

# GREEN APPLE B.V.

(a private company with limited liability incorporated under the laws of the Netherlands with its statutory seat in Amsterdam, the Netherlands)

**Euro 1,925,600,000 floating rate Senior Class A Mortgage-Backed Notes 2008 due 2041, issue price 100 per cent.**

**Euro 29,650,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2008 due 2041, issue price 100 per cent.**

**Euro 19,750,000 floating rate Junior Class C Mortgage-Backed Notes 2008 due 2041, issue price 100 per cent.**

## GREEN APPLE 2008-I NHG PORTFOLIO

---

This document constitutes a prospectus (the '**Prospectus**') within the meaning of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the '**Prospectus Directive**'). Application has been made to the Luxembourg Commission de Surveillance du Secteur Financier (the '**CSSF**') as competent authority under the Prospectus Directive for this Prospectus to be approved.

Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange for the euro 1,925,600,000 floating rate Senior Class A Mortgage-Backed Notes 2008 due 2041 (the '**Senior Class A Notes**'), the euro 29,650,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2008 due 2041 (the '**Mezzanine Class B Notes**') and the euro 19,750,000 floating rate Junior Class C Mortgage-Backed Notes 2008 due 2041 (the '**Junior Class C Notes**'), and together with the Senior Class A Notes and the Mezzanine Class B Notes, the '**Notes**'). The Notes, to be issued by Green Apple B.V. (the '**Issuer**'), are to be admitted to trading on the regulated market for the purposes of the Market and Financial Instruments Directive 2004/39/EC (the '**Regulated Market**') of the Luxembourg Stock Exchange. This document is issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purpose of giving information with regard to the issue of Notes. The Notes are expected to be issued and admitted to trading on 23 December 2008.

The Notes will carry a floating rate of interest payable quarterly in arrear on each Quarterly Payment Date. The rate of interest for the Notes will be three month Euribor (or, in respect of the first Floating Rate Interest Period, four month Euribor) plus the Relevant Margin. Up to (and including) the first Optional Redemption Date, the Relevant Margin will be 0.70 per cent. per annum for the Senior Class A Notes, 4.00 per cent. per annum for the Mezzanine Class B Notes and 4.00 per cent. per annum for the Junior Class C Notes. If on the first Optional Redemption Date the Notes have not been redeemed or are not redeemed in full, subject to and in accordance with the terms and conditions of the Notes (the '**Conditions**'), then the Relevant Margin will be reset and will be 1.40 per cent. per annum for the Senior Class A Notes, 5.00 per cent. per annum for the Mezzanine Class B Notes and 5.00 per cent. per annum for the Junior Class C Notes. Where the withholding or deduction of taxes, duties, assessments or charges is 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.

The Notes are scheduled to mature on the Quarterly Payment Date falling in January 2041 (the '**Final Maturity Date**'). On each Quarterly Payment Date (the first falling in April 2009), the Notes will be subject to mandatory redemption (in whole or in part) in the circumstances set out in, and subject to and in accordance with the Conditions. On the Quarterly Payment Date falling in January 2014 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, in whole but not in part, at their Principal Amount Outstanding, in the circumstances set out in, subject to and in accordance with the Conditions. In addition, the Issuer has the option to redeem all (but not some only) of the Notes, in whole but not in part, upon the occurrence of a Tax Change subject to and in accordance with the Conditions. Finally, the Issuer will redeem the Notes if the Seller exercises its Clean-Up Call Option subject to and in accordance with Condition 6(b) and subject to, in respect of the Mezzanine Class B Notes and the Junior Class C Notes, Condition 9(b).

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

The Notes will be indirectly secured by a right of pledge by the Issuer over the NHG Mortgage Receivables (the '**Green Apple 2008-I NHG Portfolio**'), the Beneficiary Rights and a right of pledge over (most of) the other assets of the Issuer to the extent such assets are related to the Green Apple 2008-I NHG Portfolio in favour of Stichting Security Trustee Green Apple 2008-I NHG (the '**Security Trustee**'). The right to

payment of interest and principal on the Mezzanine Class B Notes and Junior Class C Notes will be subordinated and may be limited as more fully described herein. Recourse in respect of the Notes is limited to the Green Apple 2008-I NHG Portfolio, the Beneficiary Rights relating thereto, any claims of the Issuer under the Relevant Documents and the balance standing to the credit of the Transaction Accounts and there will be no other assets of the Issuer and any rights in connection therewith available for any further payments.

The Issuer has issued notes in 2007 to purchase certain mortgage receivables from the Seller acting through its Netherlands Branch (the "**Green Apple 2007-I NHG Portfolio**") and has the right to issue further notes from time to time, which will not be fungible with the Notes, and use (part of) the proceeds thereof to purchase Eligible Assets, provided that the then current ratings assigned to the Notes will not be adversely affected as a result of the issue of further notes.

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

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories (the "**ICSDs**") as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Initially, the Notes will be purchased by the Seller.

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 Arranger, the Notes Purchaser, the Reserve Fund Provider, the Floating Rate GIC Provider, the Directors, the Issuer Administrator, the MPT Provider, the Swap Counterparty, the Paying Agent, the Reference Agent or the Security Trustee. Furthermore, none of the Seller, the Arranger, the Notes Purchaser, the Reserve Fund Provider, the Floating Rate GIC Provider, the Directors, the Issuer Administrator, the MPT Provider, the Swap Counterparty, the Paying Agent, the Reference Agent, the Security Trustee or any other person, in whatever capacity acting, 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 Arranger, the Notes Purchaser, the Reserve Fund Provider, the Floating Rate GIC Provider, the Directors, the Issuer Administrator, the MPT Provider, the Swap Counterparty, the Paying Agent, the Reference Agent or the Security Trustee will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances described herein).

Capitalised terms used in this Prospectus, unless otherwise indicated, have the meanings as set out in this Prospectus. For the page reference of capitalised terms used herein see *Index of Defined Terms*.

## **Arranger**

### **THE ROYAL BANK OF SCOTLAND**

The date of this Prospectus is 23 December 2008.

## IMPORTANT INFORMATION

Only the Issuer is responsible for the information contained in this Prospectus, other than the information for which the Seller is responsible as referred to in the following paragraph. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information (except for the information for which either the Seller is responsible as referred to in the following paragraph) contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information from third-parties contained and specified as such in this Prospectus (except for the information for which the Seller is responsible as referred to in the following paragraph) has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by such third parties, does not omit anything likely to render the reproduced information inaccurate or misleading. The Issuer accepts responsibility accordingly.

The Seller is responsible solely for the information contained in the following sections of this Prospectus: "*Overview of the Dutch Housing and Residential Mortgage Market*", "*Argenta Group*", "*Description of the Mortgage Loans*", "*NHG Guarantee Programme*", "*Summary of Portfolio*" and "*Mortgage Loan Underwriting and Mortgage Services*". To the best of the knowledge and belief of the Seller (having taken all reasonable care to ensure that such is the case) the information contained in these paragraphs is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information from third-parties contained and specified as such in these paragraphs has been accurately reproduced and, as far as the Seller is aware and is able to ascertain from information published by such third parties, does not omit anything likely to render the reproduced information inaccurate or misleading. The Seller accepts responsibility accordingly.

Furthermore, also Stater Nederland B.V. is responsible for the information contained in the section Stater Nederland B.V.. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained and specified as such in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. Stater Nederland B.V. accepts responsibility accordingly.

Neither this Prospectus 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 Prospectus or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or the Notes Purchaser.

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 Prospectus 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 Prospectus 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 the delivery of this Prospectus at any time nor any sale made in connection with the offering of the Notes shall imply that the information contained herein is correct at any time subsequent to the date of this Prospectus. Neither the Issuer nor any other party has any obligation to update this Prospectus, after completion of the offer of the Notes.

The Arranger, the Notes Purchaser and the Seller 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 Prospectus. Any representation to the contrary is unlawful.

The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the '**Securities Act**') and include Notes in bearer form that are subject to United States tax law requirements. The Notes may not be offered, sold or delivered within the United States or to United States persons as defined in Regulation S under the Securities Act, except in certain transactions permitted by US tax regulations and the Securities Act (see *Purchase and Sale* below).

All references to '**Euro**', '**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

<b>SUMMARY .....</b>	<b>6</b>
<b>RISK FACTORS.....</b>	<b>10</b>
<b>STRUCTURE DIAGRAM.....</b>	<b>27</b>
<b>OVERVIEW OF THE PARTIES AND PRINCIPAL FEATURES OF THE TRANSACTION.....</b>	<b>28</b>
<b>CREDIT STRUCTURE .....</b>	<b>40</b>
<b>OVERVIEW OF THE DUTCH HOUSING AND RESIDENTIAL MORTGAGE MARKET .....</b>	<b>49</b>
<b>ARGENTA GROUP .....</b>	<b>54</b>
<b>ASPA GROUP RETAIL BANK PRODUCT OFFERING IN THE NETHERLANDS .....</b>	<b>68</b>
<b>DESCRIPTION OF THE MORTGAGE LOANS .....</b>	<b>70</b>
<b>SUMMARY OF THE PORTFOLIO.....</b>	<b>72</b>
<b>NHG GUARANTEE PROGRAMME.....</b>	<b>82</b>
<b>MORTGAGE LOAN UNDERWRITING AND MORTGAGE SERVICES.....</b>	<b>85</b>
<b>STATER NEDERLAND B.V.....</b>	<b>95</b>
<b>MORTGAGE RECEIVABLES PURCHASE AGREEMENT .....</b>	<b>96</b>
<b>ISSUER SERVICES AGREEMENT .....</b>	<b>102</b>
<b>THE ISSUER.....</b>	<b>104</b>
<b>USE OF PROCEEDS.....</b>	<b>106</b>
<b>DESCRIPTION OF SECURITY .....</b>	<b>107</b>
<b>THE SECURITY TRUSTEE .....</b>	<b>109</b>
<b>TERMS AND CONDITIONS OF THE NOTES.....</b>	<b>111</b>
<b>THE GLOBAL NOTES.....</b>	<b>125</b>
<b>TAXATION IN THE NETHERLANDS .....</b>	<b>127</b>
<b>PURCHASE AND SALE.....</b>	<b>129</b>
<b>GENERAL INFORMATION .....</b>	<b>132</b>
<b>INDEX OF DEFINED TERMS .....</b>	<b>133</b>
<b>REGISTERED OFFICES .....</b>	<b>136</b>

## SUMMARY

*This summary must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including any amendment and supplement ("supplement" as defined by Article 13 of the Luxembourg Law on Prospectuses) thereto. Civil liability attaches to the Issuer, being the entity which has tabled the summary, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.*

*Capitalised terms used, but not defined, in this section can be found elsewhere in this Prospectus. For the page reference of the definitions of the capitalised terms used herein see Index of Defined Terms.*

### **The Issuer**

The Issuer is incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") under number B.V. 1450414 and registered with the Commercial Register of the Chamber of Commerce in Amsterdam under number 34283046. The Issuer is established to issue notes, such as the Notes, from time to time. The Issuer issued notes for the first time on 26 September 2007 and the proceeds of such issue were applied towards the acquisition of the Green Apple 2007-I NHG Portfolio from the Seller.

Recourse in respect of the Notes or any notes to be issued from time to time will be limited to any receivables resulting from mortgage loans originated by the Seller or by the Seller acting through its Netherlands Branch ('**Eligible Assets**') purchased by the Issuer with (part of) the proceeds of such notes (see in this paragraph under *Limited Recourse* below). The entire issued share capital of the Issuer is owned by the Shareholder.

Initially, the Notes will be purchased by the Seller.

### **The Transaction**

The Issuer will purchase and, on the Closing Date, accept the assignment from the Seller of the NHG Mortgage Receivables (i.e. the rights under or in connection with certain pre-selected Mortgage Loans originated by the Seller which have the benefit of NHG Guarantees) and the Beneficiary Rights relating thereto by means of a registered deed of assignment as a result of which legal title to the NHG Mortgage Receivables and such Beneficiary Rights relating thereto is transferred to the Issuer. Furthermore, the Issuer will on the Closing Date issue the Notes and use the net proceeds of the Notes to pay to the Seller the Initial Purchase Price for the NHG Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement (see further *Mortgage Receivables Purchase Agreement*). Furthermore, the Issuer will pay the Deferred Purchase Price to the Seller, which is to be paid on each Quarterly Payment Date in Deferred Purchase Price Instalments, if any (see further *Mortgage Receivables Purchase Agreement*).

The Issuer will use receipts of principal and interest in respect of the NHG Mortgage Receivables together with amounts it receives under the Floating Rate GIC and the Swap Agreement and drawings made from the Reserve Account, to make payments of, *inter alia*, principal and interest due in respect of the Notes. The obligations of the Issuer in respect of the Notes will rank below the obligations of the Issuer in respect of certain items set forth in the applicable priority of payments (see *Credit Structure*) (i) the right to payment of interest and principal on the Mezzanine Class B Notes will be subordinated to the Senior Class A Notes and (ii) the right to payment of principal and interest on the Junior Class C Notes will be subordinated to payments of principal and interest on the Senior Class A Notes and the Mezzanine Class B Notes and limited as more fully described herein under *Credit Structure* and *Terms and Conditions of the Notes*.

Pursuant to the Floating Rate GIC, 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 (see *Credit Structure*).

Pursuant to the Reserve Fund Loan Agreement, the Issuer will make a drawing for an amount equal to the Reserve Fund Required Amount on the Closing Date, which will be deposited on the Reserve Account. The payment of interest and principal in respect of the Reserve Fund Loan will be subordinated to payments in respect of the Notes and certain other items as set out in and subject to the Interest Priority of Payments.

Pursuant to the Trust Deed the Issuer will be entitled to make drawings from the Reserve Account if, and to the extent that, without taking into account any drawing from the Reserve Account, there is a shortfall in the Notes Interest Available Amount to meet certain items of the Interest Priority of Payments in full (see chapter *Credit Structure*).

Pursuant to the Subordinated Loan Agreement, the Seller will on the Closing Date make available to the Issuer the Subordinated Loan, which will be used by the Issuer to pay certain initial costs and expenses in connection with the issue of the Notes.

Under an issuer services agreement to be entered into on the Closing Date (the **'Issuer Services Agreement'**) between the Issuer, the MPT Provider, the Issuer Administrator and the Security Trustee, (i) the MPT Provider will agree to provide (a) mortgage payment transactions and the other services as agreed in the Issuer Services Agreement in relation to the Mortgage Loans on a day-to-day basis, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the Mortgage Loans (the **'MPT Services'**) and (b) the implementation of arrears procedures including, if applicable, the enforcement of mortgages (the **'Defaulted Loan Services'**) 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. The MPT Provider will subcontract Stater to provide certain services in relation to part of the Mortgage Loans (see *Issuer Services Agreement*).

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

## **Security**

The Notes will be secured indirectly, through the Security Trustee, by (i) a first ranking pledge granted by the Issuer to the Security Trustee over the Green Apple 2008-I NHG Portfolio and the Beneficiary Rights and (ii) a first ranking pledge granted by the Issuer to the Security Trustee over the Issuer's rights under or in connection with (most of) the Relevant Documents to the extent such rights are related to the Green Apple 2008-I NHG Portfolio.

Furthermore, the Seller shall grant on the balance standing to the credit of the Seller Collection Account a first ranking right of pledge in favour of the Security Trustee and second ranking right of pledge in favour of the Issuer for the benefit of the Green Apple 2008-I NHG Portfolio under the conditions that (a) future issuers (and security trustees) in securitisations and future vehicles in conduit transactions or similar transactions (and any securities trustees relating thereto) initiated by the Seller will also have the benefit of such rights of pledge and (b) any release of such rights of pledge shall have no adverse affect the then current ratings assigned to any class of notes issued by the Issuer. Such rights of pledge will be notified to the Seller Collection Account Provider and will therefore be a disclosed right of pledge ("*openbaar pandrecht*"). The Security Trustee and the Issuer respectively will grant a power to collect to the Seller, which will be withdrawn upon the occurrence of certain events.

In order to ensure the valid creation of the security rights under Netherlands law in favour of the Security Trustee, the Issuer shall undertake in the Parallel Debt Agreement to pay to the Security Trustee, by way of a parallel debt, under the same terms and conditions, an amount equal to the aggregate of all its undertakings, liabilities and obligations to the Secured Parties pursuant to the Relevant Documents.

The amount payable to the Noteholders and the other Secured Parties will be limited to the amounts available in respect of the Green Apple 2008-I NHG Portfolio for such purpose to the Security Trustee which, *inter alia*, will consist of amounts recovered by the Security Trustee on the Green Apple 2008-I NHG Portfolio and amounts

received by the Security Trustee as creditor under the Parallel Debt Agreement. Payments to the Secured Parties will be made in accordance with the Priority of Payments upon Enforcement.

The Trust Deed sets out the priority of the claims of the Secured Parties. For a more detailed description see *Credit Structure and Description of Security* below.

### **Limited Recourse**

Each of the Noteholders shall only have recourse in respect of any claim against the Issuer in accordance with the Priority of Payments as set forth in this Prospectus. The Noteholders and the other Secured Parties shall not have recourse on any assets of the Issuer other than (i) the Green Apple 2008-I NHG Portfolio and the Beneficiary Rights relating thereto, (ii) the balance standing to the credit of the Transaction Accounts and (iii) the amounts received under the Relevant Documents and in respect of claims of the Issuer which cannot be attributed to a certain portfolio, such claims on a *pro rata* basis for all portfolios. 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 of Notes shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

### **Interest on the Notes**

The Notes will carry a floating rate of interest, payable quarterly in arrear on each Quarterly Payment Date. The rate of interest for the Notes will be three months Euribor (or, in respect of the first Floating Rate Interest Period, four months Euribor) plus the Relevant Margin. On the first Optional Redemption Date, the margin of the Notes will be reset subject to and in accordance with the Conditions.

### **Redemption of the Notes**

Unless previously redeemed, the Issuer will redeem all of the Notes at their respective Principal Amount Outstanding on the Final Maturity Date subject to, in respect of the Mezzanine Class B Notes and the Junior Class C Notes, Condition 9(b).

On each Quarterly Payment Date (the first falling in April 2009) the Issuer will be obliged to apply the Notes Redemption Available Amount, which *inter alia* consists of all amounts of principal received (i) as repayment or pre-payment on the NHG Mortgage Receivables or (ii) in connection with a repurchase or sale of the NHG Mortgage Receivables, to redeem or partially redeem the Notes.

The Issuer will have the option to redeem all of the Notes, but not some only, on each Optional Redemption Date at their Principal Amount Outstanding subject to and in accordance with the Conditions. Also, the Issuer will have the option to redeem the Notes upon the occurrence of a Tax Change subject to and in accordance with the Conditions. Finally, the Issuer will redeem the Notes if the Seller exercises its Clean-Up Call Option in accordance with Condition 6(b) and subject to, in respect of the Mezzanine Class B Notes and the Junior Class C Notes, Condition 9(b).

For a more detailed description see *Terms and Conditions of the Notes*.

### **Listing and admission to trading**

Application to list the Notes on the Luxembourg Stock Exchange has been made and admission has been obtained to trade the Notes on the Regulated Market of the Luxembourg Stock Exchange.

### **Rating**

It is a condition precedent that the Senior Class A Notes, on issue, be assigned an "AAA" rating by Fitch, the Mezzanine Class B Notes, on issue, be assigned at least a "BBB+" rating by Fitch and the Junior Class C Notes, on issue, be assigned at least a "BBB-" rating by Fitch.

### **Risk factors**

There are certain factors which may affect the Issuer's ability to fulfil its obligations under the Notes and which prospective Noteholders should take into account. These risk factors relate to, *inter alia*, the Notes such as (but not limited to) the fact that the liabilities of the Issuer under the Notes are limited recourse obligations whereby the ability of the Issuer to meet such obligations will be dependent on the receipt by it of certain funds.

The Notes will be solely the obligations of the Issuer and will not be obligations or responsibilities of, or guaranteed by, any other entity or person. 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 in respect of the NHG Mortgage Receivables, the proceeds of the sale of any NHG Mortgage Receivables, the receipt by it of payments under the Swap Agreement and the receipt by it of interest in respect of the balance standing to the credit of the Transaction Accounts. In addition, the Issuer will have available to it the amount available to be drawn from the Reserve Account for certain of its payment obligations (see further *Credit Structure*). As the Issuer is a multi-issuer, it has and may in the future also have obligations towards parties other than the Secured Parties. Counterparties to the Issuer may not perform their obligations under the Relevant Documents (as defined in the *Terms and Conditions of the Notes*), which may result in the Issuer not being able to meet its obligations under the Notes.

Under or pursuant to the Pledge Agreements and the Collection Account Pledge Agreement, various rights of pledge will be granted by the Issuer to the Security Trustee. On the basis of these pledges, the Security Trustee can exercise the rights afforded by Netherlands law to pledgees regardless of any bankruptcy or suspension of payments of the Issuer. The Issuer is a special purpose vehicle intended to be bankruptcy remote and is therefore unlikely to become insolvent. However, any bankruptcy or suspension of payments involving the Issuer would affect the position of the Security Trustee as pledgee in some respects.

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

Under Netherlands law, a special purpose vehicle which services ("*beheert*") and administers ("*uitovert*") loans granted to consumers, such as the Issuer, must have a licence. An exemption from the licence requirement is available, if the special purpose vehicle outsources the servicing of the loans and the administration thereof to an entity holding a licence. The Issuer has outsourced the servicing and administration of the Mortgage Loans to the MPT Provider, which holds a licence under Netherlands law and the Issuer thus benefits from the exemption. However, if the Issuer Services Agreement is terminated, the Issuer will need to outsource the servicing and administration of the Mortgage Loans to another licenced entity or it needs to apply for and hold a licence itself.

If the Swap Counterparty wishes, but is unable, to transfer its rights and obligations under the Swap Agreement 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 to another office, branch or affiliate, it will have the right to terminate the Swap Agreement. Upon such termination, the Issuer or the Swap Counterparty may be obliged to make a termination payment to the other party.

Despite certain facilities, there remains a credit risk, liquidity risk, prepayment risk, maturity risk and interest rate risk relating to the Notes. Moreover, there are certain structural, legal and other risks relating to the NHG Mortgage Receivables (see *Risk Factors*).

## **RISK FACTORS**

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risk associated with the Notes are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

### **RISK FACTORS REGARDING THE ISSUER**

#### **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 Notes Purchaser, the Arranger, the Reserve Fund Provider, the Floating Rate GIC Provider, the Directors, the Issuer Administrator, the MPT Provider, the Swap Counterparty, the Paying Agent, the Reference Agent or the Security Trustee. Furthermore, none of the Seller, the Arranger, the Notes Purchaser, the Reserve Fund Provider, the Floating Rate GIC Provider, the Directors, the Issuer Administrator, the MPT Provider, the Swap Counterparty, the Paying Agent, the Reference Agent, the Security Trustee or any other person in whatever capacity acting, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. None of the Seller, the Notes Purchaser, the Arranger, the Reserve Fund Provider, the Floating Rate GIC Provider, the Directors, the Issuer Administrator, the MPT Provider, the Swap Counterparty, the Paying Agent, the Reference Agent and the Security Trustee will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances described herein).

#### **The Issuer has limited resources available to meet payment obligations**

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 in respect of the NHG Mortgage Receivables, the proceeds of the sale of any NHG Mortgage Receivables, the receipt by it of payments under the Swap Agreement and the receipt by it of interest in respect of the balance standing to the credit of the Transaction Accounts. In addition, the Issuer will have available to it the amount available to be drawn from the Reserve Account for certain of its payment obligations (see further *Credit Structure*). The Issuer does not have any other resources available to it to meet its obligations under the Notes. In particular, the Issuer does not have available any Eligible Assets belonging to a portfolio other than the Green Apple 2008-I NHG Portfolio. See subparagraph *Multi-issue Issuer* below. With the proceeds of the issuance of notes, the Issuer has purchased and accepted the assignment of the Green Apple Pool on 26 September 2007 from the Seller acting through its Netherlands branch. Therefore, the Issuer also has obligations towards parties other than the Secured Parties.

#### **Multi-issue Issuer**

The Issuer has been established to issue notes from time to time, provided that the then current ratings assigned to the Notes are not adversely affected as a result of such further issue of notes. The proceeds of each issuance of notes will be applied towards the purchase of Eligible Assets. Therefore, the Issuer has and may in the future also have obligations towards parties other than the Secured Parties. However, recourse of the holders of such notes and of any party entering into agreements in connection with the issue of such notes will be limited to the relevant Eligible Assets purchased with the proceeds thereof and any claims of the Issuer resulting from agreements entered into in connection with the issuance of such notes and the purchase of such Eligible Assets.

The Noteholders and the other Secured Parties in respect of the Green Apple 2008-I NHG Portfolio do not have recourse on the portfolios and other assets held by the Issuer related to any other issue of notes (see further *Limited Recourse* below). Should any of the holders of notes or the other secured parties of any issue file for the Issuer's

bankruptcy and, as a consequence thereof, the Issuer is declared bankrupt, this would constitute an Event of Default in respect of all issues by the Issuer. Therefore, each of the secured parties of an issue, other than the holders of notes issued by the Issuer, will agree in a parallel debt agreement relating to such issue, that it will not institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one (1) year after the latest maturing note issued by the Issuer is paid or written off in full. The holders of notes issued by the Issuer will be bound to such non-petition provision pursuant to the conditions of such notes. There is no cross-default between the issues by the Issuer and an event of default in respect of an issue will not result in an Event of Default in respect of the other issues.

#### **The Issuer has counterparty risk exposure**

Counterparties to the Issuer may not perform their obligations under the Relevant Documents (as defined in the *Terms and Conditions of the Notes*), which may result in the Issuer not being able to meet its obligations under the Notes. It should be noted that there is a risk that (a) Argenta in its capacity of the Seller, Notes Purchaser, the MPT Provider and the Reserve Fund Provider will not perform its obligations *vis-à-vis* the Issuer under the Mortgage Receivables Purchase Agreement, the Issuer Services Agreement and the Reserve Fund Loan Agreement respectively, (b) ING Bank N.V. in its capacity of the Floating Rate GIC Provider will not perform its respective obligations the Floating Rate GIC respectively, (c) Dexia in its capacity as the Paying Agent and the Listing Agent will not perform its obligations under the Paying Agency Agreement (d) Dexia in its capacity as the Reference Agent will not perform its obligations under the Paying Agency Agreement, (e) The Royal Bank of Scotland plc in its capacity as the Swap Counterparty will not perform its obligations under the Swap Agreement, (f) ATC Financial Services B.V. in its capacity as the Issuer Administrator will not perform its obligations under the Issuer Services Agreement and (g) ATC Management B.V. and ANT Securitisation Services B.V. in their respective capacities as the Directors will not perform their respective obligations under the relevant Management Agreements.

#### **Effectiveness of the rights of pledge to the Security Trustee in case of insolvency of the Issuer**

Under or pursuant to the Pledge Agreements and the Collection Account Pledge Agreement, various rights of pledge will be granted by the Issuer to the Security Trustee. On the basis of these pledges, the Security Trustee can exercise the rights afforded by Netherlands law to pledgees regardless of any bankruptcy or suspension of payments of the Issuer. The Issuer is a special purpose vehicle intended to be bankruptcy remote and is therefore unlikely to become insolvent. However, any bankruptcy or suspension of payments involving the Issuer would affect the position of the Security Trustee as pledgee in some respects, the most important of which are: (i) payments made by the Borrowers to the Issuer after notification of the assignment to the Issuer and bankruptcy or suspension of payments but prior to notification of the pledge to the Security Trustee will be part of the bankruptcy estate of the Issuer, although the Security Trustee has the right to receive such amounts by preference after deduction of certain costs, (ii) a mandatory 'cool-off' period of up to four months may apply in case of bankruptcy or suspension of payments involving the Issuer, which, if applicable would delay the exercise ("*uitwinnen*") of the right of pledge on the NHG Mortgage Receivables, but not the collection ("*innen*") thereof and (iii) the Security Trustee may be obliged to enforce its right of pledge within a reasonable period as determined by the judge-commissioner ("*rechter-commissaris*") appointed by the court in the event of bankruptcy of the Issuer.

To the extent the receivables pledged by the Issuer to the Security Trustee are future receivables, the right of pledge on such future receivables cannot be invoked against the estate of the Issuer if such future receivable comes into existence after the Issuer's bankruptcy or suspension of payments becomes effective. The Issuer has been advised that the assets pledged to the Security Trustee under the Trustee Assets Pledge Agreement and the Collection Account Pledge Agreement should probably be regarded as future receivables. This would for example apply to amounts paid to the Transaction Accounts and/or the Seller Collection Account following the Issuer's bankruptcy or suspension of payments. With respect to Beneficiary Rights, reference is made to the section *Risks relating to Life Insurance Policies*.

#### **Risks related to the creation of pledges on the basis of the Parallel Debt**

Under Netherlands law it is uncertain whether a security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to secure the valid creation of the rights of pledge in favour of the Security Trustee, the Issuer has in the Parallel Debt Agreement, as a

separate and independent obligation, by way of parallel debt, undertaken to pay to the Security Trustee amounts equal to the amounts due by it to the Secured Parties. The Issuer has been advised that such a parallel debt creates a claim of the Security Trustee thereunder which can be validly secured by a right of pledge such as the rights of pledge created by the Pledge Agreements (see also *Description of Security*).

Any payments in respect of the Parallel Debt and any proceeds received by the Security Trustee are, in the case of an insolvency of the Security Trustee, not separated from the Security Trustee's other assets. The Secured Parties therefore have a credit risk on the Security Trustee. However, the Security Trustee is a special purpose vehicle intended to be bankruptcy remote and is therefore unlikely to become insolvent.

#### **Licence requirement under the Act on Financial Supervision**

Under the new Act on Financial Supervision ("*Wet op het financieel toezicht*"), which entered into force on 1 January 2007, a special purpose vehicle which services ("*beheert*") and administers ("*uitvoert*") loans granted to consumers, such as the Issuer, must have a licence under that Act. As the Mortgage Loans are granted to consumers, the Issuer must have a licence. However, an exemption from the licence requirement is available, if the special purpose vehicle outsources the servicing of the loans and the administration thereof to an entity holding a licence under the Act on Financial Supervision. The Issuer has outsourced the servicing and administration of the Mortgage Loans to the MPT Provider. The MPT Provider holds a licence under the Act on Financial Supervision and the Issuer thus benefits from the exemption. However, if the Issuer Services Agreement is terminated, the Issuer will need to outsource the servicing and administration of the Mortgage Loans to another licenced entity or it needs to apply for and hold a licence itself. In the latter case, the Issuer will have to comply with the applicable requirements under the Act on Financial Supervision. If the Issuer Services Agreement is terminated and the Issuer has not outsourced the servicing and administration of the Mortgage Loans to a licenced entity and, in such case, it will not hold a licence itself, the Issuer will have to terminate its activities and settle ("*afwickelen*") its existing agreements, which may ultimately result in, among others, an early redemption of the Notes.

#### **Risk related to the termination of the Swap Agreement**

The Swap Counterparty will be obliged to make payments under the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. The Swap Agreement will provide, however, that if due to (i) action taken by a relevant taxing authority or brought in a court of competent jurisdiction, or (ii) any change in tax law, in both cases after the date of the Swap Agreement, the Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay to the Issuer additional amounts for or on account of tax (a "**Tax Event**"), the Swap Counterparty may transfer its rights and obligations to another of its offices, branches or affiliates or any other person to remedy or avoid the relevant Tax Event with the consent of the Issuer and the Security Trustee, which consent will not be withheld if the policies in effect at such time of the Issuer and the Security Trustee would permit it to enter in to transactions with the transferee on the terms proposed. If the Swap Counterparty is unable to transfer its rights and obligations under the Swap Agreement to another office, branche or affiliate, it will have the right to terminate the Swap Agreement. Upon such termination, the Issuer or the Swap Counterparty may be obliged to make a termination payment to the other party.

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 or (iv) the remedy period for a Tax Event has expired. Events of default in relation to the Issuer will be limited to (i) non-payment under the Swap Agreement and (ii) insolvency events in respect of the Issuer. If the Swap Agreement terminates the Issuer will be exposed to changes in the relevant rates of interest. As a result, unless a replacement swap is entered into, the Issuer may have insufficient funds to make payments under the Notes.

#### **RISK FACTORS REGARDING THE NHG MORTGAGE RECEIVABLES**

### **Risk related to payments received by the Seller prior to notification of the assignment to the Issuer**

Under Netherlands law, assignment of the legal title of claims, such as the NHG Mortgage Receivables, can be effectuated by means of a notarial or registered deed of assignment, without notification of the assignment to the debtors being required ("*stille cessie*"). The legal title of the NHG Mortgage Receivables will be assigned on the Closing Date by the Seller to the Issuer through a registered deed of assignment. The Mortgage Receivables Purchase Agreement will provide that the assignment of the NHG Mortgage Receivables by the Seller to the Issuer will not be notified to the Borrowers except if any of the Notification Events occurs (see *Mortgage Receivables Purchase Agreement*).

Until notification of the assignment has been made to the Borrowers, the Borrowers under the NHG Mortgage Receivables can only validly pay to the Seller in order to fully discharge their payment obligations ("*bevrijdend betalen*"). The Seller has undertaken in the Mortgage Receivables Purchase Agreement to pay on each Mortgage Payment Date to the Issuer any amounts received in respect of the NHG Mortgage Receivables during the immediately preceding Mortgage Calculation Period. However, receipt of such amounts by the Issuer is subject to the Seller actually making such payments. The rights of the Issuer and the Security Trustee in respect of amounts received by the Seller after the Seller has entered into judicial composition between creditors ("*gerechtelijk akkoord*") or is declared bankrupt ("*failliet verklaard*") or the Seller is subject to the adoption of reorganisation measures in Belgium ("*saneringsmaatregelen*") or to the opening of winding-up proceedings in Belgium ("*faillissementsprocedure*") or to any insolvency proceedings under Belgian law (together '**Belgian Insolvency Proceedings**') or to any analogous insolvency proceedings under any applicable law, would be governed, pursuant to the Winding-Up Directive and Article 212 of the Netherlands Bankruptcy Code (see further *Winding-up Directive* below).

### **Winding-up Directive**

The European Directive on the reorganisation and winding up of credit institutions (Directive 2001/24/EC or the '**Winding-up Directive**') of 4 April 2001 aims to ensure that the insolvency of a credit institution with branches in one or more EU member states other than its home member state is governed exclusively by one single winding up procedure. The Winding-up Directive determines that as a rule, a credit institution shall be wound up exclusively in accordance with the laws applicable in its home member state. The Seller is a credit institution. Its home member state is Belgium, being the member state in which it has been authorised in accordance with articles 4 and 11 of Directive 2000/12/EC relating to the taking up and pursuit of the business of credit institutions of 20 March 2000. Belgium has implemented the Winding-up Directive in the form of the Act of 6 December 2004 amending, as to insolvency proceedings, especially the Act of 22 March 1993 on the legal status and supervision of credit institutions and the Act of 9 July 1975 on the supervision of insurance companies, *Belgian Official Gazette* 28 December 2004 (the '**Belgium Winding-up Regulations**'). Given that the Seller has its headquarters in Belgium, any such winding-up or reorganisation proceedings should be governed by Belgian law.

Subject to what is stated below, the Issuer has been advised that:

- (i) prior to the adoption of reorganisation measures ("*saneringsmaatregelen*" as defined in the Belgium Winding-up Regulations) or the opening of winding-up proceedings ("*faillissementsprocedure*") of the Seller in Belgium, a transfer of legal title to the NHG Mortgage Receivables would be recognised as legal, valid and binding by a Belgian court provided that such transfer would be legal, valid, binding and enforceable under Netherlands law;
- (ii) in respect of amounts received by the Seller from the Borrowers after the adoption of reorganisation measures ("*saneringsmaatregelen*" as defined in the Belgium Winding-up Directive) or the opening of winding-up proceedings ("*faillissementsprocedure*") of the Seller in Belgium where legal title to the NHG Mortgage Receivables has passed to the Issuer (and the Seller has no further rights or interest in the NHG Mortgage Receivables) but prior to notification being given to the Borrowers, the Issuer should be entitled to claim such amounts in priority to any other creditors of the Seller, although this point has not been tested in the Belgian courts;
- (iii) the adoption of reorganisation measures ("*saneringsmaatregelen*" as defined in the Belgium Winding-up Regulations) or the opening of winding-up proceedings ("*faillissementsprocedure*") of the Seller in

- Belgium would not affect the rights of pledge created over the NHG Mortgage Receivables and the Beneficiary Rights created by the Issuer in favour of the Security Trustee; and
- (iv) the adoption of reorganisation measures ("*saneringsmaatregelen*" as defined in the Belgium Winding-up Regulations) or the opening of winding-up proceedings ("*faillissementsprocedure*") of the Seller in Belgium should not affect the set-off analysis as set out below in *Set-off by the Borrowers may affect the proceeds under the NHG Mortgage Receivables*.

The question as to whom the Borrower can validly make payments under the Mortgage Loan is governed by Netherlands law (the law governing the Mortgage Loans). As stated above, according to Netherlands law the Borrower can continue to validly pay ("*bevrijdend betalen*") the Seller after its becoming subject to Belgian Insolvency Proceedings or to any analogous insolvency proceedings under any applicable law until the Borrower has been notified of the transfer of legal title of the NHG Mortgage Receivables to the Issuer.

As to (iv) above, article 26 of the Belgium Winding-up Regulations (implementing section 23 of the Winding-up Directive) states that the adoption of reorganisation measures ("*saneringsmaatregelen*" as defined in the Belgium Winding-up Regulations) or the opening of winding-up proceedings ("*faillissementsprocedure*") of the Seller in Belgium shall not affect the rights of creditors to demand set-off of their counterclaim against the claims of the affected credit institution, if such set-off is permitted under the laws applicable to the affected credit institution's claim. Therefore, a Borrower would have the right to set-off a counterclaim against the Seller's claim against the Borrower under the Mortgage Loan, if it has such a right under Netherlands law as the law governing the Mortgage Loans. It is uncertain if the Borrower could, pursuant to the Winding-up Directive, invoke a right of set-off pursuant to Belgian law, if Belgian law had a more favourable set-off regime for the Borrower. However, in the event Belgian law was held to apply to the exercise of rights of set-off as between the Borrower and the Seller, the Borrower would have similar rights to those set out in *Set-off by the Borrowers may affect the proceeds under the NHG Mortgage Receivables* below.

The above observations are subject to Belgian rules relating to voidness, voidability or unenforceability of (i) certain legal acts detrimental to all creditors performed after the date of suspension of payments ("*staking van betalen*") in accordance with articles 17 through 19 of the Belgium Bankruptcy Act of 8 August 1997 and (ii) fraudulent conveyance. However, pursuant to the Winding-up Directive, as implemented by article 27 of the Belgium Winding-up Regulations, these rules will not apply where a person has benefited from a legal act detrimental to all creditors of fraudulent conveyance and provides proof that (i) that legal act is subject to the law of another member state and (ii) such law does not provide for any means of challenging that legal act in the relevant case. Consequently, the relevant rules of Belgian law relating to voidness, voidability or unenforceability of (i) certain legal acts detrimental to all creditors performed after the date of suspension of payments ("*staking van betalen*") in accordance with articles 17 through 19 of the Belgium Bankruptcy Act of 8 August 1997 and (ii) fraudulent conveyance, would not apply to the Relevant Documents and the transactions contemplated thereby governed by Netherlands law to the extent that such documents and transactions could not be contested under Netherlands law.

