the Swap Agreement; and

(g) to the Seller under the Mortgage Receivables Purchase Agreement;

provided that such amount will never exceed the Notes Surety Available Amount which consists of the sum of (a) amounts recovered ("*verhaald*") by it (i) on the Mortgage Receivables and the other assets pledged under the Trustee Pledge Agreement I and the Trustee Pledge Agreement II, other than the Savings Mortgage Receivables and (ii) on Savings Mortgage Receivables to the extent the amount exceeds the Participation in the relevant Savings Mortgage Receivables, (b) the amounts received in connection with the Trust Deed and penalty provided in the Mortgage Receivables Purchase Agreement insofar such penalty relates to (i) Mortgage Receivables and the other assets pledged under the Trustee Pledge Agreement I and the Trustee Pledge Agreement II, other than Savings Mortgage Receivables and (ii) with respect to Savings Mortgage Receivables the *pro rata* part of such Savings Mortgage Receivable in relation to the Participation, (c) the amount of any advance having been made available to the Security Trustee under a recourse liquidity facility agreement to the extent the amount so made available will be recovered under (a) or (b) above, provided that the amounts so advanced will never exceed the amount due and payable by the Security Trustee to the Secured Parties, other than the Participant; and (d) the *pro rata* part of amounts received in connection with Clause 9 of the Deed of Surety (by reference to the proportion the Participations bears to the aggregate Mortgage Receivables); less (y) any amounts already paid by the Security Trustee to the Secured Parties (other than the Participant) pursuant to the Deed of Surety and (z) the *pro rata* part of the costs and expenses of the Security Trustee (including, for the avoidance of doubt, any costs of, *inter alia*, S&P and Moody's and any legal advisor, auditor or accountant appointed by the Security Trustee) (by reference to the proportion the Participations bears to the aggregate Mortgage Receivables). Any amounts will be paid to the Secured Parties in accordance with and subject to the Priority of Payments upon Enforcement (see *Credit Structure*).

In addition, in the Deed of Surety the Security Trustee undertakes to pay to the Participant the Participation Surety Available Amount which consists of, *inter alia*, (i) the amounts actually recovered ("*verhaald*") by it on the Savings Mortgage Receivable, under the Trustee Pledge Agreement I, but only to the extent such amounts do not exceed the Participation in such Savings Mortgage Receivables, (ii) amounts received in connection with Trust Deed and the penalty provided in the Mortgage Receivables Purchase Agreement provided that such amounts relate to the Participation in the Savings Mortgage Receivables, (iii) the amount of any advance having been made available to the Security Trustee under a recourse liquidity facility agreement to the extent the amount so made available will be recovered under (i) above, provided that such amounts shall never exceed the amount due and payable by the Issuer under or in connection with the Sub-Participation Agreement to the Participant and (iv) the *pro rata* part of the amounts received in connection with Clause 9 of the Deed of Surety (by reference to the proportion the Participations bears to the aggregate Mortgage Receivables), less (y) any amounts already paid to the Participant by the Security Trustee pursuant to the Deed of Surety and (z) the *pro rata* part of the costs and expenses of the Security Trustee

(including, for the avoidance of doubt, any costs of, *inter alia*, S&P and Moody's and any legal advisor, auditor or accountant appointed by the Security Trustee) (by reference to the proportion the Participations bear to the aggregate Mortgage Receivables).

The Seller shall grant a first ranking right of pledge ("*pandrecht*") (the "**Trustee Pledge Agreement I**") over the Mortgage Receivables and the Beneficiary Rights (see further *Special Considerations* above) to the Security Trustee on the Closing Date. Security in respect of the Mortgage Receivables will be given by the Seller since it will have the legal title to the Mortgage Receivables, until notification has been made. After notification to the Borrowers of the assignment by the Seller to the Issuer of the Mortgage Receivables (which will only be made upon the occurrence of Notification Events, see *Mortgage Receivables Purchase Agreement* above), legal title to the Mortgage Receivables will pass to the Issuer and the Trustee Pledge Agreement I will provide that the Issuer (who will be a party to such pledge agreement) will be bound by the provisions thereof in such event.

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

The pledge provided in the Trustee Pledge Agreement I will not be notified to the Borrowers except in case of certain Trustee I Notification Events. These Trustee I Notification Events will be similar to the Notification Events defined in the Mortgage Receivables Purchase Agreement. Prior to notification of the pledge to the Borrowers, the pledge on the Mortgage Receivables and the Life Beneficiary Rights will be a "silent" right of pledge ("*stil pandrecht*") within the meaning of section 3:239 of the Netherlands Civil Code. The pledge on the Savings Beneficiary Rights will be notified to the Participant and will therefore, be a "disclosed" right of pledge ("*openbaar pandrecht*").

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

The Issuer will also vest a right of pledge (the "**Trustee Pledge Agreement II**") in favour of the Security Trustee on the Closing Date. This right of pledge secures any and all liabilities (including, without limitation, recourse claims) of the Issuer to the Security Trustee resulting from or in connection with the Deed of Surety and the Trust Deed and will be vested on all rights of the Issuer under or in connection with (i) the Mortgage Receivables Purchase Agreement, (ii) the Administration Agreement, (iii) the Floating Rate GIC, (iv) the Liquidity Facility Agreement, (v) the Sub-

Participation Agreement, (vi) the Swap Agreement (including the Swap Guarantee) and (vii) in respect of the Transaction Accounts. This right of pledge will be notified to the relevant obligors and will, therefore be a ''disclosed'' right of pledge.

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

THE SECURITY TRUSTEE

Stichting Security Trustee DMPL III (the "**Security Trustee**") is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 29 October 2003. It has its registered office in Amsterdam, the Netherlands.

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

The sole director of the Security Trustee is Amsterdamsch Trustee's Kantoor B.V., having its registered office at Frederik Roeskestraat 123, 1st floor, 1076 EE Amsterdam, the Netherlands. The managing directors of Amsterdamsch Trustee's Kantoor B.V. are R.F. Govaerts and D.P. Stolp.

TERMS AND CONDITIONS OF THE NOTES

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

The issue of the euro 1,208,000,000 floating rate Senior Class A Mortgage-Backed Notes 2003 due 2035 (the "**Senior Class A Notes**"), the euro 20,000,000 floating rate Mezzanine Class B Notes 2003 due 2035 (the "**Mezzanine Class B Notes**"), the euro 22,000,000 floating rate Junior Class C Notes 2003 due 2035 (the "**Junior Class C Notes**") and the euro 6,250,000 floating rate Subordinated Class D Notes 2003 due 2035 (the "**Subordinated Class D Notes**" and together with the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes, the "**Notes**") was authorised by a resolution of the managing director of Dutch Mortgage Portfolio Loans III B.V. (the "**Issuer**") passed on 15 December 2003. The Notes are issued under a trust deed to be dated 17 December 2003 (the "**Trust Deed**") between the Issuer, the Stichting Holding DMPL III and the Stichting Security Trustee DMPL III (the "**Security Trustee**").

The statements in the Conditions include summaries of, and are subject to, (i) the detailed provisions of the Trust Deed, which will include the form of the Notes and the coupons appertaining to the Notes (the "**Coupons**") and the forms of the Temporary Global Notes and the Permanent Global Notes, (ii) a paying agency agreement (the "**Paying Agency Agreement**") dated 17 December 2003 between the Issuer, the Security Trustee and Deutsche Bank AG London Branch ("**Deutsche Bank**") as principal paying agent (the "**Principal Paying Agent**") and as reference agent (the "**Reference Agent**") and Deutsche Bank AG Amsterdam Branch as paying agent (the "**Paying Agent**" and together with the Principal Paying Agent, the "**Paying Agents**"), (iii) an administration agreement (the "**Administration Agreement**") dated 17 December 2003 between – *inter alia* – the Issuer, Achmea Hypotheekbank N.V. as the Issuer Administrator and the Pool Servicer and the Security Trustee, (iv) a deed of surety (the "**Deed of Surety**") dated 17 December 2003 between the Security Trustee and – *inter-alia* – the Managers as initial holders of the Notes (the "**Noteholders**"), (v) a pledge agreement dated 17 December 2003 between the Seller, the Security Trustee and the Issuer, (vi) a pledge agreement dated 17 December 2003 between the Seller and the Issuer and (vii) a pledge agreement dated 17 December 2003 between the Issuer, the Security Trustee and others (jointly with the two other pledge agreements referred to under (v) and (vi) above, the "**Pledge Agreements**").

Unless otherwise defined herein, words and expressions used below are defined in a master definitions agreement (the "**Master Definitions Agreement**") dated 16 December 2003 and signed by the Issuer, the Security Trustee, the Seller and certain other parties. Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions. As used herein, "**Class**" means either the Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes or the Subordinated Class D Notes, as the case may be.

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

1. Form, Denomination and Title

Each of the Notes will be in bearer form serially numbered with Coupons attached on issue and will be available in denominations of euro 500,000, except for the Subordinated Class D Notes, which will be available in denominations of euro 625,000. Under Netherlands law, the valid transfer of Notes requires, *inter alia*, delivery ("*levering*") thereof. The Issuer, the Security Trustee and the Paying Agents may, to the fullest extent permitted by law, treat the holder of any Note and of the Coupons appertaining thereto as its absolute owner for all purposes (whether or not payment under such Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft thereof) for any purposes, including payment and no person shall be liable for so treating such holder. The signatures on the Notes will be in facsimile.