#### **Set-off by Borrowers may affect the proceeds under the NHG Mortgage Receivables**

Under Netherlands law a debtor has a right of set-off if it has a claim that is due and payable which corresponds to its debt to the same counterparty and it is entitled to pay his debt as well as to enforce payment of his claim. Subject to these requirements being met, each Borrower will be entitled to set off amounts due by the Seller to it (if any) with amounts it owes in respect of the NHG Mortgage Receivable prior to notification of the assignment of the NHG Mortgage Receivable to the Issuer having been made. Such amounts due and payable by the Seller to a Borrower could, *inter alia*, result from current account balances or deposits made with the Seller by a Borrower. Also such claim of a Borrower could, *inter alia*, result from services rendered by the Seller to the Borrower, such as investment advice or investment management services rendered by the Seller including in connection with Investment Mortgage Loans or for which the Seller is responsible or held liable. As a result of the set-off of amounts due and payable by the Seller to the Borrower with amounts the Borrower owes in respect of the NHG Mortgage Receivable, the NHG Mortgage Receivable will, partially or fully, be extinguished ("*gaat teniet*"). Set-off by Borrowers could thus lead to losses under the Notes.

The conditions applicable to the Mortgage Loans provide that payments by the Borrowers should be made without set-off. Considering the wording of this clause, it is uncertain whether this clause is intended as a waiver by the Borrowers of their set-off rights vis-à-vis the Seller. Moreover, it is uncertain whether such waiver will be valid. Should such waiver be invalid, the Borrowers will have the set-off rights described in this paragraph.

After assignment of the NHG Mortgage Receivables to the Issuer and notification thereof to a Borrower, such Borrower will also have set-off rights vis-à-vis the Issuer, provided that the legal requirements for set-off are met (see above), and further provided that (i) the counterclaim of the Borrower results from the same legal relationship as the relevant NHG Mortgage Receivable or (ii) the counterclaim of the Borrower has been originated and become due and payable prior to the assignment of the NHG Mortgage Receivable and notification thereof to the relevant Borrower. The question whether a court will come to the conclusion that the NHG Mortgage Receivable and the claim of the Borrower against the Seller result from the same legal relationship will depend on all relevant facts and circumstances involved. But even if these would be held to be different legal relationships, set-off will be possible if the counterclaim of the Borrower has originated ("*opgekomen*") and become due and payable ("*opeisbaar*") prior to notification of the assignment, and, further, provided that all other requirements for set-off have been met (see above). A balance on a current account is due and payable at any time and, therefore, this requirement will be met. In the case of deposits it will depend on the terms of the deposit whether the balance thereof will be due and payable at the moment of notification of the assignment. The Issuer has been informed by the Seller that in most cases a balance on a deposit account can be withdrawn at any time and, consequently, such balance is due and payable ("*opeisbaar*") at any time. If after the moment the Borrower receives notification of the assignment of the NHG Mortgage Receivable, amounts are debited from or credited to the current account or, as the case may be, the deposit account, the Borrower will only be able to set-off its claim vis-à-vis the Issuer for the amount of its claim at the moment such notification has been received after deduction of amounts which have been debited from the current account or the deposit account after such moment, notwithstanding that amounts may have been credited.

Pursuant to the Winding-up Directive and the Netherlands Bankruptcy Code, the laws of the home member state, i.e. Belgian law, shall be applicable to the rights of creditors to invoke set-off in case of insolvency proceedings being effective. However, on the basis of Article 26 of the Belgium Winding-up Regulation, Belgian Bankruptcy Proceedings shall not affect the rights of the creditors to invoke set-off where such right of set-off is permitted by the law applicable to the claim of the bank (i.e. Netherlands law). It is disputed in Dutch legal literature in this respect whether Netherlands law includes bankruptcy law. In this respect it should be noted that it is defended in legal literature that the Borrower will, irrespective of the notification of the assignment, continue to have the broader set-off rights afforded to it under the Netherlands Bankruptcy Code, if notification of the assignment of the NHG Mortgage Receivables is made after insolvency proceedings in respect of the Seller have become effective. Under the Netherlands Bankruptcy Code, a person which is both debtor and creditor of the bankrupt entity can set off its debt with its claim, if each claim (i) came into existence prior to the moment at which the bankruptcy becomes effective or (ii) resulted from transactions with the bankrupt entity concluded prior to the bankruptcy becoming effective.

The Mortgage Receivables Purchase Agreement provides that if a Borrower sets off amounts due to it by the Seller against the relevant NHG Mortgage Receivable and, as a consequence thereof, the Issuer does not receive the amount which it is entitled to receive in respect of such NHG 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 NHG Mortgage Receivable if no set-off had taken place and the amount actually received by the Issuer in respect of such NHG Mortgage Receivable. If the Seller would not meet its obligations under the Mortgage Receivables Purchase Agreement, set-off by Borrowers could lead to losses under the Notes.

For specific set-off issues relating to the Life Mortgage Loans, reference is made to risk factor *Risk of Set-off or defences by Borrowers in case of insolvency of Life Insurance Companies* and *Risks related to offering of Investment Mortgage Loans, Life Insurance Policies and Life Insurance Policies with a Unit-Linked Alternative* below. For set-off issues relating to Investment Mortgage Loans, reference is made to *Investment Mortgage Loans*.

### **Risk that the security rights will not follow the NHG Mortgage Receivables upon assignment to the Issuer**

All NHG Mortgage Receivables sold and assigned to the Issuer 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**'). The Mortgage Loans also provide for rights of pledge granted in favour of the Seller, such as the Borrower Insurance Pledges and Borrower Investment Pledges, which secure the same debts as the Bank Mortgages ('**Bank Pledges**' and jointly with the Bank Mortgages, the '**Bank Security Rights**').

Under Netherlands law a mortgage right is an accessory right ("*afhankelijk recht*") which follows by operation of law the receivable with which it is connected. Furthermore, a mortgage right is an ancillary right ("*nevenrecht*") and the assignee of a receivable secured by an ancillary right will have the benefit of such right, unless the ancillary right by its nature is, or has been construed as, a purely personal right of the assignor or such transfer is prohibited by law.

The prevailing view of Dutch legal commentators has been for a long time that upon the assignment of a receivable secured by a Bank Mortgage, such mortgage right does not pass to the assignee as an accessory and ancillary right in view of its non-accessory or personal nature. It was assumed that a Bank Mortgage only follows a receivable which it secured, if the relationship between the bank and the borrower has been terminated in such a manner that following the assignment the bank cannot create or obtain further receivables on the relevant borrower secured by the mortgage right. These commentators claim that this view is supported by case law.

There is a trend in recent legal literature to dispute the view set out in the preceding paragraph. Legal commentators following such trend argue that in case of assignment of a receivable secured by a Bank Mortgage, the mortgage right will in principle (partially) pass to the assignee as an accessory right. In this view the transfer does not conflict with the nature of a Bank Mortgage, which is – in this view – supported by the same case law. Any further claims of the assignor will also continue to be secured and as a consequence the Bank Mortgage will be jointly-held by the assignor and the assignee after the assignment. In this view a Bank Mortgage only continues to secure exclusively claims of the original mortgagee and will not pass to the assignee, if this has been explicitly stipulated in the relevant deed.

Although the view prevailing in the past, to the effect that given of its nature a Bank Mortgage will as a general rule not follow as an accessory right upon assignment of a receivable which it secures, is still defended, the Issuer has been advised that the better view is that as a general rule a Bank Mortgage in view of its nature follows the receivable as an accessory right upon its assignment. Whether in the particular circumstances involved the Bank Mortgage will remain with the original mortgagee, will be a matter of interpretation of the relevant mortgage deed.

The relevant mortgage deeds in respect of the Mortgage Loans do not provide that in case of assignment of the receivable the rights of mortgage or rights of pledge will (partially) follow the receivable. Therefore, there is no clear indication of the intention of the parties. The Issuer has been advised that also in such case the Bank Security Right should (partially) follow the receivable as accessory and ancillary right upon its assignment, but that there is no case law explicitly supporting this advice and that, consequently, it is not certain what the Netherlands courts would decide if this matter were to be submitted to them, particularly taking into account the prevailing view of Dutch legal commentators on Bank Security Rights in the past as described above, which view continues to be defended by some legal commentators.

The above applies *mutatis mutandis* in the case of the pledge of the NHG Mortgage Receivables by the Issuer to the Security Trustee under the Trustee Receivables Pledge Agreement. The mortgage conditions do not provide that in case of a pledge of the NHG Mortgage Receivable the Mortgage will (partially) follow the Mortgage Receivable. Therefore, there is no clear indication of the intention of the parties. Even if the mortgage conditions do not provide a clear indication on the intentions of the parties in case of pledge, the Issuer has been advised that the Security Trustee as pledgee should have the benefit of the mortgage right as accessory and ancillary right upon notification of the assignment of the Mortgage Receivables to the Issuer and the pledge to the Security Trustee. It should be noted, however, that there is no case law explicitly supporting this view. Therefore it is not certain what the Netherlands courts would decide if the matter were to be submitted to them, particularly taking into account the prevailing view of Dutch legal commentators on Bank Security Rights in the past, which view continues to be defended by some legal commentators.

Furthermore, it is noted that if the Issuer does not have the benefit of the mortgage right, it also will not be entitled to claim under any NHG Guarantee.

### **Risk related to jointly-held Security Rights by the Seller, the Issuer and the Security Trustee**

If the Security Rights have (partially) followed the NHG Mortgage Receivables upon their assignment, the Bank Security Rights would probably be jointly-held by the Issuer (or the Security Trustee as pledgee) and the Seller and would secure both the NHG Mortgage Receivables held by the Issuer (or the Security Trustee, as pledgee) and any claims held by the Seller from time to time (the 'Other Claims'). In that case the rules applicable to joint-ownership ("*gemeenschap*") apply. The Netherlands Civil Code provides for various mandatory rules which apply to such jointly owned rights. In the Mortgage Receivables Purchase Agreement the Seller, the Issuer and the Security Trustee will agree that the Issuer and/or the Security Trustee (as applicable) will manage and administer such jointly-held rights. Certain acts, including acts concerning the day-to-day management ("*beheer*") of the jointly-held rights, may under Dutch law be transacted by each of the participants ("*deelgenoten*") in the jointly-held rights. All other acts must be transacted by all of the participants acting together in order to bind the jointly held rights. It is uncertain whether the foreclosure of the mortgage right will be considered as day-to-day management, and consequently, the Seller's consent may be required for such foreclosure. On the basis of Netherlands Civil Code the shares of the joint owners in a community are equal, unless their legal relationship provides otherwise. Therefore, the Seller, the Issuer and/or the Security Trustee will agree that in case of foreclosure, the share ("*aandeel*") in each jointly-held security interest of the Issuer and/or the Security Trustee will be equal to the Outstanding Principal Amount of the relevant NHG Mortgage Receivable, increased with interest and costs, if any, and the Seller's share will be equal to the Net Proceeds less the Outstanding Principal Amount of the relevant NHG Mortgage Receivable increased with interest and costs, if any. It is uncertain whether this arrangement will be enforceable. In this respect it will be agreed that in case of a breach by the Seller of its obligations under these agreements or if any of such agreement is dissolved, void, nullified or ineffective for any reason in respect of the Seller, the Seller shall compensate the Issuer and/or the Security Trustee (as applicable) forthwith for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee (as applicable) incurs as a result thereof. Receipt of such amount by the Issuer and/or the Security Trustee is subject to the ability of the Seller to actually make such payments. Furthermore it is noted that this arrangement may not be effective against Borrowers under Mortgage Loans.

If (a trustee or administrator of) the Seller would, notwithstanding the arrangement set out above, enforce the jointly-held Bank Security Rights securing the NHG Mortgage Receivables, the Issuer and/or the Security Trustee would have a claim against the Seller (or, as the case may be, its bankruptcy estate) for any damages as a result of a breach of the contractual arrangements, but such claim would be unsecured and non-preferred. To further secure the obligations of the Seller under this arrangement, the Seller shall have an obligation to pledge, upon the occurrence of a Notification Event, the Other Claims in favour of the Issuer and the Security Trustee respectively. Such pledge (if vested) will secure the claim of the Issuer and/or the Security Trustee on the Seller created for this purpose equal to the share of the Seller in the foreclosure proceeds in relation to a defaulted Borrower which claim becomes due and payable upon a default of the relevant Borrower. If, after the pledge of the Other Claims, the Notification Event has been cured and is not continuing, the Issuer and the Security Trustee will be obliged to release the rights of pledge vested on the Other Claims. In addition, each of the Issuer and the Security Trustee undertakes to release such right of pledge on any Other Claims of a Borrower if the Outstanding Principal Amount in respect of the NHG Mortgage Receivable has been repaid in full.

### **Long lease**

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

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 ("*in ernstige mate tekortschieten*") 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 the Mortgage Loan may have a maturity that is longer than the term of the long lease, provided that certain conditions are met. The general terms and conditions of the Mortgage Loans provide that the Mortgage Loan becomes immediately due and payable in the event that, *inter alia*, (i) the leaseholder has not paid the remuneration, (ii) the conditions of the long lease are changed, (iii) the lease holder breaches any obligation under the long lease or (iv) the long lease is dissolved or terminated.

#### **Risk that the Borrower Insurance Pledges will not be effective**

All rights of a Borrower under the Life Insurance Policies have been pledged to the Seller (the '**Borrower Insurance Pledge**'). The Issuer has been advised that it is probable that the right to receive payment, including the commutation payment ("*afkoopsom*"), under the Life 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, been made subject to suspension of payments or been made subject to a debt restructuring scheme pursuant to the Netherlands Bankruptcy Code, prior to the moment such right comes into existence. This means that it is uncertain whether such pledge will be effective. Furthermore, as the Borrower Insurance Pledge qualifies as a Bank Pledge reference is made to *Risk that the security rights will not follow the NHG Mortgage Receivables upon assignment to the Issuer*.

#### **Risks relating to the Beneficiary Rights under the Life Insurance Policies**

The Seller has been appointed as beneficiary under the relevant Life Insurance Policy up to the amount of its claim on the Borrower/policyholder (the '**Beneficiary Rights**'), except that in certain cases another beneficiary is appointed who will rank ahead of the Seller, provided that, *inter alia*, the relevant Life Insurance Company is irrevocably authorised by such beneficiary to pay the proceeds of the Life Insurance Policy to the Seller (the '**Borrower Insurance Proceeds Instruction**'). It is unlikely that the Beneficiary Rights will be regarded as an ancillary right and that they will follow the Life NHG Mortgage Receivables upon assignment or pledge thereof to the Issuer or the Security Trustee. However, in the forms of mortgage deeds, any successor in title ("*rechtsopvolgers onder algemene en bijzondere titel*") is also appointed as beneficiary, which may, subject to the legal requirements for a valid assignment and subject to any requirements stipulated by the relevant Life Insurance Policy, as the case may be, include the Issuer upon the assignment. Therefore, the Beneficiary Rights will be assigned by the Seller to the Issuer and will be pledged to the Security Trustee by the Issuer (see *Description of Security* below). However, the Issuer has been advised that it is uncertain whether this assignment and pledge will be effective.

In view hereof, the Seller undertakes in the Mortgage Receivables Purchase Agreement to use its best efforts to obtain the co-operation from all relevant parties (including the Life Insurance Companies and the Borrowers) following a Notification Event (see *Mortgage Receivables Purchase Agreement* below) to (a) waive its rights as beneficiary under the Life Insurance Policies and (b) to appoint as first beneficiary up to the Outstanding Principal Amount of the relevant Life NHG Mortgage Receivable (i) the Issuer subject to the dissolving condition ("*ontbindende voorwaarde*") of the occurrence of a Trustee Notification Event and (ii) the Security Trustee under the condition precedent ("*opschortende voorwaarde*") of the occurrence of a Trustee Notification Event. It is uncertain whether such co-operation will be forthcoming. For the event a Borrower Insurance Proceeds Instruction exists, the Seller will undertake to use its best efforts, following a Notification Event, to obtain the co-operation from all relevant parties to change the payment instruction up to the Outstanding Principal Amount of the relevant NHG Mortgage Receivable in favour of (i) the Issuer subject to the dissolving condition of the occurrence of a Trustee Notification Event and (ii) the Security Trustee under the condition precedent of the occurrence of a Trustee Notification Event. It is uncertain whether the co-operation of all parties involved will be forthcoming.

If the Issuer or the Security Trustee, as the case may be, has not become beneficiary of the Life Insurance Policies or the assignment and pledge of the Beneficiary Rights is not effective, any proceeds under the Life Insurance Policies will be payable to the Seller or to another beneficiary rather than to the Issuer or the Security Trustee, as the case may be, up to the amount of any claims the Seller may have on the relevant Borrower. If the proceeds are paid to the

Seller, it will pursuant to the Mortgage Receivables Purchase Agreement 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 such amount to the Issuer or the Security Trustee, as the case may be, e.g. in case of Belgian Insolvency Proceedings or any analogous insolvency proceedings under any applicable law in respect of the Seller become effective, 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 Life Insurance Policies not being applied in reduction of the relevant Life NHG Mortgage Receivables. This may lead to the Borrower invoking set-off or defences against the Issuer or, as the case may be, the Security Trustee for the amounts so received by the Seller or another beneficiary, as the case may be. As further discussed under risk factor *Risk of set-off or defences by Borrowers in case of insolvency of Life Insurance Companies*, which may adversely affect the payment of the Notes.

### **Risk of set-off and defences by Borrowers in case of insolvency of Life Insurance Companies**

If any of the Life Insurance Companies is no longer able to meet its obligations under the Life Insurance Policies, e.g. in case it is declared bankrupt or has become subject to emergency regulations, this could result in the amounts payable under the Life Insurance Policies either not, or only partly, being available for application in reduction of the relevant NHG Mortgage Receivables. This may lead to the Borrowers trying to invoke set-off rights and defences which may have the result that the NHG Mortgage Receivables will be, fully or partially, extinguished ("*teniet gaan*") or cannot be recovered for other reasons, which could lead to losses under the Notes.

As set out in *Set-off by Borrowers may affect the proceeds under the NHG Mortgage Receivables* above, the mortgage conditions provide for a waiver by the Borrowers of their set-off rights. It is, however, uncertain whether such waiver is effective. If the waiver is not effective, the Borrowers will need to comply with the applicable legal requirements in order to invoke a right of set-off. One of these requirements is that the Borrower should have a claim, which corresponds to his debt to the same counterparty. In case of the Mortgage Loans, the Life Insurance Policies are contracts between the relevant Life Insurance Company and the Borrowers on the one hand and the NHG Mortgage Receivables are claims of the Seller on the relevant Borrower on the other hand. Therefore, in order to invoke a right of set-off the Borrowers would have to establish that the Seller and the relevant Life Insurance Company should be regarded as one legal entity or, based upon interpretation of case law, that possibly set-off is allowed, even if the Seller and the relevant Life Insurance Company are not considered as one legal entity, since the relevant Life Insurance Policy and the relevant Mortgage Loan are to be regarded as one interrelated relationship.

Furthermore, the Borrowers must have a counterclaim that is due and payable. If the relevant Life Insurance Company is declared bankrupt or subject to emergency regulations, the Borrower will have the right to unilaterally terminate the Life Insurance Policy and to receive a surrender value ("*afkoopsom*"). These rights are subject to the Borrower Insurance Pledge, subject, however, to what is stated above under *Risk that Borrower Insurance Pledge is not effective*. However, despite this pledge it may be argued that the Borrower will on this basis not be entitled to invoke a right of set-off for the surrender value. However, apart from the right to terminate the Life Insurance Policies, the Borrowers are also likely to have the right to rescind the Life 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 (or the Security Trustee) after notification of the assignment (and pledge) would be subject to the additional requirements for set-off being met (see *Set-off by Borrowers may affect the proceeds under the NHG Mortgage Receivables*). The fact that the Life NHG Mortgage Receivables are assigned to the Issuer is likely to obstruct such set-off, after notification of the assignment, since it is unlikely that one of the requirements for set-off following assignment or pledge is met (see *Set off Borrowers may affect the proceeds under the NHG Mortgage Receivables*.)

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 (notwithstanding the waiver of set-off) it was the intention of the parties involved, or at least argue that the Borrowers could rightfully interpret the mortgage documentation and the promotional materials in such a manner, that the Life Mortgage Loan and the relevant Life Insurance Policy are to be regarded as one interrelated legal relationship and could, on this

basis, claim a right of annulment or dissolution of the Life Mortgage Loans or possibly suspension of their obligations thereunder. The Borrowers could also argue that it was the intention of the parties involved or that they could at least rightfully interpret the mortgage documentation and the promotional materials in such manner that the NHG Mortgage Receivable would be (fully or partially) repaid by means of the proceeds of the Life Insurance Policy and that, failing such proceeds being so applied, the Borrower is not obliged to repay the (corresponding) part of the NHG Mortgage Receivable. Also, Borrowers could argue that it is contrary to principles of reasonableness and fairness ("*redelijkheid en billijkheid*") in general, in particular that it is contrary to principles of reasonableness and fairness for the Borrower to be obliged to repay the NHG Mortgage Receivable to the extent that he has failed to receive the proceeds of the Life Insurance Policy. The Borrower could also base a defence on "error" ("*dwalig*"), i.e. that the Life Mortgage Loan and the Life Insurance Policies would be entered into as a result of "error". If this defence would be successful, this could lead to annulment of the Life Mortgage Loan, which would have the result that the Issuer no longer holds the NHG Mortgage Receivable.

#### ***Set-off or defences regarding 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 it is unlikely that a court would honour set-off or defences of the Borrowers, in view of the preceding paragraphs and the representation by the Seller that with respect to Mortgage Loans whereby it is a condition that a Life Insurance Policy is entered into by the Borrower and a Borrower Insurance Pledge is granted on the rights under such policy in favour of the Seller (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 Beneficiary Rights, (ii) the Life Mortgage Loans and the Life Insurance Policies are not marketed as one product or under one name, (iii) the Borrowers are free to choose the Life Insurance Company subject to approval by the Seller and (iv) any Life Insurance Company is not a group company (within the meaning of article 2:24b of the Netherlands Civil Code) of the Seller (see further *Description of the Mortgage Loans*).

#### **Risk that Borrower Investment Pledges will not be effective**

The Seller has the benefit of a right of pledge on all rights of the relevant Borrowers in connection with the Investment Accounts (the **Borrower Investment Pledges**). To the extent that a Borrower Investment Pledge is vested on rights of a Borrower that qualify as future claims, such as options, such Borrower Investment Pledge can not be invoked against the estate ("*boedel*") of the relevant Borrower if these claims become due and payable after or on the date on which the Borrower has been declared bankrupt, been made subject to suspension of payments or been made subject to a debt restructuring scheme pursuant to the Netherlands Bankruptcy Code. This means that it is uncertain whether such pledge will be effective. Besides this, reference is made to *Risk that the Bank Security Rights will not follow the NHG Mortgage Receivables upon assignment to the Issuer above*.

#### **Risk related to Investment Portfolios**

The Investment Mortgage Loans are secured by a Borrower Investment Pledge on an Investment Portfolio held in an investment account (the **Investment Account**) held with a bank or investment firm ("*beleggingsonderneming*") in the Netherlands other than the Seller (the **Investment Firm**). The Seller has represented that under the investment-based mortgage loans ("*beleggingshypotheken*" (the **Investment Mortgage Loans**), the securities are purchased on behalf of the relevant Borrower by a bankruptcy remote securities giro ("*effectengiro*"), a bank or an investment firm ("*beleggingsonderneming*") for the account of the Borrowers and these securities are held in custody by an admitted institution of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. in accordance with the Securities Giro Act ("*Wet Giraal Effectenverkeer*", the **Wge**) or, if they do not qualify as such, by a separate depository vehicle in accordance with Section 6:18 of the Further Regulation on Conduct Supervision of Financial Enterprises. The Issuer has been advised that on the basis of this representation the relevant investments should be effectuated on a bankruptcy remote basis and that, in respect of these investments, the risk of set-off or defences by the Borrowers should not be relevant in this respect. However, if this is not the case and the investments were to be lost, this may lead to the Borrowers trying to invoke set-off rights or defences against the Issuer on similar grounds as discussed under *Risk of set-off and defences by Borrowers in case of insolvency of Life Insurance Companies*.

#### **Risk related to the value of investments under Investment Mortgage Loans or Life Insurance Policies**

The value of investments made under the Investment Mortgage Loans or by one of the Life Insurance Companies in connection with the Life Insurance Policies may not be sufficient for the Borrower to fully redeem the related NHG Mortgage Receivables at their maturity.

### **Risks related to offering of Investment Mortgage Loans and Life Insurance Policies**

Apart from the general obligation of contracting parties to provide information, there are several provisions of Netherlands law applicable to offerors of financial products, such as Investment Mortgage Loans and Life Mortgage Loans to which Life Insurance Policies are attached. In addition, several codes of conduct apply on a voluntary basis. On the basis of these provisions, offerors of these products (and intermediaries) have a duty, *inter alia*, to provide the customers with accurate, complete and non-misleading information about the product, the costs and the risks involved. These requirements have become more strict over time. A breach of these requirements may lead to a claim for damages from the customer on the basis of breach of contract or tort or the relevant contract may be dissolved ("*ontbonden*") or nullified or a Borrower may claim set-off or defences against the Seller or the Issuer (or the Security Trustee). The merits of such claims will, to a large extent, depend on the manner in which the product was marketed and the promotional material provided to the Borrower. Depending on the relationship between the offeror and any intermediary involved in the marketing and sale of the product, the offeror may be liable for actions of the intermediaries which have led to a claim. The risk of such claims being made increases, if the value of investments made under Investment Mortgage Loans or Life Insurance Policies is not sufficient to redeem the Mortgage Loans.

On this topic there have been, without limitation, (i) reports from the AFM and, at the request of the Dutch Association of Insurers (*Verbond van Verzekeraars*), the Commission on Transparency of Investment Insurances (*Commissie transparantie beleggingsverzekeringen*; the "Commissie De Ruiter"), (ii) a letter from the Dutch Minister of Finance to Parliament and (iii) press articles stating that civil law suits or class actions have already been or may be started against insurers. The Dutch Association of Insurers has in a public communication (a) underwritten the recommendations of the Commissie De Ruiter, stating that it sees these as a logical next step in the various steps which have in previous years been made to improve transparency and (b) said that insurers will (1) verify whether in the past in individual cases mistakes have been made and if so, correct these mistakes and (2) provide customers having an investment Life Insurance Policy with all relevant information regarding their Life Insurance Policy. The latter is intended to where necessary with retrospective effect provide any missing information.

The Dutch Minister of Finance has informed Parliament (i) that the Complaint Institute for Financial Services (*Klachteninstituut Financiële Dienstverlening*, and the Ombudsman and Dispute Commission (*Geschillencommissie*) active therein) is with the introduction of the Wft on 1 January 2007 the sole institute for dispute resolution in connection with financial services, (ii) that he has requested such Ombudsman and the Chairman of such Dispute Commission to suggest a balanced approach so as to hopefully prevent a multitude of individual disputes and (iii) that such Ombudsman and Chairman have in the meantime proposed a balanced approach to deal with complaints which, if all parties co-operate, could accelerate a solution and could result in a compromise for an important number of cases. On 4 March 2008 the Ombudsman presented his recommendations. Recently several insurers each acting separately announced that it has reached agreement with two claimant organisation on compensation of its customers for the costs of investment Life Insurance Policy entered into with this insurer.

If Life Insurance Policies are connected would for the reasons described in this paragraph be dissolved or nullified, this will affect the collateral granted to secure these Mortgage Loans (the Borrower Insurance Pledge and the Beneficiary Rights). The Issuer has been advised that in such case the Life Mortgage Loans or the Investment Mortgage Loans connected thereto can possibly also be dissolved or nullified, but this depends very much on the particular circumstances involved. Even if the Mortgage Loan is not affected, the Borrower/insured may invoke set-off or other defences against the Issuer. The analysis in that situation is similar to the situation in case of insolvency of the insurer (see *Risk of set-off and defences by Borrowers in case of insolvency of Life Insurance Companies*), except if the Seller is itself liable, whether jointly with the insurer or separately, *vis-à-vis* the Borrower/insured. In this situation, which may depend on the involvement of the Seller in the marketing and sale of the Life Insurance Policy, set-off or defences against the Issuer may be invoked, which will probably only become relevant if the insurer and/or the Seller will not indemnify the Borrower.

The Issuer has been advised that the above risks largely depend on which specific information has been provided to the relevant Borrower through sales people and/or sales materials and that in this respect it is also relevant whether applicable statutory and contractual duties, including statutory duties to provide information to prospective investors, have been complied with. Any such set-off or defences may effect the value of the NHG Mortgage Receivables which may lead to losses under the Notes.

#### **Risk that interest rate reset rights will not follow NHG Mortgage Receivables**

The Issuer has been advised that a good argument can be made that the right to reset the interest rate on the Mortgage Loans should be considered as an ancillary right which follows the NHG Mortgage Receivables upon their assignment to the Issuer and the pledge to the Security Trustee, but that in the absence of case law or legal literature this is not certain. To the extent the interest rate reset right passes upon the assignment of the NHG Mortgage Receivables to the Issuer or upon the pledge of the NHG Mortgage Receivables to the Security Trustee, such assignee or pledgee will be bound by the contractual provisions relating to the reset of interest rates. If the interest reset right remains with the Seller, the co-operation of the Seller would be required to reset the interest rates.

#### **Risk related to prepayments on the Mortgage Loans**

The maturity of the Notes of each Class will depend on, *inter alia*, the amount and timing of payment of principal (including full and partial prepayments, sale of the NHG Mortgage Receivables by the Issuer, Net Proceeds upon enforcement of a Mortgage Loan and repurchase by the Seller of Mortgage Receivables) on the Mortgage Loans. The average maturity of the Notes may be adversely affected by a higher or lower than anticipated rate of prepayments on the Mortgage Loans. The rate of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax law (including, but not limited to, amendments to mortgage interest tax deductibility), local and regional economic conditions and changes in Borrower's behaviour (including, but not limited to, home-owner mobility). Prepayments may also occur when a Borrower cross defaults under any loan other than the relevant Mortgage Loan held by the Seller. No guarantee can be given as to the level of prepayment that the Mortgage Loans may experience, and variation in the rate of prepayments of principal on the Mortgage Loans may affect each Class of Notes differently.

#### **Payments on the NHG Mortgage Receivables**

Payments on the NHG Mortgage Receivables 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 the NHG Mortgage Receivables.

#### **Risks of Losses associated with declining values of Mortgaged Assets**

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

#### **Risks related to the NHG Guarantee**

All Mortgage Loans will have the benefit of an NHG Guarantee. Pursuant to the terms and conditions ("*voorwaarden en normen*") of the NHG Guarantee the '*Stichting Waarborgfonds Eigen Woningen*' ('WEW') has no obligation to pay any loss (in whole or in part) incurred by a lender after a private or a forced sale of the mortgaged property if such lender has not complied with the terms and conditions of the NHG Guarantee. The Seller will on the Closing Date, represent and warrant that each Mortgage Loan has the benefit of an NHG Guarantee and (i) that each NHG Guarantee has been granted for the full Outstanding Principal Amount in respect of the relevant Mortgage Loan at origination and (to the best of its knowledge) constitutes a legal, valid and binding claim of the Seller vis-à-vis WEW, enforceable in accordance with its terms, (ii) all terms and conditions ("*voorwaarden en normen*") applicable to the NHG Guarantee at the time of origination of the Mortgage Loans were complied with and (iii) the Seller is not aware of any reason why any claim under any NHG Guarantee granted by WEW in respect of any NHG

Mortgage Receivable should not be met in full and in a timely manner. Furthermore, it will covenant that if a Mortgage Loan no longer has the benefit of a NHG Guarantee as a result of any action taken or omitted to be taken by the Seller or the MPT Provider, the Seller shall purchase and accept re-assignment of the relevant NHG Mortgage Receivable on the Mortgage Payment Date immediately following the date on which the Seller or the MPT Provider has become aware or has been notified hereof.

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

### **Rating of the State of the Netherlands**

The rating of the Notes by Fitch takes into account the NHG Guarantee granted in connection with each of the Mortgage Loans. The NHG Guarantee is backed by the State of the Netherlands (see *NHG Guarantee Programme*) which is currently rated "AAA" by Fitch. In the event that the Netherlands State ceases to be rated "AAA" by Fitch, this may result in a review by Fitch of the Notes and could potentially result in a corresponding downgrade of the Notes.

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

### **Changes to tax deductibility of interest may result in an increase of defaults**

In the Netherlands, subject to a number of conditions, mortgage loan interest payments are deductible from the income of the Borrowers for income tax purposes. The period allowed for deductibility is restricted to a term of 30 years and it only applies to mortgage loans secured by owner occupies properties. Starting in 2005, it is also no longer allowed, after a refinancing, to deduct interest on any equity extractions. It is however uncertain if and to what extent such deductibility will remain in force and for how long. Should there be a change to the possibility of the deductibility of interest payments, this may among other things have an effect on the house prices and the rate of recovery and, depending on the changes in treatment of existing mortgage loans, may result in an increase of defaults, prepayments and repayments.

## **RISK FACTORS REGARDING THE NOTES**

### **Risk that the Issuer does not exercise its right to redeem the Notes on Optional Redemption Dates**

As a result of the increase in the margin payable in respect of the floating rate of interest on each Class of Notes, the Issuer will have an incentive to exercise its right to redeem all (but not some only) of the Notes on the first Optional Redemption Date or on any Optional Redemption Date thereafter in accordance with Condition 6(c). However, no guarantee can be given that the Issuer will actually exercise such right. The exercise of such right will, *inter alia*, depend on the ability of the Issuer to have sufficient funds available to redeem all (but not some only) of the Notes, for example through a sale of NHG Mortgage Receivables still outstanding at that time subject to, in respect of the Mezzanine Class B Notes and the Junior Class C Notes, Condition 9(b). The Issuer shall first offer such NHG Mortgage Receivables for sale to the Seller. The Seller shall within a period of 15 business days from the offer by the Issuer inform the Issuer whether it wishes to repurchase the NHG Mortgage Receivables. After such 15 business day period, the Issuer may offer such NHG Mortgage Receivables for sale to any third party. However, there is no guarantee that such third party will be found to purchase the Mortgage Receivables. The purchase price of the NHG Mortgage Receivables will be calculated as described in *Sale of Mortgage Receivables* under *Credit Structure* below.

### **Clean-Up Call Option and Redemption for Tax Reasons**

Should the Seller exercise its Clean-Up Call Option, the Issuer will redeem all, but not some of, the Notes by applying the proceeds of the sale of the NHG Mortgage Receivables towards redemption of the Notes subject to and

in accordance with Condition 6(b) and subject to, in respect of the Mezzanine Class B Notes and the Junior Class C Notes, Condition 9(b).

The Issuer will have the option to redeem the Notes upon a Tax Change in accordance with Condition 6(e) and subject to, in respect of the Mezzanine Class B Notes and the Junior Class C Notes, Condition 9(b). The Issuer shall first offer such NHG Mortgage Receivables for sale to the Seller. The Seller shall within a period of 15 business days from the offer inform the Issuer whether it wishes to repurchase the NHG Mortgage Receivables. After such 15 business day period, the Issuer may offer such NHG Mortgage Receivables for sale to any third party. The purchase price of the NHG Mortgage Receivables will be calculated as described in *Sale of Mortgage Receivables* under *Credit Structure* below.

**The Mezzanine Class B Notes bear a greater risk than the Senior Class A Notes and the Junior Class C Notes bear a greater risk than the Senior Class A Notes and the Mezzanine Class B Notes**

To the extent set forth in Conditions 6 and 9, (i) the Mezzanine Class B Notes are subordinated in right of payment to the Senior Class A Notes and (ii) the Junior Class Notes are subordinated in right of payment to the Senior Class A Notes and the Mezzanine Class B Notes. With respect to any Class of Notes, such subordination is designed to provide credit enhancement to any Class of Notes with a higher payment priority than such Class of Notes.

If, upon default by the Borrowers and after exercise by the MPT Provider of all available remedies in respect of the applicable 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 Receivables will be allocated as described in *Credit Structure*.

**Limited recourse of the Notes**

Each of the Noteholders shall only have recourse in respect of any claim against the Issuer in accordance with the relevant priority of payments as set forth in this Prospectus. Recourse in respect of the Notes will be limited to (i) the Green Apple 2008-I NHG Portfolio and the Beneficiary Rights relating thereto, (ii) the balance standing to the credit of the Transaction Accounts and (iii) the amounts received under the Relevant Documents and in respect of claims of the Issuer which cannot be attributed to the Green Apple 2008-I NHG Portfolio, such claims on a *pro rata* basis for all portfolios. In the event that the Security in respect of the Notes in relation to the Green Apple 2008-I NHG Portfolio has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under the relevant Trust Deed in priority to a Class of Notes in relation to the Green Apple 2008-I NHG Portfolio 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 of Notes in relation to the Green Apple 2008-I NHG Portfolio shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

**Risk related to the limited liquidity of the Notes**

There is not, at present, any active and liquid secondary market for the Notes. Although application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to the official list and trading on its regulated market, there can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity or that such liquidity will continue for the life of the Notes. A decrease in the liquidity of the Notes may cause, in turn, an increase in the volatility associated with the price of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

**Maturity Risk**

The maturity of the Notes of each Class will depend on, *inter alia*, the amount and timing of payment of principal (including full and partial prepayments, sale of the NHG Mortgage Receivables by the Issuer and the repurchase by the Seller of the relevant NHG Mortgage Receivables) on the Mortgage Loans. The average maturity of the Notes may be adversely affected by a higher or lower than anticipated rate of prepayments on the Mortgage Loans. The rate of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax law (including but not limited to amendments to mortgage interest tax deductibility), local and regional economic conditions and changes in Borrower's behaviour (including

but not limited to home-owner mobility). No guarantee can be given as to the level of prepayment that the Mortgage Loans may experience, and variation in the rate of prepayments of principal of the Mortgage Loans may affect each Class of Notes differently.

#### **No Gross-up for Taxes**

As provided in Condition 7, if withholding of, or deduction for, or on account of, any present or future taxes, duties, assessments or charges of whatever nature are imposed by or on behalf of the State of the Netherlands, any authority therein or thereof having power to tax, the Issuer or the Paying Agent 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.

#### **Credit ratings may not reflect all risks**

The rating of the Notes addresses the assessment made by Fitch of the likelihood of full and timely payment of interest and ultimate payment of principal on or before the Final Maturity Date.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation if in its judgement, the circumstances (including a reduction in the credit rating of the Floating Rate GIC Provider, the Swap Counterparty or the Reserve Fund Provider) in the future so require.

#### **Forecasts and Estimates**

Forecasts and estimates in this Prospectus 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.

#### **Changes of law**

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

#### **Limited liquidity in the secondary mortgage market**

The secondary mortgage markets are currently experiencing severe disruptions resulting from reduced investor demand for mortgage loans and mortgage-backed securities and increased investor yield requirements for those loans and securities. As a result, the secondary market for mortgage-backed securities is experiencing extremely limited liquidity. These conditions may continue or worsen in the future.