2. Status, Relationship between the Senior Notes, the Junior Notes and the Subordinated Notes and Security

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

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

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

(i) a deed of surety ("*borgtocht*") on a limited recourse basis by the Security Trustee, *inter alia*, to the Noteholders;

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

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

(iv) a first ranking pledge by the Issuer to the Security Trustee on the Issuer's rights (a) against the Seller under or in connection with the Mortgage Receivables Purchase Agreement; (b) against the Issuer Administrator and the Pool Servicer under or in connection with the Administration Agreement; (c) against the Swap Counterparty and the Swap Guarantor under or in connection with the Swap Agreement, (d) against the Liquidity Facility Provider under or in connection with the Liquidity Facility Agreement, (e) against the Participant under or in connection with the Sub-Participation Agreement, (f) against the Floating Rate GIC Provider under or in connection with the Floating Rate GIC and (g) against the Floating Rate GIC Provider in respect of the Transaction Accounts.

(d) The Senior Class A Notes, the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D Notes will be secured (directly and/or indirectly) by the Security. The Senior Class A Notes will rank in priority to the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D Notes, the Mezzanine Class B Notes will rank in priority to the Junior Class C Notes and the Subordinated Class D Notes and the Junior Class C Notes will rank in priority to the Subordinated Class D Notes. The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Junior Class C Noteholders and the Subordinated Class D Noteholders, as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise) but requiring the Security Trustee in any such case to have regard only to the interests of the Senior Class A Noteholders, if, in the Security Trustee's opinion, there is a conflict between the interests of the Senior Class A Noteholders on the one hand and any or all of the the Mezzanine Class B Noteholders, the Junior Class C Noteholders and the Subordinated Class D Noteholders on the other hand and, if no Senior Class A Notes are outstanding, to have regard only to the interests of the Mezzanine Class B Noteholders, if, in the Security Trustee's opinion, there is a conflict between the interests of the Mezzanine Class B Noteholders on the one hand and any or all of the Junior Class C Noteholders and the Subordinated Class D Noteholders on the other hand and, if no Mezzanine Class B Notes are outstanding, to have regard only to the interests of the Junior Class C Noteholders, if, in the Security Trustee's opinion, there is a conflict between the interests of the Junior Class C Noteholders on the one hand and the Subordinated Class D Noteholders on the other hand. In addition, the Security Trustee shall have regard to the interests of the other Secured Parties, provided that in case of a conflict interest between the Secured Parties the priority of payments upon enforcement set forth in the Trust Deed determines which interest of which Secured Party prevails.

3. Covenants of the Issuer

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

(a) carry out any business other than as described in the Offering Circular dated 16 December 2003 relating to the issue of the Notes and as contemplated in the Relevant Documents;

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

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

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

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

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

(g) have an interest in any bank account other than the Transaction Accounts unless all rights in relation to such account will have been pledged to the Security Trustee as provided in Condition 2(c)(iv).

4. Interest

(a) Period of accrual

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

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

(b) Interest periods and payment dates

Interest on the Notes shall be payable by reference to successive interest periods (each a "**Floating Rate 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 on the 20th day of February, May, August and November (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 20th day) in each year (each such day being a "**Quarterly Payment Date**"). A "**Business Day**" means a day on which banks are open for business in Amsterdam and London, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement European Transfer System ("**TARGET System**") or any successor thereto is operating credit or transfer instructions in respect of payments in euro. Each successive Floating Rate

Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Floating Rate Interest Period, which will commence on the Closing Date and end (but exclude) the Quarterly Payment Date falling in February 2004.

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

Interest on the Notes for each Floating Rate Interest Period from the Closing Date will accrue at an annual rate equal to the sum of the Euro Interbank Offered Rate ("**Euribor**") for three months deposits plus, up to the first Optional Redemption Date a margin per annum of 0.25 per cent. for the Senior Class A Notes, 0.63 per cent. for the Mezzanine Class B Notes, 1.15 per cent. for the Junior Class C Notes and 4.00 per cent. for the Subordinated Class D Notes or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for 2 and 3 months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.00005, being rounded upwards.

(d) Interest following the first Optional Redemption Date

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

(i) for the Senior Class A Notes, a margin of 0.75 per cent. per annum;

(ii) for the Mezzanine Class B Notes, a margin of 1.26 per cent. per annum;

(iii) for the Junior Class C Notes, a margin of 1.725 per cent. per annum; and

(iv) for the Subordinated Class D Notes, a margin of 4.00 per cent. per annum.

(e) Euribor

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

(i) The Reference Agent will obtain for each Floating Rate Interest Period the interest 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) as at or about 11:00 a.m. (Central European time) on the day that is two Business Days preceding the first day of each Floating Rate Interest Period (each an "**Interest Determination Date**").

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

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

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

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

(f) Determination of 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 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 each Class of Notes for the following Floating Rate Interest Period (the "**Floating Interest Amount**") by applying the applicable 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 in respect of each Quarterly Payment Date cause the applicable Floating Rate of Interest and the relevant Floating Interest Amount and the relevant Quarterly Payment Date to be notified to the Issuer, the Security Trustee, the Principal Paying Agent, the Issuer Administrator, the Pool Servicer, Euronext Amsterdam N.V. and to the holders of such Class of Notes by an advertisement in the English language in the Euronext Official Daily List ("*Officiële Prijscourant*") of Euronext Amsterdam N.V. The Floating Interest Amount and the relevant Quarterly Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Rate Interest Period.