Limited liquidity in the secondary market for mortgage-backed securities has had a severe adverse effect on the market value of mortgage-backed securities. Limited liquidity in the secondary market may continue to have a severe adverse effect on the market value of mortgage-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Consequently, an investor in the Notes may not be able to sell its Notes readily. The market values of the Notes are likely to fluctuate and may be difficult to determine. Any of these fluctuations may be significant and could result in significant losses to such investor.

In addition, the forced sale into the market of mortgage-backed securities held by structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities that are currently experiencing funding difficulties could adversely affect an investor's ability to sell the Notes and/or the price an investor receives for the Notes in the secondary market.

#### **Proposed Changes to the Basel Capital Accord**

The Basel Committee on Banking Supervision (the 'Committee') has issued proposals for reform of the 1988 Capital Accord and has proposed a framework which places enhanced emphasis on market discipline and sensitivity to risk. The third consultative paper on the New Basel Capital Accord was issued on 29 April 2003, with the

consultation period ending on 31 July 2003. The Committee announced on 11 May 2004 that it had achieved consensus on the remaining issues and published the text of the new framework on 26 June 2004 under the title *Basel II: International Convergence of Capital Measurement and Capital Standards: a Revised Framework*. This framework will serve as the basis for national rule-making and approval processes to continue and for banking organisations to complete their preparations for implementation of the new framework. The Committee confirmed that it is currently intended that the various approaches under the framework will be implemented in stages, some from year-end 2006, the most advanced at year-end 2007. As and when implemented, the new framework could affect the risk weighting of the Notes in respect of certain investors if those investors are regulated in a manner which will be affected by the new framework. Consequently, prospective investors should consult their own advisers as to the consequences to and effect on them of the potential application of the New Basel Capital Accord. The precise effects of implementation of the new framework cannot be predicted.

### **EU Savings Directive**

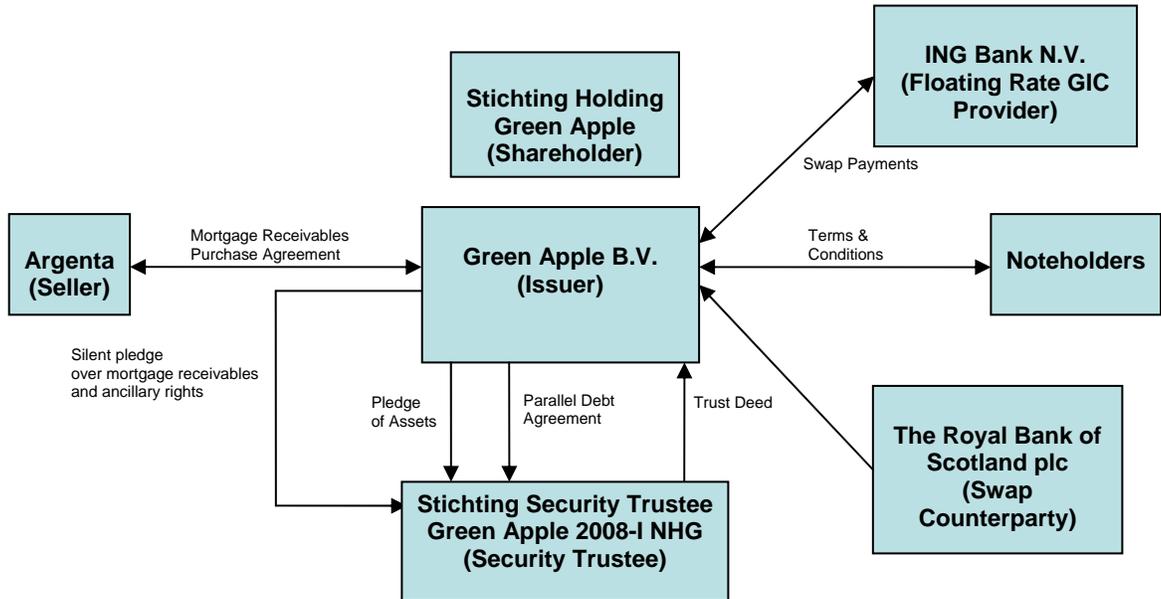
Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

Also with effect from 1 July 2005, a number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

## STRUCTURE DIAGRAM

*The following structure diagram provides an indicative summary of the principal features of the transaction. The diagram must be read in conjunction with and is qualified in its entirety by the detailed information presented elsewhere in this Prospectus.*



## OVERVIEW OF THE PARTIES AND PRINCIPAL FEATURES OF THE TRANSACTION

### THE PARTIES:

<b>Issuer:</b>	Green Apple B.V., incorporated under the laws of the Netherlands as a private company with limited liability (" <i>besloten vennootschap met beperkte aansprakelijkheid</i> ") under number B.V. 1450414 and registered with the Commercial Register of the Chamber of Commerce in Amsterdam under number 34283046. The entire issued share capital of the Issuer is owned by the Shareholder. The Issuer is established to issue notes, such as the Notes, from time to time and has issued notes on 26 September 2007. Recourse in respect of these notes or any notes to be issued from time to time will be limited to any receivables resulting from mortgage loans originated by the Seller established in the Netherlands ( <b>'Eligible Assets'</b> ) purchased by the Issuer with (part of) the proceeds of such notes.
<b>Seller:</b>	Argenta Spaarbank NV ( <b>'Argenta'</b> ), incorporated under the laws of Belgium as a public company (" <i>naamloze vennootschap/société anonyme</i> ").
<b>MPT Provider:</b>	Argenta. The MPT Provider will appoint Stater Nederland B.V. ( <b>'Stater'</b> ), incorporated under the laws of the Netherlands as a private company with limited liability (" <i>besloten vennootschap met beperkte aansprakelijkheid</i> "), as its sub-agent to provide in respect of part of the Mortgage Loans certain of the MPT Services and the Defaulted Loan Services in respect of such Mortgage Loans
<b>Issuer Administrator:</b>	ATC Financial Services B.V., incorporated under the laws of the Netherlands as a private company with limited liability.
<b>Subordinated Loan Provider:</b>	Argenta.
<b>Security Trustee:</b>	Stichting Security Trustee Green Apple 2008-I NHG, established under the laws of the Netherlands as a foundation and registered with the Commercial Register of the Chamber of Commerce in Amsterdam under number 34319499. The Security Trustee will only act as trustee in connection with the Green Apple 2008-I NHG Portfolio.
<b>Shareholder:</b>	Stichting Holding Green Apple ( <b>'Shareholder'</b> ), established under the laws of the Netherlands as a foundation and registered with the Commercial Register of the Chamber of Commerce in Amsterdam under number 34279966.
<b>Directors:</b>	ATC Management B.V., the sole director of the Issuer and the Shareholder and ANT Securitisation Services B.V., the sole director of the Security Trustee.
<b>Reserve Fund Provider:</b>	Argenta.
<b>Swap Counterparty:</b>	The Royal Bank of Scotland plc.

<b>Floating Rate GIC Provider:</b>	ING Bank N.V.
<b>Paying Agent:</b>	Dexia Banque International à Luxembourg.
<b>Reference Agent:</b>	Dexia Banque International à Luxembourg.
<b>Listing Agent:</b>	Dexia Banque International à Luxembourg.
<b>Common Safekeeper</b>	Euroclear S.A./N.V.

**THE NOTES:**

**Notes:** The euro 1,925,600,000 floating rate Senior Class A Mortgage-Backed Notes 2008 due 2041 (the '**Senior Class A Notes**'), the euro 29,650,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2008 due 2041 (the '**Mezzanine Class B Notes**') and the euro 19,750,000 floating rate Junior Class C Mortgage-Backed Notes 2008 due 2041 (the '**Junior Class C Notes**') and together with the Senior Class A Notes and the Mezzanine Class B Notes, the '**Notes**') will be issued by the Issuer on 23 December 2008 (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.; and  
 (iii) the Junior Class C Notes 100 per cent.

**Form:** The Notes are in bearer form and in the case of Notes in definitive form, serially numbered with coupons attached.

**Denomination:** The Notes will be issued in denominations of euro 50,000 each.

**Status and Ranking:** The Notes of each Class rank *pari passu* without any preference or priority among Notes of the same Class. In accordance with and subject to the Conditions and the Trust Deed 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 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.

**Interest:** Interest on the Notes is payable by reference to successive quarterly interest periods (each a '**Floating Rate Interest Period**') and will be payable quarterly in arrear in euro in respect of the Principal Amount Outstanding on the 23<sup>rd</sup> day of January, April, July and October (or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event interest on the Notes will be payable on the Business Day immediately preceding such 23<sup>rd</sup> 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 April 2009. The interest will be calculated on the basis of the actual days elapsed in a Floating Rate Interest Period divided by a year of 360 days.

A '**Business Day**' means a day on which banks are open for business in Amsterdam, London and Luxembourg, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system ('**TARGET 2 system**') or any successor thereto is operating credit or transfer instructions in respect of payments in euro.

Interest on the Notes for each Floating Rate Interest Period from the Closing Date will accrue at a rate equal to the sum of the Euro Interbank Offered Rate ('**Euribor**') for three month deposits in euro (determined in accordance with Condition 4(e)) (or, in respect of the first Floating Rate Interest Period, four month Euribor) plus a margin which up to (but excluding) the first Optional Redemption Date, will for the Senior Class A Notes be equal to 0.70 per cent. per annum, for the Mezzanine Class B Notes be equal to 4.00 per cent. per annum and for the Junior Class C Notes be equal to 4.00 per cent. per annum.

**Interest Step-up:**

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

- (i) for the Senior Class A Notes, a margin of 1.40 per cent. per annum;
- (ii) for the Mezzanine Class B Notes, a margin of 5.00 per cent. per annum; and
- (iii) for the Junior Class C Notes, a margin of 5.00 per cent. per annum.

**Final Maturity Date:**

Unless previously redeemed as provided below, the Issuer will redeem the Notes, but in respect of the Mezzanine Class B Notes and the Junior Class C Notes, subject to Condition 9(b), at their respective Principal Amount Outstanding on the Quarterly Payment Date falling in January 2041 (the '**Final Maturity Date**').

**Optional Redemption of the Notes:**

Provided that no Enforcement Notice has been served in accordance with Condition 10, on the Quarterly Payment Date falling in January 2014 and on each Quarterly Payment Date thereafter (each an '**Optional Redemption Date**'), the Issuer will have the option to redeem all (but not some only) of the Notes, but not some only, at their respective Principal Amount Outstanding in accordance with Condition 6(c) and subject to, in respect of the Mezzanine Class B Notes and the Junior Class C Notes, Condition 9(b).

If the Issuer exercises its option to redeem the Notes on any Optional Redemption Date, it has the right to sell and assign all but not some of the NHG Mortgage Receivables. The Issuer shall first offer such NHG Mortgage Receivables for sale to the Seller. The Seller shall within a period of 15 business days from the offer inform the Issuer whether it wishes to repurchase the NHG Mortgage Receivables. After such 15 business day period, the Issuer may offer such NHG Mortgage Receivables for sale to any third party. The purchase price of such NHG Mortgage Receivables will be calculated as described in *Sale of NHG Mortgage Receivables* by the Issuer below.

**Mandatory Redemption of the Notes:** Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer shall be obliged to apply the Notes Redemption Available Amount to redeem, whether in full or in part, at their respective Principal Amount Outstanding the Notes on each Quarterly Payment Date (the first falling in April 2009) in the following order, (i) the Senior Class A Notes on a *pro rata* basis until fully redeemed and thereafter, (ii) the Mezzanine Class B Notes on a *pro rata* basis until fully redeemed and (iii) the Junior Class C Notes on a *pro rata* basis until fully redeemed.

**Redemption for tax reasons:** If (i) the Issuer is or will be obliged to make any withholding or deduction for, or on account of, any taxes, duties, assessments or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any change in, or amendment to, the laws or regulations of the Netherlands (including any guidelines issued by the tax authorities) or any other jurisdiction or any political sub-division or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the Closing Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it (a '**Tax Change**') and (ii) the Issuer will have sufficient funds available on a Quarterly Payment Date to discharge all amounts of principal and interest due in respect of each Class of Notes and any amounts required to be paid in priority to or *pari passu* with each Class of Notes in accordance with the Trust Deed, 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 in accordance with Condition 6(e) and subject to, in respect of the Mezzanine Class B Notes and the Junior Class C Notes, Condition 9(b). No Class of Notes may be redeemed under such circumstances unless all Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time. See further *Sale of NHG Mortgage Receivables* below.

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

**Method of Payment:** For so long as the Notes are represented by a Global Note, payments of principal and interest on the Notes will be made in euro to a common safekeeper 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, to pay to the Seller the Initial Purchase Price for the NHG Mortgage Receivables, pursuant to the provisions of an agreement dated 22 December 2008 (the '**Mortgage Receivables Purchase Agreement**') and made between the Seller, the Issuer and the Security Trustee. See further *Mortgage*

*Receivables Purchase Agreement.*

**Security for the Notes:**

The Notes will be secured:

- (i) by a first ranking undisclosed right of pledge to the Security Trustee by the Issuer over (a) the Green Apple 2008-I NHG Portfolio and (b) the Beneficiary Rights; and
- (ii) by a first ranking disclosed right of pledge by the Issuer to the Security Trustee over the Issuer's rights (a) under or in connection with the Mortgage Receivables Purchase Agreement, the Swap Agreement, the Issuer Services Agreement and the Floating Rate GIC and (b) in respect of the Transaction Accounts.

Furthermore, the Seller shall grant on the balance standing to the credit of the Seller Collection Account a first ranking right of pledge in favour of the Security Trustee and a second ranking right of pledge in favour of the Issuer for the benefit of the Green Apple 2008-I NHG Portfolio under the conditions that (a) future issuers (and security trustees) in securitisations and future vehicles in conduit transactions or similar transactions (and any securities trustees relating thereto) initiated by the Seller will also have the benefit of such rights of pledge and (b) any release of such rights of pledge shall have no adverse affect the then current ratings assigned to any class of notes issued by the Issuer. Such right of pledge will be notified to the Seller Collection Account Provider and will therefore be a disclosed right of pledge ("*openbaar pandrecht*"). The Security Trustee and the Issuer respectively will grant a power to collect to the Seller, which will be withdrawn upon the occurrence of certain events.

After the delivery of an Enforcement Notice in accordance with Condition 10, 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 in respect of such rights of pledge and amounts received by the Security Trustee as creditor under the Parallel Debt Agreement upon enforcement. Payments to the Secured Parties will be made in accordance with the Priority of Payments upon Enforcement (see chapters *Credit Structure* and *Description of Security*).

**Parallel Debt Agreement**

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

**THE NHG MORTGAGE RECEIVABLES**

**NHG 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 '**NHG Mortgage Receivables**') of the Seller against certain borrowers (the '**Borrowers**') under or in connection with certain pre-selected Mortgage Loans, which have the benefit of an NHG Guarantee.

The Issuer will be entitled to the proceeds of the NHG Mortgage Receivables from and including the Cut-off Date. The NHG Mortgage Receivables resulting from Life Mortgage Loans will hereinafter be referred to as the '**Life NHG Mortgage Receivables**'. The Seller has the benefit of Beneficiary Rights, which entitle the Seller to receive the final payment under the relevant Life Insurance Policies, which payment is to be applied towards redemption of the relevant Life NHG Mortgage Receivables. Under the Mortgage Receivables Purchase Agreement, the Seller will assign such Beneficiary Rights to the Issuer and the Issuer will accept such assignment.

**Repurchase of NHG Mortgage Receivables:**

Under the Mortgage Receivables Purchase Agreement the Seller has undertaken to repurchase and accept re-assignment of an NHG Mortgage Receivable:

- (i) on the Mortgage Payment Date immediately following the expiration of the relevant remedy period, if any, in case any of the representations and warranties given by the Seller in respect of such NHG Mortgage Receivable or its related Mortgage Loan, including the representation and warranty that such NHG Mortgage Receivable or its related Mortgage Loan meets certain criteria set forth in the Mortgage Receivables Purchase Agreement, is untrue or incorrect in any material respect; or
- (ii) if the Seller agrees with a Borrower to amend the terms of the relevant Mortgage Loan, which amendment is not a result of a deterioration of the Borrower's creditworthiness, and as a result thereof such Mortgage Loan no longer meets the representations and warranties set forth in the Mortgage Receivables Purchase Agreement on the Mortgage Payment Date immediately following the date on which such amendment has become effective; or
- (iii) on the Mortgage Payment Date immediately following the date on which the Seller agrees with a Borrower to make a Further Advance under a Mortgage Loan; or
- (iv) on the Mortgage Payment Date following the earlier of (i) six months after a formal request for payment under the NHG Guarantee has been made and (ii) the date on which Stichting Waarborgfonds Eigen Woningen refuses to pay the full amount so requested; or
- (v) if a Mortgage Loan no longer has the benefit of the NHG Guarantee as a result of any action taken or omitted to be taken by the Seller or the MPT Provider on the Mortgage Payment Date immediately following the date on which the Seller or the MPT Provider has become aware or has been notified hereof.

The purchase price in such event will be as set forth under *Sale of NHG Mortgage Receivables* below.

**Clean-Up Call Option:**

On each Quarterly Payment Date the Seller has the option (but not the obligation) to repurchase the NHG Mortgage Receivables if on the Quarterly Calculation Date immediately preceding such Quarterly Payment Date the aggregate Outstanding Principal Amount of the NHG Mortgage Receivables is not more than 10 per cent. of the aggregate Outstanding Principal Amount of the NHG Mortgage Receivables on the Cut-off Date (the '**Clean-Up Call Option**').

The Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the NHG Mortgage Receivables remaining in the Green Apple 2008-I NHG Portfolio to the Seller or any third party appointed by the Seller in its sole discretion in case of the exercise of the Clean-Up Call Option. The purchase price will be calculated as set out in *Sale of NHG Mortgage Receivables* below. The proceeds of such sale shall be applied by the Issuer towards redemption of the Notes in accordance with Condition 6(b) and subject to, in respect of the Mezzanine Class B Notes and the Junior Class C Notes, Condition 9(b). The purchase price will be calculated as described in *Sale of NHG Mortgage Receivables* below.

**Mortgage Loans:**

The NHG Mortgage Receivables to be sold by the Seller pursuant to the Mortgage Receivables Purchase Agreement will result from loans secured by a first-ranking mortgage right over (i) a real property ("*onroerende zaak*"), (ii) an apartment right ("*appartementsrecht*") or (iii) a long lease ("*erfpacht*"), together with real property and apartment rights (the '**Mortgaged Assets**') situated in the Netherlands and entered into by the Seller and the relevant Borrowers which meet the criteria set forth in the Mortgage Receivables Purchase Agreement and which will be selected prior to or on the Closing Date (the '**Mortgage Loans**'). Mortgage Loans may consist of one or more loan parts ("*leningdelen*"), each of which normally constitutes a different mortgage type agreed with the relevant Borrower. If a Mortgage Loan consists of one or more of such loan parts, the Seller shall sell and assign and the Issuer shall purchase and accept the assignment of the loan part(s) of such Mortgage Loan which has(ve) the benefit of the NHG Guarantee. See further *Description of Mortgage Loans* below.

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

- (i) Linear Mortgage Loans ("*lineaire hypotheek*");
- (ii) Annuity Mortgage Loans ("*annuïteiten hypotheek*");
- (iii) Interest-only Mortgage Loans ("*aflossingsvrije hypotheek*");
- (iv) Investment Mortgage Loans ("*beleggingshypotheek*");
- (v) Life Mortgage Loans ("*levenhypotheek*") to which a Life Insurance Policy is connected with (a) the Traditional Life Alternative; (b) the Unit-Linked Alternative or the Universal Life Alternative; or (c) a combination of the Universal Life Alternative and the Unit-Linked Alternative; and
- (vi) combinations of any of the abovementioned types of mortgage loans.

The Mortgage Loans have the characteristics that demonstrate the capacity to produce funds to service payments under the Notes.

**NHG Guarantees:**

All Mortgage Loans will have the benefit of guarantees under the '*Nationale Hypotheek Garantie*' ('**NHG Guarantees**'), See further *Description of the Mortgage Loans* and *NHG Guarantee Programme*.

**Interest-only Mortgage Loans:**

A portion of the Mortgage Loans (or parts thereof) will be in the form of interest-only mortgage loans ("*aflossingsvrije hypotheek*", 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 such Interest-only Mortgage Loan.

**Linear Mortgage Loans:**

A portion of the Green Apple 2008-I NHG Portfolio (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 decreasing monthly payment, made up of an initially high and subsequently decreasing interest portion and a fixed principal portion, which is calculated in such a manner that the Linear Mortgage Loan will be fully redeemed at the maturity of such Linear Mortgage Loan.

**Annuity Mortgage Loans:**

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

**Investment Mortgage Loans:**

A portion of the Mortgage Loans (or parts thereof) will be in the form of Investment Mortgage Loans. Under an Investment Mortgage Loan, the Borrower repays the principal in full at maturity with funds which have been accumulated through investments. The Borrower does not pay principal prior to maturity of the Mortgage Loan, but undertakes to invest, whether on a lump sum basis or on an instalment basis, by applying his own funds or (part of) the proceeds of the Investment Mortgage Loan by means of an Investment Account held with relevant bank or Investment Firm in certain portfolios of investments (the '**Investment Portfolios**'). The Seller has represented that under the Investment Mortgage Loans, the securities are purchased on behalf of the relevant Borrower by a bankruptcy remote securities giro ("*effectengiro*"), a bank or an investment firm ("*beleggingsonderneming*") for the account of the Borrowers and these securities are held in custody by an admitted institution of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. in accordance with the Wge or, if they do not qualify as such, by a separate depository vehicle in accordance with Section 6:18 of the Further Regulation on Conduct Supervision of Financial Enterprises.

**Life Mortgage Loans:**

A portion of the Mortgage Loans (or parts thereof) will be in the form of life mortgage loans ('**Life Mortgage Loans**'), i.e. Mortgage Loans which have the benefit of combined risk and capital insurance policies ('**Life Insurance Policies**') taken out by Borrowers with any Life Insurance Company in the Netherlands (each a '**Life Insurance Company**'). Under a Life Mortgage Loan, no principal towards redemption is paid until maturity. The Life Insurance Policies connected to such Life Mortgage Loans are offered by a Life Insurance Company in several alternatives. The Borrower has the choice between (i) the '**Traditional Life Alternative**', which means the alternative under which a guaranteed amount is to be received when the Life Insurance Policy pays out, (ii) the Unit-Linked Alternative or the Universal Life Alternative or a combination of (i) and (ii). '**Unit-Linked Alternative**' means the alternative under which the amount to be received upon pay out of the Life Insurance Policy depends on the performance of certain investment funds chosen by the Borrower. '**Universal Life Alternative**' means the alternative under which the premia is invested in certain investment funds chosen by the Borrower. See further *Risk Factors* above and *Description*

**Sale of NHG Mortgage Receivables:**

*of the Mortgage Loans below.*

The Issuer may not dispose of the NHG Mortgage Receivables, except to comply with its obligations under the Notes in certain circumstances as further provided in the Trust Deed. If the Issuer decides to offer for sale (part of) the NHG Mortgage Receivables it will first offer such NHG Mortgage Receivables to the Seller. The Seller shall within a period of 15 business days from the offer inform the Issuer whether it wishes to repurchase the NHG Mortgage Receivables. After such 15 business day period, the Issuer may offer such NHG Mortgage Receivables for sale to any third party. See also *Mortgage Receivables Purchase Agreement*.

*Sale of NHG Mortgage Receivables on an Optional Redemption Date*

The Issuer will have the right to sell all but not some of the NHG Mortgage Receivables on each Optional Redemption Date, provided that the Issuer shall apply the proceeds of such sale to redeem all but not some only of the Notes in accordance with Condition 6(c) and subject to, in respect of the Mezzanine Class B Notes and the Junior Class C Notes, Condition 9(b). The purchase price of each NHG Mortgage Receivable in the event of such sale shall be at least equal to the Outstanding Principal Amount, together with accrued interest due but unpaid, if any, except that with respect to NHG Mortgage Receivables which are in arrears for a period exceeding 90 days or in respect of which an instruction has been given to the civil-law notary to publicly sell the Mortgaged Assets, the purchase price shall be at least the lesser of (a) the sum of the Outstanding Principal Amount, together with accrued interest due but unpaid, if any, and any other amount due under the NHG Mortgage Receivables; and (b) the sum of (i) an amount equal to the Indexed Foreclosure Value of the Mortgaged Assets and (ii) the amount claimable under the NHG Guarantee, and any costs incurred by the Issuer in effecting and completing such sale and re-assignment. In this respect, '**Indexed Foreclosure Value**' means, in case of a sale of an NHG Mortgage Receivable by the Issuer in accordance with the Trust Deed on any date, if the Foreclosure Value was assessed within one year prior to such date, such Foreclosure Value or, if the Foreclosure Value was assessed more than one year prior to such date, such Foreclosure Value indexed to median price levels of the year in which the relevant quarter falls as reported by the "*Nederlandse Vereniging van Makelaars*" or, in case no such report is available, as reported by any other authoritative organisation in this field. '**Foreclosure Value**' means the foreclosure value ("*executiewaarde*") as assessed in accordance with the Mortgage Receivables Purchase Agreement, at a public sale of the Mortgaged Asset on which the relevant Mortgage is vested.

*Sale of NHG Mortgage Receivables if the Clean-Up Call Option is exercised*

On each Quarterly Payment Date, the Seller has the option to exercise the Clean-Up Call Option. In respect of the purchase price, the same as set out above under *Sale of NHG Mortgage Receivables on an Optional Redemption Date* applies to the purchase price payable for the sale of NHG Mortgage Receivables if the Seller exercises the Clean-Up Call Option. The proceeds of such sale shall be applied by the Issuer towards redemption of all but not some only of the Notes in accordance with Condition 6(b) and subject to, in respect of the Mezzanine Class B Notes

and the Junior Class C Notes, Condition 9(b).

*Sale of NHG Mortgage Receivables for tax reasons*

If the Issuer exercises its option to redeem the Notes for tax reasons in accordance with Condition 6(e), the purchase price of such NHG Mortgage Receivables will be calculated in the same manner as described in *Sale of NHG Mortgage Receivables on an Optional Redemption Date* above. The proceeds of such sale shall be applied by the Issuer towards redemption of all but not some only of the Notes in accordance with Condition 6(e) and subject to, in respect of the Mezzanine Class B Notes and the Junior Class C Notes, Condition 9(b).

*Sale of NHG Mortgage Receivables if the Seller is obliged to repurchase*

If the Seller is obliged to repurchase any NHG Mortgage Receivable(s) pursuant to the Mortgage Receivables Purchase Agreement, the purchase price of the NHG Mortgage Receivables will be equal to the Outstanding Principal Amount in respect of the relevant NHG Mortgage Receivables together with any accrued interest up to but excluding the date of repurchase and re-assignment of the NHG Mortgage Receivables and any costs incurred by the Issuer in effecting and completing such sale and re-assignment.

## **CASH-FLOW STRUCTURE:**

### **Reserve Account:**

On the Closing Date, the Issuer will enter into a reserve fund loan agreement (the '**Reserve Fund Loan Agreement**') with the Reserve Fund Provider, under which the Issuer will make a drawing on the Closing Date for an amount equal to the Reserve Fund Required Amount.

The drawing under the Reserve Fund Loan Agreement will be credited to an account (the '**Reserve Account**' and together with the Issuer Collection Account, the '**Transaction Accounts**'), held in the name of the Issuer with the Floating Rate GIC Provider. The purpose of the Reserve Account will be to enable the Issuer on any Quarterly Payment Date to meet the Issuer's payment obligations under items (a) to (j) inclusive in the Interest Priority of Payments in the event that the Notes Interest Available Amount, without taking into account any drawing from the Reserve Account, is not sufficient to meet such payment obligations on such Quarterly Payment Date.

For these purposes, '**Reserve Fund Required Amount**' shall on any Quarterly Payment Date be equal to (i) euro 20,000,000 or (ii) zero, on the Quarterly Payment Date whereon the Notes have been or are to be redeemed in full, subject to the Conditions.

If and to the extent that the Notes Interest Available Amount on any Quarterly Calculation Date exceeds the amounts required to meet items (a) to (j) (inclusive) in the Interest Priority of Payments, the excess amount will be applied to deposit on or, as the case may be, replenish the Reserve Account up to the Reserve Fund Required Amount.

The payment of interest and principal in respect of the Reserve Loan will be subordinated to payments in respect of the Notes and certain other

items as set out in and subject to the Interest Priority of Payments (see further chapter *Credit Structure*).

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

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

**Floating Rate GIC:** The Issuer and the Floating Rate GIC Provider will enter into a guaranteed investment contract (the '**Floating Rate GIC**') on the Closing Date, whereunder the Floating Rate GIC Provider will agree to pay a guaranteed rate of interest determined by reference to one month Euribor minus a margin on the balance standing from time to time to the credit of the Transaction Accounts.

**Subordinated Loan:** On the Closing Date, the Issuer will enter into a subordinated loan agreement (the '**Subordinated Loan**') with the Subordinated Loan Provider for an amount of euro 1,000,000. The proceeds of the Subordinated Loan will be used to pay certain start-up costs and expenses incurred by the Issuer in connection with the issue of the Notes.

**Swap Agreement:** On or before the Closing Date, the Issuer will enter into a swap agreement with the Swap Counterparty to mitigate the risk between the rates of interest to be received by the Issuer on (a) the Green Apple 2008-I NHG Portfolio and the interest received on the Issuer Collection Account and (b) the floating rates of interest payable by the Issuer on the relevant Class of Notes.

The Swap Counterparty will agree to pay on each Quarterly Payment Date an amount equal to the sum of the scheduled interest due in respect of the Notes, calculated by reference to the floating rate of interest applied to the Principal Amount Outstanding of the Notes (as reduced by any outstanding debit balance on the relevant subledger of the Principal Deficiency Ledger) on the first day of the relevant Floating Rate Interest Period.

Payments under the Swap Agreement will be netted (see further chapter *Credit Structure*).

**OTHER:**

**Issuer Services Agreement:** Under the Issuer Services Agreement between the Issuer, the MPT Provider, the Issuer Administrator and the Security Trustee, (i) the MPT Provider will agree to provide (a) the MPT Services and (b) the Defaulted Loan Services 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. The MPT Provider will subcontract Stater to provide certain services in relation to part of the Mortgage Loans (see further *Issuer Services Agreement*).

<b>Management Agreements:</b>	Each of the Issuer, the shareholder and the Security Trustee have entered into a management agreement (together, the ' <b>Management Agreements</b> ') with the relevant Director, whereunder the relevant Director will undertake to act as director of the Issuer, the shareholder or, as the case may be, the Security Trustee and to perform certain services in connection therewith.
<b>Risk Factors</b>	There are certain factors which may affect the Issuer's ability to fulfil its obligations under the Notes. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the Notes. See further <i>Risk Factors</i> above.
<b>Listing and admission to trading:</b>	Application has been made for the Notes to be listed on the official list of the Luxembourg Stock Exchange and admission to trading is sought on the Regulated Market of the Luxembourg Stock Exchange.
<b>Selling Restrictions:</b>	There are selling restrictions in relation to the European Economic Area, United Kingdom, United States, Italy, France and such other restrictions as may be required in connection with the offering and sale of the Notes. See <i>Purchase and Sale</i> .
<b>Ratings:</b>	It is a condition precedent to issuance that (i) the Senior Class A Notes, on issue, be assigned an 'AAA' rating by Fitch, (ii) the Mezzanine Class B Notes, on issue, be assigned a rating of at least 'BBB+' by Fitch and (iii) the Junior Class C Notes, on issue, be assigned a rating of at least 'BBB-' by Fitch.
<b>Governing Law:</b>	The Notes will be governed by and construed in accordance with the laws of the Netherlands.

## CREDIT STRUCTURE

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

### **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 Cut-Off Date the weighted average interest rate of the Mortgage Loans is 4.07 per cent. Interest rates vary between individual Mortgage Loans. The range of interest rates is described further in *Description of the Mortgage Loans* below.

The actual amount of revenue received by the Issuer under the Mortgage Receivables Purchase Agreement will vary during the life of the Notes as a result of the level of delinquencies, defaults, substitutions, repayments and prepayments in respect of the NHG Mortgage Receivables. Similarly, the actual amounts payable under the Interest Priority of Payments will vary during the life of the transaction as a result of fluctuations in Euribor and possible variations in certain other costs and expenses of the Issuer. The eventual effect of such variations could lead to drawings, and the replenishment of such drawings, from the Reserve Account and to non-payment of certain items under the Interest Priority of Payments.

### **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 the Seller Collection Account maintained with ABN AMRO Bank N.V. (in such capacity the '**Seller Collection Account Provider**'). The Seller Collection Account is administered by Stater. The Seller Collection Account is also used for the collection of moneys paid in respect of mortgage loans other than Mortgage Loans and in respect of other moneys belonging to the Seller.

The Seller shall grant on the balance standing to the credit of the Seller Collection Account a first ranking right of pledge in favour of the Security Trustee and a second ranking right of pledge in favour of the Issuer and for the benefit of the Green Apple 2008-I NHG Portfolio under the conditions that (a) future issuers (and security trustees) in securitisations and future vehicles in conduit transactions or similar transactions (and any securities trustees relating thereto) initiated by the Seller will also have the benefit of such rights of pledge and (b) any release of such rights of pledge shall have no adverse affect the then current ratings assigned to any class of notes issued by the Issuer (the '**Collection Account Pledge Agreement**'). Such right of pledge will be notified to the Seller Collection Account Provider and will therefore be a disclosed right of pledge ("*openbaar pandrecht*"). The Security Trustee and the Issuer respectively will grant a power to collect to the Seller, which will be withdrawn upon the occurrence of certain events.

If the rating of the short-term, unsecured and unguaranteed debt obligations of the Seller Collection Account Provider falls below 'F1' by Fitch (the '**Short-Term Requisite Rating**') or such rating is withdrawn, then the Seller will within thirty (30) calendar days and at its own cost, to maintain the then current ratings assigned to the Notes, either: (i) ensure that payments to be made in respect of amounts received on the Seller Collection Account relating to the Mortgage Loans will be guaranteed by a party having at least the Short-Term Requisite Rating or (ii) implement any other actions agreed at that time with Fitch and if the rating of the short-term, unsecured and unguaranteed debt obligations of the Seller Collection Account Provider falls below 'F2' by Fitch or such rating is withdrawn, then the Seller will within twenty-eight (28) calendar days and at its own cost, to maintain the then current ratings assigned to the Notes, implement any other actions agreed at that time with Fitch.

On or before each Mortgage Payment Date, being the 15<sup>th</sup> day of each calendar month (or if this is not a business day the next succeeding business day) ('**Mortgage Payment Date**') 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 NHG Mortgage Receivables will be transferred by the Seller, or the MPT Provider on its behalf, in accordance with the Issuer Services Agreement, to the Issuer Collection Account.

For these purposes a **'Mortgage Calculation Period'** is the period commencing on (and including) the first day of a calendar month and ending on (and including) the last day of such calendar month, except for the first Mortgage Calculation Period which shall commence on (and include) the Cut-Off Date and end on (and include) the last day of December 2008.

***Issuer Collection Account***

The Issuer will maintain with the Floating Rate GIC Provider the Issuer Collection Account to which all amounts received (i) in respect of the Mortgage Loans and (ii) from the other parties to the Relevant Documents will be paid.

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

Payments may be made from the Issuer Collection Account other than on a Quarterly Payment Date only to satisfy (i) amounts due to third parties (other than pursuant to the Relevant Documents) and under obligations incurred in connection with the Issuer's business and (ii) any Tax Credit.

***Reserve Account***

The Issuer will also maintain with the Floating Rate GIC Provider the Reserve Account to which the drawing under the Reserve Fund Loan Agreement (the **'Reserve Fund Loan'**) will be credited.

The purpose of the Reserve Account will be to enable the Issuer on any Quarterly Payment Date, to meet the Issuer's payment obligations under items (a) to (j) inclusive in the Interest Priority of Payments in the event that the Notes Interest Available Amount without taking into account any drawing from the Reserve Account is not sufficient to meet such payment obligations on such Quarterly Payment Date.

For these purposes, **'Reserve Fund Required Amount'** shall on any Quarterly Payment Date be equal to (i) euro 20,000,000 or (ii) zero, on the Quarterly Payment Date whereon the Notes have been or are to be redeemed in full, subject to the Conditions.

If and to the extent that the Notes Interest Available Amount on any Quarterly Calculation Date exceeds the amounts required to meet items (a) to (j) (inclusive) in the Interest Priority of Payments, the excess amount will be applied to replenish the Reserve Account up to the Reserve Account Maximum Amount.

To the extent that the balance standing to the credit of the Reserve Account on any Quarterly Payment Date exceeds the Reserve Fund Required Amount, such excess shall be drawn from the Reserve Account on such Quarterly Payment Date and shall form part of the Notes Interest Available Amount on that Quarterly Payment Date, and, subject to the Interest Priority of Payments be available to repay the Reserve Fund Loan.

On each Quarterly Payment Date, the Issuer has the option to invest the amounts standing to the credit of the Reserve Account in any securities each with a maturity not beyond 364 days and which at the time of such purchase have (i) a long-term unsecured, unguaranteed and unsubordinated rating of at least AA- by Fitch and/or (ii) a short-term unsecured, unguaranteed and unsubordinated rating of at least F1+ by Fitch.

The Reserve Fund Loan will be repaid on each Quarterly Payment Date with the amount of the Notes Interest Available Amount remaining after all payments ranking higher in priority than item (n) of the Interest Priority of Payments have been paid in full.

If at any time the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Floating Rate GIC Provider are assigned a rating of less than the Short-Term Requisite Rating or such rating is withdrawn by Fitch, the Issuer will use its best efforts within thirty (30) calendar days of any such event and at its own cost (a) to obtain a third party, having at least the Short-Term Requisite Rating to guarantee the obligations of the Floating Rate GIC Provider or (b) to find an alternative Floating Rate GIC Provider acceptable to Fitch and the Security Trustee or (c) to find any other solution acceptable to Fitch to maintain the then current ratings of the Notes.

If any collateral in the form of cash is provided by the Swap Counterparty to the Issuer, the Issuer will be required to open a separate account in which such cash provided by the Swap Counterparty will be held. If any collateral in the form of securities is provided, the Issuer will be required to open a custody account in which such securities provided by the Swap Counterparty will be held. No payments or deliveries may be made in respect of such accounts other than in relation to the provision of collateral or the return of Excess Swap Collateral, unless pursuant to the termination of the Swap Agreement, an amount is owed by the Swap Counterparty to the Issuer. Such collateral owed to the Issuer upon a termination may be applied in accordance with the Trust Deed. **'Excess Swap Collateral'** means an amount equal to the value of any collateral transferred and accrued to the Issuer by the Swap Counterparty under the Swap Agreement that is in excess of the Swap Counterparty's liability to the Issuer thereunder (i) as at the date such Swap Agreement is terminated or (ii) as at any other date of valuation in accordance with the terms of the Swap Agreement. Any amounts remaining on such accounts upon termination of the Swap Agreement which are not owed to the Issuer by the Swap Counterparty shall be transferred directly to the Swap Counterparty on the termination date under the Swap Agreement.