(h) Determination or Calculation by Security Trustee

If the Reference Agent at any time for any reason does not determine the relevant Floating 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 90 days' notice in writing to that effect. Notice of any such termination will be given to the holders of the relevant Class of Notes in accordance with Condition 13. If any person shall be unable or unwilling to continue to act as a Reference Bank or the Reference Agent (as the case may be) or if the appointment of any Reference Bank or the Reference Agent shall be terminated, the Issuer will, with the prior written consent of the Security Trustee, appoint a successor Reference Bank or Reference Agent (as the case may be) to act in its place, provided that neither the resignation nor removal of the Reference Agent shall take effect until a successor approved in writing by the Security Trustee has been appointed.

5. Payment

(a) Payment of principal and interest in respect of the Notes will be made upon presentation of such Note and against surrender of the relevant Coupon appertaining thereto, at any specified office of the Principal 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.

(b) At the Final Maturity Date (as defined in Condition 6), or such earlier date the Notes become due and payable, the Notes should be presented for payment together with all unmatured Coupons appertaining thereto, failing which the full amount of any such missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the full amount

of such missing unmatured Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five years following the due date for payment of such principal (whether or not such Coupons would have become unenforceable pursuant to Condition 8).

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

(d) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agents and to appoint additional or other paying agents provided that no paying agents 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 the Official Segment of the stock market of Euronext Amsterdam shall be located in the Netherlands. Notice of any termination or appointment of a Paying Agent will be given to the Noteholders in accordance with Condition 13.

6. Redemption and purchase

(a) Final redemption

Unless previously redeemed as provided below, the Issuer will in respect of the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D Notes, subject to Condition 9(b), redeem the Notes at their Principal Amount Outstanding on the Quarterly Payment Date falling in November 2035 (the "**Final Maturity Date**").

(b) Mandatory redemption

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer will be obliged to apply the Notes Redemption Available Amount (as defined below) – subject to the Conditions – to (partially) redeem the Notes. The amounts available for the Noteholders will be passed through on each Quarterly Payment Date (the first falling in February 2004) in the following order: (i) to the holders of the Senior Class A Notes until fully redeemed, (ii) the Mezzanine Class B Notes until fully redeemed and (iii) thereafter to the Junior Class C Notes until fully redeemed.

The principal amount so redeemable in respect of each relevant Note (each a "**Principal Redemption Amount**") on the relevant Quarterly Payment Date shall be the amount (if any) (rounded down to the nearest euro) of the Notes Redemption Available Amount on the Quarterly Calculation Date relating to that Quarterly Payment Date divided by the number of Notes subject to such redemption, provided always that the Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Note. Following application of the principal Redemption Amount, the Principal Amount Outstanding of such Note shall be reduced accordingly.

(c) Definitions

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

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

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

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

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

(iii) as amounts to be received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable, the Participation in such Savings Mortgage Receivable;

(iv) as amounts to be received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable, the Participation in such Savings Mortgage Receivable;

(v) as amount to be credited to the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger or the Class C Principal Deficiency Ledger as the case may be, on the immediately succeeding Quarterly Payment Date in accordance with the Administration Agreement;

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

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

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

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

"**Quarterly Calculation Date**" means, in relation to a Quarterly Payment Date, the 6th business day prior to such Quarterly Payment Date;

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

"**Mortgage Calculation Period**" means the period commencing on (and including) the 6th day of each calendar month and ending on (and including) the 5th day of the following calendar month except for the first Mortgage Calculation Period which will commence on (and include), 1 December 2003 and end on (and include) 5 January 2004.

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

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

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

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

(e) Optional redemption of the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes

Unless previously redeemed in full, the Issuer may, at its option, by giving not more than sixty (60) nor less than thirty (30) days prior written notice to the Security Trustee and the Noteholders in accordance with Condition 13, on the Quarterly Payment Date falling in November 2013 or on any Quarterly Payment Date thereafter (each an "**Optional Redemption Date**") redeem all of the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes, in whole but not in part, at their Principal Amount Outstanding on such date. In the event that on such Optional Redemption Date there is a Junior Class C Principal Shortfall or, as the case may be, a Mezzanine Class B Principal Shortfall in respect of the Junior Class C Notes or the Mezzanine Class B Notes, respectively, the Issuer may, at its option, subject to Condition 9 (b), partially redeem all (but not some only) Junior Class C Notes or, as the case may be, Mezzanine Class B Notes at their Principal Amount Outstanding less the Junior Class C Principal Shortfall or, as the case may be, Mezzanine Class B Principal Shortfall. Following such redemption the Principal Amount Outstanding of such Junior Class C Notes or, as the case may be, Mezzanine Class B Notes shall be reduced accordingly and be equal to the Junior Class C Principal Shortfall or, as the case may be, the Mezzanine Class B Principal Shortfall. The "**Junior Class C Principal Shortfall**" shall mean an amount equal to the quotient of the balance on the Class C Principal Deficiency Ledger divided by the number of Junior Class C Notes then outstanding on such Optional Redemption Date. The "**Mezzanine Class B Principal Shortfall**" shall mean an amount equal to the quotient of the balance on the Class B Principal Deficiency Ledger divided by the number of Mezzanine Class B Notes then outstanding on such Optional Redemption Date.