Any collateral transferred by the Swap Counterparty in accordance with the provisions set out above which is in excess of its obligations to the Issuer under the Swap Agreement will be returned to such Swap Counterparty prior to the distribution of any amounts due to the Noteholders or the other Secured Parties. The same applies for any tax credit, allowance, set-off or repayment from the tax authorities of any jurisdiction obtained by the Issuer relating to any deduction or withholding giving rise to a payment made by the Swap Counterparty in accordance with the Swap Agreement, the cash benefit in respect of which shall be paid by the Issuer to the Swap Counterparty pursuant to the terms of the Swap Agreement (**'Tax Credit'**).

## **I Priority of Payments prior to the Enforcement Date**

### **A. Priority of Payments in respect of interest**

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated at each Quarterly Calculation Date as being received or held by the Issuer during the Quarterly Calculation Period immediately preceding such Quarterly Calculation Date (items (i) up to and including (xi) being hereafter referred to as the **'Notes Interest Available Amount'**):

- (i) as interest on the NHG Mortgage Receivables;
- (ii) as interest received on the Transaction Accounts;
- (iii) as prepayment penalties and interest penalties under the Mortgage Receivables;
- (iv) as Net Proceeds on any NHG Mortgage Receivables to the extent such proceeds do not relate to principal;
- (v) as amounts to be drawn from the Reserve Account on the immediately succeeding Quarterly Payment Date;
- (vi) as amounts to be received from the Swap Counterparty under the Swap Agreement on the immediately succeeding Quarterly Payment Date, but excluding any amounts provided by the Swap Counterparty as collateral, if any;
- (vii) as amounts received in connection with a repurchase of NHG Mortgage Receivables or any other amount received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal;
- (viii) as amounts received in connection with a sale of NHG Mortgage Receivables pursuant to the Trust Deed to the extent such amounts do not relate to principal;
- (ix) as amounts received as post-foreclosure proceeds on the NHG Mortgage Receivables; and
- (x) any (remaining) amounts standing to the credit of the Issuer Collection Account on the Quarterly Payment Date on which the Notes are redeemed in full (to the extent not included in items (i) up to and including (ix) above); less
- (xi) on the first Quarterly Payment Date of each calendar year, an amount equal to the higher of (i) an amount equal to 10 per cent. of the annual operational expenses in the immediately preceding calendar year in accordance with items (a), (b) and (c) of the Interest Priority of Payments, but only to the extent the amount of such expenses is not directly related to the Issuer's assets and/or liabilities and (ii) an amount of euro 2,500, such amount to be multiplied by the Green Apple 2008-I NHG Portfolio Fraction;

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

- (a) *first*, in or towards satisfaction, *pro rata* and *pari passu*, 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 if such amounts cannot be attributed to a certain issue of notes by the Issuer, such amount for all issues multiplied by the amount of the aggregate Principal Amount Outstanding of the Notes divided by the sum of (i) the aggregate Principal Amount Outstanding of the Notes and (ii) the sum of (a) the notes issued to purchase the Green Apple 2007-I NHG Portfolio and (b) the principal amounts outstanding of all further notes issued by the Issuer (the "**Green Apple 2008-I NHG Portfolio Fraction**") and expenses incurred by the Security Trustee under or in connection with any of the Relevant Documents;
- (b) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of fees and expenses due and payable to the Issuer Administrator and the MPT Provider under the Issuer Services Agreement;
- (c) *third*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, (i) of any amounts due and payable to third parties under obligations in connection with the Green Apple 2008-I NHG Portfolio 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 (to the extent such taxes cannot be paid out of item (xi) of the Notes Interest Available Amount), fees and expenses of Fitch, and a *pro rata* part of the Issuer's remaining general costs multiplied by the Green Apple 2008-I NHG Portfolio Fraction including 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 the Paying Agent and the Reference Agent under the Paying Agency Agreement;
- (d) *fourth*, in or towards satisfaction of amounts, if any, due but unpaid under the Swap Agreement, including any termination payment, other than any termination payment due or payable as a result of the occurrence of (i) an Event of Default where the Swap Counterparty is the Defaulting Party or (ii) an Additional Termination Event relating to a Rating Event where the Swap Counterparty is the sole Affected Party (all as defined therein) (an '**Swap Counterparty Default Payment**') payable under (l) below and excluding, for the avoidance of doubt, any amount relating to Excess Swap Collateral and Tax Credit;
- (e) *fifth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Senior Class A Notes;
- (f) *seventh*, in or towards making good, any shortfall reflected in the Class A Principal Deficiency Ledger until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to zero;
- (g) *sixth*, in or towards satisfaction of interest due or accrued but unpaid on the Mezzanine Class B Notes;
- (h) *seventh*, in or towards making good, any shortfall reflected in the Class B Principal Deficiency Ledger until the debit balance, if any, on the Class B Principal Deficiency Ledger is reduced to zero;
- (i) *eight*, in or towards satisfaction of interest due or accrued but unpaid on the Junior Class C Notes;
- (j) *tenth*, in or towards making good, any shortfall reflected in the Class C Principal Deficiency Ledger until the debit balance, if any, on the Class C Principal Deficiency Ledger is reduced to zero;
- (k) *eleventh*, in or towards satisfaction of any sums required to replenish the Reserve Account up to the Reserve Fund Required Amount;
- (l) *twelfth*, in or towards satisfaction of any Swap Counterparty Default Payment payable to the Swap Counterparty under the terms of the Swap Agreement and excluding, for the avoidance of doubt, any amount relating to Excess Swap Collateral and Tax Credit;
- (m) *thirteenth*, in or towards satisfaction of interest due or interest accrued but unpaid in respect of the Reserve Loan;
- (n) *fourteenth*, in or towards satisfaction of principal due and payable but unpaid in respect of the Reserve Loan;
- (o) *fifteenth*, in or towards satisfaction of interest due or interest accrued but unpaid in respect of the Subordinated Loan;
- (p) *sixteenth*, in or towards satisfaction of principal due and payable but unpaid in respect of the Subordinated Loan; and
- (q) *seventeenth*, in or towards satisfaction of a Deferred Purchase Price Instalment to the Seller.

## **B. Priority of Payments in respect of principal**

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

- (i) as amounts of repayment and prepayment, or partial repayment and prepayment, of principal under the NHG Mortgage Receivables, from any person, but, for the avoidance of doubt, excluding prepayment penalties, if any;
- (ii) as Net Proceeds on any NHG Mortgage Receivable to the extent such proceeds relate to principal;
- (iii) as amounts received in connection with a repurchase of NHG 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;
- (iv) as amounts to be received in connection with a sale of NHG Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal from any person but, for the avoidance of doubt, excluding prepayment penalties, if any;
- (v) as amounts to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date in accordance with item (f),(h) and (j) of the Interest Priority of Payments;
- (vi) as amounts equal to the excess of the aggregate proceeds of the issue of the Notes over the Initial Purchase Price calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards redemption of the Notes, on the immediately preceding Quarterly Payment Date; and
- (vii) as 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 immediately preceding Quarterly Payment Date, to the extent not included in items (i) up to and including (vi) hereof;

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

- (a) *first*, in or towards satisfaction of principal amounts due under the Senior Class A Notes;
- (b) *second*, in or towards satisfaction of principal amounts due under the Mezzanine Class B Notes; and
- (c) *third*, in or towards satisfaction of principal amounts due under the Junior Class C Notes.

## **II Priority of Payments upon Enforcement**

Following delivery of an Enforcement Notice any amounts payable by the Security Trustee under the Trust Deed, will be paid to the Secured Parties (including the Noteholders) in the following order of priority (after deduction of costs incurred by the Security Trustee, which will include, *inter alia*, fees and expenses of Fitch 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* and *pari passu*, according to the respective amounts thereof, of (i) fees or other remuneration due and payable to the Directors in connection with the Management Agreements and if such amounts cannot be attributed to a certain issue of notes by the Issuer, such amount for all issues multiplied by the Green Apple 2008-I NHG Portfolio Fraction, (ii) the fees and expenses of the Paying Agent and the Reference Agent incurred under the provisions of the Paying Agency Agreement and (iii) the fees and expenses of the Issuer Administrator and the MPT Provider under the Issuer Services Agreement;
- (b) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of amounts, if any, due but unpaid under the Swap Agreement including any termination payment other than any Swap Counterparty Default Payment payable to the Swap Counterparty under the terms of the Swap Agreement payable under subparagraph (i) below and excluding, for the avoidance of doubt, any amount relating to Excess Swap Collateral and any Tax Credit;

- (c) *third*, in or towards satisfaction of all amounts of interest due or accrued but unpaid in respect of the Senior Class A Notes;
- (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 any Swap Counterparty Default Payment payable to the Swap Counterparty under the terms of the Swap Agreement and excluding, for the avoidance of doubt, any amount relating to Excess Swap Collateral and any Tax Credit;
- (j) *tenth*, in or towards satisfaction of all amounts of interest due, interest accrued and principal due but unpaid in respect of the Reserve Loan;
- (k) *eleventh*, in or towards satisfaction of all amounts of interest due, interest accrued and principal due but unpaid in respect of the Subordinated Loan; and
- (l) *twelfth*, in or towards satisfaction of the Deferred Purchase Price to the Seller.

#### **Subordinated Loan**

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

#### **Principal Deficiency Ledger**

A ledger known as the '**Principal Deficiency Ledger**' (comprising of three sub-ledgers (the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger and the Class C Principal Deficiency Ledger) will be established by or on behalf of the Issuer in order to record any Realised Losses on the NHG Mortgage Receivables, including Realised Losses on the sale of NHG Mortgage Receivables (the '**Principal Deficiency**'). An amount equal to any Realised Losses will be debited to the Class C Principal Deficiency Ledger (such debit items being recredited at item (j) of the Interest Priority of Payments, to the extent any part of the Notes Interest Available Amount is available for such purpose) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Junior Class C Notes and thereafter to the Class B Principal Deficiency Ledger (such debit items being recredited at item (h) of the Interest Priority of Payments, to the extent any part of the Notes Interest Available Amount is available for such purpose) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Mezzanine Class B Notes and thereafter such amount will be debited to the Class A Principal Deficiency Ledger (such debit items being recredited at item (f) of the Interest Priority of Payment to the extent any part of the Notes Interest Available Amount is available for such purpose).

**'Realised Losses** means, on any relevant Quarterly Payment Date, the sum of (a) with respect to the NHG Mortgage Receivables in respect of which the Seller, the MPT Provider on behalf of the Issuer, the Issuer or the Security Trustee has foreclosed from the Closing Date up to and including the immediately preceding Quarterly Calculation Period the amount of the difference between (i) the aggregate Outstanding Principal Amount of all NHG Mortgage Receivables on the last day of the immediately preceding Monthly Calculation Period in respect of which the Seller, the MPT Provider on behalf of the Issuer, the Issuer or the Security Trustee has foreclosed from the Closing Date up to and including the Quarterly Payment Date immediately preceding such Quarterly Payment Date and (ii) the amount of the Net Proceeds applied to reduce the Outstanding Principal Amount of the NHG Mortgage Receivables and (b) with respect to NHG Mortgage Receivables sold by the Issuer from the Closing Date up to and including the immediately preceding Quarterly Calculation Period, the amount of the difference, if any, between (i) the aggregate Outstanding Principal Amount of such NHG Mortgage Receivables and (ii) the purchase price received in respect of the NHG Mortgage Receivables sold to the extent relating to the principal and (c) with respect to the NHG Mortgage Receivables in respect of which the Borrower has from the Closing Date up to and including the

immediately preceding Quarterly Calculation Period (x) successfully asserted set-off or defence or to payments, or (y) (p)repaid any amounts, the amount by which the NHG Mortgage Receivables have been extinguished ("*teniet gegaan*") unless and to the extent such amount is received from the Seller pursuant to item (iii) of the Notes Redemption Available Amount.

### **Interest Rate Hedging**

The Mortgage Loan Criteria 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 for all Notes as a margin over Euribor. On the first Optional Redemption Date the margin on the Notes will be reset and shall increase. The Issuer will mitigate this interest rate exposure in respect of the Notes by entering into the Swap Agreement with the Swap Counterparty and the Security Trustee. Under the Swap Agreement, the Issuer will agree to pay on each Quarterly Payment Date an amount being the sum of:

- (i) the aggregate amount of the interest on the NHG Mortgage Receivables actually received during the relevant Quarterly Calculation Period; plus
- (ii) any prepayment penalties received during the immediately preceding Quarterly Calculation Period; plus
- (iii) interest received on the Issuer Collection Account; less
- (iv) an excess margin (the '**Excess Margin**') of 0.25 per cent. per annum applied to the relevant Outstanding Principal Amount of the NHG Mortgage Receivables on the first day of the relevant Quarterly Calculation Period; and less
- (v) the expenses as described under (a), (b) and (c) of the Interest Priority of Payments.

The Swap Counterparty will agree to pay on each Quarterly Payment Date an amount equal to the sum of the scheduled interest due in respect of the Notes, calculated by reference to the floating rate of interest applied to the Principal Amount Outstanding of the Notes (as reduced by any outstanding debit balance on the relevant sub-ledger of the Principal Deficiency Ledger) on the first day of the relevant Floating Rate Interest Period.

Payments under the Swap Agreement will be netted.

The Swap Agreement will be documented under an ISDA Master Agreement (Multicurrency-Cross Border). The transactions under the Swap Agreement may be terminated unilaterally by a party following the occurrence of an Event of Default and for Termination Events (each as defined in the relevant ISDA Master Agreement (Multicurrency-Cross Border)). The Swap Agreement will be terminable by one party if (i) an applicable Event of Default and/or Termination Event (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Swap Agreement or (iii) an Enforcement Notice is served. Events of Default under the Swap Agreement in relation to the Issuer will be limited to (i) non-payment or non-delivery under the Swap Agreement and (ii) certain insolvency events.

Upon the early termination of the Swap Agreement, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party. The amount of any termination payment will be based on the gains, losses and costs in connection with the terminated transaction. Such gains, losses and costs will be based on market quotations of the cost of entering into a transaction with the same terms and conditions and that would have the effect of preserving the economic equivalent of any payment obligation of the parties (or based upon Loss (as defined in the Swap Agreement) in the event that no market quotation can be determined or produces a commercially reasonable result).

In the event that the Issuer is required to withhold or deduct an amount in respect of tax from payments due from it to the Swap Counterparty, the Issuer will not be required pursuant to the terms of the Swap Agreement to pay the Swap Counterparty such amounts as would otherwise have been required to ensure that the Swap Counterparty received the same amounts that it would have received had such withholding or deduction not been made.

In the event that the Swap Counterparty is required to withhold or deduct an amount in respect of tax from payments due from it to the Issuer, the Swap Counterparty will be required pursuant to the terms of the Swap Agreement to pay to the Issuer such additional amounts as are required to ensure that the Issuer receives the same amounts that it

would have received had such withholding or deduction not been made.

If the Issuer receives any Tax Credit resulting from the payment of any withholding tax by the Swap Counterparty, the Issuer shall pay the cash benefit of such Tax Credit to the Swap Counterparty.

In either event, the Swap Counterparty will at its own cost, if it is unable to transfer its rights and obligations under the Swap Agreement to another office or affiliate, have the right to terminate the Swap Agreement. Upon such termination, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party.

### **Downgrade of Swap Counterparty**

In the event that any of the relevant ratings of the Swap Counterparty is or are downgraded by Fitch below the relevant rating specified in the Swap Agreement for the Swap Counterparty, the Swap Counterparty will be required to take certain remedial measures which may include the provision of collateral for its obligations under the Swap Agreement, arranging for its obligations under the Swap Agreement to be transferred to an entity with the ratings required by Fitch as specified in the Swap Agreement, procuring another entity with at least the ratings required by Fitch as specified in the Swap Agreement to become co-obligor in respect of its obligations under the Swap Agreement, or the taking of such other action as it may agree with Fitch. A failure to take such steps, subject to certain conditions, will give the Issuer a right to terminate the Swap Agreement.

### **Sale of NHG Mortgage Receivables**

The Issuer may not dispose of the NHG Mortgage Receivables, except to comply with its obligations under the Notes in certain circumstances as further provided in the Trust Deed. If the Issuer decides to offer for sale (part of) the NHG Mortgage Receivables, other than as set out above, it will first offer such NHG Mortgage Receivables to the Seller. The Seller shall within a period of 15 business days from the offer inform the Issuer whether it wishes to repurchase the NHG Mortgage Receivables. After such 15 business day period, the Issuer may offer such NHG Mortgage Receivables for sale to any third party. See also *Mortgage Receivables Purchase Agreement*.

#### *Sale of NHG Mortgage Receivables on an Optional Redemption Date*

The Issuer will have the right to sell all but not some of the NHG Mortgage Receivables on each Optional Redemption Date, provided that the Issuer shall apply the proceeds of such sale to redeem all but not some only of the Notes in accordance with Condition 6(c) and subject to, in respect of the Mezzanine Class B Notes and the Junior Class C Notes, Condition 9(b). The purchase price of each NHG Mortgage Receivable in the event of such sale shall be at least equal to the Outstanding Principal Amount, together with accrued interest due but unpaid, if any, except that with respect to NHG Mortgage Receivables which are in arrears for a period exceeding 90 days or in respect of which an instruction has been given to the civil-law notary to publicly sell the Mortgaged Assets, the purchase price shall be at least the lower of (a) the sum of the Outstanding Principal Amount, together with accrued interest due but unpaid, if any, and any other amount due under the NHG Mortgage Receivables; and (b) the sum of (i) an amount equal to the Indexed Foreclosure Value of the Mortgaged Asset and (ii) the value of the other collateral, including the amount claimable under the NHG Guarantee, and any costs incurred by the Issuer in effecting and completing such sale and re-assignment.

#### *Sale of NHG Mortgage Receivables if the Clean-Up Call Option is exercised*

On each Quarterly Payment Date, the Seller has the option to exercise the Clean-Up Call Option. The same as set out above under *Sale of NHG Mortgage Receivables on an Optional Redemption Date* applies to the purchase price payable for the sale of NHG Mortgage Receivables if the Seller exercises the Clean-Up Call Option. The proceeds of such sale shall be applied by the Issuer towards redemption of the Notes in accordance with Condition 6(b) and subject to, in respect of the Mezzanine Class B Notes and the Junior Class C Notes, Condition 9(b).

#### *Sale of NHG Mortgage Receivables for tax reasons*

If the Issuer exercises its option to redeem the Notes upon the occurrence of a Tax Change, the purchase price of such NHG Mortgage Receivables will be calculated in the same manner as described in *Sale of NHG Mortgage Receivables on an Optional Redemption Date* above. The proceeds of such sale shall be applied by the Issuer towards redemption of the Notes in accordance with and subject to Condition 6(e) and subject to, in respect of the Mezzanine Class B Notes and the Junior Class C Notes, Condition 9(b).

*Sale of NHG Mortgage Receivables if the Seller is obliged to repurchase*

If the Seller is obliged to repurchase any NHG Mortgage Receivable(s) pursuant to the Mortgage Receivables Purchase Agreement, the purchase price of the NHG Mortgage Receivables will be equal to the Outstanding Principal Amount in respect of the relevant NHG Mortgage Receivables together with any accrued interest up to but excluding the date of repurchase and re-assignment of the NHG Mortgage Receivables and any costs incurred by the Issuer in effecting and completing such sale and re-assignment.

## OVERVIEW OF THE DUTCH HOUSING AND RESIDENTIAL MORTGAGE MARKET

*The information provided under Overview of the Dutch Housing and Residential Mortgage Market below has been derived from publicly available information on the Dutch mortgage industry.*

### 1. Mortgage market characteristics

#### *Mortgage interest payments are generally tax deductible*

The Netherlands tax authorities allow borrowers to deduct all mortgage interest payments from their taxable income. Since January 2001, the new income tax system limits tax deductibility to interest payments on mortgage loans only and the number of years that interest payments can be deducted is capped at 30 years. Residential mortgage loans may be linked with a life insurance policy, with the most common term of insurance being 30 years. Generally, such mortgage loans are redeemed in full at maturity.

On 1 January 2004, new legislation was enacted that further limits the deductibility of mortgage interest payments. If a tax payer has sold his house to purchase a new one, deduction of interest on the new mortgage loan will be limited to the purchase price of the new home less any equity resulting from the sale of the former residence after reimbursement of the previous mortgage loan, i.e. borrowers have a strong incentive to reinvest any capital gains into the new property.

#### *The Dutch market is characterised by relatively high Loan-to-Value ratios*

The tax system has had an upward effect on the average Loan-to-Value ('LTV') ratio. As the Dutch tax system allows tax deductibility of mortgage interest rate payments, it gives an incentive to homeowners to maximise their mortgage loan. The maximum LTV in the Netherlands for existing property is generally 125 per cent. of the foreclosure value. For new construction, most financial institutions are prepared to finance up to 110 per cent. of total building costs of the house. Foreclosure value is typically around 85 per cent. of the market value. By the end of the third quarter of 2008, the average house price was EUR248,000 (source: *Nederlandse Vereniging van Makelaars* ('NVM')).

#### *The Netherlands has a relatively high Mortgage-Debt-to-Gross Domestic Product ratio*

Compared to other European countries the Dutch market shows a relatively high degree of mortgage indebtedness driven by the tax incentives. This has resulted – amongst others – in a relatively high Mortgage-Debt-to-Gross Domestic Product ('GDP') ratio in the Netherlands, which exceeded 100 per cent. in 2007. Due to rising homeownership and house prices, total mortgage debt accumulation increased in the late 1990's and continued to grow in recent years at a strong pace. Total mortgage debt in the Netherlands at the end of June 2008 equalled EUR 573 billion, a considerable increase compared to the EUR 480 billion outstanding as per year end 2005(source: De Nederlandsche Bank ('DNB')).

#### *Default losses have always been relatively low*

Since the National Credit Register ("*Bureau voor Kredietregistratie*" ('BKR')) registers all loans as well as their status, financial institutions use the historical information of the BKR to determine potential borrowers' creditworthiness. In case of default this will inevitably lead to limited access to loans for the defaulter (or no access at all) for some years. Furthermore, under Dutch law the lender is able to seize a portion of the borrower's assets or in some circumstances even the borrower's earnings from his employer in case the borrower defaults.

Losses peaked in the early 1980's to about 30 basis points per annum of the outstanding amount, due to a combined effect of declining house prices and an increase in unemployment levels. Since then, losses declined substantially, reaching levels of below 1 basis point per annum of the outstanding principal in the 1990's. Over the last few years, losses increased again to about 3-4 basis points per annum of all outstanding principal. Generally, Dutch mortgages also benefit from good overall quality of mortgage servicing.

### *Prepayment is discouraged*

Lending terms in the Netherlands generally allow a borrower to prepay up to 10 to 15 per cent. a year of the original amount that has been borrowed without being penalised. Full prepayment without penalty is only possible in cases of moving or death of the borrower. However, borrowers are also allowed to prepay on an interest reset date without a penalty. If prepayment occurs in other situations, prepayment penalties are severe: the borrower generally has to pay the lender a compensation for the lender's loss of income, if any. This compensation equals the present value of the loss in interest income up to the loans reset date. Declining interest rates in the mid- and late 1990's and again in the 2003-2005 period encouraged many borrowers to refinance. However, even when they were incurring heavy prepayment penalties, refinancing often appeared to be worthwhile, also supported by the fact that prepayment penalties can be partly tax deductible for the borrower.

## **Housing market trends in recent years**

### *Owner-Occupancy Rates are increasing*

The Dutch housing market shows a relatively low owner-occupancy rate of 54 per cent. (end of 2007), compared to an average owner-occupancy rate in the EU as a whole of 64 per cent.. However, the owner-occupancy rate in the Netherlands has been steadily increasing in the last 25 years, from 42 per cent. of the total housing stock in 1982 (source: Centraal Bureau voor de Statistiek ('CBS')).

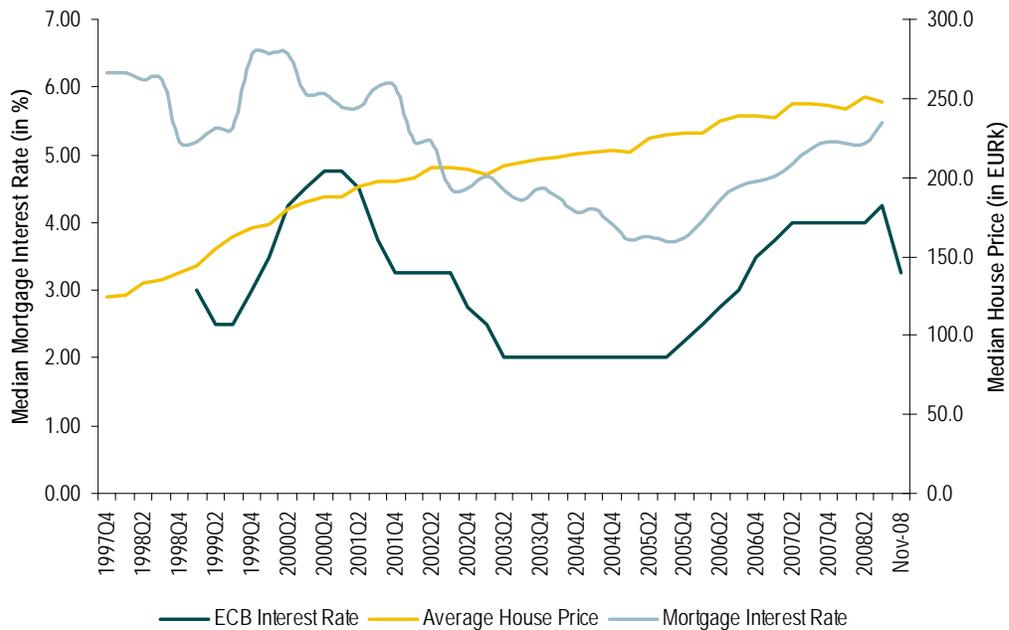
### *House Prices have been increasing in recent years whilst mortgage interest rates are still at relatively low levels*

Strong house price appreciation occurred in the Netherlands in the 1995-2000 period due to the combined effects of institutional changes and favourable economic conditions. Between 2000 and 2003 house price growth slightly slowed to pick up from 2004 onwards and then stabilising in 2008. Interest rates on mortgage loans have been relatively low in the past years, but have steadily been going up since the end of 2004. The most important factors for the Dutch housing market are outlined below.

Demand factors:

- The level of borrowing costs and the tightness of mortgage lending standards are very decisive factors for housing demand. Dutch mortgage rates have steadily risen from the beginning of 2006, as the European Central Bank (ECB) has remained vigilant for upward inflation pressures and was on a tightening bias in interest rates from the beginning of 2006 to the third quarter of 2008. However, as illustrated by Graph 1.1, this has not yet resulted in a slowdown of the housing market. Since the third quarter of 2008, oil, commodity and food prices have declined substantially, there is mounting evidence that inflationary pressures are decreasing. The ECB has cut 50 basis point in both Oct 2008 and Nov 2008. These cuts will have a direct effect on the mortgage interest rates particularly on short term rates.
- Demographic trends, such as the composition of households and population growth have widely affected the demand for housing. In the Netherlands, the number of single-person households has doubled in the past 25 years leading to a substantial increase in total households.
- The final and probably most important factor is the overall economic climate. The Netherlands clearly benefits from its strong social security framework, which is likely to support housing demand in weaker economic years. In 2007, the Dutch economy expanded by 3.5 per cent. (vs. GDP growth of 3.4 per cent. in 2006). The CPB forecasts a growth of 2.25 per cent. in 2008 and the growth will slow to 1.25 per cent. in 2009. (Source: CPB Netherlands Bureau for Economic Policy Analysis)

**Graph 1.1 Median house prices and mortgage interest rates**



Source: NVM (Median house prices), DNB (Interest rates)

**Supply factors:**

- The availability of land for housing development and related land prices are highly important to house price development. Due to the densely populated Dutch territory and strict infrastructural arrangements, land for housing development is scarce which continues to have a strong upward effect on house prices.
- Statistical analysis has shown that building costs – including labour and materials – have not had a significant effect on house prices overall. Main reason is that during recent years, building costs have only gradually gone up without having incurred any severe shocks.
- The housing market continues to have a shortfall of overall and high quality supply. In recent years an upward trend could however be seen in new housing construction, heavily supported by a strong increase in new construction permits and long-running governmental initiatives such as the so-called Vinex-regions. New agreements have been made to reduce the total housing shortfall to 1.5 per cent. by 2010, which should translate into a total housing production in urbanised regions of 358,000 houses within five years (source: TNO Bouw en Ondergrond).
- The Dutch government generally supports the sale of publicly-owned rental housings to the occupants. According to plans ownership of around 25,000 houses a year should be transferred to the private individuals to attain owner occupancy target level of 65 per cent (source: Ministerie van Volkshuisvesting, Ruimtelijke Ordening en Milieubeheer ('**Ministry of VROM**'))

**The Dutch mortgage lending sector**

The Dutch mortgage market has typically been dominated by a handful of major banking groups. Rabobank, ING Groep, ABN AMRO and Fortis (including specialised group mortgage entities) now control around 70 per cent. of the mortgage lending market, distributing mortgages through their traditional branch network combined, for most of them, with a more specialised network selling under different brand names. The remaining part is divided amongst various other types of lenders, such as smaller banks, dedicated mortgage lenders and insurance companies. Table 1.2 provides an overview of the domestic market shares of the different sectors.

**Table 1.2 Mortgage market shares per sector**

Year	June 2007
(market share)	
General banks .....	62.1%
Insurance companies .....	6.8%
Specialised mortgage lenders .....	21.2%
Other legal entities .....	9.9%

Source: ABN AMRO Hypotheken Groep

## 2. Performance of the Dutch economy

Economic activity in the Netherlands in 2006 and 2007 has been solid and well above the EU average. However, economic growth is expected to slow down due to weaker global economic activity. The Netherlands has a strong and open economy, which depends heavily on foreign trade and the lower export growth to its trading partners will have a negative impact on the Dutch economic growth. The Netherlands continues to be one of the leading countries for attracting foreign direct investment.

**Table 2.1: Key figures of the Dutch economy**

Variables	Netherlands
Inhabitants (Sept 2008 est.) .....	16,462,636
Labour force (2007) .....	7,603,000
Unemployment Rate (Aug 2008-Oct. 2008) .....	3.60%
Economic Growth ( Q3 2008)	1.80%
Gross Domestic Product (in million euro) (2007) .....	567,100
Housing stock (2006) .....	6,969,931
Average price of a house (Q3 2008) (in euro).....	248,000

Source: CBS/Chamber of Commerce

Economic growth over the past two quarters in 2008 slowed down considerably. The most recent unemployment figure (Oct 2008) reached 3.6 per cent. of the total labour force, which has declined further compared to early 2008,

but the decline slowed down relative to 2007. The employed labour force grew further, though less rapidly than in the past.

### **3. Conclusion**

The Dutch housing market is stable compared to housing markets in other countries in the European Union. The housing market continues to be undersupplied with overall and high quality offering. Owner occupancy levels are low, but gradually increasing, compared to other countries in the EU. The economic environment (including GDP growth, unemployment levels, etc.) remains strong although it has slowed down significantly. This has caused pressure on the housing market and data shows that the increase in house prices has slowed.

Several steps have been taken by the Dutch government to reduce/moderate the benefits of tax deduction like the maximum period of 30 years in which mortgage interest payment can be deducted. However, these small changes in the tax regime have so far not had a material effect on the housing market.

## ARGENTA GROUP

### ARGENTA GROUP

#### History

Argenta Spaarbank N.V. ('**Aspa N.V.**') is part of a Belgian bank – insurance group (the '**Argenta Group**'), which is active in the Benelux, where it operates both a network of tied agents and a commercial network of independent brokers.

Argenta Group was founded in 1956 by Karel Van Rompuy, Frans Kuypers and Karel and Cyriel Schryvers as a financial institution specialised in personal loans to private individuals. After having obtained the status of savings bank in 1965, Aspa N.V. was established in 1966.

During the 1970's, the insurance products were launched. Argenta Assuranties N.V. ('**Aras N.V.**') began to offer hazard and risk life insurances insurance in 1975, as these were closely linked to the mortgage activity. Later on, Aras N.V. further diversified its insurance product range.

Thanks to a substantial capital increase (taken from the advantage of the then new Belgian AFV2 tax regime), the Argenta Group continued to grow fast and launched many new products and services.

Argenta Group started operations in Luxembourg in 1987 with Argré S.A. (reinsurance); in 1990 Argenta Bank S.A. was founded and in 1991 Argenta Life Luxembourg S.A. started offering life insurances. In the Netherlands, Aspa Group set up funding vehicle Arne N.V. in 1989 and started offering mortgage loans in 1997. In 1998 Argenta - Life Nederland NV commenced offering life insurances and in 2003 Aspa Group opened a Dutch branch for its internetbank operation. With effect from December 21th 2007, Arne N.V. is no longer consolidated at the level of Aspa N.V. Aspa N.V. transferred shares in Arne N.V. to the Argenta Group.

The growth of the group and set up of several subsidiaries over the years resulted also in the restructuring of Argenta Group, the establishment of Argenta Bank- en Verzekeringsgroep N.V. ('**Argenta BVG N.V.**') as Argenta Group's operational holding and the creation of – to a certain extent – independent bank (i.e. Aspa Group) and Insurance Pools in 2001 (see below the corporate structure of Argenta Group).

With the sale of its reinsurance subsidiary Argré SA in 2004, the legal structure of Argenta Group became what it is today.

## General Information on Argenta Group

The corporate structure of Argenta Group as at the date of this Prospectus is presented in the figure below:

Investeringsmaatschappij Argenta N.V. (**Investar N.V.**) is the holding company of the current shareholders of Argenta Group, i.e. the family Van Rompuy (the **Shareholders**).

Argenta BVG N.V. is the operational holding company of Argenta Group.

Aras NV comprises the insurance activities of Argenta Group in Belgium, in Luxembourg and the Netherlands. Argenta Life Nederland NV was activated to offer risk/capital life insurance products used as redemption plan for Aspa Group mortgage loans in the Netherlands. Argenta Life Luxembourg S.A. (**Argenta Life S.A.**) offers life insurance products primarily to an international clientele (the insurance activities of Argenta Group hereinafter referred to as the **Insurance Pool**).

Aspa NV holds the banking activities of Argenta Group, including the shareholdings in Argentabank Luxembourg S.A. (**Argentabank S.A.**) and Centraal Bureau voor Hypothecair Krediet N.V. (**C.B.H.K. N.V.**), which is a mortgage lender. In 2001, Aspa Group acquired the business (but not the portfolio), the name and logo of this former government-owned mortgage lender. Finally, but not in the figure above: Aspa Group also operates a branch in the Netherlands; initially set up for its internetbank in 2003, today it also covers the mortgage lending business of Aspa Group in the Netherlands.

## Corporate Governance at Argenta Group level

### Board of Directors and Management Committees

#### Board of Directors

#### Boards of Directors

	ARGENTA BVG	ASPA	ARAS	ARNE	ARGENTA-LIFE NL	ARGENTABANK LUX	ARGENTA LIFE LUX	C.B.H.K.	ARGENTA FUND
<b>Chairmen</b>									
Advaro BVBA			(2)						
M. De Moor									
R. Mertens									
Raco NV		(6)							
J.N. Cerfontaine		(8)							
F. Van Guyse									
K. Van Rompuy									
<b>Members</b>									
Advaro BVBA	(2)	(2)							
J. Nijs									
J.N. Cerfontaine									
I. Collin									
D. De Backer									
G. De Haes									
M. De Moor									

Dejomo BVBA	(3)	(3)	(3)						
Eersbeke CVA	(4)	(4)	(4)						
R. Frère									
B. Gilis									
L. Heymans									
R. Mertens									
NV TER LANDE Invest	(7)	(7)	(7)						
Parus Beheer BVBA	(5)	(5)	(5)						
Raco NV	(6)		(6)						
E. Schoepen									
J. Stevens									
F. Van Guyse									
K. Van Rompuy									
M. Waterplas									
<b>Supervisory Directors</b>									
D. De Backer					(1)				
B. Gilis					(1)				
R. Mertens					(1)				

(1) under Dutch trade legislation

(2) with D. Van Rompuy as permanent representative

(3) with F. De Jonghe as permanent representative

(4) with M. De Smet as permanent representative

(5) with JP. Van Keirsbilck as permanent representative

(6) with B. Van Rompuy as permanent representative, until 1 January 2009

(7) with W. Van Pottelberge as permanent representative

(8) as per 1 January 2009

#### Management Committees

#### Executive committees and Management

	ARGENTA BVG	ASPA	ASPA Dutch Branch Office	ARAS	ARNE	ARGENTA-LIFE NL	ARGENTABANK LUX	ARGENTA LIFE LUX	C.B.H.K.	ARGENTA FUND
<b>Executive Committees</b>										
<b>Chairmen</b>										
L. Heymans										
R. Huygens										
R. Mertens										
<b>Members</b>										
S. Borzellino										
J. Nijs										
D. De Backer										
G. De Haes										
M. De Moor										

B. Gilis										
R. Mertens										
J. Stevens										
F. Van Guyse										
M. Waterplas										

### Management

<b>Director</b>										
D. Verbeeck										
E. Es			(1)			(1)				
D. Niclaes										
E. Van Gompel			(1)							
J.H. Scholts						(1)				
D.P. Stolp						(1)				
H. Bettens										
S. Van Engen			(1)							
M. De Moor										
<b>Managing Director</b>										
I. Collin										
M. Waterplas										

(1) under Dutch trade legislation

### Audit Committee

The Audit Committee has six members: four independent directors and two directors nominated by the Shareholders. The Audit Committee meets at least four times a year. One meeting is reserved for discussions with the statutory auditors with regard to the annual accounts and their audit findings. In the other meetings, audit planning is discussed and approved, various audit findings are evaluated and audit recommendations are followed up.

### Argenta Group's strategy

Argenta Group's strategy is focused on growth. Argenta Group is growing at a significantly higher rate than the market, constantly gaining market share. It intends to continue this expansion in the coming years.

Argenta Group has focused on private households and self-employed persons, offering savings and deposit accounts, mortgage loans and straightforward insurance products.

Argenta Group offers standardised and transparent products, thereby reducing the costs of managing the portfolio. Its credit policy has also reduced the borrower's risks of default, allowing it to offer lower prices or higher returns.

Tied agents working on an exclusive basis are the single physical point of contact for attracting repayable funds and selling mortgages, consumer loans and insurance products in Belgium. In the Netherlands Argenta Group offers all of its products and services via independent brokers.

### Risk Management

Argenta Group's objective is to build group-wide harmonised risk reporting and risk management structures and to upgrade the overall approach to include state-of-the-art quantitative risk management techniques.

Argenta Group has a centralised organisational structure for risk management. The Board of Directors monitors Argenta Group's solvency, identifies significant risks and determines the general risk requirements.

At Argenta Group level Argenta Group has a risk management committee, chaired by the chairman of the Management Committee of Argenta BVG N.V. and responsible for the setting of the guidelines and producing consolidated reports on risk management at Argenta Group level. The aim is to ensure that risk management is properly in line with Argenta Group's overall strategic objectives.

Argenta Group also issued a compliance and internal audit charter setting forth the operating standards and rules applicable to the centralised structure and the various entities consisting the Argenta Group. The compliance department and the internal auditing department are centralised at Argenta Group level.

The Management Committee of Argenta BVG N.V. ensures a coordinated and integrated management properly in line with Argenta Group's overall strategy.

The mission of Argenta Group's inspection department is to pursue Argenta Group's zero tolerance fraud policy and to ensure that the companies within Argenta Group, their employees and intermediaries operate in an ethical manner by investigating fraudulent acts and other unacceptable behaviour and by participating in prevention, detection and monitoring of such acts in close collaboration with the compliance and internal auditing.

## **ARGENTA SPAARBANK N.V.**

### **Corporate information**

Argenta Spaarbank N.V. is a limited liability company which was incorporated under the laws of the Kingdom of Belgium on 18 April, 1956. Aspa N.V. is a Belgian credit institution, licenced by the Banking Finance and Insurance Commission in accordance with article 13 of the Act of 22 March 1993 *on the legal status and supervision of credit institutions*. The Banking Finance and Insurance Commission is the supervisory authority of Aspa NV.

Aspa NV has its registered office at Belgiëlei 49-53, 2018 Antwerp (telephone number +32 3 285 51 11) and is registered with the register of legal persons of Antwerp, under Registration number 0404.453.574.

According to its articles of incorporation, Aspa N.V.'s corporate purpose is:

- (a) The receipt and managing of deposits and the investment thereof. All these transactions in all kind of forms.
- (b) Granting loans and credit facilities, with or without mortgage guarantee, and with or without other guarantees and pledges, and, among other things: all credit transactions with respect to businesses, commercial securities, invoices, warrants and public funds; all discount transactions, the financing of loans with deferred payments and all leasing transactions, and the organisation of services to customers; the closing and negotiation of financial leasing agreements, as defined in Royal Decree n° 55 of November 10, 1967.

### **History**

Aspa NV was founded (under its former company name Kredietmaatschappij Fiducia N.V.) in 1956 by Karel Van Rompuy, Frans Kuypers and Karel and Cyriel Schryvers. In the early days it specialised in granting consumer loans. In its first years of operation Aspa N.V. did not hold the necessary licensing for attracting repayable funds. It therefore transferred its receivables at net present value to specialised institutions.

In the early 1960's new regulation on consumer loans made this business less attractive, so Aspa N.V. diversified. A network of part-time agents was established, and Aspa started attracting repayable funds. It obtained a licence as savings bank in 1965. The funds attracted from its clients were reinvested in mortgage loans, and to a lesser extent also in government bonds.

In 1995, Aspa N.V. entered into a commercial agreement with an insurance company for distribution of mortgage loans. This rapidly became an important source of new business and was expanded with other insurance companies, brokers and banks.

In 1996 the operational structure was completely re-engineered. New ICT technologies and outsourcing of non-core competences were implemented.

In 1997, Aspa NV started actively offering mortgage loans in the Netherlands (through intermediaries), and achieved significant growth in this market. After a few years, the new origination in the Netherlands equalled the Belgian business.

In 2001 an important legal restructuring established the Argenta Bank- en Verzekeringsgroep as the operational holding of the group and the creation of separate bank and insurance groups, with Aspa and its subsidiaries Argentabank SA, C.B.H.K. N.V., Arne NV and Arfo N.V. (together '**Aspa Group**') forming the banking group of Argenta Group.

Also in 2001, Argenta Group made an exception to its strategy of organic growth and purchased the brand name and network of the OCCH/CBHK<sup>1</sup>. This acquisition further enhanced Aspa Group's position of market leader in the Belgian mortgage market.

---

<sup>1</sup> Office Central de Crédit Hypothécaire/Central Bureau voor Hypothecair Krediet established as a Belgian state-owned company to promote the purchase and improvement of medium size dwellings for the borrower's own use.

In order to offer savings products on the Dutch market, Aspa NV established a branch in the Netherlands in 2003.

### **Credit rating**

In January 2008 Aspa NV was rated BBB+/A-2 by Standard & Poors, with stable prospects.

### **Employees**

As at December 31, 2007 Aspa Group has 426 employees.

### **Risk Management**

The management committee of Aspa Group has full responsibility for the risk management on Aspa Group level within the guidelines and risk policy of the Argenta BVG N.V. To the extent possible Aspa Group makes use of the risk management structures of the Argenta Group.

In its daily activities, Aspa Group is exposed to a range of risks, the most important being interest rate risk and credit risk. The effective identification and management of these risks is critical to Aspa Group's profitability, liquidity and creditworthiness.

Aspa Group's banking operations, which are limited to retail business, do not include trading portfolios, and therefore Aspa Group does not incur market risk relating to such activities. Its banking operations also exclude currency risk, equity risk and real estate risk.

The management of Aspa Group, hereby fully supported by the Board of Directors, has opted for the IRB(F) approach under the new Basel II regulation. As a consequence the retail mortgage business will be treated under the IRB(A) approach. The credit risk models have been developed and duly validated during the 2<sup>nd</sup> half year of 2006 and first half year of 2007. Currently Aspa Group had entered the stage of parallel reporting and is waiting for assessment and final approval of its Basel II pillar 1 framework by the regulator (CBFA). Under this latter condition Aspa Group plans to migrate to the IRB approach on June 30, 2008.

### **Business overview of Aspa Group**

#### *A. Products and Services*

Aspa Group offers the following products and services:

In Belgium: current accounts, savings accounts, savings certificates, internet banking, debit&credit cards, consumer loans, mortgage loans, mutual investment funds.

In the Netherlands: current accounts, savings accounts, internet banking, euro-bonds, debit cards, mortgage loans.

In Luxembourg: current accounts, savings accounts, savings certificates, euro-bonds.

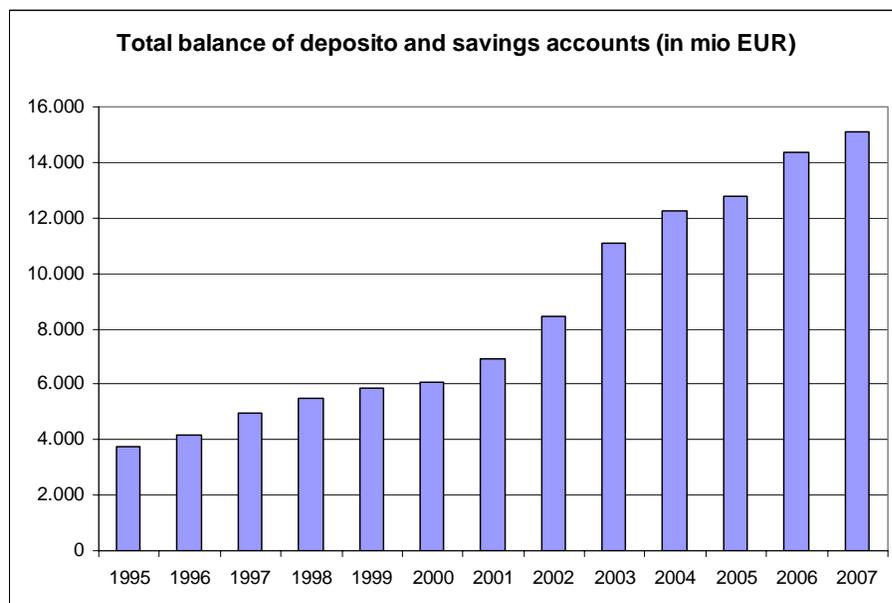
#### *B. Banking Products and Services in Belgium*

##### *(a) Deposits & savings*

Aspa Group offers three types of current accounts and four types of savings accounts. These accounts have two major strengths. First, no administration fees are charged to the clients for the use of the account and execution of payment transactions. Second, Aspa Group aims to offer a higher return than the return offered by its competitors.

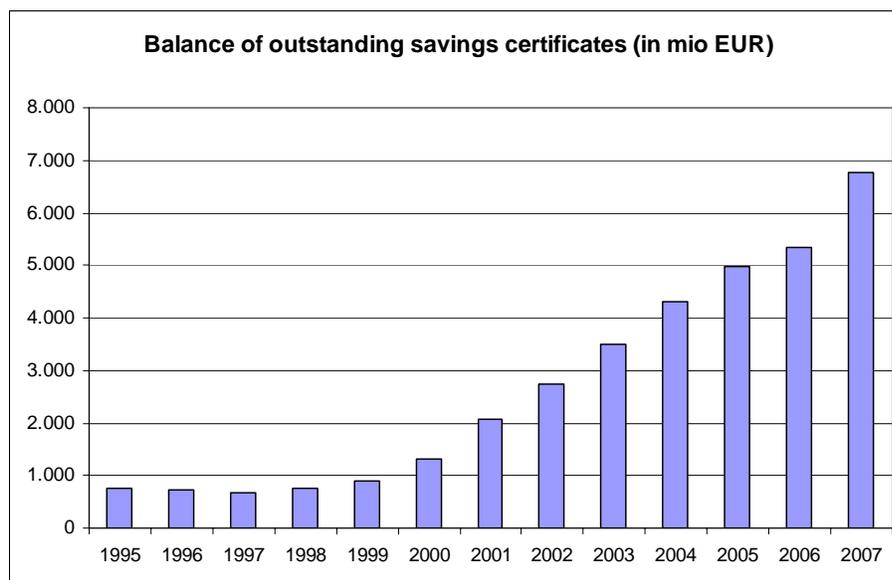
The figure below demonstrates the strong growth Aspa Group realised over the past years in deposit and savings accounts.

Total balance of deposit and savings accounts (in EUR million) as at 31st December for the years indicated



(b) Savings certificates

Balance of outstanding savings certificates (in EUR million) as at 31st December for the years indicated



(c) Collective investment schemes

Aspa Group is the promoter of two investment companies/mutual funds: (i) Argenta Fund SA SICAV<sup>2</sup>, a Luxembourg undertaking for collective investment, and (ii) Argenta Pensioenspaarfonds (ARPE) a pillar-3 pension fund. Argenta Fund SA SICAV primarily tracks selected indices.

Argenta Fund SA SICAV contains 26 investment compartments. Two compartments invest in government bonds, the other compartments invest in shares (geographic or sectorbased). Capital gains are tax-exempted. As at 31 December 2007, the net assets of the Argenta Fund SA SICAV amounted to Euro 424 million.

ARPE is a so-called pillar-3 pension fund, offering tax benefits to the fund (exemption from withholding tax) and its investors (investments are tax deductible). The benchmark investment portfolio is as follows: shares 67%, bonds 28% and cash 5%. The net asset value of ARPE amounted to Euro 247.7 million as at 31 December 2007.

*(d) Bonds issued by Arne NV and Argentabank Luxembourg SA*

The portfolio of Euro-bonds offered to Aspa Group clients currently relates to bonds issued by Arne NV and Argentabank Luxembourg S.A. since 1998, for amounts ranging from Euro 20 million to Euro 60 million, and a duration of 5 to 8 years. All the Euro-bonds are fixed rate bonds.

*(e) Lending activities*

The portfolio of mortgage loans is by far Aspa Group's most important asset. Fully focusing on private individuals and households, Aspa Group aims to offer its clients the most attractive rates on the market.

All loan applications are evaluated by Aspa Group and must comply with its credit risk policies. The key factors in these policies are loan purpose, available income and property value. Aspa Group's track record in evaluating loan applications has led to very low overall loan loss reserves.

This very strong loan portfolio behaviour is a key factor in the strategy of Aspa group to position its product offering amongst the lowest interest in the market.

Aspa NV offers the standard types of mortgages loans on the Belgian market: durations of 5-30 years, interest rate fixed for 3 up to 20 years and caps at 3% or 5% for the interest rate resets, annuity style redemption.

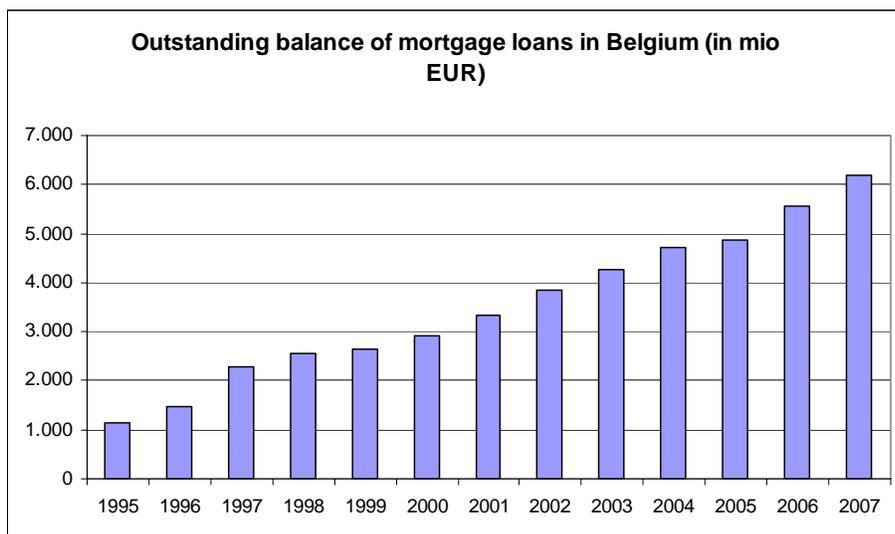
The product offering of OCCH/CBHK comprises the standard types Aspa NV also offers, plus other specific interest rate types. In addition OCCH/CBHK has a slightly wider credit risk policy than Aspa N.V., but charges significantly higher rates.

---

<sup>2</sup> 'Avantage fiscal – Fiscaal voordeel': legal system introduced by the Royal Decree n° 15 of 9 March 1982, whereby the withholding tax on dividends was decreased for shares representing a contribution in cash made in 1982 or 1983.

Aspa Group's Belgian mortgage portfolio has increased steadily over the past years:

*Outstanding balance of mortgage loans in Belgium (EUR million) as at 31st December for the years indicated*



Aspa also offers consumer loans. However today this product offering is limited in customer base, product range and credit risk policy. As at 31 December 2007 the portfolio is Euro 86.6 million; in 2007 new origination was Euro 48.0 million.

*(f) Customer base in Belgium*

Aspa Group's strategy is to focus on private individuals (households) and to a lesser extent on self-employed persons (primarily for their personal financial needs). Therefore its credit risk is spread over a large number of clients, and there are no individual customers that represent a significant outstanding balance.

As at 31 December 2007, 672,165 households (representing 1,076,928 individuals) were client with Aspa Group, subscribing to the following products:

- 1,752,584 accounts, the most popular being the Maxi account (714,094) and the Giro+ account (344,829); and
- savings certificates (466,142).

*C. Distribution Network in Belgium*

Aspa Group, as a member of Argenta Group, markets its products in Belgium through different distribution networks.

First and foremost, Argenta Group has established a branch network with independent tied agents, working exclusively for Argenta Group ("Net 1"). As at 31 December 2007, Aspa Group had 452 independent agents, managing 568 offices, of which 520 in Flanders, 15 in the Brussels region and 33 in the Walloon region.

Their income/remuneration consists primarily of up-front and on-going fees on the financial and insurance products and services they sell on behalf of Argenta Group. In addition the client base is part of the commercial portfolio of the agent; in case of termination of agency the agent may transfer this portfolio at its economic value to its successor.

The second network are own branches of the Argenta Group with own staff ("Net 2"). Argenta Group operates such branches in areas with insufficient coverage from Net 1 branches. This explains the temporary nature of these branches: it is common policy to transfer these offices to independent tied agents as soon as possible. On average, a "Net 2" office becomes a "Net 1" office within 12 months. As at 31 December 2007, Aspa Group had 9 offices, with 17 employees.

#### Key Financial Information of Aspa Group

The tables below represent the consolidated key financial figures (Belgian GAAP) of Aspa Group as at 31 December 2005 and 2006. The consolidated figures include the following entities: Aspa Group (Belgium), Arne NV (established in the Netherlands), Argentabank S.A. (established in Luxembourg), Arfo N.V. (established in Belgium) and C.B.H.K. N.V. (established in Belgium) – as shown in the group structure.

#### Key consolidated balance sheet figures – Aspa Group

EUR million	31 December 2006	31 December 2007
Total balance sheet	23,929	28,739
Loans and advances to customers	16,687	18,567
Loans and advances to credit institutions	3,102	6,531
Available-for-sale financial assets	3,836	3,353
Financial liabilities measures at amortised cost	23,008	27,787
Shareholders' equity	634	656
Regulatory capital	958	1,060

#### Key consolidated income statement figures – Aspa Group

EUR million	31 December 2006	31 December 2007
Financial and operating income and exepenses	221.3	209.4
Administration expenses	-78.4	-80.5
Depreciation	-5.9	-6.7
Provisions	-0.1	-2.6
Impairments	0.1	-4.1
Total profit before taxes and minority interest	136.9	115.6
Taxes	-40.7	-29.4
Total profit after taxes and before minority interest	96.3	86.2
Minority interest	-0.01	-0.01
Net profit	96.3	86.1

### Key ratios of Aspa Group

	Aspa Group	
	2006	2007
Interest margin	1.11%	1.02%
Return on equity	14.5%	13.59%
Cost-income ratio	62.53%	63.09%
Equity / Total balance sheet	2.65%	2.28%
Tier 1 ratio	9.73%	8.43%
Risk asset ratio	14.65%	12.60%
Gearing ratio	4.24%	3.69%

### Credit quality and provisions on credit portfolio

In general the loan portfolios of Aspa Group show very good performance. This results from the fact that the credit risk is spread over a large number of loans, each relatively small in size and sufficiently covered by a mortgage or other collateral (e.g. pledge). Moreover, the credits are all subject to conservative credit risk policies.

As of 31 December 2007, on a total mortgage portfolio of Euro 18.4bn, only Euro 22.1m book provisions have been entered, representing 0.21% of the total outstanding loan portfolio.

EUR million	2006	2007	June 2008
Provisions for doubtful credits	13.3	14.0	15.1
(credits more than 6 months overdue)			
Belgium	11.3	11.3	11.9
The Netherlands	2.0	2.7	3.2
Provisions for Uncertain credits			
(credits more than 2 months overdue)	5.6	8.1	8.1
Belgium	4.6	6.1	7.7
The Netherlands	1.0	2.0	0.3
Germany	0.0	0.0	0.1
Total provisions	18.9	22.1	23.2

#### Credit ratios

(total provisions / outstanding credit portfolio)	2006	2007	June 2008
Belgium	0.08%	0.1%	0.12%
The Netherlands	0.01%	0.019%	0.003%
Global credit ratio	0.06%	0.05%	0.05%

#### Structure of Aspa Group's equity and capital adequacy

	2006	2007
Tier 1 ratio	9.73%	8.43%
Risk asset ratio	14.65%	12.60%
Gearing ratio	4.24%	3.62%

### Structure of Aspa Group's Capital

EUR million	31 December 2007
Paid in capital	303.26
Revaluation reserve on AFS assets	4.43
Reserves	270.67
Income from the current year	86.14
Total Shareholders' Equity	655.64
Minorities	0.16
Total	655.80
Tier 1 capital	708.9
Tier 2 capital	350.95

### Risk weighted assets of Aspa Group

EUR million	Total assets 31 December 2007	Risk weighted assets 31 December 2007
Balance sheet	26,946.30	n.a.
Off balance sheet	2,532.06	n.a.
Total	29,478.36	8,413.05

## ASPA GROUP RETAIL BANK PRODUCT OFFERING IN THE NETHERLANDS

### History

Initially a cross-border operation, Aspa Group started offering mortgage loans in the Dutch market in 1997, under a distribution contract with Alpha Hypotheken in Alkmaar. Around the same time Stater started its activities and soon Argenta Group found its way towards this servicer to handle the entire mortgage administration.

In 2002 Aspa Group decided to enter the Dutch market for savings products. A unique business model whereby the commercial strength of local brokers as personal financial advisors to their clients was combined with the low administrative burden, operational excellence and ease of use of internetbanking was rolled out at the end of 2003. Since 1 April 2006 all Dutch retail operations are conducted from Aspa Group's Dutch branch in Breda.

After nearly 10 years and with a mortgage portfolio of over Euro 11,7 billion and Euro 1,6 billion in savings, Aspa Group has become a major lender and key supplier of financial products for a majority of brokers in the Netherlands.

The main reasons for Aspa Group's success in the Dutch market are:

- Price (as a result of a lean and mean organisation and continuous low cost operation);
- simple products;
- transparent terms and conditions; and
- strategic choice for independent brokers as cornerstone of the business.

### Clients

Aspa Group's focus is on offering basic financial products to private individuals (households) residing in the Netherlands.

On June 30, 2008 Aspa Group had ± 160.000 clients in the Netherlands.

### Products

Aspa Group offers the following products in the Dutch retail market:

- (a) (Internet) current accounts (with debit cards);
- (b) (Internet) savings accounts; and
- (c) Mortgage loans.

The savings and current accounts are key differentiators in the market. The brokers benefit from a simple internet structure to offer this additional product without high administrative burden, thus completing their own product offering.

### Volumes

The savings accounts portfolio evolved as follows:

In Euro million	31 December 2006	31 December 2007	30 June 2008
Savings accounts	840.55	1,356.81	1,649.68
Current accounts	4.72	8.70	10.57

The mortgage portfolio grew substantially over the last years, as the table hereunder shows:

In Euro million	31 December 2006	31 December 2007	30 June 2008
Mortgage Loans	10,630.98	11,756.82	11,934.03

### **Distribution**

Similar to the distribution model for the Belgian market, Aspa Group does not operate a branch network with employees on its pay-roll. In the Netherlands the distributions model relies entirely on independent brokers or associations of brokers.

For the marketing and sales of the internet accounts, Aspa Group has direct contracts with approximately 1700 brokers, a number which was built up in only 3 years and still increases. Also for mortgage loans independent brokers act as point of sale. However for this product Aspa Group has no direct contract with the brokers, but only with associations of brokers (franchise organisations, packagers, wholesale organisations) who undertake part of the processing of loan applications. Today, Aspa Group has contracts with 35 such associations on a non-exclusive basis. These include the largest mortgage brokers in the market, such as De Hypotheker, Hypotheekshops and Welke. The loans are offered under the Argenta brand name.

## DESCRIPTION OF THE MORTGAGE LOANS

The NHG 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 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 Seller.

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

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

### **Mortgaged Assets**

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

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

### **Mortgage/Loan Types**

Borrowers often give one mortgage as security for a loan consisting of a combination of product types. A common combination is an interest-only loan for the first 50 per cent. loan to foreclosure value (LTfV) with a another loan type for the remainder (see loan types hereunder).

#### *Interest-only Mortgage Loan ("Aflossingsvrije hypotheek")*

These mortgages do not amortise principal and provide for a bullet payment at final maturity. The borrowers only pay interest. Due to the higher risk profile attached to bullet principal redemption, these loans have a maximum LTfV of 75 per cent. For NHG Mortgage Receivables the terms and conditions for the NHG guarantee include a mandatory maximum of 50% LTfV. So any loan part covering the financing of a property over 50% of the foreclosure value must have a redemption element, merely under the form of the products described below in this chapter.

#### *Annuity Mortgage Loan ("Annuitaire lening")*

Under this loan the borrower makes constant monthly payments, made up of an initially high and decreasing interest portion and an initially low and increasing principal portion. The advantage is that the monthly payments are relatively low and constant from the very beginning.

#### *Life Mortgage Loan ("Levenhypotheek")*

This is an interest only loan combined with a Life Insurance Policy providing for an amount payable by any life insurance company established in the Netherlands which is not a group company of the Seller at the earlier of (a) maturity of the insurance and (b) death of the borrower and/or beneficiary. All life insurance policies are pledged to the Seller.

In general two types of life insurance policies exist:

(i) *Traditional life insurance*

In general the return on the accumulated reserve under the life insurance is not guaranteed; however guaranteed return contracts exist and even for non-guaranteed return variants a minimum of 3% is required by regulatory rules.

(ii) *Unit-linked/Universal Life insurance*

The return on the accumulated reserve under the life insurance is not guaranteed. Net premiums paid under such contract are merely invested in investment funds which the Borrower selects. The return on the net premiums will be determined by the return on the underlying investment funds. Due to the non-guaranteed return, any amount payable under the life insurance at final maturity/expiration may differ from the principle outstanding under the mortgage loan.

*Investment Mortgage Loan (“Beleggingshypotheek”)*

This is an interest only loan combined with (a) an investment plan and (b) a life insurance. Under the life insurance, the life insurer will only make payments in case of death of the borrower/beneficiary. The Borrower periodically (and/or up-front) makes payments for the investment plan. These payments are usually calculated in such a manner that under certain common assumptions (long term average return on investments), the net market value of the investment plan equals the principal outstanding under the loan at final maturity. Due to the non-guaranteed return, the net value of the investment plan may differ from the principal outstanding under the mortgage loan at its final maturity.

All life insurance policies and investment plans are pledged to the Seller.

**Free choice of Life Insurance Company or asset manager**

The Seller has no specific arrangements with any of the Life Insurance Companies. The borrower, hereby advised by his local independent broker, is granted free choice of insurance company, asset manager and product feature under the conditions that:

- (i) the life insurer is regulated by the competent Dutch regulator (DNB);
- (ii) maximum gross return applied by the insurer or asset manager to forecast principal accrual under the life insurance policy or investment plan does not exceed 8% per annum; and
- (iii) the life insurance company or asset manager provides annual information on the return and capital growth under the capital insurance or investment plan.

## SUMMARY OF THE PORTFOLIO

The numerical information set out below relates to a portfolio of Mortgage Loans (the '**Provisional Portfolio**') which was selected as of the close of business, on 1 December 2008. All amounts are in euro. All amounts relating to principal are inclusive of the Participations, unless stated otherwise. The information set out below relates to the Provisional Portfolio and does not correspond to that of the NHG 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 NHG Mortgage Receivables.

# STRATS

## GREEN APPLE 2008-1

**CHARACTERISTICS OF THE PORTFOLIO** - **Cut-Off Date** 1-12-2008

Aggregate Loan Balance (€)	2.000.000.001
No. of Loans	12.525
Largest Loan Balance (€)	265.000
Smallest Loan Balance (€)	4.548
Average Loan Balance (€)	159.681
No. of Loan Parts	24.536
Largest Loan Part (€)	250.000
Smallest Loan Part (€)	78
Average Loan Part (€)	81.513
Weighted Average Loan to Foreclosure (ex Bridge Loans)	107,95%
Weighted Average Maturity (WAM)	304,8 months
Weighted Average Seasoning	45,27 months
WA Mortgage Coupon	4,07%
WA DTI	24,28%

**Distribution of Loans by Current Principal Balance**

<u>Current Balance (€)</u>	<u>Aggregate Outstanding Principal Balance (€)</u>	<u>% of Total Balance</u>	<u>No of Loans</u>	<u>% of Total No Loans</u>	<u>WA Coupon</u>
Less than or equal to 20,000	16.959	0,00%	2	0,02%	5,63%
Greater than 20,000 and less or equal to 40,000	880.709	0,04%	25	0,20%	4,12%
Greater than 40,000 and less or equal to 60,000	7.670.238	0,38%	145	1,16%	4,31%
Greater than 60,000 and less or equal to 80,000	29.091.672	1,45%	406	3,24%	4,35%
Greater than 80,000 and less or equal to 100,000	74.575.425	3,73%	813	6,49%	4,26%
Greater than 100,000 and less or equal to 120,000	135.153.279	6,76%	1.218	9,72%	4,17%
Greater than 120,000 and less or equal to 140,000	222.507.049	11,13%	1.699	13,56%	4,13%
Greater than 140,000 and less or equal to 160,000	289.394.723	14,47%	1.922	15,35%	4,10%
Greater than 160,000 and less or equal to 180,000	327.990.229	16,40%	1.924	15,36%	4,11%

Greater than 180,000 and less or equal to 200,000	332.459.807	16,62%	1.745	13,93%	4,09%
Greater than 200,000 and less or equal to 220,000	292.402.769	14,62%	1.390	11,10%	3,95%
Greater than 220,000 and less or equal to 240,000	244.757.964	12,24%	1.063	8,49%	3,89%
Greater than 240,000 and less or equal to 260,000	38.612.111	1,93%	156	1,25%	3,96%
Greater than 260,000 and less or equal to 265,000	4.487.067	0,22%	17	0,14%	3,85%
<b>Grand Total</b>	<b>2.000.000.001</b>	<b>100,00%</b>	<b>12.525</b>	<b>100,00%</b>	<b>4,07%</b>
<b>Maximum Current Balance (€)</b>	<b>265.000</b>				
<b>Minimum Current Balance (€)</b>	<b>4.548</b>				
<b>Average Current Balance (€)</b>	<b>159.681</b>				

#### Distribution of Loans by Current Loan to Foreclosure Value

<u>Current Loan to Foreclosure Value</u>	<u>Aggregate Outstanding Principal Balance (€)</u>	<u>% of Total Balance</u>	<u>No of Loans</u>	<u>% of Total No Loans</u>	<u>WA Coupon</u>
More than 0% up to and including 25%	5.245.920	0,26%	82	0,65%	3,88%
More than 25% up to and including 50%	63.582.810	3,18%	614	4,90%	3,92%
More than 50% up to and including 55%	32.312.348	1,62%	266	2,12%	3,92%
More than 55% up to and including 60%	32.124.633	1,61%	245	1,96%	3,90%
More than 60% up to and including 65%	25.851.561	1,29%	194	1,55%	3,98%
More than 65% up to and including 70%	32.314.504	1,62%	230	1,84%	3,90%
More than 70% up to and including 75%	30.906.143	1,55%	219	1,75%	3,95%
More than 75% up to and including 80%	37.716.828	1,89%	264	2,11%	3,96%
More than 80% up to and including 85%	51.432.678	2,57%	342	2,73%	4,01%
More than 85% up to and including 90%	61.596.884	3,08%	400	3,19%	4,03%
More than 90% up to and including 95%	76.834.200	3,84%	495	3,95%	4,03%
More than 95% up to and including 100%	87.821.791	4,39%	545	4,35%	4,04%
More than 100% up to and including 105%	91.715.207	4,59%	560	4,47%	4,06%
More than 105% up to and including 110%	102.253.552	5,11%	600	4,79%	4,06%
More than 110% up to and including 115%	156.804.590	7,84%	914	7,30%	4,06%
More than 115% up to and including 120%	242.644.951	12,13%	1.406	11,23%	4,07%
More than 120% up to and including 125%	558.728.635	27,94%	3.286	26,24%	4,14%
More than 125% up to and including 130%	231.026.502	11,55%	1.374	10,97%	4,11%
More than 130%	79.086.265	3,95%	489	3,90%	4,00%
<b>Grand Total</b>	<b>2.000.000.001</b>	<b>100,00%</b>	<b>12.525</b>	<b>100,00%</b>	<b>4,07%</b>

Maximum Current Loan to Foreclosure Value	1,85
Minimum Current Loan to Foreclosure Value	0,04
WA Current Loan to Foreclosure Value	107,95%

**Distribution of Loans by DTI (Affordability)**

<b>DTI (Affordability)</b>	<b>Aggregate Outstanding Principal Balance (€)</b>	<b>% of Total Balance</b>	<b>No of Loans</b>	<b>% of Total No Loans</b>	<b>WA Coupon</b>
Up to 10%	13.148.640	0,66%	168	1,34%	3,92%
From 10% to 15%	74.000.733	3,70%	669	5,34%	3,92%
From 15% to 20%	271.365.895	13,57%	1.814	14,48%	3,96%
From 20% to 25%	634.787.555	31,74%	3.820	30,50%	4,02%
From 25% to 30%	873.328.276	43,67%	5.236	41,80%	4,08%
From 30% to 35%	125.578.137	6,28%	766	6,12%	4,55%
From 35% to 40%	3.800.670	0,19%	26	0,21%	4,22%
From 40% to 45%	1.505.212	0,08%	9	0,07%	4,56%
More than 45%	1.694.511	0,08%	11	0,09%	4,17%
Not Available	790.373	0,04%	6	0,05%	3,74%
<b>Grand Total</b>	<b>2.000.000.001</b>	<b>100,00%</b>	<b>12.525</b>	<b>100,00%</b>	<b>4,07%</b>
<b>WA DTI</b>	<b>24,28%</b>				

**Distribution of Loans by Maturity Date**

<b>Maturity Date</b>	<b>Aggregate Outstanding Principal Balance (€)</b>	<b>% of Total Balance</b>	<b>No of Loan Parts</b>	<b>% of Tot No Loan Parts</b>	<b>WA Coupon</b>
From 2008 to 2010	192.079	0,01%	7	0,03%	3,74%
From 2011 to 2015	1.765.489	0,09%	45	0,18%	4,18%
From 2016 to 2020	7.169.127	0,36%	134	0,55%	4,25%
From 2021 to 2025	25.248.020	1,26%	383	1,56%	4,20%
From 2026 to 2030	133.692.502	6,68%	1.665	6,79%	4,29%
From 2031 to 2035	1.286.023.449	64,30%	15.576	63,48%	4,18%
After 2036	545.909.335	27,30%	6.726	27,41%	3,74%
<b>Grand Total</b>	<b>2.000.000.001</b>	<b>100,00%</b>	<b>24.536</b>	<b>100,00%</b>	<b>4,07%</b>

#### Distribution of Loans by Reset Date

Reset Date	Aggregate Outstanding Principal Balance (€)	% of Total Balance	No of Loan Parts	% of Tot No Loan Parts	WA Coupon
Floating	-	0,00%	-	0,00%	0,00%
From 2007 to 2010	139.357.536	6,97%	1.845	7,52%	4,14%
From 2011 to 2013	1.053.964.210	52,70%	12.959	52,82%	4,08%
From 2014 to 2016	698.185.242	34,91%	8.278	33,74%	4,01%
From 2017 to 2019	20.945.229	1,05%	407	1,66%	4,52%
From 2020 to 2022	87.410.713	4,37%	1.042	4,25%	4,11%
From 2023 to 2025	137.072	0,01%	5	0,02%	5,04%
<b>Grand Total</b>	<b>2.000.000.001</b>	<b>100,00%</b>	<b>24.536</b>	<b>100,00%</b>	<b>4,07%</b>

#### Distribution of Loans by Type of Redemption

Type of Redemption	Aggregate Outstanding Principal Balance (€)	% of Total Balance	No of Loan Parts	% of Tot No Loan Parts	WA Coupon
Annuity	13.605.456	0,68%	296	1,21%	4,14%
Bridge	-	0,00%	-	0,00%	0,00%
Hybrid	-	0,00%	-	0,00%	0,00%
Interest Only	848.490.817	42,42%	12.407	50,57%	4,00%
Investment Belegrekening	46.487.037	2,32%	513	2,09%	4,09%
Investment Unit Linked	125.275.613	6,26%	1.277	5,20%	4,01%
Linear	-	0,00%	-	0,00%	0,00%
Life	966.141.078	48,31%	10.043	40,93%	4,13%
Savings	-	0,00%	-	0,00%	0,00%
Switch	-	0,00%	-	0,00%	0,00%
Universal Life	-	0,00%	-	0,00%	0,00%
<b>Grand Total</b>	<b>2.000.000.001</b>	<b>100,00%</b>	<b>24.536</b>	<b>100,00%</b>	<b>4,07%</b>

### Distribution of Loans by Mortgage Coupon

Mortgage Coupon	Aggregate Outstanding Principal Balance (€)	% of Total Balance	No of Loan Parts	% of Tot No Loan Parts	WA Coupon
Greater than 2.75% and up to and including 3.00%	1.272.042	0,06%	20	0,08%	2,94%
Greater than 3.00% and up to and including 3.25%	216.264.382	10,81%	2.598	10,59%	3,22%
Greater than 3.25% and up to and including 3.50%	118.037.545	5,90%	1.508	6,15%	3,46%
Greater than 3.50% and up to and including 3.75%	434.762.509	21,74%	5.138	20,94%	3,63%
Greater than 3.75% and up to and including 4.00%	369.950.099	18,50%	4.421	18,02%	3,93%
Greater than 4.00% and up to and including 4.25%	145.424.100	7,27%	1.855	7,56%	4,18%
Greater than 4.25% and up to and including 4.50%	326.539.404	16,33%	3.977	16,21%	4,36%
Greater than 4.50% and up to and including 4.75%	193.149.876	9,66%	2.389	9,74%	4,64%
Greater than 4.75% and up to and including 5.00%	36.522.698	1,83%	533	2,17%	4,83%
Greater than 5.00% and up to and including 5.25%	27.285.785	1,36%	406	1,65%	5,23%
Greater than 5.25% and up to and including 5.50%	26.660.788	1,33%	351	1,43%	5,43%
Greater than 5.50% and up to and including 5.75%	63.773.091	3,19%	805	3,28%	5,63%
Greater than 5.75% and up to and including 6.00%	26.259.879	1,31%	329	1,34%	5,95%
Greater than 6.00% and up to and including 6.25%	14.097.803	0,70%	206	0,84%	6,14%
<b>Grand Total</b>	<b>2.000.000.001</b>	<b>100,00%</b>	<b>24.536</b>	<b>100,00%</b>	<b>4,07%</b>
<b>Maximum Current Interest Rate</b>	<b>6,25%</b>				
<b>Minimum Current Interest Rate</b>	<b>2,90%</b>				
<b>WA Current Interest Rate</b>	<b>4,07%</b>				

### Distribution of Loans by Origination Year

Origination Year	Aggregate Outstanding Principal Balance (€)	% of Total Balance	No of Loan Parts	% of Tot No Loan Parts	WA Coupon
Before 2002	84.112.418	4,21%	1.086	4,43%	4,07%
2002	73.259.736	3,66%	933	3,80%	5,33%
2003	179.184.105	8,96%	2.187	8,91%	4,54%
2004	456.626.784	22,83%	5.623	22,92%	4,39%
2005	525.820.194	26,29%	6.292	25,64%	3,61%
2006	617.774.236	30,89%	7.423	30,25%	3,71%
2007	46.767.757	2,34%	667	2,72%	4,25%

2008	16.454.771	0,82%	325	1,32%	4,35%
<b>Grand Total</b>	<b>2.000.000.001</b>	<b>100,00%</b>	<b>24.536</b>	<b>100,00%</b>	<b>4,07%</b>

#### Distribution of Loans by Loan Term

<u>Loan Term (years)</u>	<b>Aggregate Outstanding Principal Balance (€)</b>	<b>% of Total Balance</b>	<b>No of Loan Parts</b>	<b>% of Tot No Loan Parts</b>	<b>WA Coupon</b>
Less than or equal to 5 year	193.763	0,01%	7	0,03%	3,74%
Greater than 5 years and up or equal to 10 years	1.819.091	0,09%	49	0,20%	4,02%
Greater than 10 years and up or equal to 15 years	6.472.619	0,32%	122	0,50%	4,04%
Greater than 15 years and up or equal to 20 years	25.786.437	1,29%	392	1,60%	4,06%
Greater than 20 years and up or equal to 25 years	116.489.001	5,82%	1.466	5,97%	4,00%
Greater than 25 years and up or equal to 30 years	1.849.239.091	92,46%	22.500	91,70%	4,07%
Greater than 30 years	-	0,00%	-	0,00%	0,00%
<b>Grand Total</b>	<b>2.000.000.001</b>	<b>100,00%</b>	<b>24.536</b>	<b>100,00%</b>	<b>4,07%</b>