(f) Redemption of Subordinated Class D Notes

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer will be obliged to apply the Notes Interest Available Amount, if and to the extent that all payments ranking above item (n) in the Interest Priority of Payments have been made in full, to redeem (or partially redeem) on a *pro rata* basis the Subordinated Class D Notes (i) on each Quarterly Payment Date, provided that on such Quarterly Payment Date, the Classes of Notes ranking higher in priority than the Subordinated Class D Notes have been redeemed in full or (ii) on each Optional Redemption Date, until fully redeemed as long as the Senior Class A Notes, the Mezzanine Class B Notes and the Senior Class C Notes are not fully redeemed.

(g) Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Quarterly Payment Date, on giving not less than 30 nor more than 60 days' notice to the Noteholders and the Security Trustee at their Principal Amount Outstanding, together with interest accrued up to and including the date of redemption, if, immediately before giving such notice, the Issuer has satisfied the Security Trustee that:

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

(ii) the Issuer will have sufficient funds available on the Quarterly Calculation Date immediately preceding such Quarterly Payment Date to discharge all its liabilities in respect of the Notes and any amounts required to be paid in priority or *pari passu* with each Class of Notes in accordance with the Trust Deed.

7. Taxation

All payments in respect of the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties or charges of whatsoever nature unless the Issuer or the Principal Paying Agent (as applicable) is required by applicable law to make any payment in respect of the Notes subject to any withholding or deduction of such taxes, duties or charges of whatsoever nature, where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48 EC or any other Directive

implementing the conclusion of the ECOFIN Council meeting 26-27 November 2000 on the taxation of savings income or any other law implementing or complying with, or introduced in order to conform to such Directive. In that event, the Issuer or the Principal Paying Agent (as the case may be) shall make such payment after the required withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Principal Paying Agent nor the Issuer will be obliged to make any additional payments to the Noteholders in respect of such withholding or deduction.

8. Prescription

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

9. Subordination

(a) Interest

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

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

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

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

interest applicable to the Subordinated Class D Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Subordinated Class D Note on the next succeeding Quarterly Payment Date.

(b) Principal

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

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

The Subordinated Class D Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Subordinated Class D Notes after the earlier of (i) the Final Maturity Date or (ii) the date on which the Issuer no longer holds any Mortgage Receivables and there are no balances standing to the credit of the Transaction Accounts.

(c) General

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

10. Events of Default

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

(a) default is made for a period of fifteen (15) days or more in the payment on the due date of any amount due in respect of the Notes of the Relevant Class; or

(b) the Issuer fails to perform any of its other obligations binding on it under the Notes of the Relevant Class, the Trust Deed, the Paying Agency Agreement or the Pledge Agreements and, except where such failure, in the reasonable opinion of the Security Trustee, is incapable of remedy, such default continues for a period of thirty days after written notice by the Security Trustee to the Issuer requiring the same to be remedied; or

(c) if a conservatory attachment ("*conservatoir beslag*") or an executory attachment ("*executoriaal beslag*") on any major part of the Issuer's assets is made and not discharged or released within a period of thirty (30) days; or

(d) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or winding-up of the Issuer or for the appointment of a liquidator or receiver of the Issuer or of all or substantially all of its assets; or

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

(f) the Issuer files a petition for a suspension of payments ("*surseance van betaling*") or for bankruptcy ("*faillissement*") or is declared bankrupt;

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

11. Enforcement

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

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

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

12. Indemnification of the Security Trustee

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

13. Notices

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

14. Meetings of Noteholders; Modification; Consents; Waiver

(a) The Trust Deed contains provisions for convening meetings of the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Junior Class C Noteholders and the Subordinated Class D Noteholders to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of these Conditions or any provisions of the Relevant Documents, provided that no change of certain terms by the Noteholders of any Class including the date of maturity of the Notes of the relevant Class, or a change which would have the effect of postponing any day for payment of interest in respect of such Notes, reducing or cancelling the amount of principal payable in respect of such Notes or altering the majority required to pass an Extraordinary Resolution or any alteration of the date or priority of redemption of such Notes (any such change in respect of any such class of Notes referred to below as a "**Basic Terms Change**") shall be effective unless it is sanctioned by an Extraordinary Resolution of the Noteholders of the relevant Class of Notes as described below except that, if the Security Trustee is of the opinion that such Basic Terms Change is being proposed by the Issuer as a result of, or in order to avoid, an Event of Default, no such Extraordinary Resolution is required.