#### Distribution of Loans by Geographic Region

<u>Geographic Region</u>	<b>Aggregate Outstanding Principal Balance (€)</b>	<b>% of Total Balance</b>	<b>No of Loans</b>	<b>% of Total No Loans</b>	<b>WA Coupon</b>
Amsterdam	51.452.294	2,57%	301	2,40%	3,99%
Den Haag	67.752.463	3,39%	492	3,93%	4,04%
Drente	96.270.004	4,81%	624	4,98%	3,99%
Friesland	77.422.263	3,87%	527	4,21%	4,00%
Gelderland	177.887.186	8,89%	1.048	8,37%	4,02%
Groningen	91.731.487	4,59%	639	5,10%	4,00%
IJsselmeerpolders	77.493.081	3,87%	467	3,73%	4,12%
Limburg	115.067.806	5,75%	710	5,67%	4,05%
Noord-Brabant	248.623.658	12,43%	1.463	11,68%	4,04%
Noord-Holland (excl. Amsterdam)	249.460.078	12,47%	1.514	12,09%	4,11%
Overijssel	160.421.140	8,02%	987	7,88%	4,09%
Rotterdam	125.182.906	6,26%	983	7,85%	4,17%
Utrecht	150.940.042	7,55%	858	6,85%	4,03%

Zeeland	29.627.678	1,48%	209	1,67%	4,21%
Zuid-Holland (excl. Den Haag/Rotterdam)	280.667.913	14,03%	1.703	13,60%	4,11%
Unspecified	-	0,00%	-	0,00%	0,00%
<b>Grand Total</b>	<b>2.000.000.001</b>	<b>100,00%</b>	<b>12.525</b>	<b>100,00%</b>	<b>4,07%</b>

#### Distribution of Loans by Primary Home Status

<b>Home Status</b>	<b>Aggregate Outstanding Principal Balance (€)</b>	<b>% of Total Balance</b>	<b>No of Loans</b>	<b>% of Total No Loans</b>	<b>WA Coupon</b>
Condominium	445.309.512	22,27%	3.248	25,93%	4,07%
Condominium with garage	10.960.184	0,55%	72	0,57%	3,94%
Farm House	1.215.095	0,06%	10	0,08%	3,71%
Shop / House	426.710	0,02%	3	0,02%	4,36%
Single family house	1.155.806.464	57,79%	6.875	54,89%	4,10%
Single family house with garage	375.139.018	18,76%	2.219	17,72%	3,97%
Not Available	11.143.019	0,56%	98	0,78%	3,98%
<b>Grand Total</b>	<b>2.000.000.001</b>	<b>100,00%</b>	<b>12.525</b>	<b>100,00%</b>	<b>4,07%</b>

#### Distribution of Loans by Type of Job

<b>Type of Job</b>	<b>Aggregate Outstanding Principal Balance (€)</b>	<b>% of Total Balance</b>	<b>No of Loans</b>	<b>% of Total No Loans</b>	<b>WA Coupon</b>
(early) retirement	17.799.621	0,89%	186	1,49%	3,97%
Benefit for unfitness for work	5.070.362	0,25%	42	0,34%	3,67%
Flexworker	36.360.852	1,82%	230	1,84%	3,83%
Full time	1.828.473.493	91,42%	11.338	90,52%	4,08%
Part time	67.190.790	3,36%	441	3,52%	3,87%
No Profession	9.388.589	0,47%	73	0,58%	4,03%
Self employed	34.736.050	1,74%	206	1,64%	3,97%
Unemployment benefit	753.014	0,04%	7	0,06%	3,78%
Unknown	227.231	0,01%	2	0,02%	4,54%
<b>Grand Total</b>	<b>2.000.000.001</b>	<b>100,00%</b>	<b>12.525</b>	<b>100,00%</b>	<b>4,07%</b>

#### Distribution of Loans by Borrower's Income

<b>Borrower's Income</b>	<b>Aggregate Outstanding Principal Balance (€)</b>	<b>% of Total Balance</b>	<b>No of Loans</b>	<b>% of Total No Loans</b>	<b>WA Coupon</b>
Up to €25000	120.365.928	6,02%	1.247	9,96%	4,10%
€25000 up to €50000	1.399.014.184	69,95%	8.843	70,60%	4,07%
€50000 up to €75000	454.622.780	22,73%	2.302	18,38%	4,07%
€75000 up to €100000	23.383.499	1,17%	120	0,96%	3,98%
€100000 up to €125000	2.181.110	0,11%	11	0,09%	3,79%
€125000 up to €150000	216.500	0,01%	1	0,01%	3,60%
Greater than €150000	216.000	0,01%	1	0,01%	4,13%
<b>Grand Total</b>	<b>2.000.000.001</b>	<b>100,00%</b>	<b>12.525</b>	<b>100,00%</b>	<b>4,07%</b>
<b>WA Borrower's Income</b>	<b>42.282,85</b>				

#### Distribution of Loans by Current Seasoning

<b>Current Seasoning (months)</b>	<b>Aggregate Outstanding Principal Balance (€)</b>	<b>% of Total Balance</b>	<b>No of Loan Parts</b>	<b>% of Tot No Loan Parts</b>	<b>WA Coupon</b>
0 up to 3 months	2.302.551	0,12%	47	0,19%	4,93%
3 up to 6 months	4.145.022	0,21%	91	0,37%	4,22%
6 up to 9 months	6.393.455	0,32%	115	0,47%	4,30%
9 up to 12 months	3.613.743	0,18%	72	0,29%	4,25%
12 up to 15 months	5.574.059	0,28%	104	0,42%	4,38%
15 up to 18 months	7.726.164	0,39%	126	0,51%	4,43%
18 up to 21 months	9.211.632	0,46%	139	0,57%	4,30%
21 up to 24 months	24.255.902	1,21%	298	1,21%	4,14%
24 up to 27 months	49.263.184	2,46%	601	2,45%	4,05%
27 up to 30 months	137.757.543	6,89%	1.622	6,61%	3,87%
30 up to 33 months	190.700.004	9,54%	2.259	9,21%	3,73%
33 up to 36 months	240.053.504	12,00%	2.941	11,99%	3,54%
36 up to 39 months	166.476.695	8,32%	1.959	7,98%	3,44%
39 up to 42 months	169.762.511	8,49%	2.032	8,28%	3,52%
42 up to 45 months	127.932.793	6,40%	1.542	6,28%	3,73%
45 up to 48 months	61.648.195	3,08%	759	3,09%	4,06%
48 up to 51 months	113.944.960	5,70%	1.427	5,82%	4,30%

51 up to 54 months	141.972.457	7,10%	1.754	7,15%	4,40%
54 up to 57 months	91.115.485	4,56%	1.124	4,58%	4,39%
57 up to 60 months	109.593.882	5,48%	1.318	5,37%	4,48%
60 months and greater	336.556.260	16,83%	4.206	17,14%	4,95%
<b>Grand Total</b>	<b>2.000.000.001</b>	<b>100,00%</b>	<b>24.536</b>	<b>100,00%</b>	<b>4,07%</b>
<b>Maximum Seasoning (months)</b>	<b>108,00</b>				
<b>Minimum Seasoning (months)</b>	<b>0,00</b>				
<b>Weighted Average Seasoning (months)</b>	<b>45,25</b>				

#### Distribution of Loans by LTI

<b>LTI</b>	<b>Aggregate Outstanding Principal Balance (€)</b>	<b>% of Total Balance</b>	<b>No of Loans</b>	<b>% of Total No Loans</b>	<b>WA Coupon</b>
Up to 1x	725.449	0,04%	13	0,10%	4,02%
From 1x to 2x	25.594.443	1,28%	290	2,32%	4,02%
From 2x to 3x	144.407.303	7,22%	1.157	9,24%	4,15%
From 3x to 4x	542.867.467	27,14%	3.433	27,41%	4,22%
From 4x to 5x	907.488.183	45,37%	5.390	43,03%	4,11%
From 5x to 6x	370.069.515	18,50%	2.187	17,46%	3,70%
From 6x to 7x	5.371.152	0,27%	32	0,26%	3,99%
From 7x to 8x	1.226.314	0,06%	7	0,06%	4,05%
From 8x to 9x	996.720	0,05%	6	0,05%	3,96%
More than 9x	404.500	0,02%	3	0,02%	3,33%
Not Available	848.956	0,04%	7	0,06%	3,87%
<b>Grand Total</b>	<b>2.000.000.001</b>	<b>100,00%</b>	<b>12.525</b>	<b>100,00%</b>	<b>4,07%</b>
<b>WA LTI</b>	<b>4,21</b>				

## NHG GUARANTEE PROGRAMME

### NHG Guarantee

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

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

### Financing of the WEW

The WEW finances itself, *inter alia*, by a one-off charge to the borrower of 0.40 per cent. of the principal amount of the mortgage loan. Besides this, the NHG scheme provides for liquidity support to the WEW from the Dutch State and the participating municipalities. Should the WEW not be able to meet its obligations under guarantees issued, the Dutch State will provide subordinated interest free loans to the WEW of up to 50 per cent. of the difference between the WEW's own funds and a pre-determined average loss level. Municipalities participating in the NHG scheme will provide subordinated interest free loans to the WEW of the other 50 per cent. of the difference. Both the keep well agreement between the Dutch State and the WEW and the keep well agreements between the municipalities and the WEW contain general 'keep well' undertakings of the Dutch State and the municipalities to enable the WEW at all times (including in the event of bankruptcy ("*faillissement*"), suspension of payments ("*surseance van betaling*") or liquidation ("*ontbinding*") of the WEW) to meet its obligations under guarantees issued.

### Terms and conditions of the NHG Guarantee

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

The specific terms and conditions for the granting of NHG Guarantees, such as eligible income, purchasing or building costs etc., are set forth in published documents by WEW.

The NHG has specific rules for the level of credit risk that will be accepted. The credit worthiness of the applicant must be verified with the National Credit Register ('**Bureau Krediet Registratie**') ('**BKR**'), a central credit agency used by all financial institutions in the Netherlands. All financial commitments over the past five years that prospective borrowers have entered into with financial institutions are recorded in this register.

To qualify for an NHG Guarantee various conditions relating to valuation of the property must be met. In addition, the mortgage loan must be secured by a first ranking mortgage right (or a second ranking mortgage right in case of a

further advance). Furthermore, the borrower is required to take out insurance in respect of the mortgaged property against risk of fire, flood and other accidental damage for the full restitution value thereof. The borrower is also required to create a right of pledge in favour of the lender on the rights of the relevant borrower against the insurance company under the Relevant Insurance Policy connected to the mortgage loan or to create a right of pledge in favour of the lender on the proceeds of the investment funds. The terms and conditions also require a risk insurance policy which pays out upon the death of the borrower/insured for the period that the amount of the mortgage loan exceeds 80 per cent. of the value of the property.

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

As of 1 January 2008 an NHG Guarantee can be issued up to a maximum amount of EUR 265,000.

### **Claiming under the NHG Guarantees**

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

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

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

### **Additional loans**

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

### **Main NHG underwriting criteria ("Normen") ('NHG Underwriting Criteria'), per 2008**

With respect to a borrower, the underwriting criteria include but are not limited to:

- The lender has to perform a BKR check. "A" and "A1" registrations are allowed in certain circumstances.
- As a valid source of income the following applies: indefinite contract of employment, temporarily contract of employment if the employer states that the employee will be provided an indefinite contract of employment in case of equal performance of the employee and equal business circumstances, for flexworkers or during a probationary period ("*proeftijd*") a three year history of income statements, for self employed three year annual statements.
- The maximum loan based on the income will be based on the "woonquote" tables and an annuity style redemption (even if the actual loan is (partially) interest only). The interest rate to be used is at least 6% for loans with a fixed interest rate period less than or equal to 5 years and the actual interest rate for loans with a fixed interest rate period in excess of 5 years.

With respect to the loan, the underwriting criteria include but are not limited to:

- The absolute maximum loan amount is EUR 265,000 (as of 1 January 2008). The loan amount is also limited by the amount of income and the market value of the property. With respect to the latter:
  - For the purchase of existing properties, the loan amount is broadly based on the sum of (i) the lower of the purchase price and the market value based on a valuation report, (ii) the costs of improvements, (iii) 12 per cent of the amount under (i) plus (ii). In case an existing property can be bought without paying stampduty ("*vrij op naam*"), the purchase amount under (i) is multiplied by 93 per cent..
  - For the purchase of a properties to be built, the maximum loan amount is broadly based on the sum of (i) purchase-/construction cost increased with a number of costs such as the cost of construction interest, VAT and architects (to the extent not included already in the purchase-/construction cost), (ii) 8 per cent of the amount under (i).
- The maximum loan amount that is interest only is 50% of the market value of the property.
- The Risk Insurance Policy should at a minimum cover the loan amount in excess of 80% of the market value.

## MORTGAGE LOAN UNDERWRITING AND MORTGAGE SERVICES

### History

Initially a cross-border operation, Argenta Spaarbank N.V. ('Aspa') started offering mortgage loans in the Dutch market in 1997, under a distribution contract with Alpha Hypotheken in Alkmaar. Around the same time Stater started its activities and soon Aspa found its way towards this servicer to handle the entire mortgage administration.

In the years thereafter Aspa rapidly expanded its distribution network with organisations such as de Hypotheker, Hypotheekshops, Hypotheekvisie, Welke, Box Finance, Financium Primae, FDC and Huis&Hypotheek. Each of those group from 10 up to 1200 brokers. A market survey conducted in 2006 learned that more than 60% of all mortgage brokers had ever done business with Aspa since it appeared on the Dutch market<sup>8</sup>. Under these wholesale and franchise formulas, independent brokers offer a multiple lender / multiple insurer spectrum of mortgages, (life) insurance and savings products to their clients. Speaking for the entire market, intermediaries sell between 55 and 60% of all new mortgages in the Netherlands.

Today, Aspa has distribution agreements (on a non-exclusive basis) with approximately 24 of these wholesale and franchising organisations, including all the largest that currently operate in the market (besides the aforementioned also Quarré, Dutch Insurance Network, DAK, Via FERIA). The 10 largest sell about 80% of all new origination for Aspa; typical volume ranges are 100-500 million Euro per organisation per year. In 2006 and 2007 Aspa's origination volumes showed that it was by far the largest foreign lender in the Netherlands.

Unique selling propositions are (1) price competition and (2) stand alone product offering; the latter leaves the intermediary the opportunity to play his role as an independent *Personal Financial Planner* to his clients, offering the cheapest and best mortgage (Argenta), combined with life insurance or savings/investment products that fit best with the customers' needs.

In 2005 Aspa started offering savings mortgages through a co-operation with Argenta-Life.

### Volumes, Main Characteristics and Share of NHG Mortgage Receivables

(in Euro million)	31 December 2006	31 December 2007	30 June 2008
New origination	4,830.23	2,007.15	533.27
Total portfolio	10,630.98	11,756.82	11,934.03
% of NHG Mortgage Receivables	51.55%	53.20%	53.84%
% interest only	58.60%	59.07%	59.25%

### Products

Argenta products are earmarked by simplicity. Basically, Aspa only offers *a loan*. Save for the savings mortgage which is offered together with Argenta-Life, for the Dutch mortgage market typical products, such as life mortgages, investment mortgages or other hybrid combinations of loans with life insurance or savings/investment elements are not offered by Aspa. However, it is left to the broker to combine the latter products with an Aspa mortgage loan.

*The main product characteristics of Aspa mortgages are:*

- (i) Loans or advances secured by a first ranking mortgage;
- (ii) Interest only Mortgage Loans;

---

<sup>8</sup> Source: Infinance xx/2006, page xx

- (iii) Annuity Mortgage Loans;
- (iv) Life Mortgage Loans;
- (v) Investment Mortgage Loans;
- (vi) Savings Mortgage Loans;
- (vii) Bridge Loans;
- (viii) Additional advances (under a first or second ranking mortgage if Aspa also holds the first ranking mortgage);
- (ix) NHG-loans; and
- (x) Draw down at once or via a pledged account ("*bouwdepot*").

Maturity between 5 - 30 years (2 years for bridge loans)

*Security:*

- (i) First ranking mortgage on the property; and
- (ii) Additional security if applicable, for example pledged life policy, pledges savings or investment accounts, fixed income securities.

*Interest rate types:*

- (i) 3, 5, 6, 7, 10 and 15 years fixed resettable rates for interest only, annuity, life and investment mortgages; and
- (ii) in addition 20, 25 and 30 year fixed resettable rates for savings mortgages.

*Redemption is product-linked:*

- (i) at final maturity (bullet);
- (ii) annuity style, monthly payment; and
- (iii) with proceeds of additional security (capital/life insurance policies).

*Prepayments:*

- (i) 1 prepayment per year up to 15% of the initial principal free of prepayment penalty charge; and
- (ii) other prepayments: NPV calculation (unless an exception applies).

Closing fee: the borrower pays a closing fee of 1% of the total loan amount.

**Underwriting criteria**

The key elements of the underwriting criteria are:

- (i) Loan purpose;
- (ii) LTV; and
- (iii) DTI and other elements of borrower credibility.

**Argenta's own credit risk approach**

Please find hereunder a summary of Aspa's credit policy in the Netherlands. Aspa fully complies with the code of conduct for mortgage lending (Gedragscode Hypothecaire Financieringen, hereafter '**the Code of Conduct**'). In all cases where the underwriting criteria hereunder contravene with this code of conduct, Aspa will apply the "comply or explain" procedure which is part of the code upon assessment and credit decision. Aspa hereby applies certain pre-determined criteria and conditions under which it is willing to grant a mortgage for which property or borrower specific elements deviate from the code of conduct.

### **1. Nationale hypotheek garantie (NHG)**

Loan applications that comply with NHG-criteria will be treated as NHG-loans. NHG has specific underwriting criteria. However, Aspa's own underwriting policy uses to a large extent the NHG framework and logic.

### **2. Loan purpose**

The loan purpose is limited to construction, purchase, renovation or refinance transactions. Intentionally, Aspa is not a funder of pure excess value ("*overwaarde*"). Also restructuring of personal or non-secured debt is excluded as sole loan purpose.

### **3. House type**

Single family houses, apartments; max 25% for professional use. Condominiums under a co-operative company as legal co-owner status are excluded.

No boats, no caravans, no commercial or industrial property, no offices, no rental property, no farms if in use for agricultural purpose, The dwelling must be in such condition that normal occupancy is possible.

The borrower must fully own and occupy the property himself. No buy to let. It is forbidden to rent the dwelling to any other person or family, even not in part (continuing condition). However, the land may fall under a long lease contract.

### **4. Security**

Aspa only accepts first ranking mortgages on the property (exception: a second ranking mortgage in case Aspa is already beneficiary of the first ranking security on the property).

### **5. LTV and LTV related criteria**

A valuation report is mandatory for each loan application with the purchase or transformation/renovation of a property as underlying transaction. Except for the case where the borrower applies for an additional loan, whereas Aspa already holds the first ranking security, the typical WOZ-value is not accepted.

Valuation reports must meet standard quality content criteria (predefined in the NHG criteria); the appraisers must also meet certain criteria (until 2001 they were sworn in but this practice no longer exists) and must not be involved (for example as a broker) in the underlying real estate transaction: only qualified professionals accredited to one of the national professional organisations (NRVT, CRMT, SCVM) are accepted.

For construction loans, an inventory of all construction related costs, land purchase price, interests payable (max. 5%), architect fees and all taxes, are taken into account to determine the total acquisition cost.

If the land falls under a long lease contract, the NPV of the lease amount may be part of the market value of the property, under the condition that the maturity of the long lease is equal to or exceeds the maturity of the loan.

Valuation reports will mention two values: a market value ("*VOV-waarde*") and a foreclosure value ("*executiewaarde*"). Reports must not be older than 6 months (reference = date of the loan offer). In case the dwelling needs urgent repair, the valuation report must mention this and specify if the costs for repair exceed 10% of the market value of the property or not. In the first case (>10%) the costs for repair will be included in the loan amount and will be pledged to Aspa. In the latter case (<10%), borrowers can include the costs for repair in the loan amount on a voluntary base.

In addition to the standard valuation report a technical note is mandatory (delivered by the municipality, the Vereniging Eigen Huis or a qualified engineering company/bureau) if either:

- (i) the costs for repair exceed 10% of the market value of the property; or
- (ii) the loan application is for an apartment built earlier than 1941 and was not renovated over the past 25 years.

The minimum free market value of a property is 45,000 Euro (100,000 Euro for apartments in Rotterdam, Amsterdam, the Hague and Utrecht)

Maximum Loan to Foreclosure Value (the 'Max LTV') is 125%.

However, this Max LTV is further limited to:

- 75% for self-employed applicants;
- 75% for interest only loans unless additional security (life insurance or investment account with principal accrual) is pledged to Aspa; and
- 90% for apartments in Rotterdam, Amsterdam, the Hague and Utrecht.

The Foreclosure Value is:

- (i) the foreclosure value mentioned in the valuation report (estimated foreclosure value after transformation or renovation if applicable); and
- (ii) for new 'to build' property: the total acquisition cost divided by factor 1.2 (e.g. 83.33% of the total acquisition cost).

The '**Loan Amount**' is the total of all loan parts under the same loan contract/mortgage.

## **6. DTI and other borrower credibility related criteria**

Borrowers must be Dutch resident EU-nationals; for non-EU nationals, being a legal resident in the Netherlands for at least five years is required.

For each (co-)borrower, a BKR scoring is executed during the application process (prior to the offer).

An application will be rejected automatically when BKR reports negative credit history. An application with negative BKR records will be accepted to the extent that there is only one A record (not related to mortgages) if the arrears first occurred minimum 2 years before BKR check and has been fully reimbursed

For the DTI calculation, the following components of total income less any alimony expense may be taken into account:

- (i) gross salary (employment contract, indefinite period, no probation period);
- (ii) vacation allowance;
- (iii) pension;
- (iv) social allowances (if permanent);
- (v) fees & bonuses (average over the last 2 years, for example for sales persons: receive fixed salary + bonus on sales figures);
- (vi) end of the year bonus (13<sup>th</sup> month);
- (vii) other unconditional fixed bonuses or profit sharing;
- (viii) overtime payments;

- (ix) income as self-employed (if income over the last 3 years);
- (x) alimony (to the extent that the borrower is the beneficiary); and
- (xi) 3% of the fixed financial assets (het “Vermogen”) of the applicants

Income from employment must be proven with an official employers’ certificate (standard/mandatory form), which must not be older than 3 months (reference = date of the loan offer).

The condition that gross salary can only be accounted for in the total income calculation if this salary is paid under an employment contract for an indefinite period and that no probation period is running, may be overruled if the borrower can present an additional declaration from his employer confirming that the temporary employment contract will migrate to a contract for an indefinite period upon termination of the temporary contract.

If a fall in income is foreseeable in the future, the income calculation will take this into account. For example, for borrowers exceeding the age of 56 at the time of loan application, the income calculation will take into account the fall of income at the age of 65.

“Debt” will be calculated as follows:

- (i) interest and principal payments on the mortgage (calculated as an annuity style amortizing loan with the reference rate as described in the Code of Conduct); plus
- (ii) Long lease payments for the land (if applicable); plus
- (iii) Interest and principal payments on other personal secured or non-secured debt (but NOT: other mortgages).

Maximum debt to income is derived from the NIBUD tables to which is referred to in the Code of Conduct. As described above, under certain circumstances Aspa may deviate from these tables (“comply or explain procedure”). Aspa makes, *inter alia*, use of this alternative for higher educated applicants, for applicants with high income, for applicants minimum 5 years on job, for applicants with vested income increase in the near future, applicants with limited number of consumer loans, applicants with proven income from financial fixed assets, for low loan to foreclosure values (LTfV’s).

### 7. Aspa’s Credit Risk approach

In addition to the ‘traditional’ LTfV and DTI limits, Aspa also uses an own credit risk formula to evaluate the loan applications. The background of this approach is that Aspa wants to limit its credit exposure as an absolute amount on a loan by loan basis.

The credit risk limit today is: 42,500 Euro. It is calculated as:

(Foreclosure Value) MINUS (110% of the Loan Amount). Thus:

$$\text{The maximum loan amount} = \frac{\text{Foreclosure Value} + 42,500}{110\%}$$

In applying this formula, loan amounts will be limited to levels lower than 125% LTfV for all Foreclosure Values higher than approximately 113,500 Euro:  $(113,500) - (113,500 \times 1.25 \times 1.1) = -42,750$ .

However, excess credit risk may be covered by additional security to be pledged to Aspa: other real estate, securities, life insurances, savings or investment accounts. This will allow the borrower to take out up to 125% of the LTfV on a property worth over 113,500 Euro (under the condition that monthly payment on the loan fits with DTI limits).

Pledged life insurances, savings or investment accounts may be used for double purpose: an initial (up-front) down payment in the account or payment of a premium may cover the excess credit risk ; the borrower can continue follow-on payments for principal accrual to cover the loan part over 75% LTfV.

## **Underwriting process**

Aspa has outsourced most of its operations to Stater. Stater is a strategic partner to Aspa and provides for:

Front-office support:

- (i) credit assessment & loan offering;
- (ii) final acceptance;
- (iii) notary instructions;
- (iv) authorisation & payment of loan draw downs;
- (v) servicing;
- (vi) collection;
- (vii) arrears, delinquency & default management;
- (viii) financial & management reporting; and
- (ix) secondary marketing support.

Under the brokerage contracts Aspa has with some 35 broker networks (franchisers, packagers, wholesale organisations), marketing&sales and handling of loan applications is outsourced to those “**central organisations**”. They have access to the Stater system (iSHS). The entire further loan application, offering & decision process is supported by the iSHS.

## **Application & Conditional Offering Process**

Local brokers or branches of franchise networks are the points of sale for Argenta mortgages. They usually are multi product/multi brand brokers who advise their clients towards the best fit solution for their financial needs. Aspa has no direct contract with those points of sale; each broker is linked to a larger organisation (a franchise organisation, packager, wholesale), acting as front-office for handling of loan applications.

Points of sale transfer the loan applications to their central organisation. At the central organisation all necessary and relevant application data are entered into the iSHS. Both systems contain a credit assessment tool in which Aspa’s underwriting policy is built in. Once the registration of all relevant application data is completed the assessment will run and the iSHS will automatically accept or reject the loan application. If the loan application is accepted, a conditional loan offer is generated by the system and the central organisation will promptly forward it to the local broker/franchisee who forwards it to the loan applicant.

If the loan application is rejected by the iSHS, the central organisation can start an overrule procedure by submitting the loan application to Aspa’s credit officers in the Breda office of Aspa (the Dutch branch). If such an overrule procedure has a positive outcome, Aspa’s credit officers will “unlock” the application and the central organisation will be able to produce the loan offer accordingly. If the overrule request is rejected, the process ends and no loan is granted.

## **Underwriting and Credit Decision Process**

The loan offer includes a list of all conditions to be fulfilled for loan underwriting and draw down of the loan. Typically, the client would accept the loan offer (by signing it), whereupon the collection of all necessary documents would start. It is the role of the central organisation to receive all documents, register them in the iSHS and submit them to a first check and compile the physical loan file.

After all documents are received and the physical loan file is compiled, it is sent to Stater for a second check on completeness and the final assessment of all documents and conditions precedent. Stater will then take the final credit decision upon instruction of and in accordance with the credit conditions used by Aspa.

After final credit decision Stater send (in electronic form) the standard loan deed to the notary for further execution of the closing of the loan.

### **Disbursement Process**

Draw downs on the loan can start as soon as the loan deed signing is completed. Most often the notary requests for a first or single draw down upon deed signing. If not drawn down upon signing of the loan deed, further drawdown requests are to be made in written by the borrowers, based on original copies of invoices. Each drawdown/disbursement is carefully checked by Stater before payment is made.

### **Servicing**

All primary loan servicing is outsourced to Stater, acting as servicer in accordance with the terms of a servicing agreement and service level agreements thereto. Aspa outsourced certain services with respect to its loan portfolio to Stater in 1998.

Aspa has agreed with Stater on its procedures to follow-up late payments, consisting of a series of reminder letters to the borrower which are generated automatically. A first reminder is sent out only days after the arrear occurs. One month thereafter, a second reminder letter is sent to the delinquent borrower if any amount remains unpaid. A third reminder letter is sent one month after the second one, if any amount remains unpaid at such time and no agreement on a scheduled payment with the borrower is reached. The third letter is a formal notification that the loan becomes delinquent and that foreclosure will start unless the borrower pays all amounts due.

### **Arrears and Delinquencies management and foreclosure proceedings**

Stater, appointed as sub-agent of the MPT Provider, applies, on behalf of and for Aspa, rules and processes which are compliant with the “*Gedragcode Hypothecaire Financieringen*” (**Code of Conduct of Mortgage Loans**), the guidelines of “*Stichting Waarborgfonds Eigen Woningen*” (**NHG**), the “*Stichting Bureau Krediet Registratie BKR*” (**Dutch central Credit Bureau**) and Dutch law.

#### *Collections (“inningen”)*

The MPT Provider authorises Stater to draw the monthly payments from the Borrower’s bank account directly onto the Seller Bank Account held with ABN AMRO (direct debit system). The computer systems of Stater automatically generate the direct debit orders, which are executed on the business day before the last business day of each month.

Verification of payment and, as the case may be, initiating the arrears management is done on a day-to-day basis. Also, under arrears management, all payments, the termination of the closed-in arrears are followed-up on a day-to-day basis.

#### *Arrears (week 2 – week 6)*

Different treatment applies to different types of borrower behaviour in case of payments in arrears: (a) normal, (b) borrowers who repeatedly pays 1 month late (rather technical arrears, also called “slepers”) or (c) “repeat offenders” borrowers who are or have been more than 3 month in arrears in the last 12 month period or who have previously been in a “Bailiff phase”.

All arrears are registered and reported on a day-to-day basis. For each payment in arrears, an AAP process (“Automatic Arrears Processing”) is started up. A first reminder letter is automatically generated by the system and sent out to the borrower 14 days after the the registration of the arrears (Letter I). This letter includes a specification of the arrears. Late payment penalties start accruing as of the date the missed payment was due. However, for technical reasons they will not be specified in the reminder letters until after the next monthly closing of books.

In case no payment is received within 14 days after the first reminder letter, a second, more firm reminder letter is sent out. If the borrower still doesn’t react within 2 weeks, a collection order is forwarded to a bailiff. The MPT Provider closely co-operates with a network of bailiffs (operating under the name GGN). Transfer of collection

orders to a bailiff takes place through the GGN interface (a secure ftp-site that is used solely for the delivery and extraction of mutations being supplied by the MPT Provider and the member-bailiffs of GGN)

An exception to the rule that 2 reminder letters are sent out before a bailiff is charged with the collection of the amounts due applies to:

- (i) “repeat offenders”, for which the bailiff is charged with collection 2 weeks after the first (and only) reminder letter is sent out; and
- (ii) “slepers”, who, in addition to the reminder letters receive a letter informing the borrower of the correct payment details (frequency, date, account number etc.); if no payment is received within one week after such letter is sent out, a bailiff will be charged to collect the payments in arrears.

*The Bailiff Phase: (week 7 - week 10)*

The bailiff charged with the collection of the payments in arrears will undertake the following actions: (subject to payment in full of all amounts in arrears):

- (i) 1<sup>st</sup> summon (first week after collection order forwarded to the bailiff);
- (ii) 1<sup>st</sup> call action (second week);
- (iii) 2<sup>nd</sup> summon (third week); and
- (iv) 2<sup>nd</sup> call action (fourth week).

Approximately 1 week after the “first summon”, the borrower is contacted by phone to follow up on the bailiff’s summon (1<sup>st</sup> Call Action). A second summon letter is sent after approx. 2 weeks after the first summon (2<sup>nd</sup> Bailiff Summon), followed by a (2<sup>nd</sup> Call Action) within 1 week.

During the “Bailiff phase”, the MPT Provider will follow-up payment arrangements agreed upon with the borrower, if any ( within fluctuation margins).

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

If the collection attempts undertaken by the bailiff remain unsuccessful during 4 weeks, Stater will take over further treatment. Also, an AAT-proces (Active Arrears Treatment) is initiated. The MPT Provider will report on the then current arrears status and propose further action to be undertaken. This report and proposal are sent to the lender for formal (credit-)decision. The actions decided by the lender may be, *inter alia*, initiating a “recourse inventory”, a wage garnishment or foreclosure of the loan (2 weeks after start-up AAT). The lender typically will not request a recourse inventory nor wage garnishment at this stage.

At any time between first missed payment and the formal order (to the notary) to sell the mortgaged property, the borrower may request for a Payment Arrangement. If such Payment Arrangement is agreed upon and complied with, further (foreclosure) action will be suspended.

The borrower may also voluntarily request for a private sale of the property up until the date for the public auction is set. In case the Seller agrees to a private sale within 3/6 months, Stater will carefully monitor this period. If the property hasn’t been sold upon expiration of this period, Stater will seek the Seller’s consent to foreclose the loan.

*Foreclosure process (week 13 – Sale Proceeds )*

Approximately 13 weeks after the first missed payment date, the Seller will decide to initiate foreclosure proceedings (Decision to Foreclose), unless payment in full of all arrears is received or the borrower complies with the Payment Arrangement as agreed upon.

Approximately 120 days after the first missed payment, Stater. will notify BKR of the arrear status.

The borrower will be notified by mail of the Seller's decision to foreclose the loan. The borrower will again be left 7 business days to pay off the amount in arrears in full, or request for a payment arrangement. If no payment in full or request for payment arrangement is received within this timeframe (and in case of a payment arrangement: agreed upon), Stater will:

- (i) forward an instruction to a notary to repossess the property and initiate forced sale via public auction;
- (ii) perform a BKR check; and
- (iii) notify the pledgeholder of any Life Insurance Policy that enforcement of the security will take place and request for information on the then current value of the policy.

The notary will collect all necessary information (including information on the state of the property, possibility to visit the property, etc) and invite the borrower for a meeting. In this meeting the notary will undertake an attempt to avoid repossession and public auction by investigation on the possibilities to pay off the full amount in arrears, an ultimate payment arrangement, or a private sale of the property. For the avoidance of doubt, such alternatives for public auction will only take place after prior consent of the Seller.

If no reaction from the borrower is received within 3 weeks after the appointment of the notary, the latter will initiate the repossession of the property and public auction process. The borrower will be notified by "bailiff-exploit" and the notary will place an auction advertisement in the local press (date and place of the auction, the auction terms and the type of auction). At this stage the borrower may still make full payment of the amount in arrears amount in full, or submit a request for a payment arrangement; such payment arrangement should not exceed 3 months.

Upon notification of the auction date, the MPT Provider orders an appraiser to draw up a valuation report (standard content: market value, foreclosure value both in rented as in not rented state).

Up to 14 days before the scheduled auction date interested bidders may submit bids at the notary's office for a private sale. If the MPT Provider consents to such bid, the notary will consequently draw up a sale contract. However, at this stage such private sale is subject to consent by the local court, to be requested through a solicitor. Pending the judge's decision the public auction process will be suspended. Upon court's consent, the notary will further handle the sale and delivery of the property and will transfer the (net-)sale proceeds to the Seller Collection Account. If the judge rejects the bid, the public auction process will be re-activated.

A public auction takes place according to local customs (for example in one or in several sessions). After closing of the auction bids, the notary immediately informs the MPT Provider of the auction result (by e-mail), who subsequently informs the lender. The lender must accept or reject the bid price. If the bid is accepted, the MPT Provider notifies this to the notary before 17.00 the day after the auction. The transfer of the property should take place within six weeks after the lender's consent to the bid/sale price. The Notary will transfer the sale proceeds in due course. (= +/- 7 weeks after the auction of the property (Receipt of Sale Proceeds)).

If the Mortgage Transaction Provider doesn't accept the bids under the Public Auction, a new public auction process will be initiated.

*(In the case of a borrower's bankruptcy, the lender may continue the foreclosure process as if there was no bankruptcy process. Nevertheless, a mortgagee must then execute this right in a reasonable time; otherwise the bankruptcy trustee may take over the execution measures. If this occurs, the mortgagee is obliged to contribute to the bankruptcy costs).*

#### *Further Recovery*

If any debt remains outstanding after allocation of the sale proceeds (sale proceeds either after private sale or public auction), the MPT Provider will execute all other loan collateral, such as pledged life insurances. After execution of all loan collateral, two additional letters will be sent out to the borrower indicating the remaining debt outstanding, if any. If no payment is received and the amount does not exceed 500 Euro, the shortfall will be accounted for in the P/L of the lender and no further action against the Borrower will be undertaken by the MPT Transaction Provider. If no payment is received and the amount exceeds 500 Euro, the MPT Provider will seek the consent of the lender for

further recovery actions. The lender will instruct a Bailiff to collect the necessary information for a Recourse Inventory within 1 month. If any available, the lender will initiate wage garnishment.

## **STATER NEDERLAND B.V.**

Stater Nederland B.V. (**Stater**) is the leading service provider for the Dutch mortgage market. In fulfilling this role, Stater focuses on support for mortgage funders in the sale, handling and financing of mortgage portfolios.

After starting life as part of Bouwfonds Hypotheken, Stater started its activities in January 1997 as an independent service provider in the mortgage market. Stater has since grown to become an international force in the market with circa 1,000 employees.

Stater is a 100 per cent subsidiary of Stater N.V., of which the shares are held for 100 per cent by ABN AMRO Bank N.V.

Stater provides activities consisting of mortgage payment transactions and ancillary activities with regard to a total of more than EUR 146 billion and approximately 1 million mortgage loans. In the Netherlands, Stater has a market share of about 30 per cent.

The activities are provided in a completely automated and paperless electronic format. Stater has pioneered the use of technology through its e-transactions concept for owners of residential mortgage loan portfolios and features capabilities to enhance, accelerate and facilitate securitisation transactions.

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

In December 2007, rating agency Fitch Ratings upgraded Stater residential “primary servicer” rating to ‘RPS2+NL’ from ‘RPS2NL’ and has affirmed the residential “special servicer” rating at ‘RSS3+NL’. The ratings are based on the ability of Stater to handle residential mortgage loans and effectively handle the collection (inuing) and enforcement process for defaulted loans.

Ratings are awarded on a scale from 1 to 5, with 1 being the highest possible ranking. The rating Stater received for its role as “primary servicer” made Stater the top scoring service provider on the European continent.

For Stater’s customers, a high rating will positively influence credit enhancement for securitizations.

The high score on both ratings boosts Stater’s image on the international market and provides a stimulus for further quality improvement.

Stater’s external chartered auditor has issued a SAS 70 Type II assurance report on 8 December 2008 for Stater with respect to the period of 1 January 2008 up to and including 31 October 2008.

The head office is located at Podium 1 - 3826 PA Amersfoort, the Netherlands.

## 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 NHG Mortgage Receivables by means of a registered deed of assignment as a result of which legal title to the NHG Mortgage Receivables is transferred to the Issuer. It is a condition precedent of the Issuer for the purchase and acceptance of the assignment of the NHG Mortgage Receivables that any Beneficiary Rights which are connected to the NHG Mortgage Receivables and which are to be applied towards redemption of the NHG Mortgage Receivables, to the extent legally possible and required, are assigned to the Issuer together with such NHG Mortgage Receivables. The Seller will agree to assign such Beneficiary Rights to the Issuer and the Issuer will agree to accept such assignment. The assignment of the NHG Mortgage Receivables and the Beneficiary Rights from the Seller to the Issuer will not be notified to the Borrowers and the Insurance Companies respectively, except if any of the Notification Events occurs. Until such notification the Borrowers will only be entitled to validly pay ("*bevrijdend betalen*") to the Seller. The Issuer will be entitled to all interest amounts (including penalty interest) and all principal amounts and prepayment penalties becoming due in respect of the NHG Mortgage Receivables from (and including) December 2008 (the '**Cut-Off Date**').

### Purchase Price

The purchase price for the NHG 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 on the Cut-Off Date, being euro 1,973,074,672.89. The '**Outstanding Principal Amount**' means, at any moment in time, the principal balance ("*hoofdsom*") of an NHG Mortgage Receivable resulting from a Mortgage Loan at such time and, after the occurrence of a Realised Loss of the type (a) and (b) in respect of such NHG Mortgage Receivable, zero. The Deferred Purchase Price shall be equal to the sum of all Deferred Purchase Price Instalments and on any Quarterly Payment Date, each '**Deferred Purchase Price Instalment**' will be equal to (A) prior to an Enforcement Notice has been given, an amount 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 (o) on such Quarterly Payment Date and (B) after an Enforcement Notice has been given, the amount remaining after all amounts as set forth in the Priority of Payments upon Enforcement under (a) up to and including (m) 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 NHG Mortgage Receivables and the Beneficiary Rights relating thereto that, *inter alia*:

- (a) each of the NHG Mortgage Receivables and the Beneficiary Rights relating thereto is duly and validly existing and is not subject to annulment or dissolution as a result of circumstances which have occurred prior to or on the Closing Date;
- (b) the Seller has full right and title ("*titel*") to the NHG Mortgage Receivables and the Beneficiary Rights relating thereto and no restrictions on the sale and assignment of the NHG Mortgage Receivables and the Beneficiary Rights relating thereto are in effect and the NHG Mortgage Receivables and the Beneficiary Rights relating thereto are capable of being assigned or pledged;
- (c) the Seller has power of disposition ("*is beschikkingsbevoegd*") to sell and assign the NHG Mortgage Receivables and the Beneficiary Rights relating thereto;
- (d) the NHG Mortgage Receivables and the Beneficiary Rights relating thereto are free and clear of any encumbrances and attachments ("*beslagen*") and no option rights to acquire the NHG Mortgage Receivables and the Beneficiary Rights relating thereto have been granted in favour of any third party with regard to the NHG Mortgage Receivables and the Beneficiary Rights relating thereto;
- (e) each NHG Mortgage Receivable is secured by a Mortgage on Mortgaged Assets used for residential purposes in the Netherlands and is governed by Netherlands law;

- (f) each Mortgage Loan has the benefit of an NHG Guarantee and (i) which has been granted for the full Outstanding Principal Amount in respect of the Mortgage Loan at origination and constitutes legal, valid and binding obligations of *Stichting Waarborgfonds Eigen Woningen*, enforceable in accordance with its terms, (ii) all terms and conditions ("*voorwaarden en normen*") applicable to the NHG Guarantee at the time of origination of the Mortgage Loans were complied with, (iii) the Seller is not aware of any reason why any claim under any NHG Guarantee granted by *Stichting Waarborgfonds Eigen Woningen* in respect of any NHG Mortgage Receivable should not be met in full and in a timely manner;
- (g) each Mortgaged Asset concerned was valued by an independent qualified valuer. Valuations by an independent qualified valuer are not older than twelve months prior to the date of the mortgage application by the Borrower, but newly built Mortgaged Assets are exempted from valuation requirements;
- (h) each NHG Mortgage Receivable, the Mortgage, the Borrower Insurance Pledge, the Borrower Investment Pledge and any other right of pledge, if any, constitute legal, valid, binding and enforceable obligations of the relevant Borrower;
- (i) each Mortgage Loan was originated solely by the Seller;
- (j) all Mortgages and all borrower pledges (i) constitute valid mortgage rights ("*hypotheekrechten*") and rights of pledge ("*pandrechten*") respectively on the Mortgaged Assets and the assets which are the subject of the borrower pledges respectively and, to the extent relating to the Mortgages, have been entered in the relevant public register ("*Dienst van het Kadaster en de Openbare Registers*"), (ii) have first priority ("*eerste in rang*") and (iii) were vested for an outstanding principal amount which is at least equal to the Outstanding Principal Amount of the Mortgage Loan when originated, increased with interest, penalties, costs and any insurance premium paid by the Seller on behalf of the Borrower, up to an amount of at least fifty (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 NHG Mortgage Receivables upon origination;
- (k) neither the mortgage deeds nor any other agreements between the Seller and the relevant Borrower in respect of the relevant NHG Mortgage Receivables contain any explicit provision on the issue of whether mortgage rights or rights of pledge follow the receivable upon their assignment or pledge;
- (l) each of the Mortgage Loans meets the Mortgage Loan Criteria;
- (m) each of the Mortgage Loans and, to the extent offered by the Seller, the relevant Life Insurance Policy, has been granted in accordance with all applicable legal requirements and the Code of Conduct on Mortgage Loans ("*Gedragcode Hypothecaire Financieringen*") including borrower income requirements, and each Mortgage Loan meets in all material respects the NHG Underwriting Criteria and materially met the Seller's standard underwriting criteria and procedures prevailing at that time, which do not materially differ from the criteria and procedures set forth in this Prospectus and the administration manual or manuals of the Seller by reference to which the MPT Provider will administer the Mortgage Loans, the NHG Mortgage Receivables, the Mortgages, the Borrower Pledges and other collateral security relating thereto, as set forth in the Issuer Services Agreement, as amended, supplemented or otherwise modified from time to time by the MPT Provider or by the Seller in accordance with the practice of a reasonably prudent lender (**'Administration Manual'**), and these underwriting criteria and procedures are in a form as may reasonably be expected from a lender of Netherlands residential mortgages;
- (n) no amounts due and payable under any of the NHG Mortgage Receivables on the Cut-Off Date were unpaid;
- (o) the Seller has not been notified and is not aware of anything affecting the Seller's title to the NHG Mortgage Receivables;
- (p) the Mortgage Conditions contain a requirement to have and to maintain the Mortgaged Assets and to have and maintain a building insurance ("*opstalverzekering*") for the full reinstatement value ("*herbouwwaarde*") of the Mortgaged Assets;
- (q) each of the Life Mortgage Receivables has the benefit of a valid right of pledge on the rights under the Life Insurance Policy with any of the Life Insurance Companies ( the **'Borrower Insurance Pledge'**) and either (i) the Seller has been validly appointed as beneficiary ("*begunstigde*") under such Life Insurance Policy, upon the terms of the relevant Mortgage Loans and the Life Insurance Policy, which have been notified to the Life Insurance Company or (ii) the relevant Life Insurance Company has been given a Borrower Insurance Proceeds Instruction;
- (r) with respect to Life Mortgage Loans (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 right of pledge

securing the relevant NHG Mortgage Receivable and the Beneficiary Rights, (ii) the Life Mortgage Loans and the Life Insurance Policies are not marketed as one product or under one name, (iii) the Borrowers were free to choose the relevant Life Insurance Company and (iv) the Life Insurance Company is not a group company ("*groepsmaatschappij*") (within the meaning of article 2:24b of the Netherlands Civil Code) of the Seller;

- (s) with respect to each of the NHG Mortgage Receivables secured by a Mortgage on a long lease, of which the Mortgage Loan has a maturity that is longer than the term of the long lease, it is envisaged that the long lease will be extended upon maturity and pursuant to the mortgage deed the relevant Outstanding Principal Amount, and accrued interest, will become immediately due and payable if the long lease is not extended and/or the leaseholder does not create a new mortgage right;
- (t) in respect of each of the Investment Mortgage Loans, the Seller has the benefit of a valid right of pledge on the Investment Portfolios administered on the relevant Investment Accounts (the "**Borrower Investment Pledge**");
- (u) there is no connection between any of the Investment Mortgage Loans and any Investment Portfolios administered on the Investment Accounts, other than the Borrower Investment Pledge;
- (v) with respect to Investment Mortgage Loans, the securities are purchased on behalf of the relevant Borrower by a bankruptcy remote securities giro ("*effectengiro*"), a bank or an investment firm ("*beleggingsonderneming*") for the account of the Borrowers and these securities are held in custody by an admitted institution of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. in accordance with the Wge or, if they do not qualify as such, by a separate depository vehicle in accordance with Section 6:18 of the Further Regulation on Conduct Supervision of Financial Enterprises; and
- (w) the mortgage conditions of the Mortgage Loans provide that all payments by the Borrowers should be made without any deduction or set-off.

#### **Repurchase of NHG Mortgage Receivables**

If at any time after the Closing Date any of the representations and warranties relating to a Mortgage Loan or an NHG Mortgage Receivable proves to have been untrue or incorrect in any material respect, the Seller shall within fourteen (14) days of receipt of written notice thereof from the Issuer or the Security Trustee 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 re-assignment of such NHG Mortgage Receivable with any Beneficiary Rights relating thereto.

If the Seller agrees with a Borrower to make a Further Advance under a Mortgage Loan, the Seller shall repurchase and accept re-assignment of the relevant NHG Mortgage Receivable on the immediately succeeding Mortgage Payment Date.

If the Seller agrees with a Borrower to amend the terms of the relevant Mortgage Loan and as a result of which the relevant Mortgage Loan no longer meets the Mortgage Loans Criteria and the representations and warranties of the Mortgage Receivables Purchase Agreement and certain other criteria set out in the Mortgage Receivables Purchase Agreement, the Seller shall also repurchase and accept re-assignment of the NHG Mortgage Receivable resulting from such Mortgage Loan on the Mortgage Payment Date immediately following the date on which such amendment becomes effective, unless such amendment is the result of a deterioration of the Borrower's creditworthiness.

If on the Mortgage Payment Date immediately following the earlier of (i) six months after a formal request for payment under the NHG Guarantee has been made and (ii) the date on which *Stichting Waarborgfonds Eigen Woningen* refuses to pay the full amount so requested, the Seller shall also repurchase and accept re-assignment of the NHG Mortgage Receivable resulting from such Mortgage Loan.

If the relevant Mortgage Loan no longer has the benefit of the NHG Guarantee as a result of action taken or omitted to be taken by the Seller or the MPT Provider, the Seller shall also repurchase and accept re-assignment of such NHG Mortgage Receivable on the Mortgage Payment Date immediately following the date on which the Seller or the MPT Provider has become aware or has been notified hereof.

The purchase price in case of a repurchase of NHG Mortgage Receivables by the Seller in any of the events described above, will be equal to the Outstanding Principal Amount of the NHG Mortgage Receivable together with unpaid interest accrued up to but excluding the date of purchase and assignment of the NHG Mortgage Receivable and reasonable costs, if any (including any costs incurred by the Issuer in effecting and completing such repurchase and re-assignment).

Other than in the events set out above, the Seller will not be obliged to repurchase any NHG Mortgage Receivables from the Issuer.

### **Sale of NHG Mortgage Receivables**

The Issuer may not dispose of the NHG Mortgage Receivables, except to comply with its obligations under the Notes in certain circumstances as further provided in the Trust Deed. If the Issuer decides to offer for sale (part of) the NHG Mortgage Receivables, it will first offer such NHG Mortgage Receivables to the Seller. The Seller shall within a period of 15 business days from the offer inform the Issuer whether it wishes to repurchase the NHG Mortgage Receivables. The purchase price will be as set out in *Credit Structure* above. After such 15 business day period, the Issuer may offer such NHG Mortgage Receivables for sale to any third party.

### **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:
  - a. Linear Mortgage Loans ("*lineaire hypotheek*");
  - b. Annuity Mortgage Loans ("*annuïteiten hypotheek*");
  - c. Interest-only Mortgage Loans ("*aflossingsvrije hypotheek*");
  - d. Investment Mortgage Loans ("*beleggingshypotheek*");
  - e. Life Mortgage Loans ("*levenhypotheek*") to which a Life Insurance Policy is connected with (a) the Traditional Life Alternative; (b) the Unit-Linked Alternative or the Universal Life Alternative; or (c) a combination of the Universal Life Alternative and the Unit-Linked Alternative; and
  - f. combinations of any of the abovementioned types of mortgage loans;
- (b) the Borrower is a resident of the Netherlands and a natural person and not an employee of the Seller or any of its group companies;
- (c) the interest rate of each Mortgage Loan is fixed, subject to a reset from time to time, or variable;
- (d) the Mortgaged Assets were not the subject of residential letting to the best of the Seller's knowledge (having made all reasonable enquiries) and was, or was to be, occupied by the relevant Borrower and located in the Netherlands and no consent for residential letting of the Mortgaged Assets has been given by or on behalf of the Seller;
- (e) each Mortgage Loan has been originated after 1 November 1999;
- (f) the Outstanding Principal Amount of each Mortgage Loan does not exceed the maximum loan amount as stipulated by the NHG Underwriting Criteria;
- (g) the legal final maturity of each Mortgage Loan does not extend beyond 1 December 2038;
- (h) each Mortgage Loan is fully secured by a first ranking mortgage right;
- (i) none of the Mortgage Loans qualify as a bridge loan;
- (j) each Mortgage Loan, or all Mortgage Loans secured on the same Mortgaged Asset, has an Outstanding Principal Amount of not more than the maximum amount permitted pursuant to the NHG Underwriting Criteria prevailing at the time of origination of such Mortgage Loan; and
- (k) each of the Mortgage Loans is fully disbursed and no amounts are held in deposit.

### **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 10 (ten) business days after having knowledge of such failure or notice thereof has been given by the Issuer or the Security Trustee to the Seller; or
- (b) the Seller fails duly to perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party and, if such failure is capable of

being remedied, such failure is not remedied within 10 (ten) business days after notice thereof has been given by the Issuer or the Security Trustee to the Seller; or

- (c) any representation, warranty or statement made or deemed to be made by the Seller in the Mortgage Receivables Purchase Agreement, other than those relating to the Mortgage Loans and the NHG Mortgage Receivables (which the Seller consequently repurchases), or under any of the Relevant Documents to which the Seller is a party or in any notice or other document, certificate or statement delivered by it pursuant thereto proves to have been, and continues to be after the expiration of any applicable grace period, untrue or incorrect in any material respect; or
- (d) the credit rating, if any, of the Seller's long term unsecured, unsubordinated and unguaranteed debt obligations is set or falls below BBB by Fitch or is withdrawn or, as long as the Seller's long term unsecured, unsubordinated and unguaranteed debt obligations are not rated by Fitch, the Seller no longer meets such conditions as required by Fitch to maintain the ratings assigned to the Notes as set forth in the Mortgage Receivables Purchase Agreement; or
- (e) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution or its liquidation (whether voluntary or judicial), for its annulment of a legal entity or any of its assets are placed under custody pursuant to such proceedings by the relevant court or it is involved in a legal merger or demerger, a contribution or transfer of universality or of a branch of activity ("*inbreng of overdracht van een algemeenheid of van een bedrijfstak*") or being converted into a foreign entity ("*conversie*") or a judicial director ("*gerechtelijk bestuurder*"), temporary administrator ("*voorlopige bewindvoerder*") sequestrator, ("*sekwester*") or similar officer (including a special administrator ("*speciaal commissaris*")) is appointed over it or of any substantial part or all of its revenues and assets; or
- (f) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for the Seller entering into judicial composition between creditors ("*gerechtelijk akkoord*") or for bankruptcy ("*faillissement*") or for the adoption of reorganisation measures in Belgium ("*saneringsmaatregelen*") or for any analogous insolvency proceedings under any applicable law for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (g) proceedings are otherwise initiated against the Seller under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar and such proceedings are not, in the sole opinion of the Security Trustee, being disputed in good faith with a reasonable prospect of success, or an administration order is granted or the appointment of an administrator takes effect or an administrative receiver or other receiver, liquidator, trustee in sequestration or other similar official is appointed in relation to the Seller or in relation to the whole or any substantial part of the undertaking or assets of the Seller, or an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of the Seller, or a distress, execution, diligence or other process is levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Seller and such possession or process (as the case may be) is not discharged or does not otherwise cease to apply within 30 days, or the Seller initiates or consents to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of its creditors generally or takes steps with a view to obtaining a moratorium in respect of any indebtedness; or
- (h) a Trustee Notification Event occurs.

(each a '**Notification Event**') then, and at any time thereafter, unless within a period of ten (10) business days of such event an appropriate remedy to the satisfaction of the Security Trustee is found and the Security Trustee has notified Fitch of such event and that the Security Trustee, in its reasonable opinion, does not expect that the then current ratings assigned to the Notes will be adversely affected as a consequence thereof, except in the occurrence of the events mentioned under (e), (f) and (g) where no remedy shall apply, the Seller shall forthwith notify the Borrowers, the Life Insurance Companies and any other relevant parties indicated by the Issuer and/or the Security Trustee of the assignment of the Green Apple 2008-I NHG Portfolio and the Beneficiary Rights or, at its option, the Issuer shall be entitled to make such notifications itself.

In addition, in the Mortgage Receivables Purchase Agreement the Seller shall notify the relevant Life Insurance Companies of the assignment of the Beneficiary Rights and shall undertake to use its best efforts upon the occurrence of a Notification Event to obtain the co-operation from the relevant Life Insurance Companies and all other parties (a) (i) to waive its rights as beneficiary under the relevant Life Insurance Policies, (ii) to appoint as first

beneficiary under the relevant Life Insurance Policies up to the Outstanding Principal Amount of the relevant NHG Mortgage Receivable (x) the Issuer subject to the dissolving condition of the occurrence of a Trustee Notification Event and (y) the Security Trustee under the condition precedent of the occurrence of a Trustee Notification Event and (b) with respect to Life Insurance Policies whereby the initial appointment of the first beneficiary has remained in force as a result of the instructions of such beneficiary to the Life Insurance Companies to make any payments under the relevant Life Insurance Policy to the Seller, to convert the instruction given to the Life Insurance Companies to pay the insurance proceeds under the relevant Life Insurance Policy in favour of the Seller and to issue such instruction up to the Outstanding Principal Amount of the relevant NHG Mortgage Receivable in favour of (x) the Issuer under the dissolving condition of the occurrence of a Trustee Notification Event and (y) the Security Trustee under the condition precedent of the occurrence of a Trustee Notification Event, the Security Trustee.

#### **Set-off by Borrowers**

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

#### **Jointly-held Security Interests**

In the Mortgage Receivables Purchase Agreement the Seller, the Issuer and the Security Trustee will agree that the Issuer (or the Security Trustee (as applicable)) will manage and administer any jointly-held security interests. Furthermore, the Seller, the Issuer and/or the Security Trustee (as applicable) will agree that, in case of foreclosure the share ("*aandeel*") in each jointly-held security interest of the Security Trustee and/or the Issuer will be equal to the Outstanding Principal Amount in respect of the NHG Mortgage Receivables, increased with interest and costs, if any, and the share of the Seller will be equal to the Net Proceeds less the Outstanding Principal Amount in respect of the NHG Mortgage Receivables, increased with interest and costs, if any. Moreover, it will be agreed in the Mortgage Receivables Purchase Agreement 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) 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 during any Mortgage Calculation Period. Such compensation will be paid by the Seller as soon as possible, but in any event ultimately on the Mortgage Payment Date immediately succeeding such Mortgage Calculation Period. To further secure the obligations of the Seller under this arrangement, the Seller shall have an obligation to pledge, upon the occurrence of a Notification Event, the Other Claims in favour of the Issuer and the Security Trustee respectively. Such pledge (if vested) will secure the claim of the Issuer and/or the Security Trustee on the Seller created for this purpose equal to the share of the Seller in the foreclosure proceeds in relation to a defaulted Borrower which claim becomes due and payable upon a default of the relevant Borrower (see also *Risk Factors*).

## ISSUER SERVICES AGREEMENT

### Services

Under the Issuer Services Agreement between the Issuer, the MPT Provider, the Issuer Administrator and the Security Trustee, (i) the MPT Provider will agree to provide (a) the MPT Services and (b) the Defaulted Loan Services (see further *Mortgage Loan Underwriting and Mortgage Services* above) and (ii) the Issuer Administrator will agree to provide certain administration, calculation and cash management services to the Issuer, including drawings (if any) to be made by the Issuer from the Reserve Account, (a) all payments to be made by the Issuer under the Swap Agreement, (b) all payments to be made by the Issuer under the Notes in accordance with the Paying Agency Agreement and the Conditions, (c) all payments to be made by the Issuer under the other Relevant Documents, (d) the maintaining of all required ledgers in connection with the above, (e) all calculations to be made pursuant to the Conditions under the Notes and (f) the preparation of the quarterly investor reports. The Issuer Administrator will provide the Swap Counterparty with all information necessary in order to perform its roles as calculation agent under the Swap Agreement.

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

The MPT Provider, which has obtained a European passport from the Belgian regulator (the "*Commissie voor het Bank-, Financier- en Assurantiewezen*", 'CBFA') pursuant to which it is authorised to, *inter alia*, offer credits in the Netherlands based on Article 2:18 of the Act on Financial Supervision ("*Wet op het financieel toezicht*"), 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.

### Termination

The appointment of the MPT Provider and/or the Issuer Administrator under the Issuer Services Agreement may be terminated by the Security Trustee or the Issuer (with the consent of the Security Trustee) in certain circumstances, including (a) a default is made by the MPT Provider and/or the Issuer Administrator in the payment on the due date of any payment due and payable by either of them under the Issuer Services Agreement and such default continues unremedied for a period of fourteen (14) days after the earlier of (i) the MPT Provider and/or the Issuer Administrator becoming aware of such default and (ii) receipt by the MPT Provider and/or the Issuer Administrator of written notice by the Issuer or the Security Trustee requiring the same to be remedied, (b) a default is made by the MPT Provider and/or the Issuer Administrator in the performance or observance of any of its other covenants and obligations under the Issuer Services Agreement, which in the opinion of the Security Trustee is materially prejudicial to the interests of the Secured Parties and (except where, in the reasonable opinion of the Security Trustee, such default is incapable of remedy, when no such continuation and/or notice as is hereinafter mentioned will be required) such default continues unremedied for a period of fourteen (14) days after the earlier of (i) the MPT Provider and/or the Issuer Administrator becoming aware of such default and (ii) receipt by the MPT Provider and/or the Issuer Administrator of written notice from the Security Trustee requiring the same to be remedied, (c) the MPT Provider or the Issuer Administrator takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution and liquidation, (d) the MPT Provider or the Issuer Administrator 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 in respect of the MPT Provider, judicial composition between creditors ("*gerechtelijk akkoord*") and in respect of the Issuer Administrator, for suspension of payments or has become subject to any analogous insolvency proceeding under any applicable law or for the appointment of a receiver or a similar officer of its or any or all of its assets, (e) in respect of the MPT Provider only, at any time the MPT Provider ceases to be a holder of a European passport from the Belgian regulator (the "*Commissie voor het Bank-, Financier- en Assurantiewezen*", "CBFA") pursuant to which it is authorised to, *inter alia*, offer credits in the Netherlands

based on Article 2:18 of the Wft or (f) at any time it becomes unlawful for the MPT Provider or the Issuer Administrator to perform all or a material part of its obligations hereunder.

In such events, the Security Trustee and the Issuer shall use their best efforts to appoint a substitute mpt provider and/or issuer administrator and such substitute mpt provider and/or issuer administrator shall enter into an agreement with the Issuer and the Security Trustee substantially on the terms of the Issuer Services Agreement, provided that such substitute mpt provider and/or issuer administrator shall have the benefit of a fee at a level to be then determined. With respect to the services to be provided by the MPT Provider such substitute mpt provider must (i) have experience of administering mortgage loans and mortgages of residential property in the Netherlands and (ii) hold a licence under the Act on Financial Supervision as amended from time to time. The Issuer shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Security Trustee on the terms of the Trustee Assets Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

The appointment of the MPT Provider and/or the Issuer Administrator under the Issuer Services Agreement may be terminated by the MPT Provider and/or the Issuer Administrator and/or the Issuer and/or the Security Trustee upon the expiry of not less than 12 months' notice of termination given by the MPT Provider and/or the Issuer Administrator to each of the Issuer and the Security Trustee provided that – *inter alia* – (a) the Security Trustee consents in writing to such termination and (b) a substitute mpt provider and/or the issuer administrator shall be appointed, such appointment to be effective no later than the date of termination of the Issuer Services Agreement and the MPT Provider and/or the Issuer Administrator shall not be released from its obligations under the Issuer Services Agreement until such substitute mpt provider and/or issuer administrator has entered into such new agreement.

## THE ISSUER

Green Apple B.V. (the '**Issuer**'), a private company with limited liability (*'besloten vennootschap met beperkte aansprakelijkheid'*), was incorporated under the laws of the Netherlands on 18 September 2007 under number B.V. 1450414. The corporate seat (*'statutaire zetel'*) of the Issuer is in Amsterdam, the Netherlands and its registered office is at Frederik Roeskestraat 123, 1076 EE Amsterdam and its telephone number is +31 20 5771 177. The Issuer is registered with the Commercial Register of the Chamber of Commerce in Amsterdam under number 34283046.

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

The Issuer has an authorised share capital of euro 90,000, of which euro 18,000 has been issued and is fully paid. All shares of the Issuer are held by Stichting Holding Green Apple (the '**Shareholder**').

The Shareholder is a foundation (*'stichting'*) incorporated under the laws of the Netherlands on 3 August 2007. The objects of the Shareholder 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 the Shareholder is ATC Management B.V.

### **Statement by managing director of the Issuer**

The Issuer is established to issue notes, such as the Notes, from time to time. The first time the Issuer issued notes was on 26 September 2007 and the proceeds of such issue were applied towards the acquisition of the Green Apple 2007-I NHG Portfolio from the Dutch branch of the Seller. The issue of the Notes will be the second issue of notes by the Issuer. In case the Issuer will issue further notes, recourse in respect of such notes will be limited to the Eligible Assets purchased by the Issuer with (part of) the proceeds of such notes and provided that as a result of such issue the then current ratings assigned to the Notes will not be adversely affected.

Since its incorporation there has been no material adverse change in the financial position or prospects of the Issuer and the Issuer has not (i) commenced operations other than the acquisition of the Green Apple 2007-I NHG Portfolio as mentioned above, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions and no financial statements have been drawn up, save for the activities related to its establishment, Green Apple 2007-I NHG and the securitisation transaction included in this Prospectus and (ii) been involved in any governmental, legal or arbitration proceedings which may have, or have had, a significant effect on the Issuer's financial position or profitability nor are any such proceedings pending or, so far as the Issuer is aware, threatened against the Issuer.

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

The sole managing director of the Issuer is ATC Management B.V. The managing directors of ATC Management B.V. are J.H. Scholts, R. Posthumus, R. Rosenboom, R Langelaar and A.R. van der Veen. The managing directors of ATC Management B.V. have chosen domicile at the office address of ATC Management B.V., being Frederik Roeskestraat 123, 1076 EE Amsterdam.

The sole shareholder of ATC Management B.V. is ATC Group B.V. The objectives of ATC Management B.V. are (a) advising on and mediation by financial and related transactions, (b) act as a finance company and (c) management of legal entities.

ATC Management B.V. belongs to the same group of companies as the Issuer Administrator.

Each of the managing directors of the Shareholder and the Issuer has entered into a management agreement with the Shareholder and the Issuer respectively. In management agreements the relevant managing director agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director should do or should refrain from doing, and (ii) refrain from taking any action detrimental to the obligations of the Issuer under any of the Relevant Documents (as defined in each master definitions agreement in respect of each issue of notes by the Issuer) or the then current ratings assigned to all notes outstanding issued by the Issuer. In addition the managing director agrees in the management agreement that it will not enter into any agreement in relation to the Issuer other than the Relevant Documents (as defined in each master definitions agreement in respect of each issue of notes by the Issuer) to which it is a party, without the prior written consent of the Security Trustee and provided that the Security Trustee has notified Fitch thereof and that the Security Trustee, in its reasonable opinion, does not expect that the then current ratings assigned to any of the notes issued by the Issuer will be adversely affected as a consequence thereof.

There are no potential conflicts of interest between any duties to the Issuer of its managing director and private interests or other duties of the managing director. The Seller does not hold an interest in any group company of the managing director of the Issuer.

The financial year of the Issuer coincides with the calendar year. The first financial year will end on 31 December 2008.

### **Capitalisation**

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

#### **Share Capital**

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

#### **Borrowings**

##### Green Apple 2007-I NHG Portfolio (outstanding on 30 November 2008)

Senior Class A Notes	euro 1,486,500,000
Mezzanine Class B Notes	euro 10,500,000
Junior Class C Notes	euro 3,000,000
Participation	euro 9,612,100.09
Subordinated Loan	euro 2,000,000

##### Green Apple 2008-I NHG Portfolio

Senior Class A Notes	euro 1,925,600,000
Mezzanine Class B Notes	euro 29,650,000
Junior Class C Notes	euro 19,750,000
Subordinated Loan	euro 1,000,000
Reserve Fund Loan	euro 20,000,000

## **USE OF PROCEEDS**

The net proceeds of the issue of the Notes will be applied on the Closing Date to pay the Initial Purchase Price for the NHG Mortgage Receivables purchased under the Mortgage Receivables Purchase Agreement.

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

## DESCRIPTION OF SECURITY

In the Parallel Debt Agreement the Issuer will irrevocably and unconditionally undertake to pay to the Security Trustee an amount equal to the aggregate amount due ("*verschuldigd*") by the Issuer (i) to the Noteholders under the Notes, (ii) as fees or other remuneration to the Directors under the Management Agreements multiplied by the Green Apple 2008-I NHG Portfolio Fraction, (iii) as fees and expenses to the Issuer Administrator and the MPT Provider under the Issuer Services Agreement, (iv) as fees and expenses to the Paying Agent and the Reference Agent under the Paying Agency Agreement, (v) to the Reserve Fund Provider under the Reserve Fund Loan Agreement, (vi) to the Swap Counterparty under the Swap Agreement, (vii) to the Seller under the Mortgage Receivables Purchase Agreement and (viii) to the Subordinated Loan Provider under the Subordinated Loan Agreement (together the '**Secured Parties**') (the '**Parallel Debt**'). The Parallel Debt constitutes a separate and independent obligation of the Issuer and constitutes the Security Trustee's own separate and independent claim ("*eigen- en zelfstandige vordering*") to receive payment of the Parallel Debt from the Issuer. Upon receipt by the Security Trustee of any amount in payment of the Parallel Debt, the payment obligations of the Issuer to the Secured Parties shall be reduced by an amount equal to the amount so received.

To the extent that the Security Trustee irrevocably and unconditionally receives any amount in payment of the Parallel Debt, the Security Trustee will, unless otherwise provided in this paragraph, distribute such amount among the Secured Parties in accordance with the Priority of Payments upon Enforcement. The amounts due to the Secured Parties will be the sum of (a) amounts recovered ("*verhaald*") by the Security Trustee on the NHG Mortgage Receivables and the other assets pledged under the Trustee Receivables Pledge Agreement and the Trustee Assets Pledge Agreement and (b) the *pro rata* part of amounts received from any of the Secured Parties, as received or recovered by any of them pursuant to the Parallel Debt Agreement; less (y) any amounts already paid by the Security Trustee to the Secured Parties pursuant to the Parallel Debt Agreement and (z) the costs and expenses of the Security Trustee (including, for the avoidance of doubt, any costs of, *inter alia*, Fitch and any legal advisor, auditor or accountant appointed by the Security Trustee).

The Issuer shall grant a first ranking right of pledge ("*pandrecht*") (the '**Trustee Receivables Pledge Agreement**') over the NHG Mortgage Receivables and the Beneficiary Rights relating thereto (see further *Risk Factors*) to the Security Trustee on the Closing Date.

The pledge provided in the Trustee Receivables Pledge Agreement will not be notified to the Borrowers and the Life Insurance Companies except in case certain notification events occur, which are similar to the Notification Events but relating to the Issuer including the delivery of an Enforcement Notice by the Security Trustee ("**Trustee Notification Events**'). Prior to notification of the pledge to the Borrowers and the Life Insurance Companies respectively, the pledge on the NHG Mortgage Receivables and the Beneficiary Rights respectively will be a "silent" right of pledge ("*stil pandrecht*") within the meaning of section 3:239 of the Netherlands Civil Code.

In addition, a right of pledge (the '**Trustee Assets Pledge Agreement**' and together with the Trustee Receivables Pledge Agreement, the '**Pledge Agreements**') will be vested in favour of the Security Trustee on the Closing Date by the Issuer over all rights of the Issuer (a) under or in connection with (i) the Mortgage Receivables Purchase Agreement, (ii) the Issuer Services Agreement, (iii) the Floating Rate GIC and (iv) the Swap Agreement and (b) 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", but the Security Trustee will grant a power to collect to the Issuer which will be withdrawn upon the occurrence of any of the Trustee Notification Events.

From the occurrence of a Trustee Notification Event and, consequently notification to the Borrowers and the Life Insurance Companies and withdrawal of the power to collect, the Security Trustee will collect ("*innen*") all amounts due to the Issuer whether by Borrowers, the Life Insurance Companies or parties to the Relevant Documents. Pursuant to the Trust Deed the Security Trustee will, until the delivery of an Enforcement Notice for the sole purpose of enabling the Issuer to make payments in accordance with the relevant Priority of Payments, pay or

procure the payment of certain amounts to the Issuer, whilst for that sole purpose terminating ("*opzeggen*") its right of pledge.

The rights of pledge created in the Pledge Agreements secure any and all liabilities of the Issuer to the Security Trustee resulting from or in connection with the Parallel Debt Agreement and any other Relevant Documents.

In addition, the Seller shall grant on the balance standing to the credit of the Seller Collection Account a first ranking right of pledge in favour of the Security Trustee and second ranking right of pledge in favour of the Issuer for the benefit of the Green Apple 2008-I NHG Portfolio under the conditions that (a) future issuers (and security trustees) in securitisations and future vehicles in conduit transactions or similar transactions (and any securities trustees relating thereto) initiated by the Seller will also have the benefit of such rights of pledge and (b) any release of such rights of pledge shall have no adverse affect the then current ratings assigned to any class of notes issued by the Issuer. Such rights of pledge will be notified to the Seller Collection Account Provider and will therefore be a disclosed right of pledge ("*openbaar pandrecht*"). The Security Trustee and the Issuer respectively will grant a power to collect to the Seller, which will be withdrawn upon the occurrence of certain events.

The rights of pledge 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 and the Junior Class C Noteholders but, *inter alia*, amounts owing to the Mezzanine Class B Noteholders will rank in priority of payment after amounts owing to the Senior Class A Noteholders and *inter alia*, 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 (see *Credit Structure* above).

## THE SECURITY TRUSTEE

Stichting Security Trustee Green Apple 2008-I NHG (the '**Security Trustee**') is a foundation ("*stichting*") established under the laws of the Netherlands on 15 December 2008. The statutory seat of the Security Trustee is in Amsterdam and its registered office is at Claude Debussylaan 24, 1082 MD Amsterdam, the Netherlands.

The objectives of the Security Trustee are (a) to act as agent and/or trustee for the benefit of the creditors of the Issuer, including the holders of the Notes to be issued by the Issuer; (b) to acquire, hold and administer security rights in its own name, and if necessary to enforce such security rights, for the benefit of the creditors of the Issuer, including the holders of the Notes issued by the Issuer, and to perform acts and legal acts, including the acceptance of a parallel debt obligation from the Issuer, which is conducive to the holding of the above mentioned security rights; (c) to borrow money; and (d) to perform any and all acts which are related, incidental or which may be conducive to the above, all solely in relation to the Green Apple 2008-I NHG Portfolio. Stichting Security Trustee Green Apple 2007-I NHG acts as security trustee and as trustee for the Noteholders of the Green Apple 2007-I NHG Portfolio. Furthermore a new security trustee will be established each time the Issuer issues notes.

The sole director of the Security Trustee is ANT Securitisation Services B.V., having its registered office at Claude Debussy 24, 1082 MD Amsterdam, the Netherlands. The managing directors of ANT Securitisation Services B.V. are L.J.J.M. Lutz and H.M. van Dijk.

The Security Trustee has agreed to act as security trustee for the holders of the Notes and to pay any amounts received from the Issuer or amounts collected by the Security Trustee under the Pledge Agreements to the Noteholders subject to and pursuant to the Parallel Debt Agreement and the Trust Deed subject to and in accordance with the Priority of Payments upon Enforcement.

In addition, the Security Trustee has agreed to act as security trustee vis-à-vis the other Secured Parties and to pay to such Secured Parties any amounts received from the Issuer or amounts collected by the Security Trustee under the Pledge Agreements to which the relevant Secured Party is a party subject to and pursuant to the Parallel Debt Agreement and the Trust Deed subject to and in accordance with the Priority of Payments upon Enforcement.

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

Without prejudice to the right of indemnity by law given to it, the Security Trustee and every attorney, manager, agent, delegate or other person appointed by it under the Trust Deed shall be indemnified by the Issuer against and shall on first demand be reimbursed in respect of all liabilities and expenses properly incurred by it in the execution or purported execution of the powers of the Trust Deed or of any powers, authorities or discretions vested in it or him pursuant to the Trust Deed and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Trust Deed or otherwise.

As set out in the Trust Deed, the relevant Management Agreement and the Security Trustee's articles of incorporation, the Security Trustee shall not retire or be removed from its duties under the Trust Deed until all amounts payable by the Issuer to the Secured Parties have been paid in full.

However, the Noteholders can resolve to dismiss the director of the Security Trustee as the director of the Security Trustee by an Extraordinary Resolution, on the basis of Clause 20 of the Trust Deed and Clause 4.4 of the articles of incorporation of the Security Trustee. The director of the Security Trustee shall only resign from its position as director of the Security Trustee as soon as a suitable person, trust or administration office, reasonably acceptable to the Issuer, after having consulted the Secured Parties, other than the Noteholders, and provided that the Security Trustee has notified Fitch of such event and that the Security Trustee, in its reasonable opinion, does not expect that

the then current ratings assigned to the Notes will be adversely affected as a consequence thereof, has been contracted to act as director of the Security Trustee.

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 (a) the Security Trustee has notified Fitch and (b) does not expect that the then current ratings assigned to the Notes will be adversely affected by any such modification, authorisation or waiver (see *Terms and Conditions of the Notes*).

## 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 1,925,600,000 floating rate Senior Class A Mortgage-Backed Notes 2008 due 2041 (the '**Senior Class A Notes**'), the euro 29,650,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2008 due 2041 (the '**Mezzanine Class B Notes**') and the euro 19,750,000 floating rate Junior Class C Mortgage-Backed Notes 2008 due 2041 (the '**Junior Class C Notes**'), and together with the Senior Class A Notes and the Mezzanine Class B Notes, the '**Notes**') was authorised by a resolution of the managing director of Green Apple B.V. (the '**Issuer**') passed on 23 December 2008. The Notes are issued under a trust deed dated 23 December 2008 (the '**Trust Deed**') between the Issuer, Stichting Holding Green Apple and Stichting Security Trustee Green Apple 2008-I NHG (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 priority of payments and 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 23 December 2008 between the Issuer, the Security Trustee and Dexia Banque International à Luxembourg as paying agent (the '**Paying Agent**') and as reference agent (the '**Reference Agent**'), (iii) an issuer services agreement (the '**Issuer Services Agreement**') dated 23 December 2008 between the Issuer, ATC Financial Services B.V. as the Issuer Administrator and Argenta Spaarbank NV as the MPT Provider and the Security Trustee, (iv) a parallel debt agreement (the '**Parallel Debt Agreement**') dated 23 December 2008 between, *inter alia*, the Issuer and the Security Trustee, (v) a trustee receivables pledge agreement dated 23 December 2008 between the Issuer and the Security Trustee (the '**Trustee Receivables Pledge Agreement**'), (vi) a trustee assets pledge agreement dated 23 December 2008 between the Issuer, the Security Trustee and others (the '**Trustee Assets Pledge Agreement**' and together with the Trustee Receivables Pledge Agreement, the '**Pledge Agreements**') and (vii) a collection account pledge agreement dated 23 December 2008 between the Issuer, the Security Trustee, the Seller and ABN AMRO Bank N.V. in its capacity as Seller Collection Account Provider (the '**Collection Account Pledge Agreement**').