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

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

An Extraordinary Resolution of the Mezzanine Class B Noteholders and/or the Junior Class C Noteholders and/or the Subordinated Class D Noteholders shall only be effective when the Security Trustee is of the opinion that it will not be materially prejudicial to the interests of the Senior Class A Noteholders and/or, as the case may be, the Mezzanine Class B Noteholders and/

or, as the case may be, the Junior Class C Noteholders or it is sanctioned by an Extraordinary Resolution of the Senior Class A Noteholders, the Mezzanine Class B Noteholders or the Junior Class C Noteholders, as the case may be. The Trust Deed imposes no such limitations on the powers of the Senior Class A Noteholders, the exercise of which will be binding on the Mezzanine Class B Noteholders, the Junior Class C Noteholders and the Subordinated Class D Noteholders, irrespective of the effect on their interests.

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

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

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

15. Replacements of Notes and Coupons

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

16. Governing Law

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

17. Additional obligations

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

GLOBAL NOTES

Each Class of the Notes shall be initially represented by (i) in the case of the Senior Class A Notes a Temporary Global Note in bearer form, without coupons, in the principal amount of euro 1,208,000,000, (ii) in the case of the Mezzanine Class B Notes a Temporary Global Notes in bearer form, without coupons, in the principal amount of euro 20,000,000, (iii) in the case of the Junior Class C Notes a Temporary Global Note in bearer form, without coupons, in the principal amount of euro 22,000,000 and (iv) in the case of the Subordinated Class D Notes a Temporary Global Note in bearer form without coupons, in the principal amount of euro 6,250,000. Each Temporary Global Note will be deposited with Deutsche Bank AG London, as common depository for Euroclear Bank S.A./N.V., as operator of Euroclear and Clearstream, Luxembourg on or about 17 December 2003. Upon deposit of each such Temporary Global Note, Euroclear and Clearstream, Luxembourg will credit each purchaser of Notes represented by such Temporary Global Note with the principal amount of the relevant Class of Notes equal to the principal amount thereof for which it has purchased and paid. Interests in each Temporary Global Note will be exchangeable (provided certification of non-U.S. beneficial ownership by the Noteholders has been received) not earlier than forty (40) days after the issue date of the Notes (the "**Exchange Date**") for interests in a permanent global note (each a "**Permanent Global Note**"), in bearer form, without coupons, in the principal amount of the Notes of the relevant Class (the expression "**Global Notes**" meaning the Temporary Global Notes of each Class and the Permanent Global Notes of each Class and the expression "**Global Note**" means any of them, as the context may require). On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant Class, the Permanent Global Note will remain deposited with the common depository.

The Global Notes will be transferable by delivery. Each Permanent Global Note will be exchangeable for Notes in definitive form only in the circumstances described below. Such notes in definitive form shall be issued in denominations of euro 500,000 and euro 625,000 in respect of the Subordinated Class D Notes or, as the case may be, in the Principal Amount Outstanding of the Notes on such issue date. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note will be entitled to receive any payment made in respect of that Note in accordance with the respective rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes, which must be made by the holder of a Global Note, for so long as such Global Note is outstanding. Each person must give a certificate as to non-U.S. beneficial ownership as of the date on which the Issuer is obliged to exchange a Temporary Global Note for a Permanent Global Note, which date shall be no earlier than the Exchange Date, in order to obtain any payment due on the Notes.

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

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

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

If after the Exchange Date (i) the Notes become immediately due and payable by reason of accelerated maturity following an Event of Default, or (ii) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Security Trustee is available, or (iii) as a result of any amendment to, or change in the laws or regulations of the Netherlands (or of any political sub-division thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after 17 December 2003, the Issuer, the Principal Paying Agent or the Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form, then the Issuer will at its sole cost and expense, issue:

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

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

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

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

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

TAXATION IN THE NETHERLANDS

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

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

Subject to the foregoing:

1. No registration, stamp, transfer or turnover taxes or other similar duties or taxes will be payable in the Netherlands in respect of the offering and the Issue of the Notes by the Issuer or in respect of the signing and delivery of the Documents.
2. No Netherlands withholding tax will be due on payments of principal and/or interest.
3. A holder of Notes (a "**Holder**") will not be subject to Netherlands taxes on income or capital gains in respect of the acquisition or holding of Notes or any payment under the Notes or in respect of any gain realised on the disposal or redemption of the Notes, provided that:
   (i) such Holder is neither a resident nor deemed to be a resident nor has opted to be treated as a resident in the Netherlands; and
   (ii) such Holder does not have an enterprise or an interest in an enterprise that, in whole or in part, is carried on through a permanent establishment or a permanent representative in the Netherlands and to which permanent establishment or permanent representative the Notes are attributable; and, if the Holder is a legal person
   (iii) such Holder does not have a substantial interest* in the share capital of the Issuer, or in the event that such Holder does have such an interest, such interest forms part of the assets of an enterprise; and
   (iv) such Holder does not have a deemed Netherlands enterprise to which enterprise the Notes are attributable; and, if the Holder is a natural person,
   (v) such Holder does not derive income and/or capital gains from activities in the Netherlands other than business income (as described under 3.(ii)) to which activities the Notes are attributable; and
   (vi) such Holder or a person related to the Holder by law, contract, consanguinity or affinity to the degree specified in the tax laws of the Netherlands does not have, or is not deemed to have, a substantial interest* in the share capital of the Issuer.
4. There will be no Dutch gift, estate or inheritance tax levied on the acquisition of a Note by way of gift by, or on the death of a Holder, if the Holder at the time of the gift or the death is neither a resident nor a deemed resident of the Netherlands, unless:
   (i) at the time of the gift or death, the Notes are attributable to an enterprise or part thereof, which is carried on through a permanent establishment or a permanent representative in the Netherlands; or
   (ii) the Holder dies within 180 days of making the gift, and at the time of death is a resident or deemed resident of the Netherlands.