Unless otherwise defined herein, words and expressions used below are defined in a master definitions agreement (the '**Master Definitions Agreement**') dated 23 December 2008 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. If the terms or definitions in the Master Definitions Agreement would conflict with the terms or definitions used herein, the terms and definitions of these Conditions shall prevail. As used herein, Class means either the Senior Class A Notes, the Mezzanine Class B Notes or the Junior Class C Notes, as the case may be.

Copies of the Trust Deed, the Paying Agency Agreement, the Parallel Debt Agreement, the Pledge Agreements and the Master Definitions Agreement are available for inspection free of charge by holders of the Notes (the '**Noteholders**') at the specified office of the Paying Agent and the present office of the Security Trustee, being at the date hereof: Claude Debussylaan 24, 1082 MD Amsterdam, the Netherlands. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement, the Parallel Debt Agreement, the Pledge Agreements and the Master Definitions Agreement and reference to any document is considered to be a reference to such document as amended, supplemented, restated or otherwise modified from time to time.

### 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 50,000. Under Netherlands law, the valid transfer of Notes requires, *inter alia*, delivery ("*levering*") thereof. The Issuer, the Security Trustee and the Paying Agent may, to the fullest

extent permitted by law, treat any Noteholder and Couponholder 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), 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 Classes of 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 and subject to the provisions of Conditions 4, 6 and 9 and the Trust Deed 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 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.
- (c) The security for the obligations of the Issuer towards the Noteholders (the '**Security**') will be created pursuant to, and on the terms set out in, the Trust Deed, the Parallel Debt Agreement and the Pledge Agreements, which will create the following security rights:
  - (i) a first ranking pledge by the Issuer to the Security Trustee over the NHG Mortgage Receivables and the Beneficiary Rights; and
  - (ii) a first ranking pledge by the Issuer to the Security Trustee over the Issuer's rights (a) against the Seller under or in connection with the Mortgage Receivables Purchase Agreement, (b) against the Issuer Administrator and the MPT Provider under or in connection with the Issuer Services Agreement, (c) against the Swap Counterparty under or in connection with the Swap Agreement, (d) against the Floating Rate GIC Provider under or in connection with the Floating Rate GIC and (e) in respect of the Transaction Accounts; and
  - (iii) a first ranking pledge by the Seller to the Security Trustee over the Seller's rights in respect of the Seller Collection Account.
- (d) The Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes will be secured (indirectly) by the Security. The Senior Class A Notes will rank in priority to the Mezzanine Class B Notes and the Junior Class C Notes and the Mezzanine Class B Notes will rank in priority to the Junior Class C Notes. The '**Most Senior Class of Notes**' means the Senior Class A Notes or, if there are no Senior Class A Notes outstanding, the Mezzanine Class B Notes or, if there are no Mezzanine Class B Notes outstanding, the Junior Class C Notes. The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the holders of the Senior Class A Notes (the '**Senior Class A Noteholders**'), the holders of the Mezzanine Class B Notes (the '**Mezzanine Class B Noteholders**') and the holders of the Junior Class C Notes (the '**Junior Class C 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 holders of the Most Senior Class of Notes, if, in the Security Trustee's opinion, there is a conflict between the interests of the holders of the Most Senior Class of Notes on the one hand and the holders of junior ranking Notes on the other hand. In addition, the Security Trustee shall have regard to the interests of the other Secured Parties, provided that in case of a conflict of interest between the Secured Parties the priority of payments upon enforcement set forth in Clause 7 of the Trust Deed determines which interest of which Secured Party prevails.

## 3. Covenants of the Issuer

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

Trustee or (iii) in connection with Green Apple 2007-I NHG Portfolio or (iv) in connection with the notes issued or to be issued in connection with the purchase of Eligible Assets, provided that (a) such notes and liabilities of the Issuer to be incurred in connection with the issuance of such notes are limited recourse on (x) such Eligible Assets; (y) any claims of the Issuer under all agreements entered into in connection with the issuance of such notes; and (z) the balances standing to the credit of the bank accounts opened in connection with the purchase of the Eligible Assets and issuance of the notes; and (b) the Security and the then current ratings assigned to the Notes is not adversely affected by the issuance of such notes:

- (a) carry out any business other than as described in the Prospectus dated 23 December 2008 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 the assets related to the Green Apple 2008-I NHG Portfolio, or use, invest, sell or transfer or otherwise dispose of or grant any options or rights to any part of the assets related to the Green Apple 2008-I NHG Portfolio, 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 Trust Deed, Parallel Debt Agreement, the Pledge Agreements, or the priority of the security created thereby or pursuant thereto to be amended, terminated, waived, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations except as contemplated in the Relevant Documents;
- (f) have any employees or premises or have any subsidiary or subsidiary undertaking;
- (g) have an interest in any bank account other than the Transaction Accounts or accounts to which collateral under the Swap Agreement is transferred, unless all rights in relation to such account will have been pledged to the Security Trustee as provided in Condition 2(c)(ii); or
- (h) take any corporate action for its entering into a suspension of payments or bankruptcy or its dissolution or liquidation or its being converted into a foreign entity.

#### 4. Interest

##### *(a) Period of accrual*

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

Whenever it is necessary to compute an amount of interest in respect of any Note for any period, such interest shall be calculated on the basis of the actual number of days elapsed in the Floating Rate Interest Period (as defined below) and a year of 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**') in respect of the Principal Amount Outstanding (as defined in Condition 6(f)) on the first day of such Floating Rate Interest Period and will be payable in arrear on the 23<sup>rd</sup> day of January, April, July and October (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 23<sup>rd</sup> day) in each year (each such day being a '**Quarterly Payment Date**'). A '**Business Day**' means a day on which banks are open for business in Amsterdam, London and Luxembourg, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer

payment system ("**TARGET 2 System**") or any successor thereto is operating credit or transfer instructions in respect of payments in euro. Each successive Floating Rate Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Floating Rate Interest Period, which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date falling in April 2009.

*(c) Interest on the Notes*

Interest on the Notes for each Floating Rate Interest Period will accrue at an annual rate equal to the sum of the Euro Interbank Offered Rate ("**Euribor**") for three month deposits (determined in accordance with Condition 4(e) (or, in respect of the first Floating Rate Interest Period, four month Euribor) plus the margin as set forth in Condition 4(d) (the "**Floating Rates of Interest**").

*(d) Relevant Margin*

Up to the first Optional Redemption Date the relevant margins in respect of each Class of Notes (the "**Relevant Margins**") shall be:

- (i) 0.70 per cent. per annum for the Senior Class A Notes;
- (ii) 4.00 per cent. per annum for the Mezzanine Class B Notes; and
- (iii) 4.00 per cent. per annum for the Junior Class C Notes.

If on the first Optional Redemption Date any Class of Notes have not been redeemed in full, the Relevant Margins shall be reset and shall be:

- (i) 1.40 per cent. per annum for the Senior Class A Notes;
- (ii) 5.00 per cent. per annum for the Mezzanine Class B Notes; and
- (iii) 5.00 per cent. per annum for the Junior Class C Notes.

*(e) Euribor*

For the purpose of Condition 4(c) 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, ACI and The Financial Market Association and which appears for information purposes on the Reuters Screen EURIBOR01 (or, if not available, any other display page on any screen service maintained by any registered information vendor (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, ACI and 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 third decimal place (with 0.005 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 third decimal place with 0.005

being rounded upwards) of the rates quoted by major banks, of which there shall be at least two in number, in the euro-zone, selected by the Reference Agent, at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date for three months deposits to leading euro-zone banks in an amount that is representative for a single transaction in that market at that time,

and Euribor for such Floating Rate Interest Period shall be the rate per annum equal to the euro interbank offered rate for 3 month 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 to such relevant Class of Notes in respect of a preceding Floating Rate Interest Period.

*(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 paragraph (c) 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 Paying Agent, the Issuer Administrator, the MPT Provider, the holders of such Class of Notes and the Luxembourg Stock Exchange. 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 (e) 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 (e) 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 (in the absence of manifest error) 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 Paying Agent in cash or by transfer to, in the case of the Notes, 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(a)), 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 Agent shall not be obliged to credit such account until the Local Business Day immediately following the day on which banks are open for business in the Netherlands and Luxembourg. The name of the Paying Agent and of its offices are set out below.
- (d) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent 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 traded on the Regulated Market of the Luxembourg Stock Exchange shall be located in Luxembourg. Notice of any termination or appointment of a Paying Agent will be given to the Noteholders in accordance with Condition 13.

## 6. Redemption

- (a) *Final redemption*  
Unless previously redeemed as provided below, the Issuer will redeem the Notes at their Principal Amount Outstanding on the Quarterly Payment Date falling in January 2041 (the '**Final Maturity Date**'), subject to, in respect of the Mezzanine Class B Notes and the Junior Class C Notes, Condition 9(b).
- (b) *Mandatory redemption of the Notes*  
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) to redeem (or partially redeem) the Notes at their Principal Amount Outstanding, on the Quarterly Payment Date falling in April 2009 and on each Quarterly Payment Date thereafter, on a *pro rata* basis in the following order, (i) firstly, the Senior Class A Notes until fully redeemed and, thereafter, (ii) the Mezzanine Class B Notes until fully redeemed and, finally, (iii) the Junior Class C Notes until fully redeemed.
- (c) *Optional redemption of the Notes*  
Provided that no Enforcement Notice has been served in accordance with Condition 10, unless previously redeemed in full, the Issuer may, at its option, on the Quarterly Payment Date falling in January 2014 or on any Quarterly Payment Date thereafter (each an '**Optional Redemption Date**') redeem all (but not some only) of the Notes, in whole but not in part, at their Principal Amount Outstanding on such date, less in the case of the Mezzanine Class B Notes, the Mezzanine Class B Principal Shortfall (if any) and in case of the Junior Class C Notes, the Junior Class C Principal Shortfall (if any).

The Issuer shall notify the exercise of such option by giving not more than 60 nor less than 30 days

notice to the Noteholders and the Security Trustee prior to the relevant Quarterly Payment Date.

(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) the Notes Redemption Available Amount, the Principal Redemption Amounts and 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 the Notes Redemption Available Amount, 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 on each Quarterly Calculation Date each determination of the Notes Redemption Available Amount, the Principal Redemption Amounts and the Principal Amount Outstanding of the Notes to be notified forthwith to the Security Trustee, the Paying Agent, the Reference Agent, Euroclear, Clearstream, Luxembourg, the Luxembourg Stock Exchange and to the holders of Notes in accordance with Condition 13, but in any event no later than three business days prior to the Quarterly Payment Date. If no Principal Redemption Amount in respect of a Class of Notes 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 Notes Redemption Available Amount, the Principal Redemption Amounts or the Principal Amount Outstanding of a Note, such Notes Redemption Available Amount, such Principal Redemption Amount of each Class of Notes or such Principal Amount Outstanding of each Class of Notes shall be determined by the Security Trustee in accordance with this paragraph (e)(i) and paragraph (b) and (g) 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) and shall in each case (in the absence of manifest error) be final and binding on all persons.

(e) *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, at their Principal Amount Outstanding, subject to, in respect of the Mezzanine Class B Notes and the Junior Class C Notes, Condition 9(b) if 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, assessments, duties, or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any change in, or amendment to, the application of the laws or regulations of the Netherlands (including any guidelines issued by the tax authorities) or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the Closing Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it (a "**Tax Change**"); and
- (ii) the Issuer will have sufficient funds available on 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.

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

(f) *Definitions*

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

**"Mortgage Calculation Period"** means the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of the following calendar month except for the first Mortgage Calculation Period which will commence on (and include) the Cut-Off Date and end on (and include) the last day of December 2008.

**"Notes Redemption Available Amount"** means, prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated as at any Quarterly Calculation Date, as being received or held by the Issuer during the immediately preceding Quarterly Calculation Period:

- (i) as amounts of repayment and prepayment, or partial repayment and prepayment, of principal under the NHG Mortgage Receivables, from any person, but, for the avoidance of doubt, excluding prepayment penalties, if any;
- (ii) as Net Proceeds on any NHG Mortgage Receivable to the extent such proceeds relate to principal;
- (iii) as amounts received in connection with a repurchase of NHG 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;
- (iv) as amounts to be received in connection with a sale of NHG Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal from any person but, for the avoidance of doubt, excluding prepayment penalties, if any;
- (v) as amounts to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date in accordance with item (f),(h) and (j) of the Interest Priority of Payments;
- (vi) as amounts equal to the excess of the aggregate proceeds of the issue of the Notes over the Initial Purchase Price calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards redemption of the Notes, on the immediately preceding Quarterly Payment Date; and
- (vii) as 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 immediately preceding Quarterly Payment Date, to the extent not included in items (i) up to and including (vi) hereof;

**"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 NHG Mortgage Receivable, (c) the proceeds, if any, of collection of any insurance policies in connection with the NHG Mortgage Receivable, including but not limited to fire insurance policy and any Life Insurance Policy, (d) the proceeds of the NHG Guarantee and any other guarantees or sureties, and (e) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs in respect of such NHG Mortgage Receivable;

**"Principal Amount Outstanding"** means in respect of any Note, on any Quarterly Payment Date the principal amount of such Note upon issue less the aggregate amount of all relevant Principal Redemption Amounts in respect of such Note that have become due and payable prior to such Quarterly Payment Date, provided that for the purpose of Conditions 4, 6 and 10 all relevant Principal Redemption Amounts that have become due and not been paid shall not be so deducted;

**"Principal Redemption Amount"** shall mean on the relevant Quarterly Payment Date the amount (if any) (rounded down to the nearest euro) of the Notes Redemption Available Amount available for such purpose (as applicable to each Class of Notes) on the Quarterly Calculation Date relating to that Quarterly Payment Date divided by the number of Notes of the Relevant Class subject to such redemption provided always that the Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Note;

**"Quarterly Calculation Date"** means, in relation to a Quarterly Payment Date, the 4<sup>th</sup> business day prior to such Quarterly Payment Date; and

**"Quarterly Calculation Period"** means, in relation to a Quarterly Calculation Date, the three successive Mortgage Calculation Periods immediately preceding such Quarterly Calculation Date, except for the first Quarterly Calculation Period, which will commence on (and include) the Cut-Off Date and end on (and include) the last day of March 2009.

**7. Taxation**

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

**8. Prescription**

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

**9. Subordination**

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

*(a) Interest*

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 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 Interest Deficiency Ledger (as defined in the Master Definitions Agreement), with an amount equal to the amount by which the aggregate amount of interest paid on the 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(s).

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 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 Interest Deficiency Ledger (as defined in the Master Definitions Agreement), with an amount equal to the amount by which the aggregate amount of interest paid on the Junior Class C Notes, on any Quarterly Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Junior Class C Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Junior Class C Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Junior Class C Note on the next succeeding Quarterly Payment Date(s).

(b) *Principal*

Until the date on which the Principal Amount Outstanding of all 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 Principal Shortfall**' shall mean an amount equal to the balance on the Class B Principal Deficiency Ledger divided by the number of Mezzanine Class B Notes outstanding on such Quarterly Payment Date. The Mezzanine Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Mezzanine Class B Notes after the date on which the Issuer no longer holds any NHG Mortgage Receivables and there are no balance standing to the credit of the Transaction Accounts and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Until the date on which the Principal Amount Outstanding of all Senior Class A Notes and 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 Principal Shortfall**' shall mean an amount equal to the balance on the Class C Principal Deficiency Ledger divided by the number of Junior Class C Notes outstanding on such Quarterly Payment Date. The Junior Class C Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Junior Class C Notes after the date on which the Issuer no longer holds any NHG Mortgage Receivables and there are no balance standing to the credit of the Transaction Accounts and the Issuer has no further rights under or in connection with any of the Relevant Documents.

(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 (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 Green Apple 2008-I NHG Portfolio is made and not discharged or released within a period of thirty (30) days; or
  - (d) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or liquidation of the Issuer or for the appointment of a liquidator or receiver of the Issuer or of all or substantially all of the assets related to the Green Apple 2008-I NHG Portfolio; or
  - (e) the Issuer makes an assignment for the benefit of, or enters into any general assignment ("*akkoord*") with, its creditors; or
  - (f) the Issuer files a petition for a suspension of payments ("*surseance van betaling*") or for bankruptcy ("*faillissement*") or is declared bankrupt; or
  - (g) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, the Trust Deed and the Security;

provided that, if more than one Class of Notes is outstanding, no Enforcement Notice may or shall be given by the Security Trustee to the Issuer in respect of any Class of Notes ranking junior to the Most Senior Class of Notes irrespective of whether an Extraordinary Resolution is passed by the holders of such Class or Classes of Notes ranking junior to the Most Senior Class of Notes, unless an Enforcement Notice in respect of the Most Senior Class of Notes has been given by the Security Trustee. In exercising its discretion as to whether or not to give an Enforcement Notice to the Issuer in respect of the Most Senior Class of Notes, the Security Trustee shall not be required to have regard to the interests of the holders of any Class of Notes ranking junior to the Most Senior Class of Notes. There is no cross-default between the Notes and (i) the notes relating to Green Apple 2008-I NHG Portfolio and (ii) other issues of notes by the Issuer and an event of default in respect of an issue of notes will not result in an Event of Default in respect of the other issues of notes.

## **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 Parallel Debt Agreement (including the making of a demand of 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 Mezzanine Class B Notes have been fully paid, the Junior Class C 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 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 issued by the Issuer is paid in full. The Noteholders accept and agree that the only remedy of the Security Trustee against the Issuer after any of the Notes have become due and payable pursuant to Condition 10 above is to enforce the Security.

## **12. Indemnification of the Security Trustee**

The Trust Deed contains provisions for the indemnification of the Security Trustee in the circumstances set out herein 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 traded on the Regulated Market of the Luxembourg Stock Exchange, in a daily newspaper of general circulation in Luxembourg or on the website of the Luxembourg Stock Exchange (www.bourse.lu). Any such notice shall be deemed to have been given on the first date of such publication in all the newspapers in which such publication is required to be made.

#### 14. **Meetings of Noteholders; Modification; Consents; Waiver**

The Trust Deed contains provisions for convening meetings of the Senior Class A Noteholders, the Mezzanine Class B Noteholders and the Junior Class C Noteholders to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of these Conditions or any provisions of the Relevant Documents. Instead of at a general meeting, a resolution of the Noteholders of the relevant Class may be passed in writing - including by telegram, facsimile or telex transmission, or in the form of a message transmitted by any accepted means of communication and received or capable of being produced in writing - provided that all Noteholders with the right to vote have voted in favour.

(a) Meeting of Noteholders

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.

(b) Basic Terms Change

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 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 (a) is being proposed by the Issuer as a result of, or in order to avoid, an Event of Default and (b) the Security Trustee (i) has notified Fitch and (ii) in its reasonable opinion, does not expect that the then current ratings assigned to the Notes will be adversely affected by such Basic Terms Change, then no such Extraordinary Resolution is required.

(c) Extraordinary Resolution

Quorum and majority

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.

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).

### *Limitations*

No Extraordinary Resolution of a Basic Terms Change shall take effect unless it shall have been sanctioned by an Extraordinary Resolution of the holders of all Notes ranking junior to the Most Senior Class of Notes.

No Extraordinary Resolution to sanction a change which would have the effect of altering the rate of interest payable in respect of the Notes unless the Issuer and the Swap Counterparty have agreed thereto.

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

(d) *Modifications by the Security Trustee*

The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Relevant Documents and the Conditions 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 the Security Trustee (a) has notified Fitch and (b) in its reasonable opinion, does not expect that the then current ratings assigned to the Notes will 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.

(e) *Exercise of Security Trustee's functions*

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 each as a Class and shall not have regard to the consequences of such exercise for individual Noteholders and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

## **15. Replacements of Notes and Coupons**

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



## THE GLOBAL NOTES

Each Class of the Notes shall be initially represented by a temporary global note in bearer form, without coupons (a **'Temporary Global Note'**) (i) in the case of the Senior Class A Notes in the principal amount of euro 1,925,600,000, (ii) in the case of the Mezzanine Class B Notes, in the principal amount of euro 29,650,000 and (iii) in the case of the Junior Class C Notes, in the principal amount of euro 19,750,000. Each Temporary Global Note will be deposited with a common safekeeper for Euroclear Bank S.A./N.V., as operator of Euroclear and Clearstream, Luxembourg on or about the Closing Date. 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. On any payment, whether principal or interest, being made in respect of any of the Notes, details of such payment shall be entered pro rata in the records of Euroclear and/or Clearstream and, upon any payment of principal being made, the nominal amount of the Notes recorded in the records of Euroclear and/or Clearstream shall be reduced by the aggregate nominal amount of such payment. 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 Note of each Class and the Permanent Global Note 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 safekeeper for Euroclear Bank S.A./N.V.

The Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

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 50,000 or, as the case may be, in the Principal Amount Outstanding of the Notes on such exchange 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 is 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 Outstanding of that Class of Notes will be treated by the Issuer and the Security Trustee as a holder of such Principal Amount Outstanding 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 Outstanding of such Notes held by them shall be conclusive for all purposes.

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

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

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 Prospectus 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 Prospectus and with the exception of subsequent amendments with retroactive effect.

Subject to the foregoing:

1. No registration, stamp, transfer or turnover taxes or other similar duties or taxes will be payable in the Netherlands in respect of the offering and the Issue of the Notes by the Issuer or in respect of the signing and delivery of the Documents.
2. No Netherlands withholding tax will be due on payments of principal and/or interest.
3. A holder of Notes (a **'Holder'**) will not be subject to Netherlands taxes on income or capital gains in respect of the acquisition or holding of Notes or any payment under the Notes or in respect of any gain realised on the disposal or redemption of the Notes, provided that:
  - (i) such Holder is neither a resident nor deemed to be a resident nor has opted to be treated as a resident in the Netherlands; and
  - (ii) such Holder does not have an enterprise or an interest in an enterprise that, in whole or in part, is carried on through a permanent establishment or a permanent representative in the Netherlands and to which permanent establishment or permanent representative the Notes are attributable;

and, if the Holder is a legal person,

- (iii) such Holder does not have a substantial interest\* in the share capital of the Issuer and/or the Seller or in the event that such Holder does have such an interest, such interest forms part of the assets of an enterprise; and
- (iv) such Holder does not have a deemed Netherlands enterprise to which enterprise the Notes are attributable;

and, if the Holder is a natural person,

- (v) such Holder does not derive benefits from miscellaneous activities carried out in The Netherlands in respect of the Notes, including, without limitation, activities which are beyond the scope of active portfolio investment activities; and
- (vi) such Holder or a person related to the Holder by law, contract, consanguinity or affinity to the degree specified in the tax laws of the Netherlands does not have, or is not deemed to have, a substantial interest\* in the share capital of the Issuer and/or the Seller.

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

4. There will be no Dutch gift, estate or inheritance tax levied on the acquisition of a Note by way of gift by, or on the death of a Holder, if the Holder at the time of the gift or the death is neither a resident nor a deemed resident of the Netherlands, unless:
- (i) at the time of the gift or death, the Notes are attributable to an enterprise or part thereof, which is carried on through a permanent establishment or a permanent representative in the Netherlands; or
  - (ii) the Holder dies within 180 days of making the gift, and at the time of death is a resident or deemed resident of the Netherlands.

## PURCHASE AND SALE

The Issuer, Seller, The Royal Bank of Scotland plc. (the '**Arranger**') and Argenta in its capacity of initial purchaser of the Notes (the '**Notes Purchaser**') have entered into a notes purchase agreement dated 22 December 2008 (the '**Notes Purchase Agreement**') pursuant to which the Notes Purchaser will purchase the Notes at their respective issue prices. The Issuer has agreed to indemnify and reimburse the Arranger against certain liabilities and expenses in connection with the issue of the Notes.

### **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a "Relevant Member State"), the Notes Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of the Notes to the public in that Relevant Member State prior to the publication of a Prospectus in relation to the Notes, which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State at any time: (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or (c) in any other circumstances which do not require the publication by the Issuer of a Prospectus pursuant to Article 3 of the Prospectus Directive.

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

### **United Kingdom**

The Notes Purchaser has represented and agreed that (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### **France**

The Notes may only be offered or sold to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), provided such investors act for their own account, and/or to persons providing portfolio management financial services (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), in the Republic of France, within the meaning of Article L.411-2 of the French *Code Monétaire et Financier* (Monetary and Financial Code) and the Decree 98-880 dated 1st October 1998; neither this Prospectus, which has not been submitted to the *Autorité des Marchés Financiers*, nor any information contained therein or any offering material relating to the Notes, may be distributed or caused to be distributed to the public in France.

### **Italy**

No action has or will be taken by the Notes Purchaser which would allow an offering (or a '*sollecitazione all'investimento*') of the Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations; and no application has been filed to obtain an authorisation from the Commissione Nazionale per le Società e la Borsa ("*Consob*") for the public offering of the Notes in the Republic of Italy ("*Italy*").

Accordingly, the Notes cannot be offered, sold or delivered in Italy nor may any copy of this Prospectus or any other document relating to the Notes be distributed in Italy other than:

- (i) to professional investors (*investitori professionali*) as defined in article 30, second paragraph, of Legislative Decree No. 58 of 24 February 1998 (the "Consolidated Financial Act"), which refers to the definition of *operatori qualificati* as defined in Article 31, second paragraph, of CONSOB Regulation No. 11522 of 1 July, 1998, as subsequently amended; or
- (ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to article 100 of the Consolidated Financial Act and article 33, first paragraph, of Consob Regulation No. 11971 of 14 May, 1999, as amended.

Any offer, sale or delivery of the Notes to professional investors or distribution to the latter of copies of this Prospectus or any other document relating to the Notes in Italy must be made:

- (a) by an investment firm, bank or financial intermediary enrolled in the special register provided for in Article 107 of the Consolidated Banking Act, to the extent duly authorised to engage in the placement and/or underwriting of financial instruments in the Republic of Italy in accordance with the relevant provisions of the Consolidated Financial Act;
- (b) in compliance with any other applicable laws and regulations and other possible requirements or limitations which may be imposed by Italian authorities.

The Notes cannot be offered, sold or delivered on a retail basis, either in the primary or in the secondary market, to any individuals residing in Italy.

### **United States**

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to US persons, except in certain transactions exempt from the registration requirements of the US Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act. The Notes are in bearer form and are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by US tax regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code of 1986 and regulations thereunder. The Notes Purchaser has agreed that (a) neither it, nor any of its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act) nor any person acting on its or their behalf have engaged or will engage in any directed selling efforts (as such term is defined in Regulation S) with respect to the Notes and that it will comply, and cause its affiliates and each person acting on its behalf to comply, with the offering restriction requirements of Rule 903 of Regulation S, (b) it will not offer, sell or deliver the Notes (i) as part of its distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering on the Closing Date within the United States or to, or for the account or benefit of, US persons and (c) it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Notes during the distribution compliance period (as defined in Regulation S) a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, US persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the purchase) may violate the registration requirements of the Securities Act. Terms used in these paragraphs have the meanings given to them by Regulation S and the US Internal Revenue Code and regulations thereunder.

### **General**

The distribution of this Prospectus and the offering and sale of the Notes in certain jurisdictions may be restricted by law; persons into whose possession this Prospectus comes are required by the Issuer and the Notes Purchaser to inform themselves about and to observe any such restrictions. This Prospectus or any part thereof does not constitute

an offer, or an invitation to sell or a solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

The Notes Purchaser has undertaken not to offer or sell directly or indirectly any Notes, or to distribute or publish this Prospectus or any other material relating to the Notes in or from any country or jurisdiction, except (to the best of its knowledge and beliefs) under circumstances that will result in compliance with any applicable laws and regulations.

## GENERAL INFORMATION

1. The issue of the Notes has been authorised by a resolution of the managing director of the Issuer passed on 19 December 2008.
2. Application has been made to list the Notes on the official list of the Luxembourg Stock Exchange and admission to trading is sought on the Regulated Market of the Luxembourg Stock Exchange. The estimated expenses relating to the admission to trading of the Notes on the Regulated Market of the Luxembourg Stock Exchange are approximately Euro 35,000.
3. The Senior Class A Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 040658149 and ISIN XS 0406581495.
4. The Mezzanine Class B Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 040658173 and ISIN XS 0406581735.
5. The Junior Class C Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 040658203 and ISIN XS 0406582030.
6. The addresses of the clearing systems are: Euroclear, 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium and Clearstream Luxembourg, 42 Avenue J.F. Kennedy, L-1855 Luxembourg.
7. 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 are any such proceedings pending or, so far as the Issuer is aware, threatened against the Issuer.
8. For the life of the Prospectus electronic copies of the following documents may be inspected at the specified offices of the Security Trustee and the Paying Agent during normal business hours:
  - (i) the deed of incorporation, including the articles of association, of the Issuer;
  - (ii) the Mortgage Receivables Purchase Agreement;
  - (iii) the Paying Agency Agreement;
  - (iv) the Trust Deed;
  - (v) the Parallel Debt Agreement;
  - (vi) the Trustee Receivables Pledge Agreement;
  - (vii) the Trustee Assets Pledge Agreement;
  - (viii) the Issuer Services Agreement;
  - (ix) the Floating Rate GIC;
  - (x) the Swap Agreement;
  - (xi) the Reserve Fund Loan Agreement;
  - (xii) the Subordinated Loan Agreement;
  - (xiii) the Collection Account Pledge Agreement;
  - (xiv) the Management Agreements; and
  - (xv) the Master Definitions Agreement.
9. A free copy of the Issuer's articles of association is available at the office of the Issuer;
10. The audited annual financial statements of the Issuer will be made available, free of charge, at the specified offices of the Paying Agent.
11. The accountants at Deloitte are registered accountants ("*registeraccountants*") and are a member of the Netherlands Institute for Registered Accountants ("*NIVRA*").
12. US Taxes:

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

The sections referred to in such legend provide that a United States person who holds a Note will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.
13. A quarterly report on the performance including the arrears and the losses, of the transaction can be obtained after registration at: [www.atccapitalmarkets.com](http://www.atccapitalmarkets.com).

## INDEX OF DEFINED TERMS

Administration Manual .....	97
Annuity Mortgage Loans.....	35
Arranger .....	129
Bank Mortgages .....	16
Bank Pledges.....	16
Bank Security Rights .....	16
Basic Terms Change .....	122
Belgian Insolvency Proceedings .....	13
Belgium Winding-up Regulations.....	13
Beneficiary Rights .....	18
BKR.....	82
Borrower Insurance Pledge.....	18, 97
Borrower Insurance Proceeds Instruction.....	18
Borrowers .....	33
Business Day .....	29, 113
CBFA.....	102
Clean-Up Call Option .....	33
Clearstream, Luxembourg .....	2
Closing Date.....	29
Collection Account Pledge Agreement .....	40
Conditions.....	1
Coupons .....	111
CSSF.....	1
Defaulted Loan Services .....	7
Deferred Purchase Price.....	96
Deferred Purchase Price Instalment .....	96
Eligible Assets.....	6, 28
Enforcement Notice.....	120
Euribor.....	29, 114
Euroclear .....	2
Excess Margin .....	46
Excess Swap Collateral.....	42
Exchange Date.....	125
Final Maturity Date .....	1, 30, 116
Fitch.....	1
Floating Interest Amount .....	115
Floating Rate GIC .....	38
Floating Rate Interest Period.....	29, 113
Floating Rate of Interest .....	115
Floating Rates of Interest .....	114
Foreclosure Value .....	36
Global Note .....	2, 125
Global Notes .....	2, 125
Green Apple 2008-I NHG Portfolio.....	2
Green Apple 2008-I NHG Portfolio Fraction .....	43
Holder .....	127
ICSDs .....	2
Indexed Foreclosure Value.....	36
Initial Purchase Price.....	96
Interest Determination Date.....	114
Interest Priority of Payments.....	43
Interest-only Mortgage Loans.....	35
Investment Account .....	20

Investment Portfolios.....	35
Issuer .....	1, 104, 111
Issuer Collection Account.....	38
Issuer Services Agreement .....	7, 111
Junior Class C Noteholders.....	112
Junior Class C Notes.....	1, 29, 111
Life Insurance Company .....	35
Life Insurance Policies.....	35
Life Mortgage Loans.....	35
Life NHG Mortgage Receivables .....	33
Linear Mortgage Loans .....	35
Local Business Day.....	116
Management Agreements.....	39
Master Definitions Agreement.....	111
Mezzanine Class B Noteholders.....	112
Mezzanine Class B Notes.....	1, 29, 111
Mezzanine Class B Principal Shortfall.....	120
Mortgage Calculation Period.....	41, 118
Mortgage Loan Criteria .....	99
Mortgage Loans .....	34
Mortgage Payment Date .....	40
Mortgage Receivables Purchase Agreement.....	31
Mortgaged Assets .....	34
Most Senior Class of Notes .....	112
MPT Services.....	7
Net Proceeds .....	118
NHG Guarantees.....	34
NHG Mortgage Receivables .....	33
Noteholder .....	126
Notes.....	1, 29, 111
Notes Interest Available Amount.....	42
Notes Purchase Agreement.....	129
Notes Purchaser .....	129
Notes Redemption Available Amount .....	44, 118
Notification Event .....	100
Optional Redemption Date.....	1, 30, 116
Other Claims .....	17
Outstanding Principal Amount.....	96
Parallel Debt .....	107
Parallel Debt Agreement .....	32, 111
Paying Agency Agreement .....	111
Paying Agent.....	111
Permanent Global Note .....	2, 125
Pledge Agreements.....	107, 111
Principal Amount Outstanding.....	118
Principal Deficiency .....	45
Principal Deficiency Ledger .....	45
Principal Ledger.....	41
Principal Priority of Payments .....	44
Principal Redemption Amount .....	118
Priority of Payments upon Enforcement .....	44
Prospectus.....	1
Prospectus Directive .....	1
Provisional Portfolio .....	72
Quarterly Calculation Date.....	118
Quarterly Calculation Period.....	119

<b>Quarterly Payment Date .....</b>	<b>29, 113</b>
<b>Realised Losses .....</b>	<b>45</b>
<b>Reference Agent .....</b>	<b>111</b>
<b>Reference Banks .....</b>	<b>114</b>
<b>Regulated Market .....</b>	<b>1</b>
<b>Relevant Class .....</b>	<b>120</b>
<b>Relevant Documents .....</b>	<b>112</b>
<b>Relevant Margins .....</b>	<b>114</b>
<b>Reserve Account.....</b>	<b>37</b>
<b>Reserve Fund Loan .....</b>	<b>41</b>
<b>Reserve Fund Loan Agreement .....</b>	<b>37</b>
<b>Reserve Fund Required Amount .....</b>	<b>37, 41</b>
<b>Revenue Ledger.....</b>	<b>41</b>
<b>Secured Parties.....</b>	<b>107</b>
<b>Securities Act.....</b>	<b>4</b>
<b>Security .....</b>	<b>112</b>
<b>Security Trustee .....</b>	<b>2, 109, 111</b>
<b>Seller Collection Account .....</b>	<b>38</b>
<b>Seller Collection Account Provider .....</b>	<b>40</b>
<b>Senior Class A Noteholders.....</b>	<b>112</b>
<b>Senior Class A Notes .....</b>	<b>1, 29, 111</b>
<b>Shareholder .....</b>	<b>28, 104</b>
<b>Short-Term Requisite Rating.....</b>	<b>40</b>
<b>Stater .....</b>	<b>95</b>
<b>Subordinated Loan .....</b>	<b>38</b>
<b>Swap Counterparty Default Payment .....</b>	<b>43</b>
<b>TARGET 2 System.....</b>	<b>114</b>
<b>TARGET2 System.....</b>	<b>29</b>
<b>Tax Change.....</b>	<b>31, 117</b>
<b>Tax Credit.....</b>	<b>42</b>
<b>Tax Event.....</b>	<b>12</b>
<b>Temporary Global Note.....</b>	<b>2, 125</b>
<b>Traditional Life Alternative .....</b>	<b>35</b>
<b>Transaction Accounts .....</b>	<b>37</b>
<b>Trust Deed .....</b>	<b>111</b>
<b>Trustee Assets Pledge Agreement.....</b>	<b>107, 111</b>
<b>Trustee Notification Events.....</b>	<b>107</b>
<b>Trustee Receivables Pledge Agreement.....</b>	<b>107, 111</b>
<b>Underwriting Criteria.....</b>	<b>84</b>
<b>Unit-Linked Alternative .....</b>	<b>35</b>
<b>Universal Life Alternative .....</b>	<b>35</b>
<b>WEW .....</b>	<b>82</b>
<b>Winding-up Directive .....</b>	<b>13</b>

## **REGISTERED OFFICES**

### **ISSUER**

**Green Apple B.V.**  
Frederik Roeskestraat 123  
1076 EE Amsterdam  
The Netherlands

### **SECURITY TRUSTEE**

**Stichting Security Trustee Green Apple 2008-I NHG**  
Claude Debussylaan 24  
1082 MD Amsterdam  
The Netherlands

### **ISSUER ADMINISTRATOR**

**ATC Financial Services**  
Frederik Roeskestraat 123  
1076 EE Amsterdam  
The Netherlands

### **MPT PROVIDER and RESERVE FUND LOAN PROVIDER**

**Argenta Spaarbank NV**  
Belgiëlei 49-53  
2018 Antwerp  
Belgium

### **SWAP COUNTERPARTY**

**The Royal Bank of Scotland plc**  
135 Bishopsgate  
London, EC2M EUR  
United Kingdom

### **FLOATING RATE GIC PROVIDER**

**ING Bank N.V.**  
Van Heenvlietlaan 220  
1083 CN AMSTERDAM  
The Netherlands

### **LEGAL ADVISERS**

**to the Issuer and the Arranger:**

as to Netherlands law  
**NautaDutilh**  
Strawinskylaan 1999  
1077 XV Amsterdam  
The Netherlands

as to Belgian law  
**NautaDutilh CVBA**  
Chaussée de la Hulpe 177/6  
1170 Brussels  
Belgium

**to the Seller and the Notes Purchaser:**

as to Netherlands law  
**Baker & McKenzie Amsterdam N.V.**  
Claude Debussylaan 54  
1082 MD Amsterdam  
The Netherlands

as to Belgian law  
**Baker & McKenzie CVBA**  
Meir 24  
2000 Antwerp  
Belgium

**TAX ADVISORS**

**to the Issuer:**

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

**LISTING AGENT, REFERENCE AGENT AND PAYING AGENT**

**Dexia Banque Internationale à Luxembourg**

69, route d'Esch  
L-2953 Luxembourg  
Luxembourg