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

PURCHASE AND SALE

Deutsche Bank AG London, Credit Suisse First Boston (Europe) Limited, BCP Investimento – Banco Comercial Português de Investimento, SA, Dexia Bank N.V./S.A., Coöperatieve Centrale Raiffeisen – Boerenleenbank B.A., Société Générale, Fortis Bank N.V./S.A. and WestLB AG (the "**Managers**") have, pursuant to a notes purchase agreement dated 16 December 2003, among the Managers, the Issuer and the Seller (the "**Notes Purchase Agreement I**"), jointly and severally agreed with the Issuer, subject to certain conditions, to purchase the Senior Class A Notes. Credit Suisse First Boston (Europe) Limited and Deutsche Bank AG London have pursuant to a notes purchase agreement dated 16 December 2003 between the Issuer, the Seller and them (the "**Notes Purchase Agreement II**" and together with the Note Purchase Agreement I, the "**Notes Purchase Agreements**") agreed with the Issuer to purchase the Mezzanine Class B Notes, the Junior Class C Notes and the Subordinated Class D Notes at their respective issue prices. The Issuer has agreed to indemnify and reimburse the Managers against certain liabilities and expenses in connection with the issue of the Notes.

United Kingdom

Each of the Managers has agreed that (i) it has not offered or sold and, prior to the expiration of the period of six months from the Closing Date, will not offer or sell any Notes to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, (ii) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "**FSMA**"), with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom and (iii) it has only communicated or caused to be communicated and 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 the 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 1933 (as amended) (the "**Securities Act**") and are subject to U.S. Tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to United States persons. Each of the Managers has agreed that it will not offer, sell or deliver the Notes within the United States or to United States persons except as permitted by the Notes Purchase Agreements. In addition, until forty (40) days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the purchase) may violate the registration requirements of the Securities Act. As applicable, terms used in these paragraphs have the meanings given to them by Regulation S under the Securities Act and the U.S. Internal Revenue Code and regulations thereunder.

France

Each of the Managers has agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in the Republic of France and that it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in the Republic of France this Offering Circular or any amendment or supplement to it or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall only be made in the Republic of France to (i) qualified investors ("*investisseurs qualifies*") and/or (ii) a restricted group of investors ("*cercle restreint dinvestisseurs*"), all as defined in and in accordance with Article L.411.2 of the French *Code Monétaire et Financier* and Decree no. 98-880 dated 1 October 1998.

In addition, each of the Managers has agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, the Offering Circular or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in the Republic of France may be made as described above.

Germany

Each Manager has acknowledged that the Notes are issued under the "Euro 40,000 Exemption" pursuant to Section 2 No. 4 of the Securities Selling Prospectus Act of the Federal Republic of Germany ("*Wertpapier- Verkaufsprospektgesetz*") of December 13 1990, as amended (the "**Securities**

Selling Prospectus Act") and that no Securities Sales Prospectus ("*Verkaufsprospekt*") has been published; in particular, the Notes may not be offered in Germany by way of public promotions. Each Managers represents and agrees that it has offered and sold and will offer and sell the Notes only (i) in denominations of at least Euro 40,000, or (ii) for an aggregate purchase price per purchaser of at least Euro 40,000 (or the foreign currency equivalent), or (iii) if the selling price for all Notes offered does not exceed Euro 40,000 or such other amount as may be stipulated from time to time by applicable German law. In particular, each Manager undertakes not to engage in public offerings in the Federal Republic of Germany with respect to the Notes otherwise than in accordance with the Securities Selling Prospectus Act and any other act replacing for supplementing such Act, and all other applicable laws and regulations.

Italy

The offering of the Notes has not been cleared by CONSOB (the Italian Securities Exchange Commission) pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Offering Circular or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(i) to professional investors (*operatori qualificati*), as defined in article 31, second paragraph, of CONSOB Regulation No. 11522 of 1st July, 1998, as successively amended; or

(ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to article 100 of legislative decree No. 58 of 24th February, 1998 (the Financial Services Act) and article 33, first paragraph, of CONSOB Regulation No. 11971 of 14th May, 1999, as successively amended.

Any offer, sale or delivery of the Notes or distribution of copies of the Offering Circular or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act and legislative decree No. 385 of 1st September, 1993 (the Banking Act);

(b) in compliance with article 129 of the Banking Act and the implementing guidelines of the Bank of Italy pursuant to which the issue or the offer of securities in the Republic of Italy may need to be preceded and followed by an appropriate notice to be filed with the Bank of Italy depending on, *inter alia*, the aggregate value of the securities issued or offered in the Republic of Italy and their characteristics; and

(c) in accordance with any other applicable laws or regulations.

Spain

The sale of the Notes, by the Managers on behalf of the Issuer or a third party, does not form part of any public offer of such securities in Spain. Each sale of Notes to each investor is an individual transaction and has been negotiated and/or agreed between each invester and the Managers upon each investors request. Any subsequent transaction any investor executes regarding the Notes, including requesting the Managers to transfer the Notes to any entity managed or controlled by such investor, will be executed on such investor's own behalf only and not on behalf of or for the account of any of the Managers. These Notes may not be directly/indirectly sold, transferred or delivered in any manner, at any time other than to institutional investors in Spain (defined under Spanish Law to include only pension funds, collective investment schemes, insurance companies, banks, saving banks and securities companies).

Each investor will be deemed to have represented that (i) such investor has made its own independent decision to purchase the Notes and have not relied on any recommendation or advice from any of the Managers and (ii) such investor has already has all required information and understand all the indicative terms, conditions and restrictions of these Notes.

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 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 REGULATION S 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 each of the Managers 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 15 December 2003.
2. The Senior Class A Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 018212005 and ISIN XS0182120054 and Fondscode 14607.
3. The Mezzanine Class B Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 018212048 and ISIN XS0182120484 and Fondscode 14608.
4. The Junior Class C Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 018212137 and ISIN XS0182121375 and Fondscode 14609.
5. The Subordinated Class D Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 018212218 and ISIN XS0182122183 and Fondscode 14610.
6. There has been no material adverse change in the financial position or prospects of the Issuer since 24 November 2003.
7. KPMG Accountants N.V. have given and have not withdrawn its written consent to their report included in this offering circular in the form and context in which it appears.
8. Since its incorporation, the Issuer is not involved in any legal or arbitration proceedings which may have a significant effect on the Issuer's financial position nor, so far as the Issuer is aware, are any such proceedings pending or threatened against the Issuer.
9. Copies of the following documents may be inspected at the specified offices of the Security Trustee and any of the Paying Agents during normal business hours:
   (i) the Deed of Incorporation of the Issuer;
   (ii) the Mortgage Receivables Purchase Agreement;
   (iii) the Notes Purchase Agreements;
   (iv) the Paying Agency Agreement;
   (v) the Trust Deed;
   (vi) the Deed of Surety;
   (vii) the Trustee Pledge Agreement I;
   (viii) the Trustee Pledge Agreement II;
   (ix) the Issuer Pledge Agreement;
   (x) the Administration Agreement;
   (xi) the Sub-Participation Agreement;
   (xii) the Floating Rate GIC;
   (xiii) the Swap Agreement;
   (xiv) the Liquidity Facility Agreement;
   (xv) the Beneficiary Waiver Agreement;
   (xvi) the Master Definitions Agreement; and
   (xvii) the articles of association of the Security Trustee.
10. The audited annual financial statements of the Issuer will be made available, free of charge, at the specified offices of any of the Paying Agents.
11. The articles of association of the Issuer are incorporated herein by reference. A free copy of the Issuer's articles of association is available at the office of the Issuer.
12. US Taxes:

The Notes will bear a legend to the following effect: "*any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Section 165(j) and 1287(a) of the Internal Revenue Code.'*

The sections referred to in such legend provide that a United States person who holds a Note will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

REGISTERED OFFICES

ISSUER

Dutch Mortgage Portfolio Loans III B.V.
Frederik Roeskestraat 123
1076 EE Amsterdam
the Netherlands

SECURITY TRUSTEE

Stichting Security Trustee DMPL III
Frederik Roeskestraat 123
1076 EE Amsterdam
the Netherlands

ISSUER ADMINISTRATOR AND POOL SERVICER

Achmea Hypotheekbank N.V.
Lange Houtstraat 8
2511 CW's-Gravenhage
the Netherlands

PRINCIPAL PAYING AGENT AND REFERENCE AGENT

Deutsche Bank AG London
Great Winchester House
1 Great Winchester Street
London
EC2N 2DB
England

PAYING AGENT AND LISTING AGENT

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

LEGAL ADVISERS

to the Issuer and the Managers:
as to Netherlands law

NautaDutilh N.V.
Prinses Irenestraat 59
1077 WV Amsterdam
the Netherlands

to the Seller
as to Netherlands corporate and civil law:

De Brauw Blackstone Westbroek N.V.
Tripolis 300
Burgerweeshuispad 301
1076 HR Amsterdam
the Netherlands

AUDITORS

KPMG Accountants N.V.
Burgemeester Rijnderslaan 10
1185 MC Amstelveen
the Netherlands

TAX ADVISORS

KPMG Meijburg & Co.
Burgemeester Rijnderslaan 10
1185 MC Amstelveen
the Netherlands

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